



DEPARTMENT OF FINANCE

Financial Management Improvement Programme

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Monday 13th February 2012

Minute to: Acting Secretary

Subject: PCaBII 2012 ANNUAL WORK PLAN

Attached is the finalised 2012 Annual Work Plan for the Provincial Capacity Building Programme endorsed by the PCaBII Steering Committee meeting which was held on the 27th January 2012.

- ✓ a) For your consideration and signature if in order;
- b) For your comments and further instruction.

E.GALELE

Programme Manager

*Approved.
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|--|---|
| UNDAF Outcome (Cluster): | Governance for Equitable Development |
| Expected Intermediate Outcome(s): | Elected representatives and key Government bodies implement good governance practices grounded in accountability, transparency, inclusive participation and equity |
| Expected Output(s): | <p>1.1 Selected Provincial and District Treasuries have the capacity to prepare and submit accurate financial reports and statements on time.</p> <p>1.2 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</p> <p>1.3 Integrated Financial Management System (IFMS) operational in selected pilot province</p> |
| Implementing Partner: | Department of Finance |
| Responsible Parties and other Partners: | Department of National Planning and Monitoring; Selected Provincial Treasuries, AusAID |
| Participating Agencies | NIL |

This 2012 Annual Work Plan is for the interventions carried out under the Elected representatives and key Government bodies implement good governance practices grounded in accountability, transparency, inclusive participation and equity intermediate outcome of the Governance for Equitable Development outcome in the UNDAF. The main intervention is the Provincial Capacity Building Programme Phase II (PCaB II).

PCaB II focuses on sub-national provincial financial management issues in the context of efforts to improve service delivery and enhance the effectiveness of public programmes. 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 decentralisation 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.
- This 2012 AWP is based on the original PCaB II ProDoc and the recommendations made from a Mid-Term Review which was conducted in 2010.

Summary Narrative Description of Annual Work Plan

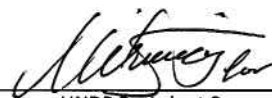
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|---|-----------|-----------|
| Programme Period: | 2012-2015 | |
| Duration: | 2012 | |
| Estimated annualized budget (USD): | \$ | 2,728,000 |
| <i>Funded</i> | \$ | 2,393,000 |
| <i>Unfunded</i> | \$ | 335,000 |
| Allocated Resources | | |
| Allocated Government resources (USD): | \$ | 593,000 |
| Allocated Regular resources- UNDP (USD): | \$ | 260,000 |
| Allocated Other resources- AUSAID (USD): | \$ | 1,540,000 |

Agreed by Department of Finance:



Department of Finance - Secretary

Agreed by UNDP:



UNDP Resident Representative

| Expected output | Indicators | Baseline | Annual Target |
|--|---|----------|---------------|
| Output code 1.2 | % of PEFA indicators scoring A or B | 34% | 38% |
| <i>National and sub-national levels of government have increased financial management capacity to manage the equitable delivery of public services</i> | Number of government bodies using IFMS system | 3 | 9 |
| | Number of Audit Units or Committees in 20 provinces | 0 | 5 |

| Annual Deliverable Output Indicator | Baseline | Annual Target |
|---------------------------------------|----------|---------------|
| % of PEFA indicators scoring A or B | 34% | 38% |

| Activities | Q1 | Q2 | Q3 | Q4 | Source of funds | Budget Description | Amount (funded) | Amount (unfunded) |
|--|----|----|----|----|-----------------|---------------------------------|-----------------|-------------------|
| PCaB II is successfully managed by programme management staff and Steering Committee meetings | X | X | X | X | UNDP | Chief Technical Specialist | \$ 260,000.00 | |
| Transition and exit strategy elaborated as part of the recommendations of Mid-Term Review Report | X | X | X | | AUSAID | National Programme Coordinator | \$ 55,000.00 | |
| Exchange visits and sharing workshops between treasury staff of well-performing and non-performing provinces developed | | X | X | X | AUSAID | Training Coordinator | \$ 53,000.00 | |
| On-the-job training, mentoring and coaching conducted at sub-national levels, with progressive support to region-based HQ provinces. | X | X | X | X | AUSAID | Finance and Admin officer | \$ 33,000.00 | |
| Greater coordination established with other capacity development initiatives at the sub-national level to ensure coordinated and complimentary efforts. | X | X | X | X | AUSAID | Asst. Finance and Admin Officer | \$ 30,000.00 | |
| Project Newsletter & Web Page maintained, updated, and circulated regularly | X | X | X | X | AUSAID | PSAs and DLSAs | \$ 525,000.00 | |
| Problem-solving workshops implemented, together with relevant stakeholders, in procurement, contract/assets management, claims examination & quality assurance of financial reports. | X | X | X | X | AUSAID | Travel | \$ 175,000.00 | \$ 65,000.00 |
| | | | | | AUSAID | Training workshops | \$ 460,000.00 | \$ 80,000.00 |
| | | | | | AUSAID | Staff Learning | \$ 25,000.00 | \$ 30,000.00 |
| | | | | | AUSAID | Maintenance of Vehicles | \$ 65,000.00 | \$ 30,000.00 |
| | | | | | AUSAID | IT Equipment | \$ 33,000.00 | \$ 30,000.00 |
| | | | | | AUSAID | Office supplies | \$ 38,000.00 | \$ 10,000.00 |
| | | | | | AUSAID | Audio-Visual Equipment | \$ 40,000.00 | |
| | | | | | AUSAID | Miscellaneous | \$ 8,000.00 | |
| Sub-Total Annual Deliverable Output Indicator | | | | | | | \$ 1,800,000.00 | \$ 245,000.00 |

| Annual Deliverable Output Indicator | Baseline | Annual Target |
|---|----------|---------------|
| Number of government bodies using IFMS system | 3 | 9 |

| Activities | Q1 | Q2 | Q3 | Q4 | Source of funds | Budget Description | Amount (funded) | Amount (unfunded) |
|--|----|----|----|----|-----------------|--------------------|-----------------|-------------------|
| IFMS technical support for implementation of new data centre given to key users from the Dep. Finance | X | X | X | X | GoPNG | ICT Advisors | \$ 168,500.00 | |
| Development and testing of PGAS to IFMS Interface done. | X | X | X | X | GoPNG | Training workshops | \$ 95,000.00 | |
| Provide Support to DoF General Ledger (Training, Mentoring and Advise) | X | X | X | | GoPNG | IT equipment | \$ 35,000.00 | \$ 10,000.00 |
| End-user support to pilot sites (DoF, DoT and DNPM) and other departments. | X | X | X | X | GoPNG | Travel | \$ 45,000.00 | \$ 20,000.00 |
| Computer training in each of the ICT capacity categories (basic, intermediate and high) in all pilot provinces | X | X | X | X | GoPNG | Office Supplies | \$ 35,000.00 | \$ 15,000.00 |
| ICT technical support and Training of Trainers programme in each pilot provinces | X | X | X | | GoPNG | Miscellaneous | \$ 8,500.00 | |
| ICDL training conducted and assessment for certification to advanced user done | | X | X | X | GoPNG | | | |
| Sub-Total Annual Deliverable Output Indicator | | | | | | | \$ 387,000.00 | \$ 45,000.00 |

| Annual Deliverable Output Indicator | Baseline | Annual Target |
|---|----------|---------------|
| Number of Audit Units or Committees in 20 provinces | 0 | 5 |

| Activities | Q1 | Q2 | Q3 | Q4 | Source of funds | Budget Description | Amount (funded) | Amount (unfunded) |
|---|----|----|----|----|-----------------|-------------------------------|-----------------|-------------------|
| The M&E framework is kept running and is being applied in all pilot provinces | X | X | X | X | GoPNG | M&E specialist | \$ 36,577.00 | |
| Key indicators defined, monitored and systematized to analyze performance and improvements in service delivery. | X | X | X | X | GoPNG | Travel | \$ 65,000.00 | \$ 25,000.00 |
| Updated reports produced on indicators, data and baselines on status of performances at provincial & district levels. | X | X | X | X | GoPNG | Workshops | \$ 80,000.00 | \$ 20,000.00 |
| Assistance to Provincial Treasuries by providing feedback in audit queries done regularly as requested. | X | X | X | X | GoPNG | M&E support external services | \$ 15,000.00 | |
| | X | X | X | X | GoPNG | Miscellaneous | \$ 9,423.00 | |
| Sub-Total Annual Deliverable Output Indicator | | | | | | | \$ 206,000.00 | \$ 45,000.00 |

Total Annual Deliverables | Output Indicator \$ 2,393,000.00 \$ 335,000.00