



DEPARTMENT OF TREASURY
Office of the Secretary



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TREASURY CIRCULAR NO. 1-2013

To Heads of all:

- National Government Departments
- Statutory Authorities
- Provincial Administrations

REQUIREMENT TO REPORT LOSSES AND DEFICIENCIES

The Department of *Treasury* issued circular Nos. 2/2010 and 2-1/2010 dated 18 February and 25 June 2010 respectively advising all Government Departments, Statutory Authorities and Provincial Administrations of the statutory requirement for reporting of all losses of public monies and properties to ensure full extent of losses are properly reflected in the annual report on Public Accounts to the National Parliament.

As advised in the above circulars the Department of Treasury, as part of its statutory responsibilities, is required to provide a consolidated statement of Losses and Deficiencies that forms part of the Annual Report on the Public Account to Parliament at the end of each year. The National Departments including Statutory Bodies and Provincial Administrations are required, as part of the overall reporting regime, to submit reports on losses and deficiencies within their respective Agencies to this Department for consolidation and submission to Parliament at certain intervals.

The response to both circulars had been very poor from the National Government Departments, Statutory Authorities and Provincial Administrations with just seven (7) agencies responding. As a result, the statement of Losses and Deficiencies that forms part of the Annual Report on the Public Account to Parliament is grossly understated by millions of kina each year.

All Government agencies who have not submitted their Losses and Deficiencies Reports for 2012 are required to do so by 13 March 2013 to the Chief Finance Inspector (FAS-FAID), Department of Treasury for consolidation and inclusion with other statements that form the Public Account. Please treat this with utmost urgency and direct the relevant officers in your respective Department/Agencies to attend to this matter.

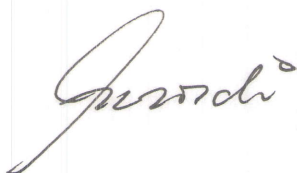
As part of this Department's attempt to have all Departments and Agencies to comply with this legal requirements a separate letter will be sent to the Chief Internal Auditor of your Department setting out the procedures involved in compiling a Losses and Deficiencies report for submission to this Department to give effect to the above requirement. Full details can be found in the Financial Management Manual issued by the Department of Finance.

All Losses and Deficiencies Reports and extract of Register of Losses and Deficiencies can be forwarded to the following address:

Chief Finance Inspector
Financial Accountability & Inspections Division
Department of Treasury
Level 2, Vulupindi Haus
P.O. Box 1983
BOROKO 111
National Capital District

The Finance Inspectors from this Department will be following up on these circulars to establish whether or not any such records are being maintained by the Chief Internal Auditor or the Unit responsible and based on their findings will provide whatever assistance required to ensure full compliance in future.

For any queries please contact the Chief Finance Inspector on Telephone numbers **312-8747** or **312-8809**.



SIMON TOSALI
Secretary

- cc: 1. Chief Secretary to Government
 2. Secretary for Finance
 3. Auditor General
 4. Commissioner of Police
 5. Chairman, PAC