



DEPARTMENT OF FINANCE
Office of the Secretary

FINANCIAL INSTRUCTION: 04/2024

20TH MAY 2024

SUBJECT: FINANCIAL INSTRUCTION FOR THE CLOSURE OF ALL COVID-19 TRUST BANK ACCOUNTS

1.0 INTRODUCTION

1.1 Authority

This Finance Instruction (hereafter FI) is issued under Section 117 of the Public Finance (*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 Instruction is associated to FI 01/2023 whereby the Instruction requested that all bank transfers into a Covid-19 Emergency Trust Bank Account cease.

2.0 BACKGROUND

The Covid-19 emergency trust accounts were established for the purposes of emergency expenditure in response to the Covid-19 pandemic and directions issued under FI 05/2020 and expended in line with the requirements under FI 07/2020 (which was repealed), FI 07A/2020 and FI 08/2020.

Following the disruptions to user access into IFMS, further instructions through FI 11/2021 were given to use the emergency trust bank accounts for business continuity until IFMS user access was restored.

3.0 PURPOSE

The purpose of this FI is to give direction to all Provincial Administrators, CEOs of District Development Authorities (DDA) and Provincial and District Finance Managers on the mechanisms for managing the remaining funds in the Covid-19 Emergency Trust Bank Accounts.

All Covid-19 emergency trust bank accounts will be closed 30 June 2024 by direction of the Secretary, Department of Finance and any remaining funds will be swept into a single Covid-19 emergency trust bank account held by the Department of Finance.

- i. All provinces and districts are to transfer any remaining monies that belong to the Provincial Operating and District Operating bank accounts back to the Operating Accounts by 30 June 2024;
- ii. Any remaining "Covid-19 related" monies yet to be used by 30 June 2024 but committed in accordance with FI 7A/2020 and FI 08/2020; and
- iii. All final **Manual Cash Books** and **Bank Reconciliations** are to be prepared and submitted to the Department of Finance within 14 days after all monies are transferred/used; and

4.0 TRANSFER OF FUNDS

FI 01/2023 directed that no further funds are to be transferred from Provincial and District Operating Accounts to Covid-19 Emergency Trust Accounts, without the prior written approval of the Secretary, Department of Finance. This instruction was due to the reconnection of IFMS in the sub-national where these operating funds could again be accessed through the normal IFMS system.

5.0 COVID-19 RELATED BALANCE

Any remaining monies from the Covid-19 Appropriation released in 2020 is to be used for costs as specified in FI 7A/2020 and FI 08/2020.

6.0 REPORTING

Subject to FI 7A/2020, Clauses 8, 9 and 10 specified the following:

- i. A manual cash book is to be maintained with minimum required information;
- ii. All bank reconciliations completed in accordance with PFMA provisions; and
- iii. A Financial and Physical Report with evidence of tangible outcomes is to be completed by 31 December 2020 for all implementing agencies and submitted to the Departments of Finance and Treasury

These reporting requirements remain valid.

All Provincial Administrators and CEOs of DDAs are to ensure the transactions from the COVID-19 Trust Accounts are reported and appropriate bank reconciliations are prepared and submitted to the Department of Finance.

7.0 CLOSURE OF COVID-19 TRUST ACCOUNTS

We understand that some of the COVID-19 Trust Accounts still have unpresented cheques (that is cheques are not stale and yet to be presented to the bank). Therefore, sufficient time is provided to these Accounts to follow up on all suppliers holding valid cheques to present them.

8.0 OFFENCES

Pursuant to Section 106 of the PFMA, a person who in whole or part omits or fails to comply with a duty, obligation, or requirement of this FI, is guilty of an offence. All offences are offences of strict liability. Penalties will be imposed for non-compliance.


9.0 DATE OF IMPLEMENTATION

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

10.0 HELP DESK

Should you require further information, the following officers should be contacted:

- Samson Metofa, First Assistant Secretary, Financial Reporting & Compliance Division (Phone: 79986000) Email samson_metofa@finance.gov.pg
- Gabi Kila, First Assistant Secretary, Provincial and District Financial Management Division (Phone: 79986000) Email gabi_kila@finance.gov.pg


Mr. Samuel Penias
Secretary for Finance



Date: 22 / 5 / 2024