



**DEPARTMENT OF FINANCE**  
**Financial Management Improvement Programme**  
*Capacity Building Programme Phase 22*

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## Fact Finding Mission to Madang Province

### **Introduction**

The Chief Technical Specialist (CTS) and the National Program Coordinator (NPC) were on duty travel to the Madang Province on the 18<sup>th</sup> to 21st March 2012.

The mission was a result of a request from within the Department of Finance through the First Assistant Secretary for Provincial & District Financial Management Division (PDFMD), Mr Gabi Kila and the team. This is the division where this program (PCaBII) is actually attached with.

The mission is also part of the implementation of the PCaB “Exit Strategy” to progressively provide technical support to nearby non PCaB assisted provinces within the region in 2012 on a cost sharing arrangement.

### **Mission objectives**

The purpose of the trip was to meet the program’s important stakeholders and specifically to identify the areas in financial management (capacity gaps) that require urgent technical support from the PCaB program.

### **Stakeholders meeting**

The stakeholders whom the program management including the PPII Advisor were able to meet are in three categories. These are: The Provincial and Treasury Staff, Provincial Administration staff and representatives from the Civil Society Organizations (SCOs) in Madang.

In this last group (SCOs) we have chosen one international NGO ó World Vision and one National NGO- Foundation for People and Community Development. These last meetings with SCOs were in order to get some ideas about the perception of the citizenry with regards to the quality of service delivery provided by government institutions in the province.

The complete lists of interviews are as follow:

### 1. Provincial & District Treasury Staff

No	NAME	DESIGNATION
1.	Uriah Soten	Provincial Treasurer
2	Regina Rakua	Provincial Accountant - PHQ
3	Francis Bulu	Sumkar District Treasurer
4	Ethel Sapeng	Sumkar A/ District Accountant
5	Samuel Abel	Usina Bundi DTO Examiner
6	George Memke	Rai Coast District Accountant
7	Clarence Saul	Usina Bundi DTO Postal Officer
8	Gabriel Tawi	Usina Bundi DTO Accountant
9	Geoffrey Talia	Middle Ramu DTO Accountant
10	John Flierc	Bogia District Treasurer
11	Anton Pawen	Usina Bundi DTO Personnel Assistant
12	Hellen Kanimba	Madang District Treasurer
13	Jane Parakisan	Rai Coast DTO Personnel Assistant
14	Joanne Yeni	Madang DTO Accountant
15	Mattew Sengian	District Treasury Rollout Coordinator

### 2. Provincial Administration

Provincial Administrator ó Mr. Bernard Lange

Deputy Provincial Administrator Policy & Planning ó Mr. Paul Ito

### 3. PPII Advisor ó Mrs Hitolo Moka

4. Non-Governmental Organisation (NGO)

World Vision- Mr. Smith K. Sapaka. Programme Manager

Foundation for People and Community Development- Mr. Linzon Zamang,  
Programme Manager

The table below summaries specific capacity gaps in Financial Management

No	STAKEHOLDERS	SPECIFIC CAPACITY GAPS IDENTIFIED
1	Provincial & District Treasury Staff	<ul style="list-style-type: none"> <li>• Faster way of compiling Bank Reconciliation and Annual Financial Statement especially with the use of control sheet introduced by Accounting Framework &amp; Standard Division.</li> <li>• Work with long-term outstanding items/issues on bank reconciliations. There are many outstanding items &amp; issues that have long time in their Bank Rec reports and were not cleared yet. They need support to review and clear them. The support of DoF Accounting Framework Division Mr. Luke Sataro will be important in this issue in conducting an adequate accounting treatment workshop to address all outstanding items in the financial reports.</li> <li>• Design and provide an Executive Reporting template for TMT. The Provincial Treasurer emphasized the need to get a template for his executive reporting for TMT. PCaB advisers use a similar template that could be adapted to their needs.</li> <li>• Organize a Planning Budgeting Accounting &amp; Reporting (PBAR) training course. They requested to have the PBAR training course. This will be provided by the Financial Training Branch (FTB) of the DoF in coordination with PCaB advisers.</li> <li>• Training on the use of emails through Digicel Moderm by creating gmail accounts.</li> <li>• DSIP Reporting especially to come up with a standard template to report on its expenditure</li> <li>• Organise with BSP Banks so that bank statements can be electronically sent to PHQ/DTOs.</li> </ul>

		<ul style="list-style-type: none"> <li>• Obtaining data from PGAS machine to Excel spread sheets. They have difficulties to get the data from PGAS to work in Excel spread sheets.</li> <li>• Refresher courses especially those being offered by FTB. These include; claim examining, asset management, and section 32 etc</li> </ul>
2	Provincial Administration	<ul style="list-style-type: none"> <li>• Clear outstanding items/issues on bank reconciliations. The Accountant is dealing with all Bank Reconciliations and AFS at the provincial level and she needs support to clear some outstanding items/issues. The last AFS is dated from 2005.</li> <li>• Design and provide an Executive Reporting template for TMT. The Provincial Treasurer emphasized the need to get a template for his executive reporting for TMT. PCaB advisers use a similar template that could be adapted to their needs.</li> <li>• Fixed Asset Management so that all assets in the province/districts and LLG are captured in one common register/record</li> <li>• There are many outstanding cash advances that need to acquitted, adjusted, rectify and cleared etc</li> <li>• Basic Accounting Concepts to be introduced to District and LLG Managers</li> </ul>

### **Perception of the SCO's about service delivery**

**World Vision.-** The main concerns that this NGO raised about the service delivery of government institutions in Madang is the notorious delays in the implementation of public infrastructure facilities (roads, hospitals, posts, water supply, etc.). They indicated that the funds assigned for these works usually comes with delays and it seems they (the government) do not have enough budget for all the needs.

Asking them about rating the performance by sectors in service delivery, they indicated a very poor performance in infrastructure development (works) and water and sanitation (they experience constant water shortfall problems in the city). Other sectors like health, education, planning and power supply were considered acceptable. In a similar qualification were the provincial administration and the provincial treasury.

**Foundation for People and Community Development-** This local NGO that develop its work since 1965 in integrated community development with focus in forestry and environment conservation, has raised concerns about the quality of government institutions activities especially at the district and LLG levels.

They said that there are big differences in the quality and availability of government services at the provincial and district levels. They emphasised the need to focus in an effective monitoring and evaluation of public spending in the districts and LLGs. They ranked the department of Planning and Water and sanitation as very poor in service delivery, while other sectors remained as acceptable.

## **Conclusion**

The two day visit to the Madang Province was a success, meaning the outcome/purpose of the trip was achieved. We were able to identify specific areas in financial management that require urgent attention.

In our final debriefing with the Provincial Treasurer and Deputy Provincial Administrator, we agreed to organize a "problem-solving workshop" as a way to solve urgent commitments on financial reports. The tentative date set for this workshop will be on the 16<sup>th</sup> to 20th April 2012. The target group of this event will be the selected staff of the Madang Provincial Treasury, the six District Treasuries and their accountants & PGAS machinists, and District Administrators and a few key staff from Madang Provincial Administration.

Secondly, we have agreed that the cost of hosting this workshop will be shared by the program and Provincial Treasury together with Provincial Administration. The PCaB program will take care of the advisors' airfares and travelling allowance while Provincial Treasury together with the Provincial Administration will take care of the organization, venue, transportation and accommodation of participants.

After this event, the Planning, Budgeting, Accounting and Reporting (PBAR) training will be very useful. In this vein, the project will coordinate with Financial Training Branch-FTB in order to organize this training course in the next quarter of this year. PCaB advisers as usual can complement later on with on-the-job-training, mentoring & coaching these training lessons in their respective offices.

This will be the first specific support to Madang Province while other on-the-job training, mentoring and coaching activities will be deployed gradually as per *Ad hoc* request by the Madang provincial Treasury and also as transition strategy for a further support to this Madang Province.