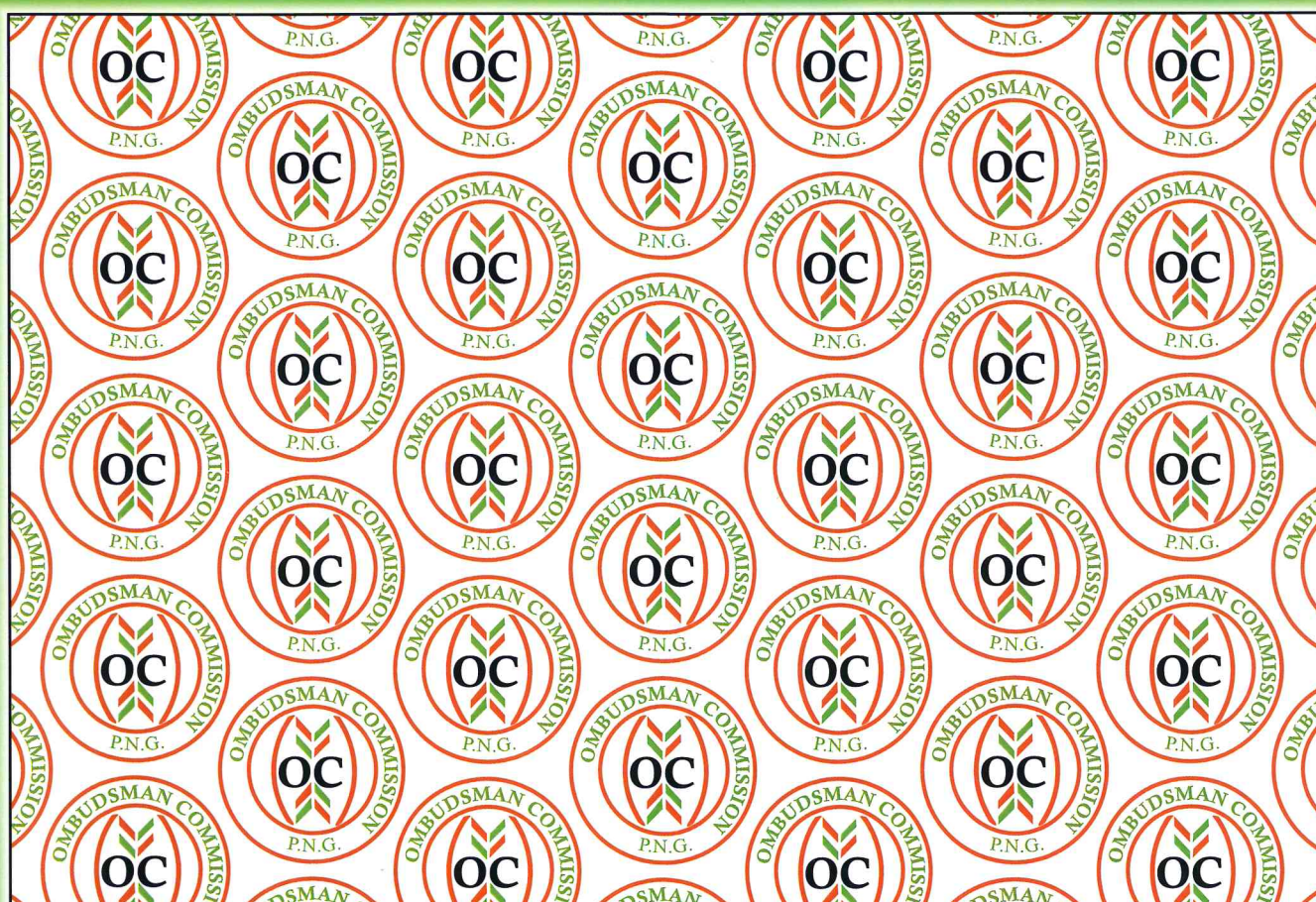




Report of the Auditor-General on Accounts of the Ombudsman Commission of PNG for the year ended 31 December 2016





**Report of the Auditor-General on the
Accounts of the Ombudsman
Commission of PNG for the year ended
31December 2016**



**An Assurance Audit Report of the Auditor General on the Financial
Statements of the Ombudsman Commission of PNG for the year ended 31
December, 2016**

OFFICE OF THE AUDITOR-GENERAL

3 April 2019

The Honourable Job Pomat, MP
Speaker of the National Parliament
Parliament House
WAIGANI
National Capital District

Dear Mr Speaker,

In accordance with the provisions of *Section 214* of the *Constitution of the Independent State of Papua New Guinea*, I forward herewith a copy of my report signed on 20 February 2019 upon the inspection and audit of the financial statements of the Ombudsman Commission of PNG for the year ended 31 December 2016.

Yours sincerely,



GORDON KEGA, CPA
Acting Auditor-General

AUDITOR-GENERAL'S REPORT ON THE OMBUDSMAN COMMISSION OF PNG

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1. Executive Summary

Results of Operations

The Ombudsman Commission of PNG recorded a net surplus of K1.1m for the 2016 financial year which saw an increase of over K1.5m compared to the prior year's results. This is attributed to cost cutting measures in its operational area resulting in the 10% cost reduction compared to 2015.

Expansion/Development programs

The Ombudsman Commission of PNG is has embarked on to review its organizational structure and its internal systems, processes, practices and delegations of authorities to make decisions to propel its performances to meet the current demands, threats and challenges. The Commission has enhanced the way it conducts business to focus on accessibility and service delivery, especially in provinces and districts. It is looking at being more proactive in its approach by increasing awareness on proper registration of complaints from which investigations are initiated.

Other operational expansion and development plans for the period under review include the construction and renovation of institutional houses at selected sites, at Kokopo, East New Britain Province.

2. Enabling Entity Legislation

Functional Responsibilities/Mandate

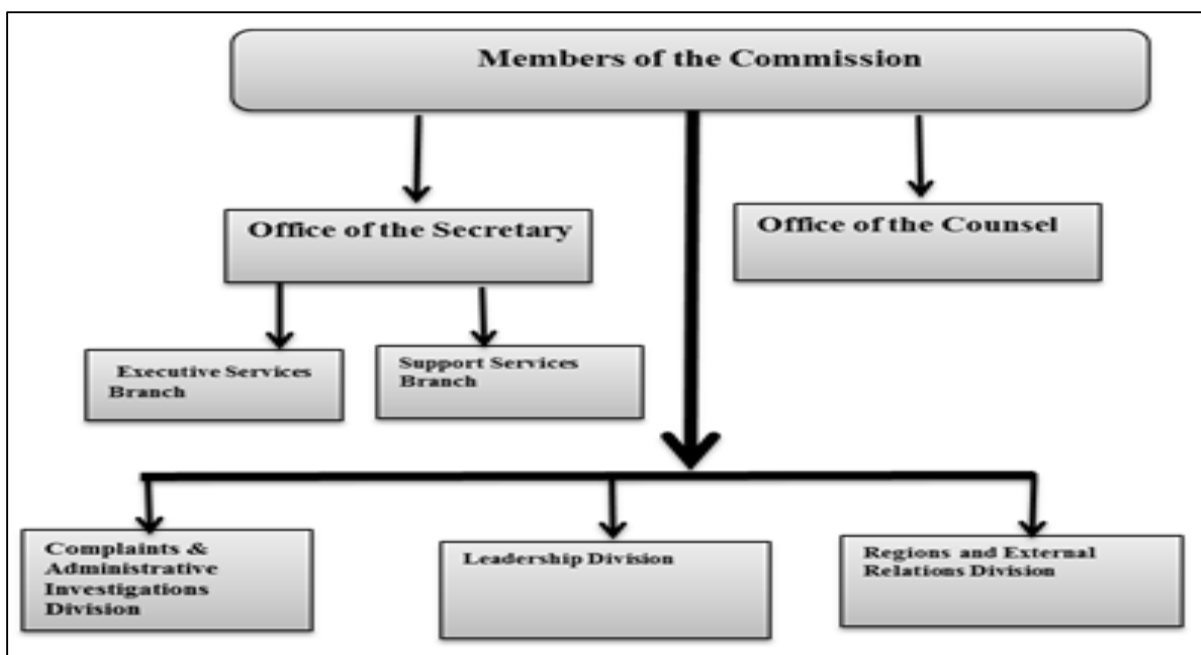
The Ombudsman Commission is a Constitutional Office established by *Section 217* of the Constitution of the Independent State of PNG and is mandated to carry out three (3) main functions:

- To investigate complaints alleging unfair or defective legislations and practices by the government departments, statutory authorities and other government bodies;
- To investigate unfair or discriminatory practices; and
- To supervise the enforcement of the Leadership Code.

Functional Structure

The Commission is governed by the Members of the Commission (MOC) which consists of the Chief Ombudsman and two Ombudsmen. The Office of the Secretary, Office of the Counsel and the three Operational Divisions all report directly to the MOC

The Commission's structure is outlined below:



Source: Ombudsman Commission Financial Management Manual

The Ombudsman Commission is directly reporting to the Prime Minister's Department and the National Executive Council.

3. Policies and Budget

Strategic Plan

To improve and advance in the way it conducts its mandatory roles and responsibilities, the Commission has formulated a five year Strategic Plan (2014-2018) aligned to the National Government's development priorities. The four key result areas within the strategic goals include:

- Accessibility and Service Delivery;
- Leadership Code Compliance and Administrative Investigation;
- Constitutional Compliance, Litigation and Legislative Reform; and
- Corporate Capacity Development and Governance

The Commission has been working in partnership with relevant institutions and organizations to implement its strategic priorities under the four key result areas outlined above. Annual work plans are derived from these key result areas which each responsible division is programed to achieve. The Commission conducts quarterly reviews through (Performance Management Reviews) meetings to monitor progress on the implementation of activities in the Annual Plan. It also carries out an evaluation towards the end of the year to determine the achievements and failures, and use the information for the planning process for the following year.

Budget

The continuous cutbacks to the Commission's Budgetary Submissions over the last 4-5 years often place huge constraints on the Commission to effectively deliver its functions. In 2016, the Commission requested through the Minister responsible, the Prime Minister, for a budget

ceiling increase of 14% however, it was allocated only a total of K20,350,100, a decrease of K1,827,700 compared to what was received in 2015. Budget allocations of K20,350,100 to the Commission was facilitated through the annual budget cycle in 2016. The Commission's actual expenditures are being monitored against budget ceilings on a regular basis.

Policies

The Commission has in place a number of policies as well as Standard Operating Procedures that are in use, in draft or under review. The Financial Management Manual, Human Resources Manual and Standard Operating Procedures are currently in use to govern the day to day operations of the Commission. The Housing, Learning and Development and Fraud Policies are under review while the Transport and Salary Packaging Policies are in still in draft.

4. Role and Mandate of Auditor General

The responsibilities of the Auditor-General are specified in *Section 214* of the Constitution, *Sections 3, 4 and 8* of the *Audit Act, 1989 (as amended)* and *Section 63(4)* of the *Public Finances (Management) Act, 1995*. Subject to these laws, the Auditor-General has complete discretion in the performance or exercise of the mandated functions or powers.

5. Audit Scope and Nature

Audit Scope

The audit was conducted in accordance with the *Audit Act, 1989*, *International Standards on Auditing* and the promulgated best business practices.

Nature of audit

The engagement is an assurance audit engagement in compliance with the *Audit Act, 1989 (as amended)* and *Public Finances (Management) Act, 1995*.

Period of reporting

The period of reporting covers the financial year ended 31 December 2016 and the report issued in February 2019.

6. Results of Audit

Audit Opinion

The Audit report in accordance with the provisions of the *Audit Act, 1989 (as amended)* on the financial Statements of the Commission for the year ended 31 December 2016 was issued on 20 February 2019. The report contained a **Qualified Opinion**. The key point noted in the report (refer to Attachment 'A') is as follows;

Cash at Bank Balance – K5,842,672

Bank reconciliations were not properly prepared and reviewed. An unreconciled difference of K164,747 was noted between the Statement of Receipts and Payments balance of K6,007,419 and the cash at bank amount of K5,842,672 at year end.

Audited Financial Statements

The Audited Financial Statements are attached with this report under *Attachment 'C'*.

Significant matters of Concern

My report to the Ministers under *Sections 8(2) of the Audit Act, 1989 (as amended)* on the inspection and audit of the accounts and records of the Commission for the year ended 31 December 2016 was issued on 20 February 2019. The report (*refer to Attachment 'B'*) contained the following observations:

i. Accounting System

The accounting application system (PGAS) and the Payroll application System (CHRIS 21) utilised by the Commission are not linked through an interface for systematic transfer of data. Hence, financial data and records are susceptible to mistakes, errors and are also prone to alteration and manipulation while transferring data to PGAS system.

ii. Timely Preparation of Bank Reconciliations and Segregation of Duties

The system generated monthly bank reconciliations for the main operating account from the PGAS Accounting System were not prepared and reviewed on a timely basis.

iii. Fixed Assets

Issues noted under the Fixed Assets include;

- *Lack of Proper Maintenance and Update of Fixed Assets Register (FAR)*

The Commission did not provide an updated FAR to confirm the balance of K14,877,749 representing fixed assets disclosed in the Statement of Receipts and Payments.

- *Institutional Housing Policy*

The Commission did not furnish an updated housing policy to further justify the basis of allocation of institutional houses to staff. The Commission also continued to pay housing allowances to staff including senior officers despite institutional housing being provided.

iv. Leave Fares

The Commission did not comply with the requirements of *General Order 14.47 (GO14.47)* with regard to the payment of leave fares.

7. Entity Comments, Responses

Responses from the client to the issues that have been raised are also included and form part of the report under *section 8(2) of the Audit Act, 1989 (as amended)*. (Refer to Attachment 'B')

8. Stakeholder Expectation

The stakeholders especially the people of PNG would want to see improvements in the leadership and governance structure and upholding of the Rule of Law by our leaders. This can be achieved if the Commission carries out its mandated roles and responsibilities effectively and efficiently. In 2016, despite the continuous cutbacks to the Commission's budgetary submissions together with frequent delays in receiving its monthly grants coupled with manpower issues, the Commission was able to deliver on its mandated functions delineated under the Constitution.

9. Recommendations

Specific recommendations proposed to the Commission have been reproduced and form part of the *Section 8(2)* audit report. (Refer to Attachment 'B')

Attachment: A

2016 Audit report on the Ombudsman Commission of PNG in accordance with *section 8(4)* of the *Audit Act, 1989* as amended.

Our Reference: 30-25-4

The Honourable Peter O'Neill, CMG, MP

Prime Minister of Papua New Guinea

And Minister Responsible for Ombudsman Commission of PNG

Office of the Prime Minister

PO Parliament Haus

WAIGANI, NCD

**INDEPENDENT AUDIT REPORT ON THE ACCOUNTS OF
OMBUDSMAN COMMISSION OF PAPUA NEW GUINEA
FOR THE YEAR ENDED 31 DECEMBER 2016**

In accordance with *Section 8(4) of the Audit Act, 1989 (as amended)*, I have audited the accompanying financial statements of the ***Ombudsman Commission of Papua New Guinea*** for the year ended **31 December, 2016** as set out on pages **3 to 8**, which comprise the statement of cash receipts and payments, schedule of assets and liabilities, notes to and forming part of the financial statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

The Chief Ombudsman is responsible for the preparation and presentation of the financial statements and the information contained therein in accordance with the *Generally Accepted Accounting Practice, Section 63(4) of Public Finances (Management) Act, 1995 (PFMA)* and *Finance Instructions* issued under *Section 117 of the Public Finances (Management) Act, 1995 (PFMA)*. The Chief Ombudsman is also responsible for the efficient management of administrative services, keeping proper accounting records, safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility of the Auditor-General

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the *Audit Act and International Standards on Auditing*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

BASIS FOR QUALIFIED OPINION

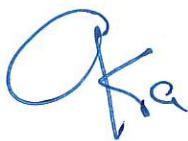
Cash at Bank Balance – K5,842,672

My examination of the accounts bank reconciliations and their related records revealed that the Commission's Main Operating Account bank reconciliations for the twelve (12) months were not properly prepared and reviewed. I noted an unreconciled difference of K164,747 between the Statement of Receipts and Payments balance of K6,007,419 and the cash at bank amount of K5,842,672 at year end. As a result, I was unable to conclude on the accuracy and correctness of the cash balance reported in the Statement of Receipts and Payments as at 31 December 2016.

AUDIT OPINION

In my opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph above, the financial statements of the Commission;

- a) are based on proper accounts and records; and
- b) are in agreement with those accounts and records, and show fairly the state of affairs of the Commission for the year ended 31 December, 2016 and the results of its financial operations and cash flows for the year then ended.



GORDON KEGA, CPA
Acting Auditor-General

20 February, 2019

Attachment: B

2016 Audit report on the Ombudsman Commission of PNG in accordance with *section 8(2)* of the *Audit Act, 1989* as amended.

Our Reference: 30-25-4

The Honourable Peter O'Neill, CMG, MP

Prime Minister of Papua New Guinea

And Minister Responsible for Ombudsman Commission of PNG

Office of the Prime Minister

PO Parliament Haus

WAIGANI, NCD

**AUDIT REPORT ON
OMBUDSMAN COMMISSION OF PAPUA NEW GUINEA
FOR THE YEAR ENDED 31 DECEMBER 2016**

In accordance with *Section 8(2) of the Audit Act, 1989 (as amended)*, I have inspected and audited the accompanying accounts and records and the financial transactions and records relating to the assets and liabilities and assets in the custody of the **Ombudsman Commission of Papua New Guinea** for the year ended **31 December, 2016**.

My report in terms of *Section 8(4) of the Audit Act, 1989 (as amended)*, on the Commission's financial statements was forwarded to you under separated cover on even date and contained a Qualified Opinion. I wish to draw your attention to the following significant matters.

OTHER MATTERS

Accounting System

My review of the Commission's accounts and records revealed that the Commission has been using the PGAS accounting system and excel spreadsheet to record its transactions in 2016 and prior years. Payroll has been processed separately using the CHRIS 21 payroll system and then manually transferred to the PGAS accounting system to account for payroll expenses. These systems are not linked or data not systematically transferred to PGAS. I also noted that sufficient support was not provided by the Department of Finance to address the technical issues faced by the Commission in relation to PGAS. I drew the Commission's attention by emphasizing that financial data and records are susceptible to mistakes, errors and are also prone to alteration and manipulation while transferring data to PGAS system

I recommended that the Commission deliberate and decide on a user friendly accounting system or provide more training to staff to perform their duties effectively. I further stressed that employing a user friendly accounting system will provide accurate and timely management and statutory reports; hence the integrity of the financial information will be enhanced.

The Commission acknowledged and accepted the recommendation for a user friendly accounting system to be purchased based on the availability of funds.

Timely Preparation of Bank Reconciliations and Segregation of Duties

Despite my prior years' recommendations, I still noted that the system generated monthly bank reconciliations for the main operating account from the PGAS Accounting System were not prepared and reviewed on a timely basis. There was no indication or evidence of the preparer and reviewer confirming reconciliations for accuracy and correctness. As a result, I was unable to authenticate whether there was proper segregation of duties in the preparation of bank reconciliations and whether the bank reconciliations were done on a timely manner.

I brought this to the attention of the management again by highlighting that lack of timely preparation and segregation of duties over the bank reconciliation function may result in unidentified errors and possible fraudulent application of public monies without being detected on a timely manner.

The Commission acknowledged my finding and responded that the Commission has created in its re-structure pending endorsement from Department of Personnel Management, a bank reconciliation officer to minimize financial risk and improve controls surrounding bank reconciliation function.

Fixed Assets

My review of the fixed assets of the Commission revealed the following weaknesses:

- **Lack of Proper Maintenance and Update of Fixed Assets Register (FAR)**

The Fixed Assets Register (FAR) is the main control mechanism that captures and shows the value and the ownership of the assets of an organization. During my review, I was not provided with the updated FAR to confirm the balance of K14,877,749 representing fixed assets disclosed in the Statement of Receipts and Payments. I further noted that no stock-take exercise was carried out by the Commission during the year under review. This poses a risk of assets being misused or lost through theft.

In the absence of a proper Fixed Assets Register and lack of routine stock-take, I was unable to perform the necessary audit procedures to determine the value, condition and existence of assets totaling K14,877,749 disclosed in the Statement of Receipts and Payments as at 31 December 2016.

I brought this issue again to the attention and the Commission responded that it will implement the audit recommendation to purchase an assets management system when it secures necessary funding.

- **Institutional Housing Policy**

The Commission had built eight new houses and acquired one duplex for staff accommodation. The eight new houses were completed in 2015, fully furnished and commissioned in early 2016. The duplex was acquired from National Housing Commission in 2015 and all the properties were located in Gerehu Stage 3B. However, I was not furnished with the updated housing policy to further comment on the basis of allocation of houses to staff. I also noted that the Commission continued to pay housing allowances to staff including senior officers despite institutional housing being provided.

I brought this issue to the Commission stating that this practice may be considered as double dipping and non-compliance with *General Order 9.56* which states that *"A senior officer is not eligible for housing allowance whilst occupying institutional accommodation provided by the employing Department."*

The Commission responded to my observation as follows;

"this recommendation was considered by management in 2017. Commission has now taken full responsibility of the issue and implemented in 2018 dating back to 1/1/18, 100% of allowance is now forfeited."

Leave Fares

My review of leave fares paid out in 2016 revealed that the Commission did not comply with the requirements of *General Order 14.47 (GO14.47)*. *GO14.47* requires that *"An officer shall pay to the State at the time of applying for payment of recreation leave fares, a contribution towards the cost of the fares which shall be calculated at ten per cent of his/her gross substantive fortnightly salary at the date immediately prior to proceeding on recreation leave."*

I recommended the Commission to comply with the requirements of *General Order 14.47* and ensure an applicable HR Procedural Manual is developed for good corporate governance.

The Commission agreed with my recommendation and responded as follows:

“Commission acknowledges the recommendation. The draft HR Manual is now approved and in full operation commencing 1/1/18. Hence, General Orders will no longer be applicable to the Commission. Where the Manual is silent on certain matters, the Commission will review and make a decision.

The 10% practice under the GO will be considered if the HR Manual stipulates same and commence implementation immediately.”

Staff Personnel Files

My examination of staff personnel files revealed that most of the personnel files were not properly maintained with salary history cards and birth certificates supporting leave fares incurred for dependents claimed. In the absence of the birth certificates, I was unable to verify that the dependents claimed were legitimately under the age of 19 as required by the *Public Services General Order 14.41*.

I recommended the management to ensure that salary history cards and copies of dependents birth certificates are properly maintained in the personnel files.

The Commission responded to my observation as follows:

“Commission acknowledges recommendation and will ensure to maintain appropriate documentation on files. Further, that implementation of the OC HR Manual will be considered hereon as the GO is no longer applicable in 2018.”

A handwritten signature in blue ink, appearing to be 'GK a'.

GORDON KEGA, CPA

Acting Auditor-General

20 February, 2019

Attachment: C

The 2016 Audited Financial Statements

2016

Unity

Our Values
are...

Leadership

Impartiality

Integrity

Independence

Respect

Ombudsman Commission of Papua New Guinea

Financial Statement for the Year Ended 31 December, 2016

Our mission is to promote and protect the integrity of our leaders and to help improve the work of government bodies and investigate any complaints against them to ensure there is good governance, accountability, transparency and quality leadership in the public sector.



Finance Unit
OC
1/1/2016



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**OMBUDSMAN COMMISSION
OF
PAPUA NEW GUINEA**

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Douglas Street, Port Moresby
PO Box 1831
PORT MORESBY 121
National Capital District
Papua New Guinea

08 November 2018

**STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

DECLARATION BY MEMBERS OF THE COMMISSION

In our opinion, the accompanying Statement of Receipts and Payments with the accompanying Notes to and forming part of the Financial Statement of the Ombudsman Commission of Papua New Guinea have been drawn up so as to show fairly the financial performance for the year ended 31 December 2016 and the state of affairs of the Commission during the reporting period.

Except as disclosed in the accounts, we are of the opinion that:

- (a) The results of the Commission's operations for the year ending 31 December 2016 have not been materially affected by items, transactions or events of an abnormal character;
- (b) No circumstances have arisen which would render any amount shown in the statement misleading;
- (c) Fixed assets to the values shown in the statement were all in existence at 31 December 2016;
- (d) No contingent liability has become enforceable or is likely to become enforceable within the period of twelve months from the date of this report which will materially affect the Commission in its ability to meet its obligations as and when they fall due.

Yours Faithfully,

**MICHAEL DICK
CHIEF OMBUDSMAN**

**RICHARD PAGEN
OMBUDSMAN**

**KEVIN KEPORE
OMBUDSMAN**



OMBUDSMAN COMMISSION OF PAPUA NEW GUINEA

FINAL ACCOUNTS

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2016	2016	2015	2015	2015
		Receipts/ Payments	Receipts/Payments by External Parties PALJP	Receipts/Payments by External Parties NACS	Receipts/ Payments	Receipts/Payments by External Parties -PALJP	Receipts/Payments by External Parties NACS
Notes							
RECEIPTS:							
	Appropriation from Government	2a	18,600,995	0	0	19,243,900	0
	Grant & Other Assistance	2b	500,000	0	0	0	0
	Other Receipts from BMA	2c	6,646	0	0	3,167	0
	Total Receipts		19,107,641	0	0	19,247,067	0
PAYMENTS:							
	Salaries, Wages, Employee Benefits	3a	13,817,894	0	0	13,638,628	0
	Supplies & Consumables	3b	164,629	0	0	238,763	0
	Utilities	3c	760,203	0	0	1,046,017	0
	Administrative Expenses	3d	597,076	0	0	1,299,037	0
	Other Operating Expenses	3e	1,481,276	0	0	2,292,368	0
	Capital Expenditure	4	1,137,992	0	0	1,178,258	0
	Total Payments		17,959,071	0	0	19,693,072	0
INCREASE/(DECREASE) IN CASH							
			1,148,570	0	0	(446,005)	0
	Cash at the beginning		4,858,849	205,712	12,341	5,304,853	205,712
	Increase/(Decrease) in cash		1,148,570	0	0	-446,005	0
	CASH AT END OF YEAR	5	6,007,419	205,712	12,341	4,858,849	12,341





**NOTES TO AND FORMING THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICES

a) Report Entity

The Ombudsman Commission of Papua New Guinea ("Commission") is a Constitutional Office established under the *Constitution* of Papua New Guinea (PNG). Its primary functions are defined under Section 219 of the *Constitution*.

The Commission prepares its own Financial Statements which encompasses the financial performance for the reporting period and complies with the *Public Finance (Management) Act (PFMA)* and Manual (*PFMM*).

The Commission owns and operates one main Operating Account, a Business Management Account (BMA) and four (4) Imprest Accounts for the Regional Offices and one (1) Trust Account, all held with Bank South Pacific (BSP).

Annual Appropriations and other cash receipts are deposited into the Commission's nominated bank account(s).

b) Basis of Preparation

Preparation of the Financial Statement complies with the International Public Sector Accounting Standards (IPSAS) Financial Reporting under the Cash Basis Accounting.

Further, the 2016 accounts were drawn in accordance with the general accounting policies and practices and the regulatory requirements specified under the *PFMA* and *PFMM*. The Commission has its own Financial Manual which further ensures that its financial transactions and activities are within the public sector accounting principles and practices.

The accounts are maintained on a cash basis. Receipts and payments per the Financial Statement are based on actual received and spent during the reporting period.

The Commission uses the Papua New Guinea Accounting System (PGAS).

c) Payments by Other Government Entities

The Commission does not receive payments from other government entities except for the annual grant from Department of Treasury and Finance. However, the Commission benefits from payments made out from the Business Management Account from prior years savings for goods & services and particularly for its ongoing projects.

d) Reporting Currency

The Financial Statement applies the PNG currency (PGK) in its reporting.



2. CASH RECEIPTS

a) Grant From Government Of PNG

Grants consist of funding received periodically from GoPNG. The grant is received in cash and is directly disbursed into the Commission's main operating account held with BSP.

Below is the summary of the 2016 Receipts by GoPNG for the reporting period:

Source of Funding	Initial Appropriation (K)	Revised Appropriation (K)	Warrants/CFC (K)	Expenditures (K)	Balance as at 31.12.16(K)
Operating/ Recurrent	18,350,185	17,600,995	17,600,995	(17,322,026)	278,969
Development	2,000,000	1,000,000	1,000,000	0	1,000,000
TOTALS	20,350,185	18,600,995	18,600,995	(17,322,026)	1,278,969

b) Grant & Other Assistance – Payments By External Parties

AUSAID THROUGH LAW & JUSTICE SECTOR & GoPNG

The Office of the Chief Secretary allocated K500,000 to Ombudsman Commission for the General Election Awareness Program on 23 November 2016. The fund was parked in the Business Management Account.

c) Other Cash Receipts

INTEREST EARNED

Ombudsman Commission operates a Business Management Account ("BMA") with the Bank of South Pacific since 2004. A total of K6,646 as interest was earned and credited to the BMA accounting during the reporting period.

3. CASH PAYMENTS

(a) Salaries and Allowances and Employee Benefits

Item	Description	2016	2015
211	Salaries & Allowances	9,886,051	10,186,136
213	Overtime	69,278	83,365
214	Leave Fares	173,946	195,484
215	Retirement Benefits, Gratuity & Pensions	2,818,920	1,963,169
217	Education Benefits	49,335	94,536



228	Training & Workshops	209,815	409,197
232	Rentals for Staff Accommodation	590,047	691,897
251	Membership & Subscription Fees	20,502	0
TOTALS		13,817,894	13,638,629

(b) Supplies & Consumables

Item	Description	2016	2015
223	Office Materials & Supplies	131,058	211,133
224	Operational Materials	33,571	27,630
TOTALS		164,629	238,763

(c) UTILITIES

Item	Description	2016	2015
231	Utilities	760,203	1,046,017
TOTALS		760,203	1,046,017

(d) ADMINISTRATIVE EXPENSES

Item	Description	2016	2015
225	Transport & Fuel	227,806	248,458
226	Administrative Consultancy Services	85,090	350,152
233	Routine Maintenance	284,181	700,427
TOTALS		597,076	1,299,037

(e) OTHER OPERATIONAL EXPENSES

Item	Description	2016	2015
222	Travel & Subsistence	973,650	1,650,118
227	Other Operating Expense	507,625	642,250
TOTALS		1,481,276	2,292,368



4. SCHEDULE OF ASSETS

The Commission acquired assets including disposal of three (3) motor vehicles during the reporting period and one (1) in previous year (2015) which was not captured in the 2015 reconciliation hence the inclusion this reporting period. Further improvements were added to the Gerehu Institutional Houses.

Asset Management System – End of Year Reconciliation of Assets Report

Asset Classification	Opening Balance as at 1/01/16	Additions at Cost in 2016	Disposal of Cost in 2016	Closing Balance as at 31/12/16
Land & Buildings	3,377,977	44,800	0	3,422,777
Furniture & Fittings	1,494,875	125,593	0	1,620,468
Office Equipment	6,943,232	582,464	0	7,525,696
Motor Vehicle	2,130,403	385,135	418,162	2,097,376
Marine Vessels	0	0	0	0
Plant & Machinery	0	0	0	0
Tools & Equipment	211,432	0	0	211,432
Total	14,157,919	1,137,992	418,162	14,877,749

5. CASH AND CASH EQUIVALENTS

Cash comprises of cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks.

Amounts appropriated to the Commission are deposited in the nominated bank account(s) and are controlled by the Commission.

Cash comprises the following:

Description	2016	2015
Business Management Account	5,841,954	4,390,615
Main Operating Account	0	508,312
Cash on Hand (Petty Cash)	459	0
Imprest (x4) Accounts	259	704
Total	5,842,672	4,899,631



6. SCHEDULE OF LIABILITIES

There are no contingent liabilities and other expenditure arrears carried forward to the new financial year.





PAPUA NEW GUINEA