

QUARTERLY PROGRESS REPORT

Intermediate Outcome: **PROVINCIAL PLANNING AND MANAGEMENT**

Annual Work Plan: **Provincial Capacity Building Programme Phase II**

Year/Quarter: **2011/1**

Intermediate Outcome [<i>type Outcome number</i>]			Available Budget (USD)	Unfunded
Provincial and Local Governments plan and manage their finances and support services delivery effectively and efficiently with increased partnership and participation of civil society and private sector.			1,945,576	871,302
Output code	Resources mobilized and added this quarter	Donor	Total Available Budget (USD)	Unfunded
3.1	0		1,542,700	686,302
3.2	0		104816	95,000
3.3	0		298060	90,000
TOTAL			1,945,576.00	871,302.00
Name of Annual Work Plan		Provincial Capacity Building Programme Phase II		
Implementing Partner		Department of Finance		
Responsible Parties		None		
UN agencies participating in the AWP		UNDP		
AWP ID Codes		ATLAS AWARD ID: 00049258		
Cash Transfer Modality		Direct Cash Transfer		
Date last AWP Steering Committee meeting		19th November 2010		
Donors (sources for Non-Core)		AusAID, GoPNG (not through UNDP)		
Date		Date		
Signature Implementing Partner: 		Signature Head of UN Agency 		
Name Gabriel Yer	Name			

I Key challenges

Challenges last quarter (Qtr 3, 2010)	Recommendations	Follow up by	Has the challenge been addressed? <i>If not, please elaborate on next steps.</i>
Although not a challenge in itself, the audit report for the 2009 year was completed in the 2nd Quarter. The report did note improvement in various aspects of the project however it also identified issues that need to be addressed.	Issues and their related recommendations mentioned in the audit report are implemented by those responsible.	PCaB II Project Team, UNDP and FMIP management	Work throughout the year was undertaken to address issues raised in the audit report. The 2010 audit exercise will confirm what recommendations were implemented.

New challenges	Recommendations	Follow up by
Delay in fund transfer from donors has meant expenditure incurred in first quarter has been from government funding	Donor funds to be transferred for 2nd quarter	UNDP
Implementation of the new Integrated Financial Management System (IFMS) by Dept. of Finance will result in a transition in 2011 from the old PGAS/Quick Book system to the use of IFMS for project expenditure.	Continued efforts will be focused on ensuring the transition to the use of the new IFMS system has minimal impact on the implementation of the programme	FMIP; Programme Finance and Admin

II Results Table

Output 3.1		Selected Provincial and District Treasuries have the capacity to prepare and submit accurate financial reports and statements on time.	
Overall assessment	On track		
Description of assessment	Capacity building activities in all pilot provinces has commenced in the beginning of Feb 2011, after the initial slow start due to the traditional Christmas break period and delay in release of funds. The site based advisors concentrated mainly on their primary role of offering mentoring/coaching and on the job training on the mandatory reports. Special attention and focus was given on offering support and assistance in putting the annual financial statements together for all accounts which are due in March 2011. As consequences of these various trainings and assistance, all six pilot provinces have submitted their draft 2010 AFS on time for all their main operating accounts in the PHQ to Accounting Frameworks (AFSD) in Department of Finance for review. According to AFSD, Morobe Province was the first province to submit theirs on time using the new template introduced by AFSD last year. There is significant improvement shown with 60 - 80 % of the LLG accounts in the districts have submitted their 2010 financial statements compared from 2009. The same applies to bank reconciliations. Records obtained from provinces shows that 80 - 85% of the bank accounts in most of the pilot provinces have submitted their bank reconciliations up to Feb 2011.		
Annual Deliverables		Appreciation	Comments - only when delayed
4 Steering Committee meetings held which review progress of PCaB II programme and make decisions affecting implementation when required		On track	
On-going financial procedure and two non-financial workshops on-the-job training sessions conducted at sub-national level for government staff		On track	
Output 3.2		Interns have the capacity to seek and obtain entry level positions in the public service	
Overall assessment	On track		
Description of assessment	The running of the intern programme is traditionally planned for the final quarter		

	of the year. However the Internship Programme Support Advisor has assisted in other areas of the programme, including revising the programme's M&E framework and related tools and awaiting for information from FMIP Management regarding overall changes/vision of the department as claimed by the Secretary	
Annual Deliverables	Appreciation	Comments - only when delayed
Initiatives related to graduate programme and distance education are supported	On track	
Output 3.3	Integrated Financial Management System (IFMS) operational in selected pilot province	
Overall assessment	On track	
Description of assessment	First quarter activities have been heavily focused on the supporting the roll-out of IFMS through technical support provided in the first three departments using the system (Planning, Finance and Treasury). The first quarter has also seen the completion of the interfacing with Legacy systems and the completion of Budget Module Rollout including the User Security. Support has also been provided to end users of the IFMS to ensure they are proficient in the use of the system.	
Annual Deliverables	Appreciation	Comments - only when delayed
IFMS training given to key users	On track	
ICT training and on-going technical support in PCaB II supported provinces for selected treasury staff	Delayed	Basic ICT training has not commenced yet in this quarter due to non availability/transfer of funding for 2011 however we intend to commence in quarter two

III Resources

Total Outcome 3 Provincial Capacity Building								
	SOURCES AVAILABLE				EXPENDITURES			
Type of funding:	Core Available	Non-Core Available	AusAID	Total Sources Available	Core	Non-Core	AusAID	Total Expenditure
Output 3.1	180,000.00	30,000.00	1,332,700.00	1,542,700.00	-	184,107.00	-	184,107.00
Output 3.2	-	104,816.00	-	104,816.00	-	12,686.00	-	12,686.00
Output 3.3	-	298,060.00	-	298,060.00	-	28,577.00	-	28,577.00
TOTAL	180,000.00	432,876.00	1,332,700.00	1,945,576.00	-	225,370.00	-	225,370.00

IV Risk Management

#	Description	Category	Probability & Impact (1 = low and 5 is very high)	Counter-measures / Management response	Owner	Author	Date Identified	Last Update	Status
1	Remoteness of PSA/DLSA network	Operational	P = 5 I = 3	Purchase of ICT communication equipment and bringing team together in Port Moresby more frequently	CTS	CTA	Q1 2009	Q1 2011	Adequate ICT technology in use by PSAs/DLSAs; team has held planning meeting in POM; NPC has begun field visits
2	Poor cooperation with other parts of government/lack of commitment by	Organisational	P = 3 I = 3	Ongoing consultations with Financial Training Branch	CTS/NPC	NPC	Q1 2009	Q1 2011	Continued consultations and regular meetings been held

	other parts of government			and PPII. Also liaison with PDFMD.					
3	Exchange rate fluctuation	Financial	P = 3	Exchange rate is monitored to ensure there is no major impact on the Annual Workplan and budget	UNDP/CTS	UNDP	Q1 2008	Q1 2011	Budget and exchange rates monitored. PGK has strengthened against USD and therefore will impact on funds held by UNDP for the programme.
			I = 4						
4	High counterpart staff turnover and failure to retain trained officers	Organisational	P = 3	Any issues with counterpart staff turnover to be brought to the attention of project management. Designation of a counterpart and an understudy for each field advisor.	CTS/NPC/PSAs	NPC	Q1 2008	Q1 2011	Has not eventuated
			I = 5						
5	Project staff at Provincial level undertaking tasks that are outside of their TOR	Other	P = 3	Discussions to be held between programme management and relevant Provincial Treasury officers to ensure that the TOR of the PSA and/or DLSA is clearly understood.	CTS/NPC/PSAs	NPC	Q1 2008	Q1 2011	Staff have completed personal work plans and were reminded to adhere to them during the planning workshop
			I = 3						

6	Security and safety issues in the provinces	Security	P = 2	This is an on-going risk to the programme. Any security issues are to be reported to programme management	CTS/NPC	NPC	Q1 2008	Q1 2011	Staff reminded of security and safety
			I = 3						
7	Old and dysfunctional project vehicles could result in injury	Operational	P = 2	Programme vehicles maintained regularly and old vehicles disposed off following guidelines	CTS/NPC /FAO	NPC	Q1 2009	Q1 2011	On-going
			I = 3						
8	Operating within project budget with project financial resources stretched as project activities are ramped up	Financial	P = 2	Careful weekly monitoring of expenditures.	CTA	CTA	Q2 2009	Q1 2011	On-going monitoring
			I = 4						
9	Project implementation delayed due to need for better administrative and financial management.	Organisational	P = 3	Hiring of administrative assistant.	Steering Committee	CTA	Q2 2009	Q1 2011	Assistant Administrative Associate is assisting with administrative and financial management
			I = 3						