



Papua New Guinea

**DEPARTMENT OF FINANCE
Office of the Secretary**

FINANCE INSTRUCTION 03/2021

19TH FEBRUARY 2021

SUBJECT: FINANCE INSTRUCTION FOR THE 2021 NATIONAL POPULATION AND HOUSING CENSUS FOR SUB-NATIONAL LEVEL

1.0 INTRODUCTION

1.1 Authority

This Finance Instruction (hereafter FI), is issued under Section 117 of the *Public Finance (Management) Act*, as amended (PFMA).

1.2 Legality & Enforcement

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.

1.3 This Instruction is applicable to current budget allocation of K168 million by the Government towards financing the 2021 National Census.

2.0 PURPOSE

2.1 Census Regulation & Funds Usage

This Instruction and Census Administrative Guidelines are designed to ensure the control and effective usage of 2021 National Population and Housing Census (NPHC) for sub-national level. It is also established to support convenient and efficient financing of the census project without comprising quality of the 2021 NPHC.

3.0 BACKGROUND

- 3.1 NEC Decision No. 81/2019 and Decision No. 194/2020 by the National Executive Council :
- The 5th National Population & Housing Census (NPHC) for PNG was approved on the 10th of April 2019 by NEC (**Decision No. 81/2019**) with 12th July 2020 as the reference night;
 - Due to funding constraints, funding delays and the impact of COVID-19 since 2019, the timeframe required to implement the preparatory work before July 2020 was extremely reduced and it was not possible for the NSO to conduct the census using reference night of 12th July 2020; and
 - NSO consequently requested for the deferral of the Census to July 2021 which was approved on the 18th of June 2020 by NEC (**Decision No. 194/2020**) with 11th of July 2021 as the new reference night.
- 3.2 A National Population and Housing Census (NPHC) for Sub-national level will be conducted in July 2021.
- 3.3 Responsibility for the conduct of 2021 National Population and Housing Census will entirely lies with National Statistical Office (NSO) whilst Department of Finance (DoF) plays supporting role on the census financial administration function.
- 3.4 The 2021 Budget appropriation of K168 million was provided to cover all costs of the 2021 National Census. The associated costs are as follows:
- structure listing & mapping operations;
 - nation wide publicity for the census;
 - procurement of logistics;
 - census trainings;
 - printing and distribution;
 - enumeration and evaluation;
 - data processing, analysis, and dissemination; and
 - extra casual staff required during the census etc...
- 3.5 Approximately 25,000 census enumerators are expected to be engaged during the census period by NSO. They will work at various locations in PNG during the census period.

4.0 OVERVIEW OF GOVERNANCE AND PAYMENT PROCESSING ARRANGEMENTS

4.1 The Census Finance Sub-Committee

A committee, known as the Census Finance Sub-Committee (CFSC) has been established, comprising representatives from NSO, Department of DNPM, Department of Finance, Department of Treasury and other relevant departments and organizations. The committee will monitor the implementation of arrangements and requirements outlined in this Finance

Instruction and will provide advice to the Chair of the National Census Steering Committee (NCSC), National Statistician and the Census Director on actions necessary to ensure that census funds are managed and accounted for correctly and reported in a timely manner.

- 4.2 The Census Finance Sub-Committee, chaired by First Assistant Secretary, Department of Finance or his delegate, meets at least fortnightly or more regularly if required.
- 4.3 The National Statistical Office will provide secretariat services to the Census Finance Sub-Committee.
- 4.4 The Census Finance Sub-Committee Secretariat will provide minutes of all meetings to the Chair within five days of the Committee meeting.

5.0 ESTABLISHMENT OF NATIONAL CENSUS TRUST ACCOUNT

5.1 A National Census Trust Account has been established with the Bank of PNG (BPNG) and Subsidiary accounts established for each Province with the Bank South Pacific (BSP).

5.2 The nominated bank account signatories for these accounts, are as prescribed by the National Census Trust Account Trust Instrument, as follows:

- (a) National Census Trust Account - **Main account with BPNG;**
 - (i) **Mandatory Signature:** Secretary or Deputy Secretary; Department of National Planning and Monitoring and
 - (ii) **Countersignature:** Secretary Finance or Deputy Secretary Operations, Department of Finance;
- (b) National Census Trust Account - **Provincial subsidiary accounts;**
 - (i) **Mandatory Signature:** Provincial Administrator or the Deputy Administrator as alternate; and
 - (ii) **Countersignature:** Provincial Finance Manager (PFM) or Provincial Expenditure Accountant as alternate.

6.0 PAYMENTS INTO THE NATIONAL CENSUS TRUST BANK ACCOUNTS

6.1 Funds appropriated in the National Budget may be reallocated for the National Census by the Department of Treasury, on the authority of the Treasurer and paid into the Main National Census Trust Bank Account with BPNG.

6.2 Funds provided by development partners, donors, commercial operators or citizens shall be paid directly into the Main National Census Trust Bank Account with BPNG.

6.3 Funds donated by provincial and/or district administrations, or private, corporate commercial organizations in Provinces shall be paid directly into the

respective Provincial Subsidiary trust bank account with BSP. The Cash Books for these accounts are to be maintained in the IFMS/PGAS system by the respective PFM and to record the fund source either from the National Government, Provincial Government (including District and LLG) or from the donor's and whether the funds are for a specific purpose (e.g. PPE, etc.) or general use to support the census.

7.0 PAYMENTS FROM THE NATIONAL CENSUS TRUST BANK ACCOUNTS

7.1 Main (National) Account with BPNG

- (a)** The Main National Census Trust Bank Account shall be operated with BPNG utilising the IFMS. All payments from this bank account shall be through electronic funds transfer (EFT), as follows:
 - (i)** Payment to suppliers of goods and services shall be made directly to the supplier's nominated bank account after PFMA compliant expenditure approval processes (claims examination, S32 expenditure approval and claims certification) have been completed. The S32 delegate for this account shall be that used by the National Statistical Office.
 - (ii)** Funds transfers to Provincial Census Subsidiary trust bank accounts shall be through EFT, following approval from the Census Project Director and the National Statistician; and
 - (iii)** The EFTs shall be processed by the Department of Finance, Cash Management Branch.

7.2 Provincial Subsidiary Trust Bank Accounts

- (a)** The Provincial Subsidiary Trust Bank Accounts shall be operated with BSP utilising the IFMS / PGAS system;
- (b)** Payments from the Provincial Subsidiary Accounts held with BSP shall be through the use of IFMS / PGAS cheque stationery for each account; and
- (c)** The Provincial Finance Manager (PFM) **MUST** ensure that all payments are compliant with the PFMA expenditure requirements.

8.0 PROCUREMENT

8.1 Existing Procedures apply to all 2021 National Census Expenditures

- (a)** All procurements shall be carried out in accordance with the National Procurement Act (NPA) 2018, the regulations, guidelines and instructions issued under NPA.
- (b)** The existing procurement procedures and public tendering requirements shall apply to all minor and major procurement arrangements under Section 26 of the *National Procurement Act, 2018 and PI -07 of 2019* for all classes of expenditure incurred in relation to 2021 National Census.

- (c) For purchase less than K5,000, the usual Verbal Quotations with Integrated Local Purchase Order and Commitment (ILPOC). Purchases for amounts between K5,001 and K500,000, three written quotations are required however, for purchases between K50,000 – K500,000 in addition to the written quotation; a Minor Contract Agreement executed by the Head of the procuring Agency is required.
- (d) For purchase over K500,001 public tender requirement applies through certification of APC.

Value	Process
Less than K5,000	Verbal Quotations (ILPOC)
More than K5,001 – K500,000	Three written quotations (ILPOC)
Between K50,000 – K500,000	A Minor Contract Agreement (Capital Works)
More than K500,000	Public Tender by NPC through APC

- 8.2 The NSO will determine all goods and services needed to successfully run the 2021 National Census and will forward the final costing to National Census Steering Committee (NCSC) and the Census Finance Sub-Committee. The total costing proposal must balance with total funding appropriated by Department of Treasury to manage the 2021 National Census hence the state is protected from buildup of unpaid claims by service providers after the census.
- 8.3 NSO in consultation with Finance will develop a list of duly Registered suppliers with the government nationwide and provide to those Departments/Agencies involve with the National Census. Provincial Census Coordinators in consultation with Provincial Finance Manager will determine list of pre-qualified contractors or service providers prior to the 2021 National Census.

9.0 SECTION 32 FINANCIAL DELEGATES

- 9.1 All claims for processing payment from 2021 National Census funds must be appropriately certified by *Public Finances (Management) Act 1995*, Section 32(1) (Approves Requisitions for Expenditure of Money) and Section 32(4) (the Financial Delegate) delegates accompanied with relevant supporting documents.
- 9.2 The Section 32 (1) Officers of 2021 National Census Trust Account - **Main account with BPNG** as per the Trust Instrument, are as follows:
 - (a) **Section 32 Officers:** Secretary or Deputy Deputy Secretary as alternate Department of National Planning and Monitoring and
 - (b) **Financial Delegates:** Secretary Finance or Deputy Secretary Operations, as alternate Department of Finance; and.

- (c) **Authorized Requisition Officer (ARO):** National Statistician of NSO is the Authorized Requisition Officer (ARO) for 2021 National Census claims raising. In the absence of Statistician, the Deputy Statistician is alternate ARO.
- 9.3 The Section 32 (1) Officers of 2021 National Census Provincial Trust Account – **Subsidiary account with BSP**, are as follows:
- (a) **Section 32 Officers:** Provincial Administrator or the Deputy Administrator as alternate;
- (b) **Financial Delegates:** Provincial Finance Manager or the Provincial Expenditure Accountant as alternate; and
- (c) **Authorized Requisition Officer (ARO):** Provincial Census Coordinator.
- 9.4 The Finance Secretary has appointed the existing 22 Provincial Finance Managers (PFMs) to assume responsibility as **Authorized Financial Delegates** in each of the 22 provinces respectively. Their responsibility is to oversight the census financial management for smooth conduct of the census.
- 9.5 The National Statistician of NSO has appointed 22 Provincial Census Coordinators in each Province 22 provinces respectively as **Authorized Requisition Officers (ARO)**. Their responsibility is to oversight the census financial management for smooth conduct of the census.

10. RELEASE OF FUNDS AND PAYMENTS PROCESS

- 10.1 The NSO does not have a finance infrastructure in place outside of Port Moresby, as such Department of Finance will support the operations of the Census by providing an accounts payable bureau service to NSO to facilitate the processing of payments outside of Port Moresby. Accordingly, Provincial Finance staff will be available to undertake various financial functions to support NSO to run the Census. Processing of payments in IFMS/PGAS system will be done on existing IFMS/PGAS database that will be installed in Provincial Finance Offices.
- 10.2 Separate cashbook for operating account will be set up in the National Government database of each Provincial Finance IFMS/PGAS system. All payments made from 2021 National Census Subsidiary Trust Accounts will either be made centrally by EFT or processed in IFMS /PGAS or via system generated cheques. **No manual cheques are to be used.** Provincial Finance Managers will ensure that bank reconciliations are completed, reported and submitted to Secretary Finance and copy to the National Statistician prior to closing of the Subsidiary Trust Accounts after 2021 census.
- 10.3 Warrant authority will be provided by DoT which will be dispersed to 22 Provincial Finance Offices (including NCD) in the form of Cash Funds certificates (CFC). Details of CFC issued by Cash Management Branch of DoF will request that Bank of PNG process a telegraphic transfer of funds from the

Waigani Public Account (WPA) to all Provincial 2021 National Census Subsidiary Trust Accounts to cover CFCs issued.

- 10.4** CFCs will be loaded against relevant 2021 National Census expenditure votes at each IFMS/PGAS site. The Provincial Finance Manager will be the CFC holders for all Provincial 2021 National Census CFC (ex- warrant CFC) and must ensure that CFC is loaded in to the local IFMS/PGAS system accurately in timely manner.
- 10.5** Transfers of funds from WPA to Provincial 2021 National Census Subsidiary Trust Accounts will be accounted for as transfers out, not as expenses against 2021 National Census expenditure votes.
- 10.6** With the exception of ongoing Census staff, all other staff engaged by NSO on short term or casual basis for census related tasks will have their salaries paid using one of four nominated processes. (This is regardless of whether the non-ongoing staff member is registered or not on PNG Alesco payroll system in some other capacity. For example, a person who works as a teacher for Department of Education (DoE) will also be engaged in a casual capacity in 2021 National Census would have his 2021 National Census wages paid via IFMS / PGAS system even though his salary is paid by DoE Alesco System. Where possible casual wages payments will be made by EFT or cheque. Where these options are not available cash will be used to pay wages.
- 10.7** All payments made using 2021 National Census funds will be made on the basis of properly rendered invoices for services, or properly authorized wages claims for staff employed in relation to the census. All payment must have Purchase Authority and Temporary Workers Contractual Agreement Forms attached for payments.

10.8 Use of Private Hire Vehicles / Vessels

- (a)** This instruction on the Use of Private Hire Vehicles / Vessels must be adhered to together with ***Finance Instruction 3/2006*** on the Guidelines for the Use of Private Hire of Vehicles and the ***Circular Instruction No. 09/2018*** on External Motor Vehicle Hire Rates must also be complied with and Part 17 of the Public Financial Management Manual;
- (b)** NSO in consultation with DoF will develop a list of duly registered suppliers with the government nationwide and provide to those Departments / Agencies involve with the National Census;
- (c)** Provincial Census Coordinator (PCC) in consultation with Provincial Finance Manager (PFM) will engage suppliers to provide motor vehicles / vessels for use during census period based on approved list provided by NSO;
- (d)** Any supplier/s engaged outside of the list approved by NSO must give a clear justification for seeking approval from NSO HQ;
- (e)** The request for hire should be documented on Department of Works Plant and Transport Branch (PTB) Form 20 "Request of Hire of Plant /

Transport" (DoW Form 20). The form is to be signed by Section 32 Officer for approval and Financial Delegate on the availability of funds;

- (f) The Form 20 is submitted to Provincial PTB by PCC and entered into Provincial Procurement Register;
- (g) The Payment Authority (PA) is issued by the PCC to the Supplier;
- (h) The Suppliers' invoice when received by the clerk will be reconciled against the Personal Assistant (PA) to ensure the following is confirmed:
 - Details of the Supplier;
 - Days charged;
 - Rate charged; and
 - Location.
- (i) The invoice details are entered into the Procurement Register by the Provincial Expenditure Accountant and forwarded to the Provincial Administrator for approval; and
- (j) The approved invoice will be forwarded to PCC where to be processed in accordance with the approved payment process.

10.9 Approval of payments to casual employees and to third party suppliers

- (a) All 2021 National Census related expenditures will be proposed, reviewed and authorized by NSO and DoF delegates;
- (b) Before any casual employee can be paid calculation of any tax payable on the wages will be undertaken in accordance with the calculation process approved by IRC. Tax payable will be deducted from the wages payments prior to payment and remitted by the National Statistician to the IRC in accordance with taxation requirements;
- (c) All payments to casuals must be entered in the NSO KUNDUPAY system and approved by PCC or PFM are responsible for ensuring that all wages and allowances rates are correct and that any taxes payable by the worker have been correctly calculated, deducted and remitted to IRC;
- (d) In order to ensure the accuracy, integrity and efficiency of payment processes payments to business suppliers and casual employees will be made as follows:
 - Option 1:** EFT (1st priority) – Where the payee has an active bank account their payment is to be processed using the EFT payment process;
 - Option 2:** IFMS/PGAS cheque – (2nd priority) – Where the payee does not have a bank account but lives in a town center with bank facilities. They will be paid by cheque printed from PFO PGAS system;
 - Option 3:** Cash from District Finance Office (DFO) (3rd priority) – where the payee does not have a bank account, does not live in a

town center but does have access to an operational DFO they will be required to go to DFO to collect a cash payment. Payments will be distributed by NSO officer or PFO or DFO officer; and

Option 4: Cash from LLG Manager or Census Coordinator (4th option) - where the payee does not have a bank account, does not live in a town, does not have access to an operational DFO payments owed to them will be made in cash by the respective LLG Manager or LLGCC at the LLG Stations or convenient LLG points.

- (e) Where cash payments are being used, LLG Managers or LLGCCs will be held responsible to safe guard the cash. The LLG Managers or LLGCCs will be responsible to reimburse the NSO for any losses of cash resulting from situations where the accountable officer has acted negligently or failed to follow procedures.

10.10 Payments to casual and non-ongoing employees

- (a) All casual and non-ongoing Census Staff to work in the census data collection will be paid via EFT IFMS/PGAS system in accordance with the instructions contained in appendix 2;
- (b) The National Statistician or DoF Secretary will prepare and issue a Statement of earnings to each casual employee as required by IRC; and
- (c) The Secretary DoF and the National Statistician are responsible for resolution of any disputes arising in relation to payment or non-payment of wage entitlements.

11.0 REPORTING AND MONITORING ARRANGEMENT

- (a) Regular reports detailing year to date expenditures will be produced from the IFMS / PGAS system and forwarded to Secretary (DoF) (copied to the National Statistician and the Census Director) for review to ensure DoF Secretary, the National Statistician and the Census Director are kept informed about the accumulation of costs and can respond as required. PFMs and Provincial Census Coordinator (PCC) will comply with the above;
- (b) **Monthly bank reconciliations** of the Provincial 2021 National Census Subsidiary Bank Accounts will be prepared, reviewed and actioned by the Provincial Finance Manager (PFM) within 14 days of the end of each month. This includes responsibility for following up reconciling items with third parties, such as the bank errors, and preparing transactions and associated paperwork for posting to IFMS / PGAS cashbook. The PFO/Provincial Treasury staff will be responsible for processing of transactions related to bank reconciliations such as posting cheques and journals in PGAS;

- (c) The PCC will prepare a report detailing following information on a weekly basis and provide it to the National Statistician and the Census Director which will then presented to the National Census Steering Committee (NCSC):
- The amount of CFC relating to 2021 Provincial Subsidiary Account received by PFM by month and expenditure vote and the total amount of money committed by expenditure vote.
 - The total amount of CFC remaining uncommitted to be reported by expenditure vote;
 - An estimate of expected future cash requirements broken down by month and by expenditure vote;
 - Details of any significant census related procurements (greater than K10,000) expected to be required in the province that will be paid using 2021 National Census funds and all procurement requirements shall apply; and
 - Details of any losses, deficiencies or overpayments or other irregularities that have occurred along with details of any actions taken to recover amounts and stop further loss.
- (d) The above reports will be reviewed and authorized by the PFM and copied to PCC, the secretariat of the NCSC, and the FAS-Financial Reporting and Compliance Division - DoF.

12.0 OFFENCES

Pursuant to Section 106 of the PFMA 1995 (as amended) and Section 78 of the NPA 2018, a person who, in whole or part, omits or fails to comply with a duty, obligation or requirement of this FI and PI is guilty of an offence. All offences are offences of strict liability. Penalties will be imposed for non – compliance.

13.0 AUDIT AND INSPECTIONS

13.1 Funds are Subject to Audit

All public funds used for 2021 National Census will be subject to internal and external audit by Department of Finance and the Auditor General's Office.

14.0 EFFECTIVE DATE OF THIS FI

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

15.0 HELP DESK

15.1 Should you require further information the following should be contacted for assistance in relation to technical or policy matters from the Departments of Finance, Treasury and NPC/CSTB:

Organization	Designation	Contact Number
National Statistical Office:	Census Director	3250169
	Deputy Census Director	3250169
	Finance Manager	3250169
Department of National Planning and Monitoring:	Director-Public Investment Program (PIP)	3288318
Department of Treasury: - Budgets Issues - Issue of Warrant Authority	FAS -Budgets Division	3288605
		3128736
Department of Finance: - Cash management and TT transfers - Financial Reporting & Compliance - Provincial Finance Operations - IFMS / PGAS	FAS, FRCD	3288201
	FAS, FCD	3288605
	FAS, PDFMD	3288595
	FAS, ITCD	3288277
National Procurement Commission: - Procurement/Tendering	The Board Secretary (NPC/CSTB)	3113777 Ext. 208




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Date: 22 / 03 / 2021