

Department of Finance Newsletter



Issue No.#3 May, 2021



SEZA Board members sworn in

Board members were sworn-in on the 6th of May at the Lamana Hotel, Port Moresby.

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IFMS Sub-National update

IFMS is now operational in 13 provinces including the districts and LLGs.

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Secretary's Kona



DR. Ken Ngangan OBE PhD CMA CPA
Secretary

Hello everyone, this edition captures very important milestones the Department has achieved in the past five months of this year.

We are thankful for the political support of our Minister Sir John Pundari despite COVID 19. We look forward to working with him to continue the financial reforms that is before us.

With the collaborative support from the Stakeholders and the Government the Department has achieved these results;

■ *The Non-Tax Revenue Bill, to be passed as the new legislative enactments replacing the controversial PMMR Act in the August Parliament Sitting.*

■ *The setup of the SEZ Authority, and the commissioning of its Board members.*

■ *The successful signing of the Digital Payments Solution MoU with BSP (on-line collection of non-tax revenue).*

■ *The launching of GST Section 65A configured in IFMS for DoF to collect on behalf of IRC and remit to IRC at every month end, another achievement for revenue collection for the country.*

I commend everyone for your continuous efforts and cooperation.

Dept signs MoU with **BSP**



(L-R) Secretary Dr Ken Ngangan and BSP Financial Group Ltd CEO signing the MoU

“Such innovative arrangements partnering with commercial banks, financial institutions and other agencies that already have the platform to help us do our work better”



Dept to digitalise Non-tax revenue collection

A Memorandum of Understanding was recently signed between the Department of Finance and BSP Financial Group Ltd at the APEC Haus Port Moresby (15th May, 2021) to initiate a digital payment solution for all non-tax revenue collection.

Secretary Dr Ken Ngangan while appreciating the continued partnership between the Government and BSP Financial Group Ltd at the signing said this has been all part of the Public Finance Management reform that the Department

has carried out with the Department of Treasury under the Medium Term Revenue Strategies.

"The Department of Finance is not only doing expenditure work but greatly improving and expanding the work relating to collecting revenues for the state," he said.

"This digital process will see the non-tax revenue collection via BSP payment gateway including online service systems, kiosk payment mode and mobile phone

banking.

"Given times like this when we have much of our revenue generating opportunities diminish as a result of Covid-19 and other down turns in the economy.

"Such innovative arrangements partnering with commercial banks, financial institutions and other agencies that already have the platform to help us do our work better.

Digitalising non-tax revenue collection at various state collecting agencies and cash offices at provinces and districts will result in improved and timely revenue collections and those will be automatically transferred to the Consolidated Revenue Fund.

This will also mean improved customer services (avoiding queues and long travels to cash offices), elimination of fraud and thefts at the collection points, eliminate operational weaknesses of punctuality and attendance, improve cash collection receipting, and reporting and bank reconciliation.

BSP Financial Group Ltd CEO Robin Fleming emphasised that this payment system makes collection, reconciliation and budget planning more efficient not only beneficial to Department of Finance and BSP but also to everyone.

He said the transparency that is associated with Government revenue collection not only assists from a reconciliation perspective but also from a process and budgeting perspective at the same time identifying leakage ensuring effective and timely processings.

"The challenge for BSP is to deliver our commitments and in the past we've been able to do so and I have all the confidence that our digital team of women will deliver on behalf of me," he stated.

Secretary Ngangan noted that the digital payment process will not work immediately until the infrastructure work is put together this year and will go live by end of the year or early next year.

Minister for Finance and Rural Development Sir John Pundari during the signing pledged his support as the political leader saying this will achieve good governance, minimise corrupt practices, and ensure good stewardship not only through the collection but the use of public money.

Present at the MoU signing were other state revenue collecting agency heads, secretaries and deputy secretaries including DoF senior management and staff.



(L-R) Secretary Dr Ken Ngangan, Minister for Finance and Rural Development Sir John Pundari, BSP Financial Group Ltd CEO Robin Fleming and General Manager Digital Nuni Kulu during the MoU signing at the APEC Haus.



(L-R) Deputy Public Solicitor Thomas Ilaisa witnessing the SEZA Board Chairman Mr Varigini signing his oath.

Seven SEZA Board Members sworn in

The Minister for Finance and Rural Development and Secretariat of Special Economic Zones Authority (SEZA) Sir John Pundari has stated that SEZA will need more than a billion kina to build infrastructure developments in the country.

Sir John made this announcement during the swearing in of seven National Executive Council (NEC) appointed None Ex Officio Board Members of SEZA at Lamana Hotel in Port Moresby.

Sir John said Prime Minister's leadership on the special exclusive economic zone is vibrant.

"On behalf of the National Executive Council and Prime Minister James Marape I would like to congratulate the newly appointed Board Members".

"PNG is a land of opportunities and potentials; we have to create attractive avenues for the investors to do business."

"We have the confidence in you, the board members to provide oversight leadership to ensure every care is provided to SEZ".

"We need wharfs, jetties, roads, social mapping and environmental study etc".

"You are pioneers of SEZA and set your legacy for the good of the country", Finance Minister Sir John Pundari said.

Finance Secretary Dr Ken Ngangan has assured that the SEZA will bring special economic opportunities for both economic growth and also the creation of employment for the country.

Dr Ngangan said: "SEZA is needed at this time when we struggle with our economic development".

"The project will also enhance the alleviation of poverty at this time when COVID-19 has hit hard on our economy".

"The Board members must focus on achieving the results to see successful implementation of the projects that falls under SEZA."

He said that Special Economic Zone Act specially requires applications of SEZ license and development agreements to ensure that transparency, probity and financial sustainability.

"The Board must ensure that investor confident carefully delivered for the best interest of the country".

"Investors will also expect contributions from government; we must make clear to everyone that those who will be given licenses to operate SEZ must be able to bring with them all the technical and financial resources to develop a SEZ".

The board members of SEZA; Mr Varigini Badira-Chairman, Mr Andrew William Crompton Minister's Nominee Mr Koreken Levi Non Ex Officio, , Mr Joseph Vutliu Department of Commerce and Industry, Mr Dairi Vele Secretary Department Treasury, Mr Konei Samuel Secretary National Planning and Monitoring, Mr Benjamin Sine Commissioner for Customs and Boarder Security and Regional Operation.



Department of Finance Secretary Dr Ken Ngangan



Minister for Finance and Rural Development Sir John Pundari



IFMS Sub-National RollOut update

IFMS is now operational in 13 provinces including their districts and LLGs.

These entities are on line with standard budgeting and financial report access and enquiry capabilities as well as the following;

- Provincial, district and LLG grants
- Internal revenue
- PSIPs and DSIPs
- Donor funding

Provinces scheduled for IFMS roll out in 2021;

1. Enga
2. Southern Highlands
3. Hela
4. Milne Bay
5. West Sepik
6. Western
7. Gulf

Provincial Health Authorities scheduled for IFMS roll out in 2021;

1. Morobe
2. Central
3. Northern
4. Western Highlands
5. Jiwaka
6. Eastern Highlands
7. Simbu
8. Milne Bay
9. Western
10. Gulf
11. Enga
12. Southern Highlands
13. Hela
14. NCDC



(L-R) PomGen Deputy Chairlady Ms Kathy Johnson, Finance Secretary Dr Ken Ngangan and PomGen CEO Dr Paki Molumi during the launching of IFMS at the Port Moresby General Hospital last year.

IFMS continues to deliver improved financial processes

The IFMS has configured few more state financial operations that will enable smooth financial transaction for respective state agencies and stakeholders.

According to the DoF IFMS team, IFMS has been configured to Withhold Goods and Services Tax from payments to Government suppliers of Goods and Services for remittance to IRC.

This configuration is in compliance to Section 65A of the Goods and Services Act 2003. This section imposes a requirement on National Agencies and State owned entities to act on behalf of IRC and withhold GST on supplier invoices.

This change became effective from 1st May, 2021 with first remittance of GST expected on the 21st of June for GST collected in May.

Meanwhile, the Electronic Funds Transfer (EFT), the DHERST student loan including external revenue collecting interfaces has also been

configured into IFMS.

The EFT capability has been extended for the payments for rentals, utilities and 2020 dishonored cheques. This payment method was previously used for Grant Transfers and APEC related payments only.

In addition, the DHERST student loan is utilising the AP functionality on IFMS to process payments and the EFT to transfer the funds electronically to respective institutions.

IFMS is now capable of importing revenue collection accounting information through the following interfaces that have now been implemented giving an immediate reflection on revenue collected at this revenue collection points; IRC-Tax revenue, Lands – Land/Property rentals and leases and Immigration – Immigration fees.

This interface will be part of the payment process via BSP Digital Payment system.



UP COMING EVENTS

■ R & R Exercise

■ Recruitment Exercise for Headquarter, Provincial Finance Office and District Finance Office

■ Roadshow for Graduate Development Program

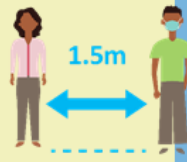
■ Regional Workshop for PFOs and DFOs

Niupela Pasin

New Normal in the time of the COVID-19 Pandemic

Protect yourself, your family and community from COVID-19.

Keep at least 1.5 meters distance between you and others. Limit social gathering and time spent in crowded places.



Greet each other without touching -- no handshake, no fist or elbow bumps. Greet with the smile, bow, nod or a simple hello.



Wear a face mask or face covering in all public places to protect yourself and others.



Clean and disinfect frequently touched objects and surfaces.



Clean hands frequently – wash with soap and water or alcohol-based sanitizer.



Cough or sneeze into your bent elbow – not your hands. Avoid touching your mouth, eyes and nose.



If you have COVID-19 symptoms such as fever, cough, sore throat or shortness of breath, call the **COVID-19 toll-free hotline 1-800200 immediately.**

Fighting COVID-19 is our shared responsibility. Let us all be vigilant and look after each other.



Putting together a complete newsletter is a team work. Therefore officers are urged to consider contributing an article or pictures of any of the projects launching, workshops, conference, trainings or any other useful information that is of news worthy. If you have no time to write a summary, please let the team know so that we can assist on what you want us to include on the next issue. On that note if you have upcoming events please include the team for media coverage. Please see the Communications and Reporting Team at OSD