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*Provincial Capacity Building Programme Phase II  
2011 Annual Assessment Report*

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*This report was prepared jointly by the PCaB II Management, GoPNG, UNDP, AusAID, provincial treasuries and is based on feedback from programme stakeholders and the 2011 Annual Review Workshop report.*

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## Acronyms

ASFD	Accounting Standards Framework Division
AWP	Annual Work Plan
BPT	Business Payment Tax
CSTB	Central Supply Tenders Board
DLSA	District Local Support Advisor
DoF	Department of Finance
DPLLG	Department of Provincial Local Level Government
DPM	Department of Personnel Management
DT	District Treasurer
DTO	District Treasury Office
EHP	Eastern Highlands Province
ENB	East New Britain
FMIP	Financial Management Improvement Programme
FTB	Financial Training Branch
ICDL	International Computers Drivers License
ICT	Information Communication Technology
ICTD	Information Communication Technology Division
IEA	International Education Agency
IFMS	Integrated Finance Management Service
IRC	Internal Revenue Commission
LAN	Local Area Network
LLG	Local Level Government
M&E	Monitoring and Evaluation
NEFC	National Economic Fiscal Commission
PC	Personal Computers
PCaB II	Provincial Capacity Building
PDFMD	Provincial Districts Financial Management Division
PGAS	PNG Government Computerized Accounting System
PFMT	Provincial Financial Management Training
PPII	Provincial Performance Improvement Initiative
PSA	Provincial Support Advisor
PSWDP	Public Service Workforce Development Programme
PT	Provincial Treasurer
PTB	Provincial Based Trainer
PTO	Provincial Treasury Office
SPIA	Strengthen Provincial Internal Audits
TCSA	Training Coordination Support Advisor

## Purpose

This annual performance assessment report serves to summarize and assess progress in achieving the objectives of PCaB II and to obtain feedback from stakeholders. The aim of the assessment is to monitor progress in implementation, provide recommendations to improve performance and meet needs more effectively and take actions to mitigate emerging risks or adverse developments.

## Programme Objectives

PCaB II aims to promote transparency in government financial management within and between National, Provincial and Local-level government. The proposed goal of PCaB II is to strengthen sub-national financial management capacity in a sustainable manner. To meet this overall goal, the three primary objectives of PCaB II are:

1. Effective decentralization of financial management, by:
  - supporting efforts to roll-out the IFMS at the national level and prepare sub national financial managers for the planned introduction of IFMS;
  - supporting the district treasury roll-out through training and capacity building initiatives.
2. Enhanced accountability and transparency, by:
  - improving the quality and timeliness of financial reporting at the sub-national level to ensure compliance with legal requirements and to provide sub-national administrations with accurate and up-to-date information on their finances;
  - supporting effective treasury management systems incorporating more effective use of ICTs.
3. Improved financial management capacity, by:
  - building sub-national capacity to implement the Public Finances (Management) Act and the Organic Law on Provincial and Local Level Governments;
  - improving strategic planning and coordination of treasury functions (within treasuries and with the administration) at sub-national levels;
  - ensuring better delivery and dissemination of training and research on sub-national financial management, drawing on the experiences of the provinces that have taken early initiatives to improve financial management.

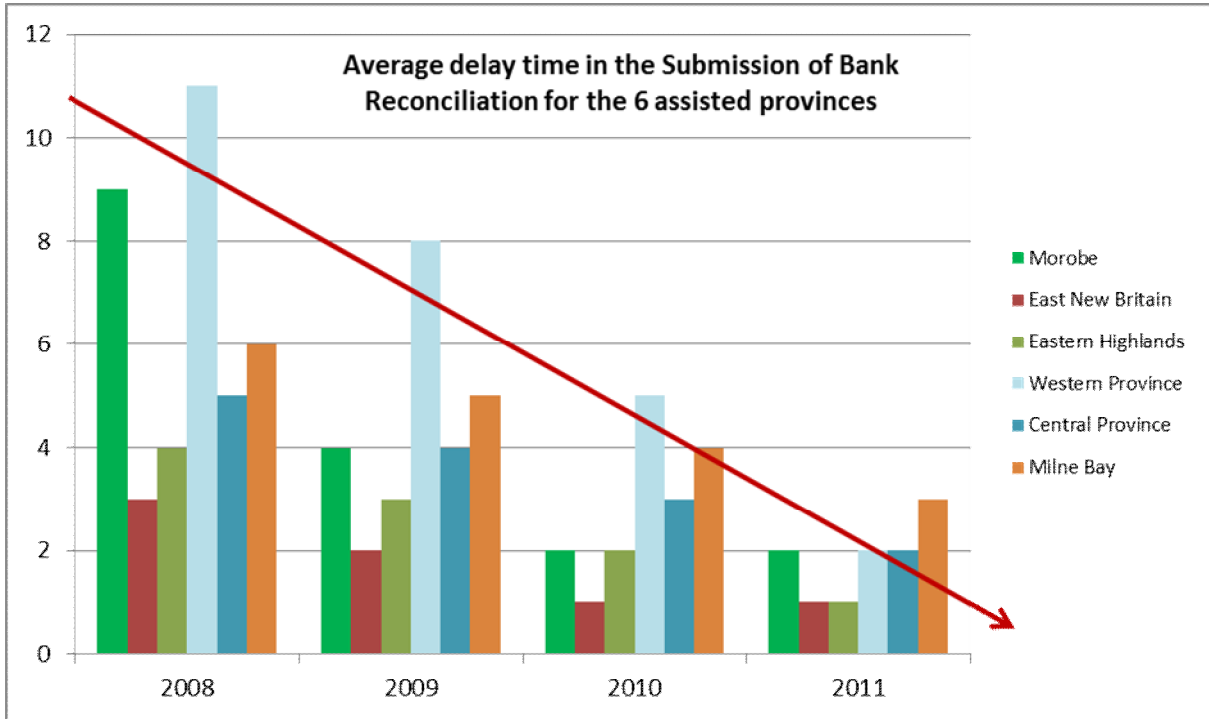
## Highlights of 2011

Following are some highlights of some of our capacity building activities that had an impact on achieving some of the intended outcomes.

### 1. Timeliness of Submission of Financial Reports

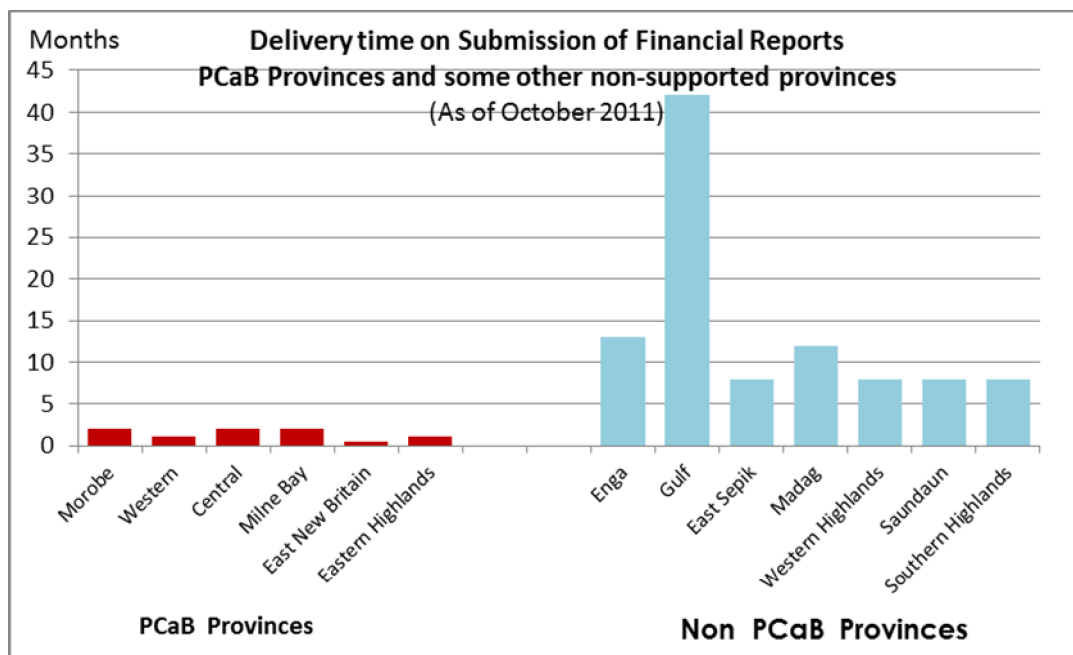
Five pilot provinces, they are; East New Britain, Eastern Highlands, Central, Morobe and Western Province have achieved timeliness in submission of their financial reports to the Department of Finance in Waigani especially in bank reconciliations for all their accounts in the province. These include all the main accounts in the provincial and district treasuries including all Local Level Government (LLG) accounts. These is a major achievement for the PCaBII program reflecting magnificent effort put in by the site based advisors which indicates that relevant and sufficient knowledge has being transferred to treasury staff on how to compile and furnish these said reports in a timely manner.

The graph below shows most of the provinces had been submitting this report with delays of approximately 6 to 18 months in the past. To date these delay gaps is from 1 to 1.5 months which falls under the PEFA international standards.



The same situation was related to the Annual Financial Statements, before the PCaBII intervention in the six provinces, these reports were completely delayed with 4 to 6 years in arrears. To date these indicators for the six provinces have improved significantly reaching in average 3 months, which is also within the range of PEFA international standards.

These huge improvements in the timely and accuracy on the submission of financial reports make a difference with other non PCaBII supported provinces. Thus, the average in the delivery time on submission of financial reports for PCaBII provinces (as per October 2011 reports) shows approximately 1.5 Months while in other non PCaBII supported provinces these average is approximately 14.5 months as shown in the graph below.



## 2. Accounting Entry/Treatment Workshops

Four pilot provinces, they are; East New Britain, Eastern Highlands, Central and Morobe Province have conducted Accounting Entry workshop successfully purposely to write off/on entries in their bank reconciliations in all their accounts in the province. These workshops justify or symbolize the timely submission of these reports (prerequisites for conducting this type of workshop) and these provinces are now moving gradually towards addressing issues related to quality and accuracy. These workshops were co-facilitated by senior officers from the respective divisions (PDFMD & ASFD) within the Department of Finance. It was crucial and significant especially for ASFD participation and involvement to add value to this workshop by offering necessary support, guidance and directions.

All four provinces have compiled comprehensive report based on the workshop conducted. Only East New Britain Province was able to submit theirs to the Department of Finance for the Secretary's approval through ASFD. For the other three provinces, the reports are still with the respective provincial administration waiting for the Provincial Administrator's approval before it is dispatched to Waigani.

## 3. Advance Write Off

A few provinces have conduct OJT on Maintenance of memoranda accounts (Cash advances, and Loss registers – (national, provincial and LLGs). As a consequence of these mini workshops, the program has achieved positive results for the provinces though it meant extra responsibility for the staffs concerned in maintaining extra registers. For example in East New Britain Province, the total outstanding advances in the province have been reduce from K1.5 million to K600, 000.00 over last 3 months, staff have being trained to maintain these registers and creditability and integrity have being restored for future Annual Financial Statements. In EHP, advance registers have being update to December 2011.

#### **4. Communication through Emails through the Use of Digicel Moderns**

Three pilot provinces, they are; Morobe, Western and Central Province are communicating through emails with the use of digicel moderns. The project has purchased digicel moderns for all District Accountants while the Provincial Treasurers were kind enough to purchase one for all their District Treasurers. Site based advisors have offered training on how to send and receive information/messages through the use of email and these provinces are now beginning to access bank statements through emails.

A fine example in Western Province, the District Local Level Support Advisor (DLSA) is working on a new initiative to easier and simple methods, techniques to produce bank reconciliation and compile financial reports by access program He has also assisted the Provincial Treasurer (PT) to developed a communication system (network) to link the provincial treasury office with the district treasuries. The DLSA has created gmail accounts with the use of digicel modern for the Provincial Treasurer, District Treasurers and all the accountants. He has offered training to the mentioned officers on how to send and receive messages through the use of email. As a result, the officers are now communicating with each other regularly and more significantly, they are able to receive their bank statements on time to compile their monthly bank reconciliations.

The project intends to rollout this similar practice to the other three pilot provinces in 2012 because the PCaBII Management has seen tangible benefits or advantages through the use of these moderns especially accessing bank statements to compile and submit bank reconciliations on time.

#### **5. ICT Training for Key Users**

During the Planning workshop in 2011, the advisors have agreed to re-strategized and offer basic and tailored ICT courses to key users first to cater for the workbook and Annual Financial Statements. The key users include Provincial & District Treasurers and the Accountants. A total of 73 officers have under gone this training.

This tailored training was a success because the participants have gained some knowledge and skills in the use of the workbook and had confidently compiled the 2010 Annual Financial Statement using the new template introduced by AFSD with the use of the control sheet.

#### **6. Internship Program Replaced by A Performance Management System**

The Internship Program has ceased as of 2011 as part of the Mid Term Review Recommendation. This program is now being replaced by a Performance Management System in place and operational through a M&E framework that allows an adequate control & management of provincial and district treasury offices improving their accountability and compliance with public financial management regulations. The PCaBII Steering Committee has given its approved for this system to be in operational in 2012.

#### **7. Establishment of the Project Website and Fortnightly Newsletter**

The project has recently lodged its website towards the end of last year. The project intends to have all the necessary information regarding the project to be posted on the website for any interested personnel who would like to know more about this program.

Similarly, for the same purpose/reason, the program is compiling and disseminating fortnightly newsletters to its stakeholders to keep them abreast of the program's activities taking place in the pilot provinces since September 2011.



Finally, the project has also developed pamphlets and posters which are given to site based advisors to distribute to participants while carrying out their activities.

### **8. Liaison with other government entities**

The PCaBII management team initiated and played a leading role in networking with other relevant stakeholders, especially govt entities and interventions. As a consequence of these networking, PCaBII management team has developed and established a very close relationships between the project on the one hand, and FTB [the Department of Finance's Finance Training Branch], PDFMD [the Department of Finance's Provincial and District Financial Management Division] and ASFD [Department of Finance's Accounting Standards Framework Division] on the other, as well as with other entities such Provincial Performance Improvement Initiative (PPII). Coordination of activities with these entities was begun.

This included the formation of the Provincial Finance Learning Teams at the provincial level. Three of these teams were established, with the purpose of co-ordinating planning and activities of all Departmental finance training at provincial level under the leadership of PCaB. With the accept ion of Milne Bay Province, quarterly meetings are being conducted in the other five pilot provinces among the various stakeholders as mentioned above.

### **9. Technical Support to Non PCaBII Supported Provinces**

Some site based advisors and the Training Coordination Support Advisor (TCSA) have offered technical support to some non PCaBII supported provinces within the region especially in quarter one of 2011 while waiting for the funds to be transferred from the donors. These support included on the job training offered to treasury staff in compiling monthly bank reconciliations and annual financial statement using the new template (control sheet) introduced by AFSD. These trainings have gained positive results for the provinces, for example, outstanding backlogs ranging back from 2006 for annual financial statements were cleared and updated to 2010 for Gulf and SHP.

The table below shows supported non PCaBII provinces

<b>No</b>	<b>Provinces Supported</b>	<b>Advisors Involved</b>
1	Simbu	EHP site advisors
2	Western Highlands	EHP site advisors
3	Southern Highlands	EHP site advisors
4	Enga	TCSA
5	Gulf	TCSA
6	Northern	TCSA
7	A.R. Bougainville	ENB site advisors
8	West New Britain	ENB site advisors

Apart from these supports given, there were still many requests coming in from other provinces in quarter two, three and four but the project management decided not entertain these requests because advisors were busy focusing in their own pilot provinces. This indicates that there is a

huge need out there for this project to be sustained and expanded to all the provinces after this phase (2008-12) winds up in 2012.

## Programme Performances

The table below provides an update on the performance of PCaB II against the specific outputs of the programme as per the signed Annual Work Plan (AWP) for 2011.

Expected Outputs of UNCP Action Plan's Intermediate Outcome	Performance up-date
<p><b>Output 1:</b></p> <p>Selected Provincial &amp; District Treasuries have the capacity to prepare and submit accurate financial reports and statements on time</p> <p><b>Indicators and Annual Targets:</b></p> <ul style="list-style-type: none"> <li>• Accurate annual financial statements are received by 31 March following the end of the financial year</li> <li>• Accurate provincial and district bank reconciliations are received within 15 days of the month</li> <li>• % of training participants knowledgeable and skilled in preparing financial reports and statements – 60%</li> </ul>	<p>The data obtained from ASFD indicates that, all the 6 PCaBII supported provinces have submitted their 2010 annual financial statement on time for their main operating accounts in the provinces and districts. Thirty percent (30%) of the LLG accounts in the district treasuries have not submitted their 2010 financial statements on time; however this figure has reduced gradually to ten percent (10%) at the end of 2011 with the input of TCSA working together progressively with the site based advisors during the year.</p> <p>Specifically for timeliness, Ninety five percent (95%) of all the main accounts in the provincial and district treasuries including LLG accounts in the district treasuries in all the pilot provinces have submitted their bank reconciliation on time to date (Dec 2011). In fact, five pilot provinces have achieved timeliness for their bank reconciliations except a few LLG accounts in Milne Bay and Morobe Province.</p> <p>This achievement has being justified when the said provinces (5) have conducted Accounting Entry workshops purposely to write off/on entries in their bank reconciliations to cater for accuracy and quality in these reports. These workshops were co-facilitated by senior officers from ASFD and PDFMD within the department of Finance.</p> <p>Figures obtained from all pilot provinces shows that, there has being an huge increase (between 60 - 95%) in the transfer of knowledge and skills to the men tees as indicated in the advisor's annual report to the PCaBII Management. This achievement can also be confirmed and reflected in the timely submission of the financial reports to the DoF in Waigani.</p> <p>The advisors will be repeating the same processes to other areas of financial management such as claims examination, procurement and asset</p>

	management etc in 2012.
<p><b>Output 2:</b></p> <p>A Performance Management System in place and operational through a M&amp;E framework that allows an adequate control &amp; management of provincial and district treasury offices improving their accountability and compliance with public financial management regulations</p> <p><b>Indicators and Annual Targets:</b></p> <ul style="list-style-type: none"> <li>• A document of the M&amp;E framework approved by the SC</li> <li>• % of Provinces using the M&amp; E framework as a tool to report performance management</li> </ul>	<p>A draft framework has being developed with its monitoring tools, yet to be consulted among the various stakeholders before been approved by the PCaBII Steering Committee.</p>
<p><b>Output 3:A</b></p> <p>IFMS operational in selected pilot province</p> <p><b>Indicators and Annual Targets:</b></p> <ul style="list-style-type: none"> <li>• % key users knowledgeable and skilled in using IFMS by end of 2011 – 30%</li> </ul>	<p><b>Upgrade of IFMS (11.07 - 11.09.04.008):</b> There was a Version upgrade of IFMS (11.09.04.008), which was carried out in the newly established Datacenter, located Vulupindi, and Ground-Floor. This also involved setup of (4x) DP servers, and (15x) Xenapp Servers.</p> <p><b>Budgeting Module Rollout:</b> Played a major role to support this activity by providing on-site end-user support and any other technical support that is required. This is an on-going activity.</p> <p><b>Interfacing with Legacy Systems:</b> It is imperative that these systems interface with IFMS. PGAS (PNG Government Accounting System) and DoW (Department of Works Oracle based system) are two of these Legacy systems. PCaB Advisors provided the technical assistance in the areas of Systems Analysis, Development, Deployment, Testing and Training of these Interfaces. This is an on-going activity.</p> <p><b>User Security for Budgeting Module:</b> Provided support in this area through creation of users, providing appropriate system access in line with the requirements and end to end testing. This is an on-going activity.</p> <p><b>Training and Technical Support to General Ledgers:</b> Ongoing Training and technical Support to the Staff in GL.</p>

	<p><b>Other Support Activities:</b>  Apart from the above, day to day support is being provided to the project, which consists of technical assistance, training, troubleshooting, etc. Support activities which are stipulated by the IFMS Project Management. These activities are on-going.</p>
<p><b>Output 3:B</b></p> <p>A. BSCT training workshop completed</p>	<p>In 2011, two lots of ICT training were conducted in all the pilot provinces, though Milne Bay Province does not have a computer training room in place. Firstly, during the Planning workshop, the advisors have agreed to re-strategized and offer basic and tailored ICT courses to key users first to cater for the workbook and Annual Financial Statements. The key users included the Provincial &amp; District Treasurers and the Accountants. A total of 73 officers have under gone this training.</p> <p>This tailored training course was successful because the participants have gained some knowledge and skills in the use of the workbook and had confidently compiled the 2010 Annual Financial Statement using the new template introduced by AFSD with the use of the control sheet.</p> <p>Secondly, basic Computer training has progressed smoothly and successfully into quarter three &amp; four in all the pilot provinces. A total of 94 staff from treasury and 19 staff from the provincial administration have undergone some form of training in the three categories/levels (Advance, Intermediate, and Basic) of basic computing.</p> <p>These trainings were customize and tailored to the participant's context of their work environment. The advisors have collectively agreed during the annual review workshop to increase the number of participants for ICT training because of the high demand out there in the provinces that requires some form of basic ICT training.</p> <p>This would mean that training will be organized in a separate venue apart from the established computer training computer rooms to cater for this need in 2012.</p> <p>Apart from offering formal training, the ICT advisors have also being giving technical support to all the PCaBII supported provinces. These supports include installation of anti virus programmes and general technical support which includes PC repairs and diagnostic, network support and virus cleaning.</p>
<p>B. BSCT workshop reports completed for all workshops</p>	<p>For all training and technical support offered, the ICT advisors have compiled necessary workshop report for the PCaBII Management and the responsible stakeholders/donors.</p>

## Programme Performance in the PCaB II Provinces

This section serves to outline specific activities and achievements of the work carried out in each of the PCaB II supported provinces.

Achievements	Issues confronted	What can be done/way forward
<p><b>1. Eastern Highlands</b></p> <p>a.) In terms of Capacity Development to train officers at the Provincial and District Treasuries, advisors have competently trained a lot of officers from both PHQ and district treasury officers. A total of 12 officers from the provincial headquarters have undertaken the training. Ten officers are from Depart of Finance while two are from the Eastern Highlands Provincial Treasury</p> <p>The officers from the districts totalled to 27 officers of Depart of Finance. Of the total number of participants, 9 are very competent to produce qualified PGaS Monthly Bank Reconciliations while another 9 are able to do the same with Annual Financial Statement Reports</p> <p>b.) Advisors have concluded Accounting Entries Workshop, basically to identify collate and make recommendations to Depart of Finance for Write On/Off of all the outstanding items carried forward to December 2010.</p> <p>This was a success but the documents are still pending for endorsement with the Provincial Administrator of EHP.</p> <p>c.) All district are operating on PGaS and have ensured that PGaS chores are done effectively on a monthly basis. They are working very well both at the PHQ and Districts. Added to this, advisors have carried out tasks relating to CRL and at least there are 6 districts currently have no problems with CRL issues.</p> <p>They have rectified them and are working very well at the moment. Because of this</p>	<p>a.) Lufa and Okapa districts have not submitted in their Annual Financial Statement Reports to PHQ and even to Waigani. The reports have been compiled with the assistance from the Advisors except for them to write up reports regarding the Financial Operations and Budget Performance reports together with Organizational Structure and other relevant annexures.</p> <p>It has taken them all of this year to actually furnish these reports. The district treasurers have not corporate well with the Advisors and to-date no evidence of any improvement.</p> <p>b.) A lot of officers who received PCaB training need further assistance from the Advisors so that they are trained properly so that the management can utilise them in the near future.</p> <p>c.) Lufa, Okapa, Henganofi and Unggai/Bena districts have not met the standards as yet. They lack qualified reports because their errors are eminent.</p> <p>If one problem can be solved now, in another month, they would have developed another problem. This makes it very difficult for consistent reporting. Problems have resulted because of human errors or officers have created them for themselves. Again, it amounts to lack of good reports.</p> <p>d.) District treasurers who are put on</p>	<p>a.) First and foremost is to conduct On-the-Job Training to at least 3 officers in each of the districts to perform bank reconciliation and compile annual financial statement reports.</p> <p>The appropriate, know-how skills must be transferred to them so that they can sustain the whole of Government's Financial Management both at the Provincial Head Quarters and at the Districts and LLG levels.</p> <p>b.) All officers who had undertaken our programs must be 100 per cent competent enough to perform the required tasks. These relates to officers who had acquired the necessary skills and knowledge where we need to develop them to raise their current status to a competent level.</p> <p>At the moment, we only have few officers regarded as competent but this is not enough. The ground work (through assessments and OJT up-skilling training) has been completed successfully so it would require just a bit of our time to build their capacities</p> <p>C.) A workshop has been planned in 2012 around in Mid-February to prepare all the Eastern Highlands Provincial Government and all the LLGs Annual Financial Statement Reports.</p> <p>PCaBII Management and</p>

<p>assistance, CRL has no problems when it comes to compiling monthly bank reconciliation reports.</p> <p>d.) Advisors have developed DSIP templates to monitor or control funds movements from one sector to another. This will in turn be able to give assurances and financial advice to JDP &amp; BPC Chairman and his committee members.</p> <p>This had avoided treasurers to provide PGAS Printout which normally all the members become confused in analysing and interpreting reports. District who have progressively maintained this ledgers are Kainantu, Henganofi, Obura/Wonenara, Okapa, Goroka, and Daulo districts.</p> <p>e.) EHP is able to sustain its operations as competency levels have increased in few districts and even at the head quarter levels.</p> <p>For those districts who are becoming an obstacle to PCaB's progress and success have to make way for some willing officers who are seen to be performing competently to take their places. Advisors have already identified some of these officers and if only they can be given the opportunity.</p>	<p>notice all the time may not be able to corporate with PCaB Advisors simply because they know very well that they don't report directly to us.</p> <p>e.) Other Financial Management training courses have not been conducted in the province simply because much of the time has been taken up to provide training on AFS and Bank reconciliation. Areas like Claims Examination, Procurement Procedures, Planning, Budgeting, Asset management, and etc have not been done effectively.</p> <p>f.) Apart from Financial Management training, ICT is still being lacked by most of the officers. This is a demand also from the Provincial and District Administrations and down to the LLGs, too.</p> <p>To complement the outcomes, this area has not been fully utilised and as a result of limited IT skills, officers still lack efficiency and effectiveness in carrying out their tasks.</p>	<p>Accounting Standards and Frameworks Division will be invited to the workshop as well to witness how the officers will be able to compile their AFS to Department of Finance. Lufa and Okapa reports, dating to 2008 also will be asked to complete it that time and forward it to PHQ and on forward to Waigani; This includes DSIP Reports as well.</p> <p>d.) PCaBII also may require the Provincial Treasurer's in put through PDFMD, Department of Finance in ensuring that few districts who have not mastered the skills to sustain their operations must work together with PCaB Advisors.</p> <p>If this corporation may still be lacked, he will have to replace them with competent officers who can also perform the jobs as well. The need for a management change at the district levels has been identified and this support must come from both PDFMD and Corporate Services Division of Department of Finance.</p>
<p><b>2. Central</b></p> <p>a.) Central has completed its 2010 Annual Financial Statement in record time and submitted them including the Provincial AFS before March 2011</p> <p>b.) The Bank Reconciliations for the five (5) Provincial Accounts including a Trust for PPII are up-to-date to October except the quality aspect which involved the write On &amp; Off and follow-up on bank on amendments to the bank statements</p> <p>c.) That two (2) out of three (3) mentees at PTO including the Accountant that can do Bank Reconciliation un-supervised</p>	<p>a.) There is inconsistency in the task of effective coordination in the preparation &amp; submission of the financial reports of 28 Bank Reconciliations every month for 12 months &amp; 14 Annual Financial Statements every year.</p> <p>b.) Having to get the right group of people who are actually doing the Bank Reconciliation and also their superiors as relief and accountable officers in their absences to attend the OJT due to high staff turnover.</p>	<p>a.) There is a need in the case of Bank Reconciliation and especially in the raising of journals as evident at their latest OJT Accounting treatment workshop, where the FTB developed CBT modules must have real examples on real Cash Books of PTO or DTO that are relevant to participants.</p> <p>b.) Advisors will now schedule out the TMC for each DTOs &amp; PTO to do TMC after sighting the effects of the posted journals &amp; most current CRL printouts through our vetting</p>

<p>d.) Successfully facilitated the training conducted by ICT &amp; TCS Advisors in late July 2011 targeting senior officers of the Treasury and Administration numbering up to 29 which included twelve (12) District Treasurers &amp; Accountants, eight (8) from PTO including the Provincial Treasurer and nine (9) from the Provincial Administration HQ which included one (1) Deputy Provincial Administrator – District Services</p> <p>e.) Since the inception of the Provincial Finance Learning Team (PFLT) at Central, this has been an achievement for PCaB; for the PT and Accountant who are now presiding and scribing the meetings, jointly facilitated by me and the DLSA.</p> <p>f.) Maintained regular TMC and advisory support to PT, Provincial Accountant and other senior officers on their role and to attend to staff &amp; operational issues as they occur rather than procrastinate and delay. This is further strengthened by some new templates been developed or adopted for use by the senior officer as a Monitoring and Evaluation (M&amp;E) tool or guidance when delegating tasks to subordinates.</p> <p>g.) Advise PT and Accountant and the Administration to jointly establish dialogue with BSP Retail Management team to establish network and synergy for better work relationship and support to improve service delivery, avoid resources wastage and deter operational risks.</p> <p>h.) Maintain regular dialogue/meetings (weekly Tuesdays) with all stakeholders of AusAid funded programs. It is apparent that PPII &amp; PCaB are now preparing for their EXIT strategy in all the provinces they are in. Central is no exception to that as we are preparing for the exit by ensuring that sustainability is maintained at all times &amp; costs.</p> <p>i.) As part of my TMC activity, I have been encouraging PT to improve his leadership</p>	<p>c.) To be able to actually sight the evidence of their learning through completed posted journals and clearing and updating of the Bank Rec Schedules (1-11) and the CRL to prove their skills and application at work place.</p> <p>d.) The expectation on Treasuries to provide accurate and timely financial reports at the DMTs &amp; PMT using our newly introduced technique of data manipulation &amp; pivot tables for District &amp; Provincial Administrators to easily understand.</p> <p>e.) To ensure the maintenance of compliance to the PFMA in the course of duty by PT and all Treasury staff especially with DSIP &amp; politically motivated funds.</p> <p>f.) That annual work plans for PT, DTs and Accountants are sanctioned by the respective authority/supervisors for implementation.</p> <p>g.) That the PT &amp; Accountant continue to lead and preside over these PFLT meetings.</p> <p>h.) That continuous regular staff &amp; management meeting are sustained at PTO &amp; DTOs.</p> <p>i.) That attendance and participation at Stakeholder seminars &amp; workshop is a must for PT &amp; Senior officer of Central Treasuries similar to the presentation on Internal Controls within the Public Sector by Ag Secretary of Finance.</p> <p>j.) Central Provincial Admin &amp; Treasury to maintain dialogue with BSP for better working relationship by understanding the nature &amp; demands &amp; issues of each other's in supporting each other's efforts towards their customers.</p> <p>h.) The sustainability of team spirit and team work attitude at Central Provincial and District Treasuries when</p>	<p>process.</p> <p>c.) Another year-end rollover OJT workshop to ensure they conclude the year 2011 with proper roll-over by the correct cut-off dates, raising &amp; posting of all required journals prior to roll-over and correct procedures for left-over funds to be rolled over to new 2012 Budget year in addition to the new 2012 Budget Allocation.</p> <p>d.) The development and use of 2012 Annual Work plan OJT Workshop will be conducted in First quarter of 2012. This will assist PT to be involved with his staff to show leadership at work &amp; for sustainability by using his completed 2012 Annual Work plan to lead from the front.</p> <p>e.) Continuous TMC with PT to improve with his style of leadership qualities using the work plan to give direction, apply effective delegation and feedback, managing by achieving objectives (MBO) through immediate supervisors (Section Heads, DTs &amp; Accountants). The same is expected of the DTs and Accountants.</p> <p>f.) Advisors have created a situation for TMC to take place, where PT &amp; Accountant to take ownership of this PFLT meetings &amp; maintain it as a means of networking with Administration and also for sustainability purposes and as an EXIT strategy for PCaB in Central in this important area of COMMUNICATION &amp; NETWORKING with stakeholders.</p> <p>g.) Encouragement to all individual officers (top - down) in their respective positions to do their level best and their efforts put together with others can bring about the improvement and change for the better for Central.</p>
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<p>role to LEAD and provide directions at his position for the benefit of his officers and other relevant stakeholders. This is evident in his initiative taken through FAS-PDFM advising FAS AF&amp;SD to assist DLSA &amp; I at the OJT workshop on Accounting Treatments on November 7<sup>th</sup> to 11<sup>th</sup></p> <p>j.)Also as part of my advisory support and capacity building to PT, I provide support in the drafting and/or coaching PT to draft minutes and correspondence to management and other stakeholders for decision making and also accompany him to management meetings, etc.</p>	<p>PCaB exit after 2012.</p> <p>i)That the Administration &amp; Treasury management see our meetings as an example and adapt and roll out it out to the districts about the level of TEAM SPIRIT experienced at AusAID stakeholders level, whereby advisors understand and appreciate their diversity whilst enjoying the learning from issues confronting them and how/when to share resources for maximum benefits in capacity building.</p>	<p>h.)PT and his subordinates (DTs/Accountants) to do regular M&amp;E on staff performance by obtaining regular feedback on activities done.</p> <p>i) A PP presentation on awareness on accounting procedures is being prepared on Claims examinations, Section 32 procedures &amp; legal implications, PGAS Users operations, Minor procurement procedures to involve Treasury officers facilitated by PCaB. This will have the treasury staff committed "to DO WHAT they PREACH" and also for capacity building.</p>
<p><b>3. East New Britain</b></p> <p>a.) Bank Reconciliations (30 national, provincial &amp; LLGs bank accounts)</p> <ul style="list-style-type: none"> <li>• 95% of All bank accounts are reconciled &amp; submitted to AFSD, rated 95% timeliness and with integrity</li> <li>• 95% of current &amp; former years o/s items were cleared from respective schedules</li> <li>• Responsible officers by virtue of their positions &amp; or assignments to the task are competent.</li> </ul> <p>b.) District Finance Executive brief by District Treasures to Dist. Administrators</p> <ul style="list-style-type: none"> <li>• All four district treasurers can now prepare &amp; submit periodical financial executive briefs to their DA's with confidence</li> <li>• DA were briefed and holistically advised on Districts and LLGs financial positions on time</li> <li>• Appropriate &amp; major decisions and directives are made by top</li> </ul>	<p>a.) Bank Reconciliations</p> <ul style="list-style-type: none"> <li>• Error rate whilst operators are inputting data in t0 PGAS is very high. thus courses repetition of errors in succeeding months reconciliations</li> <li>• The monitoring &amp; evaluation of processes, procedures and staff performance is weak.</li> <li>• There is no evidence to suggest that the appropriate divisions in Wagani is taking practical action on under performances</li> </ul> <p>b.) District Finance Executive brief</p> <ul style="list-style-type: none"> <li>• Although the introduction, coaching and capacity building had been achieved, there is no systematic monitoring and evaluation in place to encourage continuity &amp; sustainability in due course.</li> </ul> <p>c.) Maintenance of memoranda accounts</p>	<p>a.) For respective &amp; concerned Divisions (Including PT and PA in the Province) to take positive interest on matters reported by PCaB management, in connection to financial management manpower capacity, on both positive &amp; negative issues.</p> <p>b.) For certified competent mentees, of the financial management mandated requirements to partner with PCaB based advisors to deliver provincial and regional planned activities during 2012</p> <p>c.) Increase 2012 funding to Provincial based advisors subject to accepted plans and release cash transfers on schedule.</p> <p>d.) FMIP , PCaB and the Secretary for Finance to consider merging FTB &amp; PCaB trainers to all come under one project (under the umbrella of FMIP) to hasten TCM delivery for the whole of PNG,</p>



<p>management based on the advice</p> <ul style="list-style-type: none"> <li>• PT is copied. Whilst status of DSIP &amp; DSIP made known to PA</li> </ul> <p>c.) Maintenance of memoranda accounts ( Cash advances, and Loss registers – (national, provincial and LLGs)</p> <ul style="list-style-type: none"> <li>• Established &amp; now maintaining 22 accounts registers outside PTO master register</li> <li>• Section 32 officers commence increased responsibility to record, monitor and report to the chief accountable officer</li> <li>• Resolve repeated auditors annual queries on these subjects</li> <li>• Contribute to integrity in value reflected in future AFS</li> <li>• 23 x Divisional registers for section 32 officers maintained by admin officers</li> <li>• Admin officers acquired knowledge &amp; skills to maintain &amp; report o/s cash advances</li> <li>• Total o/s advances in the province have been reduce from K1.5 million to K600, 000.00 over last 3 months.</li> </ul> <p>d.) Professional up skilling – ICT training on basic computing</p> <ul style="list-style-type: none"> <li>• 45 PTO, DTO, and PAO officials received training and coaching</li> <li>• 80% improvements in PowerPoint presentations during mandated finance committee meetings &amp; workshops</li> <li>• Ease and influential reports presented at management and committee meetings by mentees</li> <li>• Bank reconciliation &amp; AFS trained</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial Finance Division to take ownership to supervise and coordinate accounts registers, newly introduced to sustain accountability and compliance to the PFM, By Divisional Admin officers</li> <li>• For section 32 officers to remain accountable to submit accounts reports quarterly.</li> </ul> <p>d.) Professional up skilling – ICT training on basic computing</p> <ul style="list-style-type: none"> <li>• For the current ENB PCaB computer lab sitting space capacity be increased to take in at least 20 mentees per session.</li> <li>• Whether PCaB project can oblige to the stake holders demand for the increased need by all levels requiring TCM.</li> </ul>	
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<p>&amp; coached participants produced documents faster &amp; with confidence</p> <p>e.) Successful completion of the Procurement, Claim Examination, Cash Advance Mgt. and Loss Reports including updating financial procedure workshop on receiving and recording of public monies for all four Districts in ENB including LLG Managers with their Admin staff</p>	<p>e.) One of the main challenge in the Procurement program was the incorporation of the relevant Legal requirements and the various detail process that I may employed while conducting the same for District/LLG officers, particularly the changes on the level/category funding's that the requirements are very detailed particularly the DSIP</p> <ul style="list-style-type: none"> <li>É Future purchases of goods &amp; services on-time and in compliance to PFMA</li> <li>É Delivery of goods and services are not affected.</li> <li>É Transparency and accountability is paramount.</li> </ul>	<p>e.) Eliminating a lot of unnecessary information continued to be raised in the budget review and constructive decisions be made toward funding activities in the budget.</p> <ul style="list-style-type: none"> <li>• Reduced the number of claims return not compliance,</li> <li>• Minimized the delay in service delivery,</li> <li>• Increase the spending in MPA's to at least about 80%.</li> </ul> <p>HR to sustain the training /works hoping program.</p>
<p><b>4. Western</b></p> <p>a.) Bank Reconciliation Submission of monthly bank reconciliations for all accounts in the Districts and Local Level Governments</p> <ul style="list-style-type: none"> <li>É 13 District Treasury Staff trained, coached and mentored</li> <li>É Each officer allocated a bank account and have so far demonstrated their competence in completing 6 or more Bank Reconciliations each.</li> <li>É 7 District Treasury Staff trained, coached and mentored</li> <li>É All District and LLG report backdating to 2010 completed and now up to date to current month. Except for just 3 accounts</li> </ul>	<p>a.) Lack of supervision and control from District Treasurers affecting the Districts submitting reports on time or meeting deadlines. When PCAB advisors are there will remain a need to ensures progress is maintained</p> <p>b.) Treasury officers at Provincial and District lack basic computer skills and knowledge to effective carryout their allocated tasks. Many do not have the required computer and equipment at work place. Many still lack basic procedures to complete reports.</p> <p>c.) Time consuming and inaccurate outdated information and data not supporting management decision making at District and LLG Level. Need to replace manual LLG ledger cards to computerized general ledger</p>	<p>a.) Assisting District Treasurers to organize themselves and their office. Regular monitoring of staff and checking their work and progress. Introducing the DTs to effective supervising techniques by introducing email communication to them. Make workbook work for PT &amp; DT.</p> <p>Select or identify two officers each from Districts to ensure they are competent and capable enough to carry on progress made with the assistance of PCAB.</p> <p>b.) IT Training will be an ongoing at the 3 Districts. Now conducting trainings in all Districts. One to one training is effective, OTJ training must continue</p>

<p>b.) Offer support and assisted District Treasurers improve in their role as supervisors.</p> <p>c.) Introduced and trained staff more easier and simple methods, techniques to produce bank reconciliation and compile financial reports.</p>	<p>using a simple accounting package QuickBooks.</p> <p>d.) Communication difficulties faced by Districts with Head Office with budget constraints limit staff travel to discuss issues among themselves and their supervisor, supervision lacking in many areas due to huge land mass in the province</p>	<p>c.) Getting officers from both the provincial, District and LLG level to see a benefit of computerized system. Quarterly Review, budget implementation reports used by District and provincial governments go through extreme hardship with so much data compilation effort yet their reports often lack accuracy, timeliness and are outdated, much too late to use for a meaningful decision making.</p> <p>d.) Email communication if the way forward. Established over 18 users already and is showing huge improvement in staff moral and work achievements.</p>
<p><b>5. Milne Bay</b></p> <p>a.) Submission of Mandatory Reports</p> <p>É About 40% of the bank reconciliations submitted to the Department of Finance was up to 31<sup>st</sup> October, 2011, the other 25% of the reports were completed by the district staff but did not submitted them to Alotau for vetting while the remaining 35% are yet to be completed. The average delay rate for the 35% of the uncompleted reports is about 2 to 3 months.</p> <p>É The Annual Financial Statements for 2010 financial year have all been completed and submitted to the Department of Finance as required.</p> <p>b.) Coaching/Mentoring &amp; OJT</p> <p>É Forty two officers from the Provincial and District Treasury offices, Provincial and District Administration and the Local Level Government were</p>	<p>a.) The delays caused by the bank in releasing the monthly bank statements for the Local level Governments resulted in the late preparation of the monthly bank reconciliation reports.</p> <p>b.) With the exception of Samarai/Murua district the other three districts Operates on Generator. The power runs from 6pm to 10pm and in the night and two to three hours during the day depending on the supply of diesel.</p> <p>Experiences have shown that in most cases there is no power during the day and this has affected our operations in the district s especially in preparing monthly financial reports.</p> <p>c.) Staff turnover during the recent restructure in the Department has also affected the timely preparation of monthly financial reports. The officers trained to perform these tasks were deployed to other positions on promotional transfers.</p>	<p>a.) Continue making improvements in the preparation of monthly financial reports on timeliness basis with the assistance of internet banking services.</p> <p>b.) Remaining six (6) Rural Local Level Governments currently operating manually to be hook up to PGAS Accounting and prepare for the roll out of IFMS Accounting in the province</p> <p>c.) Set up Computer Laboratory to compliment ICT training in the province</p> <p>d.) Provincial and District Treasury staff take ownership of the knowledge and skills imparted to them and show commitment in performing their duties at the work place.</p> <p>e.) Management to address staff issues at the work place and make the working environment more conducive to their liking.</p>

<p>mentored in various financial management areas including bank reconciliation, annual financial statements and claims examination.</p> <p>c.) Internet Banking with Local Level Governments</p> <p>É Successfully negotiated with Westpac Bank to hook up the sixteen Local Level Governments on the internet banking. This move was taken after experiencing delays in receiving the monthly bank statements from the bank. The necessary bank forms have been completed and forwarded to the respective Local Level Governments through their District Treasurers for signing by the authorised signatories before being dispatch to Waigani for immediate action.</p> <p>d.) Purchasing of Digicel Modems to Improve Communication</p> <p>É Five (5) Digicel Modems for the four (4) District Treasurers and the Provincial Accountants were purchase to improve communication between the Provincial and District Treasurers and also to send their monthly bank statements to the districts through email network.</p> <p>É Training has commenced on how to send and receive message through the use of email.</p> <p>e.) Asset Management Policy</p> <p>É The Assets Management Policy for Milne Bay Provincial Administration was launched in August, 2011 by the Deputy Secretary for the Department of Provincial &amp; Local Government Affairs. The policy was prepared by PPII with support from the PCaBII and the Finance and</p>	<p>New Accounts Officers appointed during the selection need to be retrained on the job in order to perform their duties.</p> <p>d.) There is staff shortage both in the Provincial and District Treasury Offices. The current work load experienced in the accounts section at the Provincial Treasury Office is quite high that it creates a lot of pressure on our accounting staff, unless these issues are correctly addressed they can lead to more health problems.</p> <p>e.) Out of sixteen (16) Local Level Government's in the province, six (6) Rural LLG's are still operating manually. Funds allocated by the MBP Government to purchase the stationeries were diverted to other activities</p> <p>These LLG's will be hooked up to PGAS Accounting in 2012 if the Provincial Government allocate funds to purchase the necessary stationeries.</p> <p>f.) The proposed establishment of Computer Laboratory for the province is still being delayed due to the unavailability of office accommodation.</p> <p>g.) The weather in Milne Bay province is un predictable, continuous raining with rough seas and strong wind warnings is quite frequent and this has affected the implementation of DLSA's planned activities.</p>	<p>f)Wet weather continuously affects DLSA's travel to the districts and therefore affects his planned activities as per his work plan.</p>
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<p>Administration Division of the Milne Bay Provincial Administration.</p> <p>f.) PGAS Accounting</p> <p>É Bwanabwana Rural Local Level Government in the Samarai/Murua district was hooked up to PGAS using the main server from the Provincial Treasury Office this year.</p> <p>This LLG is one of the seven (7) Rural Local Level Governments still operating manually in the province. This now leaves us with only six (6) yet to be hooked up.</p> <p>g.)ICT Training for Key Users</p> <p>É Only one ICT training for the key users was conducted in the province during the year for District Treasurers, Accountants and the selected officers from the Provincial Treasury Office. No further training was conducted due to the unavailability of the proper ICT training room.</p>		
<p><b>6. Morobe</b></p> <p>a.) Bank Reconciliations</p> <ul style="list-style-type: none"> <li>• 75% of B/Recs complete on time</li> <li>• 25 officers have under gone some form of training with relevant knowledge and skills being transferred.</li> </ul> <p>b.)Annual Financial Statement</p> <ul style="list-style-type: none"> <li>• 80% of AFS completed for 2009</li> <li>• 21 officers have under gone some form of training with</li> </ul>	<p>a)Institutional Incapacity:</p> <p>There is inadequate Building and Housing for the operations of the Districts and LLGs including Housing for staff at the remote Districts and LLGs and are not attractive for staff to work under and does have an effect on the performances of staff . Electricity supply to run the computers and other office automation and communication is a major setback in producing the financial reports on time and at the moment on clear directions as to who should be responsible for maintaining the generations at the</p>	<p>a.)There is a marked improvement in the submission of the mandatory reports to Department of Finance however, there is a lot to be done to systematically align all the PTOs, DTOs to produce these reports on a timely fashion and this can only be possible through adapting a strategy through the use of internet for improved communication by all. All the reports are completed and electronically sent to stakeholders and cuts downtime and improves timely submission of these reports to DoF</p>

<p>relevant knowledge and skills being transferred</p> <p>c.)On-the-job Training on collating and collection of relevant data for compiling 2010 MPG AFS in March 2011</p> <ul style="list-style-type: none"> <li>conduct OJT on downloading Trial Balances converting data from PGAS i.e. EVS, RVS and Trust as text files to excel files and using the Control sheet to compile Statements 'B', 'K', 'J', 'C', 'D', 'A' and Notes, 3, 4, and 6</li> <li>Provincial Accountant is fully confident to compile the AFS without any assistance from PSA</li> </ul> <p>d.)Provincial Audit Committee Meetings 4 QTRLY and PSA is given observers status at the request of Chief Internal Auditor attended 3, 2011</p> <ul style="list-style-type: none"> <li>Identifying weaknesses in the internal control system and processes and draw up ideal solution to resolve the issues</li> </ul> <p>e.)Basic ICT Training and for key Users and PTO, DTO and Administration staff</p> <ul style="list-style-type: none"> <li>Basic computer training for DTs and DA's to enhance their skills in compiling Bank Reconciliations and AFS using Excel Microsoft program including Basic ICT for PTO, DTO and provincial Administration staff</li> <li>Able to use word, excel program to do work on computer in compiling Bank Recs and AFS</li> </ul> <p>f.)Strategic Advice on Budget implications in implementation of Programs</p> <p>g.)Draft Formulation of Morobe Provincial Administration Fixed Asset Management Policy in collaboration with PPII – 2011</p>	<p>Districts and LLGs and until such time this is clarified, the delays in compiling the reports on a timely fashion will continue to be a problem.</p> <p>b.)Management Issues:</p> <p>One of the major contributing factors to the non-compliance to furnishing of the mandatory reports by PTOs and DTOs on time relates to ineffective control and supervision of Staff at PTOs and DTOs by both PDFMD Management and PTs and DTs alike.</p> <p>There is very little or no disciplinary actions taken on staff and most are performing below the expectation hence, no productivity work is left to only few to carry out. There is a high turn-over of staff at both the Provincial and District Treasury creating frustration amongst the staff instead of improving performances. Appointment of unqualified staff to senior positions and lack of managerial experiences on the part of the Superiors i.e. Provincial and District Treasurers in managing the operations does not help in achieving the outcomes.</p> <p>c.)Attitude:</p> <p>Work attitude and commitment of staff generally has not improved over the last 3 years and this can directly be attributed to leadership at both PDFMD and PTOs to the extent that the achievements and success of the organisation reflects the style of leadership that is firm, decisive, and fair in every aspect of management issues, problem solving and conflict resolutions. Leaders have to lead by example and be responsible, demonstrate commitment, setting standard and achieving outcomes.</p>	<p>b.)There are a lot of areas of improvement in terms of staff performances and the PDFMD Management must exercise more control and supervision over the operations of the Provincial and District Treasury in the provinces and until they do that we will continue to face the same situation for the years to come.</p>
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<ul style="list-style-type: none"> <li>• Draft Policy has been completed and copies will be given to the Provincial Administrator and Deputy (Corporate Affairs) to go through and once accepted, will be adopted as policy framework to guide the Administration and fulfill one of the key performance outcome under Corporate Governance</li> <li>• The Provincial Administration for the first time will have a Policy Framework in place and this will facilitate accurate reporting of value Asset in the the Annual Financial Statement at the year of reporting</li> </ul> <p>h.)Successful completion of the Accounting Treatment workshop in Bulolo from 31st October to 4th November 2011</p>		
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## Budget Performance

### *Project Budget Overview and Assessment*

As per the signed 2011 Annual Work Plan, the following is the break up of funding for the programme in USD:

Government	271,377
UNDP	100,000
AusAID	1,428,730
<b>Total Annual Budget</b>	<b>1,800,107</b>

Of this, the government funding was to be accessed by the project through FMIP. The AusAID funds were transferred to UNDP and together with the UNDP funds were transferred to and reported on by PCaB II on a quarterly basis. Advances and reporting are done in PGK and converted to USD using the Official UN exchange rate which is updated each month. These funds are controlled and managed by the Provincial Capacity Building staff through the senior management staff of Financial Management Improvement Programme (FMIP).

The following were the different activities as per the AWP with their budget allocation in USD and expenditure for 2011<sup>1</sup>:

<b>ACTIVITY</b>	<b>AWP Budget (USD)</b>	<b>2011 Exp. (USD)</b>
1. Programme Coordination, Management and Technical Support. Capacity Building for Provincial Treasuries, District Treasuries and LLGs	1,533,730.00	1,734,098.43
2. A Performance Management System in place and operational through Monitoring and Evaluation Framework	53,577.00	43,027.20
3. IFMS Support & ICT support for Provincial Financial Management	212,800.00	198,777.54
<b>TOTAL</b>	<b>1,800,107.00</b>	<b>1,975,903.17</b>

The overall delivery rate of 95.8% suggests a good use of available resources by the programme in 2011. Examining the expenditure figures against what was budgeted per activity in 2010, it is suggested that more funding be allocated to the first two activities dealing with programme management and provincial and district capacity building. These two activities are where most of the expenditure related to programme staff and programme assets fall under. Much of the programme asset procurement was related to the set-up of the programme in the initial year, items such as vehicles and IT equipment were purchased to support the operation of the programme. An added cost to the budget in 2011 will be as a result of the decision to provide increment to one PCaBII ICT advisor who is attached with IFMS.

As the funding for the programme is in US dollars and subsequently converted to PNG Kina using the UN exchange rate when the transferring of funds is done, the impact of the global financial crisis on the exchange rates needs to be monitored as this could impact on budget allocations for PCaB II as per the original programme document.

## Issue Management

The table below highlights issues that were experienced during the process of implementing the programme's activities in 2011. Some of these issues were raised previously and are being raised again so that necessary actions can be taken or addressed so that program activities can flow smoothly. It further highlights how these issues can be addressed by the responsible parties.

Issues	How will each issue be resolved?
Delayed release of the quarter funds has consequently delayed meeting planned activities	Timely submission of financial reports to donors and immediate release of funding will really help in implementation of planned activities.
Poor work attitudes in workplace have contributed towards decline in motivation and affected quality and quantity in productivity.	PDFMD and Corporate Service Division by introducing soft skill courses or contracting to private institutions and implementing Devaluation of power by DPM
The role of PCaB II in the IFMS roll-out to the Provinces and districts has not being implemented because IFMS	Clear expectations on how PCaBII's involvement and input needs to be clearly communicated with PCaB II especially on its role in the roll-out of IFMS sub-nationally. This particular



is still going through the preparatory stage	objective of the programme will be implemented in 2012.
The delay in the approval process for requisitions of PCaB II activities through FMIP has affected the achievement of PCaB II planned activities.	Identification of bottle-neck and solutions found
A key constraint impeding good financial management in provinces and districts is the management ability of provincial and district treasurers. It is urgent for them to learn and internalize good management techniques.	There needs to be consistent follow-up on training PDFMD staff on management techniques, using the workbook.
The restriction of the key stakeholders to participate fully in the projects' important workshops such as planning, review etc might have a slight impact on achieving ownership and sustainability because they may feel that they are left out in the initial stages of planning, reviewing etc, of activities of the program.	Key stakeholders need to be identified and be invited to take part in these various discussions.

## Lessons Learned

The following are some of the lessons learned resulting from work of the programme.

1. The prioritizing of the activities in the advisors work plan to focus or concentrate only on the core or primary activities which is financial reports (Bank Reconciliation & AFS) has gained positive results for the program. This change of focus has contributed tremendous/huge impact on the timely submission of these reports. As a consequence, five pilot provinces have achieved timeliness in submitting of these reports to DoF in Waigani and four pilot provinces have gradually moved on to addressing quality and accuracy in the said reports by conducting Accounting Treatment/Entry Workshops.
2. The introduction of internet banking through the establishment of gmail accounts in some pilot provinces is proving to be a success especially increase communication between PCaBII site based advisors with provincial and district treasurers and the accountants. Through these establishments, bank statements are now been emailed making it easy for the compilation of monthly bank reconciliation. The program intends to get all pilot provinces through the internet banking in 2012.
3. The re-strategized to offer basic and tailored ICT courses to key users first to cater for the workbook and Annual Financial Statements has proven to be a success. The key users included the Provincial & District Treasurers and the Accountants. A total of 73 officers have under gone this training. This tailored training was a success because the participants have gained some knowledge and skills in the use of the workbook and had

confidently compiled the 2010 Annual Financial Statement using the new template introduced by AFSD with the use of the control sheet.

4. The introduction of the comprehensive workbook in the programme seems to be a important tool for planning, monitoring and evaluation. It has provided direction, order and supervision into the project and being effectively being used by the management team and the site advisors This system seem to be getting overwhelming support from other government entities such as PDFMD, FTB and intervention such as PPII. However in reality and practically speaking, fully support is **not** forth coming from the top and middle management from the very division (PDFMD) concerned within the DoF.
5. The initiative taken by the programme to establish the Provincial Financial Management Learning Teams at the provincial levels compliments our existing networking with other relevant stakeholders and initiatives such as PPII, SPIA, NEFC and CSTB in organizing capacity building activities as a means of cost-sharing arrangement.

## Recommendations

The following are some recommendations to be considered for the planned activities to be effectively carried out to achieve the overall PCaBII's annual targets.

1. The program in tends to implement its exit strategy in 2012 together with the other core activities. Included in this strategy, will be the formal offering of technical support by the PCaBII program to nearby non PCaBII supported province within the region.
2. The program intends to finalise and implement the Performance Management System in 2012 together with its other core activities as per the work plan. It is recommended that the Monitoring and Evaluation component of all the PCaBII activities be included as an ongoing activity, carried out by the M&E Advisor.
3. The program intends to have all its pilot provinces connected to internet banking in 2012. Some provinces had already have access to this service in 2011 and have gained positive results and the program management would others to follow suit.
4. The Program Management intends to negotiate with the respective Provincial Administration through DPLGA the possibility of funding a position (local ICT Personnel) within the provincial administration to take charge of the project established computer training room. The intension for the program is for this person to offer ongoing basic ICT training for all treasury and provincial administration staff including all districts and LLG.
5. PCaBII will continue to forge close working relationship with other relevant stakeholders and initiatives such as PPII, SPIA, FTB and CSTB especially in organizing capacity building activities in the provinces.
6. The program will continue to disseminate its fortnightly Newsletter to all its stakeholders and update its website whenever new information/data becomes available.

*Operational Recommendations*

1. There is a need to have all PCaB II staffing positions filled to ensure project activities are not hindered. It will also prevent the case of project staff carrying out extended duties therefore affecting their own productivity.
2. There can be improvement in the timing of the production of quarterly financial reports and subsequent release of the following quarter advance funding so as not to impact on planned programme activities.
3. There needs to be an improvement in the approval process for requisitions of PCaB II activities through FMIP be improved so that PCaB II planned activities are not delayed.
4. There is a need for a wider consultation among various key stakeholders especially the involvement of key stakeholders in important workshops such as planning, midterm review and annual workshops etc.

## **List of Annexes**

1. Names of Treasury (Provincial & District including LLG) and Provincial Administration staff who have received various forms of training in different areas of Public Financial Management.
2. Request and Acknowledgement letters from non PCaBII supported provinces for technical assistance from the program