



**DEPARTMENT OF FINANCE**  
Office of the Secretary

Finance Instruction 03/2023

1<sup>st</sup> December 2023

**TO :** Provincial Finance Managers  
District Finance Managers

**Copies:** Provincial Administrators  
Chief Executive Officers of the District Development Authority

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**SUBJECT: SUB-NATIONAL PAYMENTS AND USE OF FORM 11**

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## **1.0 Introduction**

- 1.1 Authority  
Finance Instruction (FI) is issued under Section 117 of the Public Finances Management Act (PFMA), as amended.
- 1.2 Legality and Enforcement
  - 1.2.1 Pursuant to Section 4 of PFMA, the Finance Secretary has control and direction of all matters relating to the management of the financial affairs of the State.
  - 1.2.2 Non-Compliance with this FI issued under PFMA, will invoke the appropriate sanctions and/or penalties prescribed under the Act and/or under relevant laws.
- 1.3 This FI is to be read in conjunction with all past instructions that govern the arrangement of provincial and district expenditure.

## **2.0 Purpose**

- 2.1 Use of FORM 11 for Payments  
This instruction is issued to all Sub-National entities and requires all payments for service providers to be accompanied by Form 11, approved by the Governor or the Member of Parliament, as the Chairperson for the District Development Authority (DDA).

## **3.0 Background**

- 3.1 With the shift in the focus of the National Government to sub – national level, there has been increased level of funding to the districts and provinces.
- 3.2 These funds includes the Service Improvement Programs (SIP) funds, the Provincial Service Improvement Program (PSIP) and District Services Improvement Program (DSIP)
- 3.3 There are other funds being managed at a sub-national level such as the National Pandemic Funds – Covid19, a Trust Account managed in each District and Provinces for Covid19 related purposed payments.
- 3.4 The annual funding of District Support Grants and Provincial Support Grants and other additional direct funding that comes from either the National Departments such as Police, CIS, Department of Works, Department of National Planning and Monitoring and Statutory Authorities like National Fisheries Authority and National Gaming Control Board.
- 3.5 All these funds are sent transferred directly to respective bank accounts at the sub national level.

#### **4. Bank Accounts at Sub – National Level**

- 4.1 Funds received at the sub – national level are sent direct into their respective bank accounts:

(a) Provinces: Provincial Treasury Operating Account (PTOA)  
 Provincial Government Grant Account (PGGA)  
 Provincial Government Operating Account (PGOA)  
 Receiver of Public Accounts (RPM) (no payment from this account)  
 Provincial Services Improvement Program Account (PSIP)  
 Covid19 Trust Account  
 Court Bail and Child Maintenance Trusts Accounts

(b) Districts: District Development Authority Operating Account (DDAOA)  
 District Services Improvement Program Account (DSIP)  
 Covid19 Trust Account

#### **5.0 Payment Processing through Integrated Financial Management System (IFMS)**

- 5.1 IFMS is the only accounting and finance system endorsed for use by public entities, except for few remaining locations where PGAS is still in use until such date as PGAS will be replaced by IFMS. No other accounting or finance is to be used by any public entities as directed by a Circular by the Chief Secretary dated 17<sup>th</sup> May 2017, which remains in effect to date.
- 5.2 IFMS is in all National Government Departments, Provincial Governments and also at the District level and Statutory Authorities.

- 5.3 IFMS is an integrated accounting and finance system that has the modules for Planning, Budgeting, Procurement, Accounting and Reporting.
- 5.4 All public entities on IFMS must make all payments through and no other payment method is to be used unless permission from Secretary Department of Finance has been obtained.
- 5.5 All care should be taken to maintain the existing IT Hardware, which are very costly to maintain and all computer equipment and printers must be physically safe guarded.

## **6.0 Cheque Payment and Form 11**

- 6.1 All cheque payments raised at sub – national level with bank confirmation letters and supporting Documents to the bank must be accompanied by Form 11 (Form Issued by Department of Implementation and Rural Development).
- 6.2 The cheques raised comes from the respective Bank Accounts as stated in Clause 4.
- 6.3 The Form 11 is a form signed by the Governor of the Province as Chairperson to Provincial Executive Counsel or the Chairperson of the DDA Board.
- 6.4 The requirement to sign Form 11 ensures that the Governor/Chairperson of the DDA has visibility on the cheques raised in IFMS and presented to the service providers.
- 6.5 All payment procedures must be complied with in accordance to the Finance Instructions issued by Secretary Finance, the Financial Management Manual, Public Finances Management Act and the National Procurement Act, before cheques are printed.

## **7.0 Penalties and Surcharges**

- 7.1 All offences under this Act are offences of strict liability. (2) A person who, in whole or part, omits or fails to comply with a duty, obligation or requirement of this Act is guilty of an offence under Section 106A of the PFMA (as amended).
- 7.2 All PFM's and DFMs are reminded that non-compliance with the PFMA or NPA is an offence, and a conviction for an offence can result in the imposition of severe penalties.

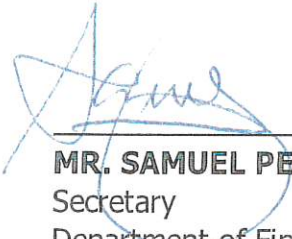
## **8.0 Effective date of this Finance Instruction**

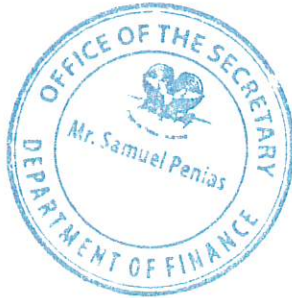
This Finance Instruction is effective as of the date of signing by the Secretary

## **9.0 Help Desk**

Should you require further information the following officer can be contacted:

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**MR. SAMUEL PENIAS**  
Secretary  
Department of Finance



Dated: 01 / 12 / 2023