



DEPARTMENT OF FINANCE
Office of the Secretary

FINANCIAL INSTRUCTION 01/2023

10th MARCH 2023

SUBJECT: RECOMMENCE THE USE OF IFMS AND CESSATION OF BANK TRANSFERS TO COVID-19 EMERGENCY TRUST ACCOUNTS

1.0 INTRODUCTION

1.1 Authority

This Financial Instruction (hereafter FI) is issued under Section 117 of the Public Finances Management Act (PFMA) whereby the Finance Departmental Head may issue Financial Instructions that are necessary or desirable for carrying out or giving effect to this Act and in general for the better control and management of public moneys and public properties.

1.2 Legality & Enforcement

Pursuant to section 4 of the PFMA, the Finance Secretary has control and direction of all matters relating to the management of the financial affairs of the State.

1.3 Precedence

This FI revokes FI 11/2021 issued 04 November 2021.

2.0 SCOPE

2.1 In-scope agencies and Threshold

This FI applies to all sub-national public and statutory bodies that are operating the Integrated Finance Management System (IFMS).

3.0 PURPOSE

The purpose of this FI is to direct all public and statutory bodies, where IFMS has been rolled out, to recommence using the IFMS for their financial operations and cease using Covid-19 Emergency Trust Accounts for PSIP/DSIP and operational expenditures.

4.0 RECOMMENCE USING IFMS

FI 08/2017 directed all public and statutory authorities to use the IFMS as it was operationalised throughout the country; **FI 08/2017 remains in force.**

The temporary arrangement provided through FI 11/2021 to allow business continuity during the unavailability of IFMS ceased with the issue of Circular Instruction (CI) 05/2022, dated 10 June 2022, which directed all provinces and

districts that were disconnected from IFMS due to the malware attack on the Department of Finance servers to resume transacting in IFMS.

IFMS connectivity is being progressively restored to all districts where IFMS has been implemented; however, IFMS is restored in all Provincial Finance Offices, providing at least one access point in each province which can be utilised by the province and its associated districts. Districts awaiting full restoration can access IFMS from their Provincial Finance Office. Therefore, all provinces and districts are to comply with the CI 05/2022 directive and recommence using IFMS.

5.0 PROVINCES AND DISTRICTS USING COVID-19 EMERGENCY TRUST ACCOUNTS FOR NON-COVID RELATED PURPOSES

5.1 Cessation of Funds Transfers to COVID TA

It has become clear that some provinces and districts are continuing to transfer operating and PSIP/DSIP funds into the Covid-19 Emergency Trust Accounts that are not for Covid related expenditure.

From the date of this FI, NO funds are to be transferred from Provincial and District operating accounts to COVID-19 Emergency Trust Accounts, without prior written approval of the Secretary, Department of Finance.

It is recognised that exceptional cases may arise, in which case Provincial and District Finance Managers are to submit requests to transfer funds to the Covid-19 Emergency Trust Accounts to the Deputy Secretary Support Services, Ms. Margaret Tenakanai; email margaret_tenakanai@finance.gov.pg.

6.0 ENFORCEMENT

The Department of Finance will actively monitor compliance with this FI.

Non-compliance with this and other FIs issued under the PFMA, will invoke appropriate sanctions and/or penalties prescribed under the Act and/or under other relevant laws.

7.0 EFFECTIVE DATES OF THIS FINANCE INSTRUCTION

This FI is effective as of the date of signing by the Secretary of Finance.

8.0 HELP DESK

Should you require further information the following should be contacted:

- Gabi Kila, FAS PDFMD; email gabi_kila@finance.gov.pg
- Stanley Yekep, FAS FCD, email stanley_yekep@finance.gov.pg
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Secretary

Date: 10/03/2023

