



District Services Improvement Program



District Services Improvement Program

A report on the key findings resulting from the 2012/ 2013 District audits of expenditure relating to the District Services Improvement Program (DSIP).

Auditor-General's Office of Papua New Guinea

OFFICE OF THE AUDITOR-GENERAL

18 February 2014

The Honorable Theo Zurenuoc, MP
Speaker of the National Parliament
Parliament House
WAIGANI

My dear Speaker

In accordance with the provisions of Section 214 of the Constitution of the Independent State of Papua New Guinea, I have the honour to transmit to the National Parliament my Report on the audits of DSIP accounts.

This report embodies the results of audits of the DSIP Accounts maintained by the twenty-two (22) Districts audited.

Yours sincerely,



Philip NAUGA
Auditor-General

Summary of key findings and recommendations



- There has been limited value from the DSIP funds granted when measured against the original investment criteria
- Pervasive breakdown in the DSIP governance framework across the Districts
- Substantial amendments are needed to the framework for administering and governing funding of the DSIP
- Education and assistance is needed in the Districts with respect to the framework and to reinforce the need for good governance and planning in spending public funds
- Better processes of accountability are needed to ensure DSIP funds are well spent including the application of penalties for non-compliance

Some key statistics

- 22 Districts audited in 2012/2013
- In total K523m deposited into DSIP bank accounts, including K476m identified as DSIP funds compared to K308m budget (K14m per District)
- K18m additional funds deposited with little or no visibility as to the source
- K440m spent to date
- Significant underspend on water supply and sanitation, law and justice, rural communication and electrification, and health
- Over K116m spent on projects where expenditure is unsupported or projects are incomplete / abandoned
- K67m of additional unsupported payments
- Over K39m spent on other non-DSIP related expenditure
- Over K58m spent on vehicles and heavy equipment with limited application toward DSIP objectives
- In March 2009, across all Districts, K4m was deposited and then withdrawn two days later with no explanation

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INTRODUCTION

This report outlines key findings resulting from the 2012/ 2013 District audits of expenditure relating to the District Services Improvement Program (DSIP).

BACKGROUND TO THE DSIP

In 2007, the National Government allocated K10 million to each of the 89 Districts in Papua New Guinea through the 2007 Additional Supplementary Budget. These funds were to be managed through a District Services Improvement Program Trust Account.

The DSIP is designed for a holistic approach to service delivery, involving all stakeholders including Members of Parliament, National Departments and Agencies, Provincial Administrations, District Administrations and the recipients themselves (the people), taking into account the principles of ownership, affordability, sustainability and leadership.

In February 2008, the Secretary of Finance issued Guidelines on the use of the DSIP Trust Funds through *Finance Instruction 3/2008*. This Finance Instruction superseded Finance Instructions issued on the management of DSIP in prior years (2005 and 2006).

The Finance Instructions were superseded on 8th and 29th April 2008 (*Finance Instructions 3A/2008* and *3B/2008*) and again on 19th June 2008 through *Finance Instruction 3C/2008*, to guide government agencies on the administration and management of the DSIP Funds.

Apart from the wide areas the Finance Instruction covers such as the roles and responsibilities of the Joint District Planning & Budget Priority Committee (JDP&BPC), District Administrators, and the Department of Implementation and Rural Development (DIRD), it did not cover any penalty clause on the suspension of the DSIP trust accounts and the withdrawal of Section 32 Powers consistent with the *Public Finances (Management) Act 1995*. Section 17 of the amended instruction, *Finance Instruction 3D/2008*, (the 'Finance Instruction') (the Instruction current at the time of this audit) explicitly covers the clause on the suspension of the DSIP accounts in the event of a non-compliance of Procurement procedures, Accounting and Reporting requirements.

The K10 million was to be spent on infrastructure and rehabilitation maintenance projects within a financial allocation to specific programs as shown in Table 1 below:

Table 1: Required Allocation of DSIP Funds

Sector	Trust Code	Approved Allocation (K)	Less 3% Admin Fund (K)	Allocation Available (K)
Education	602	1,000,000	30,000	970,000
Health	603	1,000,000	30,000	970,000
Law and Justice	604	1,000,000	30,000	970,000
Water Supply and Sanitation	605	1,000,000	30,000	970,000
Agriculture and Community Based Programs	606	1,000,000	30,000	970,000
Rural Communication and Electrification	607	1,000,000	30,000	970,000

Sector	Trust Code	Approved Allocation (K)	Less 3% Admin Fund (K)	Allocation Available (K)
Transport and Community Infrastructure	608	4,000,000	120,000	3,880,000
Total		10,000,000	300,000	9,700,000

Following the original DSIP allocation in 2007 the Government has included in the annual budgets, additional allocations to each of the Districts for the procurement of goods and services under the DSIP. An overview of the additional budgetary allocations by District and the total amount allocated to the DSIP is included in Table 2 below.

Table 2: Additional DSIP funds allocated

	2008	2009	2010	2011	2012
Additional DSIP allocations	Nil	K4m	-	-	-
Accumulated total per District	K10m	K14m	K14m	K14m	K14m

We have been unable to reconcile the budgeted DSIP allocations to actual funds received by the Districts. Accordingly, we have been unable to verify that the budgeted DSIP allocations have been disbursed across the Districts as intended. Funds received by Districts into the DSIP accounts varied significantly between Districts ranging between K18 million and K40 million. A reconciliation of budgeted DSIP funds by District to actual DSIP funds received by each District will be performed as part of our audit procedures going forward. Refer Appendix IV for a summary of cash receipts by District.

2012/ 2013 DSIP AUDITS

Audit objective

The overall audit objective was to determine whether each of the Districts had managed its DSIP funds effectively and efficiently and in compliance with the requirements of the Finance Instruction, the Public Finances (Management) Act and other applicable laws and regulations.

The specific objectives of the DSIP audits were to:

- Ascertain total amount of DSIP funds received by the District and the total amount of these funds spent by the District during the period under review;
- Ascertain whether expenditure incurred was on items permitted by the Finance Instruction;
- Ascertain whether funds allocated to projects under each designated program have been in accordance with the Finance Instruction; and
- Ascertain whether administrative requirements of the Finance Instruction, the Public Finances (Management) Act and other authoritative instruction/ guidelines have been complied with.

Approach and methodology

Approach

The audit approach was to perform tests to ascertain whether the management of the funds as well as the expenditure were in compliance with the relevant authoritative rules and regulations in place and that goods and services have been received in accordance with the intent of the Finance Instruction. A concurrent purpose is to provide recommendations, where necessary, for improvements.

Methodology

The audit methodology included:

- The establishment of audit criteria for the assessment of the use of DSIP funds;
- Interviews with the District Administrator and District Treasurer;
- Examination of the District documentation for the management of the DSIP; and
- Inspections of the facilities procured as part of the DSIP.

The audits also considered and commented on framework issues detailed in the Finance Instruction to confirm whether there were weaknesses in the Instruction that should be corrected.

Scope

The 2012/ 2013 audit scope covered 22 Districts (refer Appendix 1 for details of individual Districts) and covered the period from February 2008 to October 2012.

STATUS OF DSIP AUDITS

On completion of the 2012/ 2013 DSIP audits 52 out of the total 89 Districts will have been subject to audit by the Auditor-General's Office (AGO) since commencement of the DSIP program in 2007.

A summary of the Districts subject to audit to date are outlined in Appendix 1.

2009 to 2011 audits

The DSIP audit program commenced in September 2009 and selected the most straight forward, easy to access Districts. The initial phase of the audit program included 30 Districts and covered the period from February 2008 to 30 June 2010, approximately 2.5 years. The Auditor-General's Report¹ for those 30 audits was provided to Parliament on 24 October 2011.

2012/ 2013 audits

The 2012/ 2013 audits commenced in late 2012 and covered a further 22 Districts. This second phase of the audit program has been significantly more challenging than the previous audits due to:

- A longer period of review, covering five years compared to two and a half years;
- Significant turnover of staff at the District level over a five year time period which creates challenges in obtaining documentation;

¹ <http://www.ago.gov.pg/docs/reports/PartIII2009.pdf>

- Significant logistical challenges due to the remote location of many of the Districts;
- Difficulty in accessing information at the Districts, noting many of the Districts do not have computer facilities; and
- Difficulty in locating the relevant District Administration staff.

The 2012/ 2013 Audits were completed in November 2013. This Report covers the findings of 22 audits.

Future audits

The AGO is in the process of re-designing the DSIP audit framework including the determination of timing of the audits for the remaining 37 Districts. It is anticipated that the remaining 37 Districts will be audited in 2014 and 2015.

SUMMARY OF AUDIT FINDINGS

Key themes

Across the Districts, many common problems and issues have emerged that can be grouped under nine different themes. This report is structured around those key themes in order to illustrate the significant problems in relation to the design and implementation of the DSIP. Problems were not isolated to any one District; in fact significant problems were identified at every District.

Outlined below is a summary of the key themes. These are largely consistent with our findings reported to Parliament in the AGO's report (Part III) dated 24 October 2011 in connection with the audit of the first 30 Districts.

The findings are significant in that they indicate:

- a pervasive breakdown in the DSIP governance framework; and
- ineffective spending of DSIP grants including potential misuse of DSIP funds.

Table 3: Key themes

Key theme	Details
Overall governance framework	<p>The number and extent of issues raised during the DSIP audits suggests that the governance framework is not operating effectively. Across the Districts there was limited compliance with the key elements of the framework and the processes detailed in the Finance Instruction.</p> <p>Impact: Ineffective and inefficient application of DSIP funds and limited accountability of those charged with responsibility to administer the funds.</p>
Strategic Planning	<p>The strategic planning framework has not been fully implemented across all Districts and where implemented is not operating as intended.</p> <p>Key documents, including the Five Year District Development Plan, approved budgets and the Prioritised List of Projects do not exist or have not been approved at a number of Districts.</p> <p>Impact: Spending has not been well directed and funds have been spent on projects outside the aims of the DSIP.</p>

Key theme	Details
Expenditure not in recommended proportion	<p>Actual expenditure for a majority of Districts is not in the proportions mandated by the DSIP program requirements. This creates a risk that some sectors will not receive adequate funding and benefits of the program will not be appropriately spread around the District.</p> <p>Impact: The desired outcomes of the DSIP were not achieved and certain areas of focus of the DSIP received little or no benefit.</p>
Maintenance of reports and documents	<p>Many of the Districts did not maintain appropriate supporting documentation to validate DSIP expenditure. Examples of missing documentation included invoices, payment vouchers, contractual agreements, certificates of completion, tender documents, quotations, bank reconciliations, development plans, project reports, fixed assets registers and minutes of meetings.</p> <p>This gives rise to non-compliance with the requirements of the Finance Instruction and the Public Finances (Management) Act.</p> <p>Impact: Increased risk of irregularities, fraud and error with respect to the application of DSIP funds.</p>
Grants reconciliation and allocation	<p>For many Districts, the DSIP trust account has been used to receive other District funding in addition to the DSIP funds. Further, in a majority of cases the difference between the DSIP funds allocated and deposited in the trust account and the total funds deposited has not been reconciled. Accordingly, it is not practical to accurately determine where funds have been received from and the intended purpose of the funds.</p> <p>Impact: Districts have access to additional funding with no clear direction as to how these funds should be spent. Further, utilising the DSIP trust account for other deposits reduces the ability of the Government to hold Districts accountable for the manner in which DSIP funds are applied.</p>
Procurement and Tendering	<p>The Finance Instruction establishes procedures for the screening, selection and approval of service providers. Many of the Districts failed to comply with these requirements due to lack of quotations, ineffective tender processes, poor selection of preferred suppliers/contractors, splitting of project costs to circumvent the procurement requirements and proper approvals/authorisation not being obtained.</p> <p>Impact: Increased risk that value for money is not being achieved by the Districts due to competitive tender processes not taking place. Further, limited use of a competitive tender process increases the risk of irregularities and fraud.</p>
Contract and project management	<p>Project and contract management is an area of weakness across many of the Districts. There appear to be limited processes in place to manage and monitor the progress of projects or the performance on sub-contractors. Further, there is limited use of signed contracts to formalise the subcontracting relationship with service providers.</p> <p>Impact: There are many infrastructure projects that have been fully paid for that remain either incomplete or completed to a substandard level. Due to the limited use of contracts at a District level there is limited recourse against non-performing sub-contractors that have been utilised.</p>
Failure to manage fixed assets	<p>Fixed assets records are not properly maintained and physical assets are not properly safeguarded and managed. Further, a number of Districts did not maintain a fixed asset register.</p> <p>Impact: A large number of assets were either not located or identified as damaged during the course of the audit. Further, limited controls over fixed assets increases the risk of mismanagement of DSIP assets and the risk of fraud.</p>

Key theme	Details
Unrelated expenditure, including on motor vehicles	<p>DSIP funds are intended to be spent on infrastructure rehabilitation and maintenance. However, many Districts have spent funds on unrelated items. For example there is a disproportionate spend by Districts on motor vehicles and common expenditure items include unsupported consultancy fees, financial grants to individuals, spending on the 2012 National election, hire cars and personal allowances.</p> <p>Impact: Desired outcomes of the DSIP are not achieved because funds are spent on areas outside the focus of the DSIP.</p>

Assessment against audit objectives

Audit objectives	Audit findings
I. Ascertain total amount of DSIP funds received by the District and the total amount of these funds spent by the District during the period under review.	No clear audit trail with respect to the funds received into the DSIP trust accounts and the expenditure incurred at a District level. Not able to determine whether budgeted DSIP funds have actually been received at a District level.
II. Ascertain whether expenditure incurred was on items permitted by the Finance Instruction.	Across the Districts, there was significant spending on items not permitted under the framework.
III. Ascertain whether funds allocated to projects under each designated program has been in accordance with the Finance Instruction.	Across the Districts, there was significant spending outside on items outside the scope of the framework and in a majority of cases spending was not in accordance with designated proportions.
IV. Ascertain whether administrative requirements of the Finance Instruction, the Public Finances (Management) Act and other authoritative instruction/guidelines have been complied with.	Administrative requirements of the Finance Instructions were not met by a majority of Districts.

Key recommendations

The widespread and pervasive problems with the DSIP expenditure show that the DSIP program needs significant changes to its management and implementation. In particular, AGO recommends that:

1	Funding should not be released to Districts under the DSIP until the District can show that it has undertaken a process of strategic planning and has implemented a sound governance structure (the amended processes in Finance Instruction 01/2013 attempts to address this issue).
2	Funding should not be released until Districts can show that they have undertaken a procurement process in accordance with government requirements and that the procurement process has selected a provider with sufficient experience and expertise to complete the proposed project (the amended processes in Finance Instruction 01/2013 attempts to address this issue).
3	The PNG Government should more explicitly explain the aims of the DSIP and its objectives for each nominated sector, including providing examples of projects that would be acceptable for each of the focus areas.
4	Increased support should be provided to Districts to administer DSIP expenditure, including increased training and ongoing advice from the Department of Finance in relation to financial management of DSIP funds.
5	Communication strategy surrounding Finance Instructions to be re-assessed to ensure that it is well understood by all District officials particularly the District Administrator and District Treasurer.
6	Penalties are introduced for non-compliance which might include sanctions for District officials or loss of access to DSIP funding for serious flaws in maintaining governance requirements.
7	Reconciliations are completed across all Districts for funds received in order to segregate DSIP monies for future expenditure. Funds not forming part of the DSIP should be deposited into and managed from other District Trust accounts. Going forward the DSIP trust accounts should only be used for DSIP funds.

KEY THEMES

Governance framework

Key characteristics of a good governance framework include that it:

- is transparent and easily understood;
- provides an environment of accountability; and
- requires active participation by all stakeholders

The benefits of including these elements in a governance framework are significant. Most importantly, a strong governance framework in the context of the DSIP will help ensure DSIP funds are spent in the manner designated and an efficient manner.

Findings

Finance Instruction 3D/2008 provided a detailed framework for the governance and management of the DSIP, including requirements for:

- high level strategic planning;
- selection of suitable projects to be funded by DSIP;
- selection of service providers;
- day- to-day management of funds; and
- ongoing management of projects.

If fully implemented this should have established a sound platform for the management of DSIP funding, including planning, project implementation and overarching governance.

However, funds were distributed to Districts before the policy was well known and understood. Accordingly, many Districts used the funds for other purposes and not in the way the policy was intended. As a result in many cases actual spending was completely unrelated to the DSIP objectives or it is difficult to conclude that there is a sufficient link.

Table 4 *Risk of non-compliance* provides a summary of the requirements of the Finance Instruction and the proportion of Districts that have complied with each requirement.

A District has been categorised as non-compliant with an element of the framework where there is a significant or fundamental flaw in their implementation of a given requirement of the Finance Instruction or where they could not demonstrate compliance.

As demonstrated by Table 4 *Risk of non-compliance*, a majority of Districts did not comply with most of the Finance Instruction requirements which indicates a pervasive breakdown in the DSIP governance framework.

Table 4: Risk of non-compliance

Risk of non-compliance	Non-compliant	Compliant ²
Audit Objective I		
Funds correctly transferred to DSIP Trust Account	100%	0%
Audit Objective II		
Appointment of delegates	68%	32%
Payments certified by District Treasury	58%	42%
Payments <K5,000 supported by 3 verbal quotations	84%	16%
Payments K5,001 - K300,000 supported by 3 written quotations	84%	16%
Procurements >K300,001 have APC from Treasury and a public tender is conducted	89%	11%
Procurements >K5,000 have contract in place for works	95%	5%
Payments supported by JDP&BPC resolution	89%	11%
Works are monitored through project inspection and certification in consultation with DoW	68%	32%
Completion Certificates are issued once project is complete	79%	21%
Lump sum payments to individuals are supported by accountability reports or acquittals	84%	16%
Payments are supported by Acknowledgement form from JDP&BPC	89%	11%
Procurements involve Provincial or Central Supply and Tender Board as required	79%	21%
Payments are supported by Cheque Release form from local Member	63%	37%
Payment vouchers are present for all payments	89%	11%
Audit Objective III		
Five Year District Development Plan is in place	68%	32%
Prioritised List of Projects is in place	79%	21%
All payments made fit within a project scheme	95%	5%
DSIP Funding spend in proper proportion as directed	79%	21%
Audit Objective IV		
JDP&BPC provided oversight (meetings evidenced by minutes)	84%	16%
District Project Management Team supervised projects	79%	21%
Monthly Management Reports and Project Status Reports were produced and are available	84%	16%
Fixed Asset Register is complete	89%	11%
Cashbook and Bank reconciliations completed	89%	11%

² No non-compliance with potential impact over K150,000 identified.

Causes

Major causes of failure in the management and governance of the DSIP appear to be attributable to:

- Limited understanding of the governance framework by the District, noting that the framework is relatively complex and has changed a number of times;
- Lack of people qualified at a District level to establish procedures that are compliant with the governance standards;
- Limited support provided to Districts to assist in complying with the framework;
- Pressure from local MPs to ignore governance procedures to distribute funds to politically expedient projects; and/or
- Limited consequences for non-compliance with the framework.

Impact

This has led to:

- An inability to account for DSIP funds or show that intended outcomes have been achieved;
- Misuse of DSIP funds for goods/services with no or limited links to the DSIP objectives; and/or
- Likely instances of fraud and misappropriation.

Recommendation

Key recommendations 1 to 6 as outlined on page 16 of this report apply to this finding.

Many of these problems would be avoided if funds were not released to Districts by the Department of Finance until District Administrations could demonstrate that strategic planning had been undertaken, a suitable project had been identified and procurement processes had been undertaken to select a qualified supplier. Together with increased education of District officials, this would incentivise Districts to adhere to required procedures and provide a basis for good project management which would be more likely to lead to Government objectives being met.

Strategic planning

The Five Year District Development Plan is critical as it sets the overall framework for the strategic initiatives at a District level. Without clear plans in place there is a high risk that DSIP funds will not be spent as intended by the Government.

Five Year District Development Plan and Prioritised List of Projects

Findings

The strategic planning framework has not been fully implemented across all Districts and where implemented is not operating as intended. Of the 22 Districts audited, less than half had a Five Year District Development Plan in place and of the Districts that had strategic plans, few spent the DSIP funds in complete accordance with the strategy.

Following the limited use of the Five Year District Development Plan, many Districts did not have a Prioritised List of Projects. The List outlines critical projects that should be funded by the DSIP and is a core component of the governance framework. This creates a significant risk that funds will not be deployed effectively and to those projects with most merit.

Causes

Weaknesses with strategic planning can be attributed to:

- Lack of sanctions for non-compliance/ non-enforcement of sanctions;
- Limited training/ support for the Districts; and/or
- Absence of strategic direction for Districts.

Impacts

This has contributed to:

- Risks of unplanned initiatives and wastage of resources; and/or
- Without a Five Year District Development Plan or Prioritised List of Projects, spending undertaken on an ad-hoc basis and it is unlikely DSIP objectives are being met.

Recommendation

Key recommendation 1 as outlined on page 16 of this report applies to this finding.

Five Year District Development Plans and Prioritised List of Projects should be prepared and approved for all Districts. There should be a clear linkage between these plans and the areas of focus of the DSIP.

Spending approval of DSIP funds should not occur unless Districts have completed Five Year District Development Plans and Prioritised List of Projects and can demonstrate that requested spending relates to the desired strategic objectives of the District and has gone through the approved procurement process.

Joint District Planning & Budget Priority Committee and District Project Management Team

Findings

There were several Districts that did not have management committees in place such as a Joint District Planning Budget Priority Committee and District Project Management Team (DPMT). These committees assist with approving projects to be developed and have a critical role in monitoring the progress of the projects to completion. The DPMT provides the key oversight for minor works. Many Districts did not form these committees at all or committees met only infrequently and proper records were not kept of meetings.

Causes

The absence of appropriate management committees can be attributed to:

- Lack of sanctions on non-compliance/ non-enforcement of sanctions;
- Lack of understanding of the role and value such committees perform and deliver;
- No ongoing monitoring of compliance with the DSIP Finance Instructions; and/or
- Limited training/ assistance provided to the Districts.

Impact

This has contributed to:

- An increased risk of poor quality projects;
- An increased risk of incomplete/ ghost projects and unnecessary costs; and/or
- Decreased visibility of progress of projects at the District Administrator level.

Refer Appendix III for examples of ineffective expenditure by District Administrators.

Recommendation

Key recommendation 1 as outlined on page 16 of this report applies to this finding.

Funding should not be provided to Districts until they can demonstrate they have established a basic governance framework and have established the committees necessary to oversee works. Additionally, assistance should be provided to Districts to establish committees. Such assistance could include assisting the development of a committee charter and/or terms of reference and/or operating procedures.

Expenditure not in required proportion

Spending of DSIP funds in accordance with the framework requirements is important as these are the key areas of development focus at a District level. Spending outside the required proportions jeopardises the Governments objectives with respect to the DSIP grants.

Findings

The DSIP policy requires Districts to spend their grant funding in set proportions across seven different sectors and a total of 3% on administration. There was limited guidance provided on projects that would fall within each sector or how spending should be classified.

The table below illustrates the cumulative proportion in which Districts audited in 2012/ 2013 actually spent their funds compared to the financial allocation contemplated by the Finance Instruction. This shows that Districts generally over-allocated to a few sectors and ignored some sectors almost entirely. Several Districts spent a large proportion of funds on administration, far above the 3% allowed by the Finance Instruction.

Table 5: Allocation of DSIP spend

District Services Improvement Program	Approved allocation	Actual allocation
Education	10%	10.09
Health	10%	6.76
Law and Justice	10%	3.82
Water Supply and Sanitation	10%	3.96
Agriculture and Community Based Programs	10%	11.27
Rural Communication and Electrification	10%	6.07
Transport and Community Infrastructure	40%	41.96
Administration	(3%)	16.07
Total	100% (Exc administration)	100%

Further, we note that:

- Errors were identified in the coding of expenses for certain Districts, for example if motor vehicles were purchased for a school this cost was classified as Education. Accordingly, there may be additional shifts in the actual weighting of expenditure compared to requirements; and
- Significant spending on motor vehicles being classified amongst various sector spends.

Causes

The lack of spending in accordance with the framework can be attributed to:

- Lack of monitoring of funds spent;
- Non-compliance with DSIP Finance Instructions;

- Lack of sanctions for non-compliance/ non-enforcement of sanctions; and/or
- Access to the Papua New Guinea Government Accounting System (PGAS) not available for most Districts.

Impacts

This has contributed to:

- Ineffective allocation of resources;
- DSIP objectives not being met; and/or
- Parts of Districts not receiving any benefits from the DSIP.

Recommendation

Key recommendations 1 and 4 as outlined on page 16 of this report apply to this finding.

More information should be provided to Districts on how spending should be classified and the definition of each sector, including giving example of projects that would be relevant to each sector.

Maintenance of reports and documents

Maintenance of reports and documents is critical in order to hold Districts accountable for the manner in which they apply DSIP funds.

Findings

The full audit plan could not be completed due to a limited audit trail at a majority of the Districts. Examples of key documents that could not be provided by the Districts on request include:

- Minutes and resolutions JDP&BPC meetings;
- Resolutions of DPMT;
- Finance reconciliations (e.g., bank reconciliation and fixed assets register);
- Project management reports;
- Tender documents;
- Contractual agreements;
- Payments supporting documents (payment vouchers and invoices); and/or
- Procurement supporting documents (quotations and purchase orders).

Causes

The inadequate maintenance of reports and documents can be attributed to:

- Poor accounting and record-keeping practices;
- District officials not supplying records to hide misuse and misappropriation of funds;
- High rate of turnover of District Administrators and District Treasurers;
- No monitoring on compliance with the financial reporting provisions of the DSIP Finance Instructions; and/or
- Limited training/ assistance provided to Districts.

Impact

This has contributed to:

- A lack of appropriate audit evidence to demonstrate compliance with relevant legislation; and/or
- An increased likelihood that fraud and theft will go undetected.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

Grants reconciliation and allocation

Reconciliation of funds received into the DSIP trust accounts is critical as it enables Districts to be held accountable for how the funds received have been applied.

Grants allocation

Findings

For all Districts there were variances noted upon reconciling the DSIP bank accounts for the Districts or non-DSIP funds deposited in the DSIP trust account.

A major cause was government departments and agencies providing funds to the DSIP account without advance warning to the Districts that funds would be deposited. In most cases the variances have not been reconciled.

It was generally unclear to the Districts why additional funding had been provided to their DSIP. A number of different programs appear to have improperly utilised the DSIP trust accounts to provide funding to the Districts. All Districts spent additional funds provided.

Causes

The lack of reconciliations and allocations can be attributed to:

- The lack of segregation of bank accounts used for cash transactions involving DSIP and non-DSIP related cash transactions; and/or
- PGAS not made available to all Districts.

Impact

This contributes to:

- An increased risk of funds being misused.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

DSIP account reconciliations

Findings

Monthly bank account reconciliations were not prepared for many Districts. In many cases, bank records were not adequately maintained, unreconciled items were not further investigated and payments were not properly accounted for or captured in the PNG Government Accounting System Cash book.

We also note that across the Districts there were instances where cheques have been returned by the bank due to insufficient funds being available.

Causes

The lack of DSIP bank account reconciliations may be attributed to:

- Lack of skilled personnel to prepare bank reconciliations;
- No monitoring of compliance with the financial reporting provisions of the DSIP Finance Instructions;
- Limited follow up where bank reconciliations have not been prepared by Districts; and/or
- Limited monitoring of cash balances.

Impacts

This contributes to:

- An increased risk of errors; and/or
- Decreased ability to detect fraudulent activities.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

Procurement and tendering

Strong controls around procurement and tendering are critical to ensure that DSIP funds are spent appropriately and in a manner that meets the objects of the DSIP program.

Deficiency in procurement controls

Findings

In many Districts, the process of requesting quotations is non-existent and the authorisation of purchase orders is limited.

We have also identified behaviours such as splitting payments in order to work around the requirements of procurement procedures specified under the Public Finances (Management) Act and the Finance Instruction.

Causes

The inadequate level of procurement controls can be attributed to:

- Lack of awareness of procurement rules;
- Lack of assistance to facilitate good procurement practices;
- Bypassing the processes to facilitate project execution and release of funds;
- Lack of sanctions on non-compliance/ non-enforcement of sanctions; and/or
- No regular monitoring of compliance with the DSIP Finance Instructions.

Impact

This contributes to:

- Risk of selection of poor quality providers;
- Risk of poor quality projects; and/or
- Risk of fraudulent activity.

Recommendations

Key recommendations 2, 4 and 6 as outlined on page 16 of this report apply to this finding.

Deficiency in tender documentation

Findings

Tender documents were not properly maintained by most District Offices. This includes information on the tender advertisement, bids received, screening and rating of bidders. We also noted deficiencies over the authorisation of selected bidders.

Causes

The absence and/or maintenance of tender documentation appear to be attributed to:

- Bypassing the required tender processes to facilitate project execution and release of funds;
- Lack of appropriate filing and archiving systems;
- Lack of sanctions for non-compliance/ non-enforcement of sanctions; and/or
- No regular monitoring on compliance with the DSIP Finance Instructions.

Impact

This contributes to:

- Potential fraudulent award of tenders;
- Difficulties in identifying contractual agreements with providers;
- Award of tenders to contractors without the appropriate skills and capabilities to successfully complete projects; and/or
- Risk of overpayment for tendered works.

Recommendation

Key recommendations 2, 4 and 6 as outlined on page 16 of this report apply to this finding.

Delegation authorities not formalised

Findings

The Finance Instruction provides that a number of delegates must approve projects before expenditure can be made. In many cases Delegations were not actually made or were exceeded. For example, in some Districts the Joint District Planning & Budget Priority Committee was not formed or did not function properly so it could not give approval for projects as required. Many Districts also failed to get Approval to Commit from the Department of Finance for major works as required.

Causes

Weaknesses in the delegation of authority can be attributed to:

- Lack of understanding of governance processes;
- Poor record keeping; and/or
- Bypassing the delegation processes to facilitate project execution and release of funds.

Impacts

This contributes to:

- An increased risk that money will be improperly spent without adequate approval and scrutiny.

Recommendation

Key recommendations 4 and 6 as outlined on page 16 of this report apply to this finding.

Contract and project management

Strong controls over projects will ensure that service providers deliver on their contracts and that funds are not spent unnecessarily on incomplete projects or projects that don't meet the required specifications.

Establishment of contractual agreements

Findings

In many instances, contracts were not in place between the District Administration and appointed contractors. There have been numerous cases of contractors not providing the expected goods or services required. Where there is no contract in place, it is difficult for the District to enforce its rights and recover its money.

Causes

Major causes of weakness in establishing contracts can be attributed to:

- Poor project management and planning skills;
- Bypassing the processes to facilitate project execution and release of funds; and/or
- No monitoring of compliance with the DSIP Finance Instructions.

Impacts

This contributes to:

- Unknown specific terms and conditions to a project so the District's rights cannot be enforced as appropriate; and/or
- Increased risk of financial losses as projects will not have terms and conditions that favour and safeguard DSIP from unexpected events.

Recommendation

Key recommendations 2 and 4 as outlined on page 16 of this report apply to this finding.

Monitoring of projects and regular reporting

Findings

The Finance Instruction sets out a monitoring process for projects including oversight by the District Project Management Team, Monthly Management Reports and Project Status Reports. Most Districts did not meet these requirements.

Causes

Failure to establish an adequate level of project monitoring and reporting can be attributed to:

- A lack of planning in establishing projects; and/or
- Non-compliance with DSIP Finance Instructions, specifically on project status monitoring.

Impacts

This contributes to:

- An increased risk that:
 - projects will not be delivered on time;
 - projects will not be delivered on budget;
 - projects will not be delivered at all; and
 - problems in the project will not be identified and addressed early.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

Incomplete projects and projects completed with structural defects

Findings

Districts often paid contractors in full before the contract was completed or completed to a satisfactory level. Contributing factors included lack of ongoing management of projects, lack of adequate contracts in place to assist with enforcement of contractual rights and early payment of funds before projects started. This was a failure in the process set out in the Finance Instruction.

Causes

The absence of appropriate contract management procedures may be attributed to:

- Lack of planning in establishing projects;
- Lack of monitoring of providers; and/or
- Non-compliance with the requirements of DSIP Finance Instructions on the timing of disbursements set at specific milestones, as specified in the contract.

Impacts

This contributes to:

- The waste of DSIP resources.
- Benefits of the DSIP not being transferred to people in the District.

Recommendation

Key recommendations 2 and 4 as outlined on page 16 of this report apply to this finding.

Ineffective process to manage contractor payments

Findings

Many projects were not implemented well by the Districts because a project management framework was not in place. For example, District Project Management Teams were not formed or did not meet regularly and project progress reports were not prepared. As a result, contractors were paid without justification, without adequate records being kept and without procurement processes being followed. Upfront payments to contractors for work not yet performed/completed indicates an ineffective process to manage contract payments at a District level.

Causes

Ineffective contractor payment procedures seem to be attributed to:

- Absence of oversight from relevant bodies including the District Project Management Teams (DPMTs); and/or
- Non-compliance with the requirements of DSIP Finance Instructions on the timing of disbursements set at specific milestones, as specified in the contract.

Impacts

This contributes to:

- A significant risk of wastage of funds and risk of fraudulent activities.

Recommendation

Key recommendations 2 and 4 as outlined on page 16 of this report apply to this finding.

Management of fixed assets

Keeping records of fixed assets enables Districts to manage and monitor capital purchases made under the DSIP and holds them accountable for their application of funds.

Findings

Across the 20 Districts audited, only 4 had a complete and up to date fixed asset registers. Most Districts did not have a fixed asset register at all, failed to keep their fixed asset register up to date or had significant assets omitted from the register.

Causes

Weaknesses in the maintenance of fixed asset records can be attributed to:

- Non-compliance with DSIP Finance Instructions; and/or
- Lack of sanctions for non-compliance/ non-enforcement of sanctions.

Impacts

This contributes to:

- An increased risk of fraud and theft.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

Physical verification and physical security of fixed assets

Findings

Audits were unable to physically locate many of the assets of the District, particularly vehicles. Many Districts did not adequately secure their vehicles or kept the vehicles at the private premises of District officials.

Causes

The inability to locate key assets can be attributed to:

- Non-compliance with DSIP Finance Instructions.
- Lack of sanctions for non-compliance/ non-enforcement of sanctions.

Impacts

This contributes to:

- An increased risk of theft of District property.

Recommendation

Key recommendation 4 as outlined on page 16 of this report applies to this finding.

Unrelated expenditure, including motor vehicles

Spending of funds on unrelated items reduces the level of funding available to meet the objectives of the DSIP.

Excessive procurement of vehicles and heavy equipment

Findings

Vehicles formed a disproportionate part of the spending of most Districts. While some expenditure on vehicles would be appropriate, the level of expenditure on new motor vehicles, hire cars and heavy equipment appears excessive and not consistent with the aims of the DSIP. Across the Districts audited in 2012/ 2013, over K58 million was spent on motor vehicles and heavy equipment.

Causes

The disproportionate level of spending on motor vehicles can be attributed to:

- Desire to spend money quickly rather than plan and execute infrastructure projects; and/or
- Lack of monitoring over total funds spent.

Impacts

This contributes to:

- Reduced expenditure on DSIP areas of focus; and/or.
- Benefits of the program not being shared equally and equitably around the District.

Recommendation

Key recommendations 3 and 4 as outlined on page 16 of this report apply to this finding.

Financial grants to individuals

Findings

Many Districts made multiple grants to individuals either as a form of grant or to reimburse the individual for expenditure purportedly connected with DSIP.

Causes

The high rate of grants being made to individuals may be attributed to:

- Absence of specific provisions which regulate or restrict financial grants to specific individuals;
- Poor fund monitoring practices;
- Continuous processing of financial grants even to those who have several occurrences of non-acquittal; and/or
- Lack of sanctions for non-compliance/ non-enforcement of sanctions.

Impacts

This contributes to:

- An increased risk of fraud; and/or
- Waste of DSIP resources outside the mandate of the program.

Recommendation

Key recommendations 2, 4 and 6 as outlined on page 16 of this report apply to this finding.

Large consultancy fees and payment of casual labourers without supporting documentation

Findings

Several Districts paid large consultancy fees without adequate documentation describing the process for choosing the consultants and the work to be performed.

Some Districts also made large payments to individuals, purportedly to be distributed amongst casual labourers. There was no supporting documentation to record how many labourers and how long each worked for.

Causes

The lack of documentation to support consultancies and/or large payments to individuals seen to be attributed to:

- Poor procurement processes leading to unqualified providers; and/or
- Lack of sanctions for non-compliance/ non-enforcement of sanctions.

Impacts

This contributes to:

- Difficulties in the accountability and enforcement of the funds; and/or
- Risk that the funds will be misspent.

Recommendation

Key recommendations 2, 4 and 6 as outlined on page 16 of this report apply to this finding.

APPENDIX I – DISTRICTS AUDITED

Districts Audited in 2012/ 2013

Finschhafen – Morobe
Middle Ramu – Madang
Wosera-Gawi – East Sepik
South Bougainville – Bougainville
Anglimp South Waghi – Jiwaka
North Waghi – Jiwaka
Okapa – Eastern Highlands
Obura-Wonenara – Eastern Highlands
Manus – Manus
Markham – Morobe
Menyamy – Morobe

North Fly – Western
Rigo – Central
Sumkar – Madang
Usino Bundi – Madang
Yangoru Saussia – East Sepik
Goroka – Eastern Highlands
Pomio – East New Britain
Jimi – Jiwaka
Middle Fly – Western
Kainantu – Eastern Highlands
Abau – Central

2009 – 2011 Audits

Gumini – Chimbu
Chuave – Chimbu
Kerowagi – Chimbu
Sinasina Yongomugl – Chimbu
Okapa – Eastern Highlands
Kainantu – Eastern Highlands
Henganofi – Eastern Highlands
Lufa – Eastern Highlands
Maprik – East Sepik
Wewak – East Sepik
Angoram – East Sepik
Huon Gulf – Morobe
Nawaeb – Morobe
Lae – Morobe
Bulolo – Morobe

Samarai – Milne Bay
Alotau – Milne Bay
Kerema – Gulf
Kikori – Gulf
Moresby South – NCD
Moresby North West – NCD
Sohe – Oro
Ijivitari – Oro
Kandrian – West New Britain
Talasea – West New Britain
Kokopo – East New Britain
Gazelle – East New Britain
North Bougainville – Bougainville
Central Bougainville – Bougainville
Rabaul – East New Britain

APPENDIX II – EXAMPLES OF COMMON PROBLEMS AND ISSUES BY DISTRICT

Table 6: Summary of key themes by District

Key Theme	Finshafen	Middle Ramu	South Bougainville	Wosera-Gawi	Anglimp South Wachi	North Waghi	Obura-Wotenara	Okapa	Manus	Markham	Menyamya	North Fly	Rigo	Sumkar	Usino Bundi	Yangoru Sausia	Goroka	Pomio	Jimi	Middle Fly	Kainantu	Abau
Overall governance framework	☒			☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒		☒	☒
Strategic Planning			☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒		☒	☒		☒	
Expenditure not in recommended proportion				☒		☒	☒	☒	☒	☒		☒	☒					☒	☒	☒	☒	☒
Maintenance of reports and documents	☒		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒		☒	☒
Grants reconciliation and allocation	☒	☒		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒		☒	☒
Procurement and Tendering	☒	☒		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Contract and project management	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Failure to manage fixed assets	☒	☒		☒	☒	☒	☒	☒	☒	☒		☒	☒	☒	☒	☒	☒	☒	☒		☒	☒
Unrelated expenditure, including on motor vehicles	☒	☒	☒	☒	☒	☒	☒	☒	☒		☒		☒		☒	☒	☒	☒	☒		☒	☒

Table 7: Examples of non-compliance by District

Key Theme	Finschhafen	Middle Ramu	South Bougainville
Overall governance framework	Multiple failures of governance.		
Strategic Planning			Five Year District Development Plan not followed in selecting projects.
Expenditure not in recommended proportion			
Maintenance of reports and documents	No records of project planning and management. Missing vouchers and supporting documentation.		K6,241,206 of missing payment vouchers.
Grants reconciliation and allocation	K120m credited to account not properly reconciled. Banking records not maintained.	K12.9m credited to account not properly reconciled.	
Procurement and Tendering	K0.720m advances made to individuals without records. Contracts awarded without procurement processes being completed.	K0.960m spent on advances to individuals without justification.	
Contract and project management	Consultancies paid without contracts. K10m spent on unsubstantiated projects.	K3m spent on incomplete or unsubstantiated projects.	K7.9m spent on incomplete or unsubstantiated projects.
Failure to manage fixed assets	No fixed asset register.	No fixed asset register.	
Unrelated expenditure, including on motor vehicles	K3.8m spent on motor vehicles and heavy equipment.	K0.867m spent on vehicles and heavy equipment and K0.828m on hire cars.	K0.867m spent on hire cars.

Key Theme	Wosera-Gawi	Anglimp South Waghi	North Waghi
Overall governance framework	Multiple failures of governance.	Multiple failures of governance.	Multiple failures of governance.
Strategic Planning	Five Year District Development Plan not available for audit.	No Five Year District Development Plan and no Prioritised List of Projects.	No Five Year District Development Plan and no meetings of JDP&BPC.
Expenditure not in recommended proportion	Expenditure not in recommended proportion.		Expenditure not in recommended proportion.
Maintenance of reports and documents	101 payments (K3.4m) without supporting invoices. Documentation supporting projects missing. Minor works contracts not maintained.	No records prior to 2009 available at all due to fire. Payment vouchers for K2.3m of spending not available.	K9.7m missing payment vouchers. No minutes for meetings of various committees. Contracts evidence for procurements missing.
Grants reconciliation and allocation	K12.3m additional grants received.	K7.3m additional grants received and not reconciled.	K6.0m additional grants received and not reconciled.
Procurement and Tendering	Consultants appointed without tender processes. K4m of minor works without obtaining quotes.	K4.4m spent on advances to individuals.	K3.7m spent on advances to individuals. K4.1m of works without procurement process.
Contract and project management	K2.5m spent on incomplete or unsubstantiated projects. No DPMT in place. No monthly reporting.	K5.5m spent on incomplete or unsubstantiated projects. Monthly management reports and project status updates not prepared.	K9.3m spent on incomplete or unsubstantiated projects. No DPMT in place.
Failure to manage fixed assets	No fixed asset register.	No fixed asset register.	No fixed asset register.
Unrelated expenditure, including on motor vehicles	K1.1m in respect to chainsaws, outboard motors, motor vehicles, generator sets and firearms.	K2.5m spent on hire cars.	K1.1m spent on payment vouchers and K1.5m on hire cars.

Key Theme	Obura-Wonenara	Okapa	Manus
Overall governance framework	Multiple failures of governance.	Multiple failures of governance.	Multiple failures of governance.
Strategic Planning	No evidence of JDP&BPC meeting.	No evidence of JDP&BPC meeting.	Five Year District Development Plan not prepared (reportedly covered by Provincial District Plan).
Expenditure not in recommended proportion	Expenditure not in recommended proportion.	Overspend on administration (31%).	Expenditure not in recommended proportion.
Maintenance of reports and documents	Minutes for key committees not available. No documentation to support project management.	K1m missing payment vouchers. Monthly management, completion and assessment reports not available.	Financial records not adequate, project management not documented, progress reports and minutes of key meetings not prepared.
Grants reconciliation and allocation	K9.2m additional funds received and not reconciled. Cash book not updated.	K7.4m additional funds received and not reconciled.	K7m additional funds received. Reconciliations not provided to Department of Finance.
Procurement and Tendering	Key procurement processes not followed including APC approval for major works.	K5m provided as direct assistance to individuals.	Tenders awarded without APC approval.
Contract and project management	K6.1m spent on incomplete or unsubstantiated projects. No DPMT, status reports or progress reports.	K5.3m spent on incomplete or unsubstantiated projects. DPMT meetings and project management not documented.	K0.9m spent on incomplete or unsubstantiated projects. Management reports not prepared.
Failure to manage fixed assets	No fixed asset register.	Fixed asset register not maintained.	No regular physical stocktake of assets.
Unrelated expenditure, including on motor vehicles	K4.9m spent on vehicles and heavy equipment.	K2.5m spent on vehicles and heavy equipment and K1.6m on hire cars, travel and accommodation.	K4.5m spent on vehicles and heavy equipment.

Key Theme	Markham	Menyamy	North Fly
Overall governance framework	Multiple failures of governance.	Multiple failures of governance.	Multiple failures of governance.
Strategic Planning	Few meetings of JDP&BPC.	Few meetings of JDP&BPC.	No Five Year Development Plan or Prioritized List of Projects.
Expenditure not in recommended proportion	Expenditure not in recommended proportion. Spending misclassified.		Expenditure not in recommended proportion.
Maintenance of reports and documents	Minutes of JDP&BPC meetings not available.	Monthly Bank Reconciliation files were not made available.	Minutes of meetings not produced, accounting records not kept. Payment vouchers not provided.
Grants reconciliation and allocation	K12.6m additional funds received and not reconciled.	PGAS cash book not updated to recognise receipt of DSIP funds.	Funds received not properly reconciled. Funds withdrawn from account without record.
Procurement and Tendering	Minor works conducted without obtaining quotes. Payments split to avoid procurement rules.	Grants paid to individuals without justification.	No delegations in place. Numerous consultancy payments made without tenders.
Contract and project management	Numerous incomplete projects and projects without contracts in place. Limited meetings of JDP&BPC.	Consultants appointed with no procurement process. Several incomplete projects where contractors had been paid.	No DPMT formed. Project Progress/Status Reports not prepared.
Failure to manage fixed assets	Assets including heavy machinery not maintained.		Assets could not be properly accounted for.
Unrelated expenditure, including on motor vehicles		64% of spending on health (K0.825m) spent on vehicles.	

Key Theme	Rigo	Sumkar	Usino Bundi
Overall governance framework	Multiple failures of governance.	Multiple failures of governance.	Multiple failures of governance.
Strategic Planning	No Project Priority List.	Five Year District Development Plan not completed. No Prioritised List of Projects.	JDP&BPC meetings not recorded.
Expenditure not in recommended proportion	Expenditure not in recommended proportion.		
Maintenance of reports and documents	Monthly bank reconciliation not undertaken.	Monthly project reports not completed.	Supporting documents for 41 payments (K2.1m) not available.
Grants reconciliation and allocation	K16.5m additional funding received and not reconciled.	K18.3m additional funding received and not reconciled.	K8m additional funding received and not reconciled. Monthly reconciliations not completed.
Procurement and Tendering	Missing tender documentation, APC approvals not obtained when needed.	Delegations not properly made. Purchasing rules not followed, quotes not obtained for minor works, APC approval not obtained for major expenditure.	Payments to individuals without justification. No quotes or contracts for minor works. Procurement processes not followed for major works.
Contract and project management	Payments made before work is completed or not in place for major works.	DPMT not formed for entire period. K5.3m spent on incomplete or unsubstantiated projects.	K4.9m spent on incomplete or unsubstantiated projects. No DPMT. Project status reports not prepared.
Failure to manage fixed assets	Fixed asset register not maintained.	No fixed asset register.	Fixed asset register not complete by millions of Kina.
Unrelated expenditure, including on motor vehicles	Over K1m spent on motor vehicles.		K5.5m spent on motor vehicles and heavy equipment.

Key Theme	Yangoru Saussia	Goroka	Pomio
Overall governance framework	Multiple failures of governance.	Multiple failures of governance.	Framework in place with some lapses.
Strategic Planning	No Five Year District Development Plan, Prioritised List of Projects, and minutes for JBP&BPC meetings.		Strategic Planning completed, including properly approved Five Year District Development Plan and Prioritised List of Projects.
Expenditure not in recommended proportion			Expenditure not in recommended proportion.
Maintenance of reports and documents	Details of payments not recorded.	26 payment vouchers (K4.2m) from the audit sample not available. No record of Treasurer reviewing bank reconciliations.	No cheque release forms.
Grants reconciliation and allocation	K12.8m additional funding received and not reconciled. Amounts transferred between trust accounts.	K10m additional funding received and not reconciled.	K17.1m additional funding received and not reconciled.
Procurement and Tendering	Grants made without justification. Contracts awarded without tender processes.	Delegations not properly made and procurement processes not followed. APC approval not obtained when required.	Procurement processes not complied with. Direct grants made to staff.
Contract and project management	Consultancy payments made with no services provided. Road building projects not completed.	Projects commenced and not completed.	No documentation to support contracting arrangements. Payments made before work is complete.
Failure to manage fixed assets	No fixed asset register.	Could not account for all vehicles.	Fixed asset register exists but is not complete.
Unrelated expenditure, including on motor vehicles	K0.318m spent on vehicle hire.	K7.9m spent on vehicles and heavy equipment.	K1m on vehicles.

Key Theme	Jimi	Middle Fly	Kainantu
Overall governance framework	Multiple failures of governance.		Multiple failures of governance.
Strategic Planning	Prioritised List of Projects not followed. JDP&BPC meetings not documented.		Strategic plan completed but no Prioritised List of Projects.
Expenditure not in recommended proportion	Expenditure not in recommended proportion.	Expenditure not in recommended proportion.	Expenditure not in required proportion.
Maintenance of reports and documents	No monthly reports. Bank reconciliations not available.		All records destroyed by fire.
Grants reconciliation and allocation	K5.2m additional funds received.		Accounts not reconciled.
Procurement and Tendering	Consultancies awarded without tenders. K3m made in unrequited advances.	Casual wages paid without documentation.	Procurements process not complied with.
Contract and project management	K5.2m spent on incomplete or unsubstantiated projects. No DPMT formed. Contracts not in place for works. No regular progress reporting.	Payments made before projects were completed.	Documentation destroyed, could not be verified.
Failure to manage fixed assets	Fixed asset register in place, but not complete.		No fixed asset register maintained. Assets missing.
Unrelated expenditure, including on motor vehicles	K2.8m spent on hire cars and K0.545m on vehicle purchases.		K3.2m paid for financial assistance.

Key Theme	Abau
Overall governance framework	Multiple failures of governance.
Strategic Planning	
Expenditure not in recommended proportion	Expenditure not in recommended proportion.
Maintenance of reports and documents	System shows disbursements of K56m against receipts of K33.8m which appears to be a system error. Documentation not maintained.
Grants reconciliation and allocation	Reconciliation not performed.
Procurement and Tendering	Procurement documentation not sighted.
Contract and project management	K4.5m spent of failed or abandoned projects. K3.5m spent on poorly constructed facilities.
Failure to manage fixed assets	Fixed asset register not maintained.
Unrelated expenditure, including on motor vehicles	K1.9m paid to various agricultural development projects, not clear if this expenditure was DSIP related.

APPENDIX III – EXAMPLES OF INEFFECTIVE EXPENDITURE

Outlined in the following pages are some practical examples of ineffective expenditure across the Districts as identified during the course of our audits.

Obura Wonenara District – poor road maintenance

Over K4 million has been spent on manual labor for road clearing and maintenance. As shown by the photos below these roads have not been well maintained and are in a poor condition.



Usino Bundi District – incomplete office building

Over K3 m was paid to a contractor for the construction of a District Office Complex at Walium, Usino Bundi District. As shown by the photos below the building is incomplete and the worksite overgrown.



Kabwum District – wasted resources and incomplete project

Bridge Construction material has been left to rust and the bridge has not yet been constructed.



Yangoru Saussia District (Warabung rural police station) – incomplete project

Onsite inspection identified that the project was incomplete with significant interior works yet to be performed. On enquiry it appears that this project was put on halt during the 2012 elections and has not recommenced.



Markham District – ineffective use of resources

As shown below this bulldozer purchased by the District Administration that is sitting idle and has been stripped of its vital parts, including its engine.



Abau District – poor construction and incomplete projects

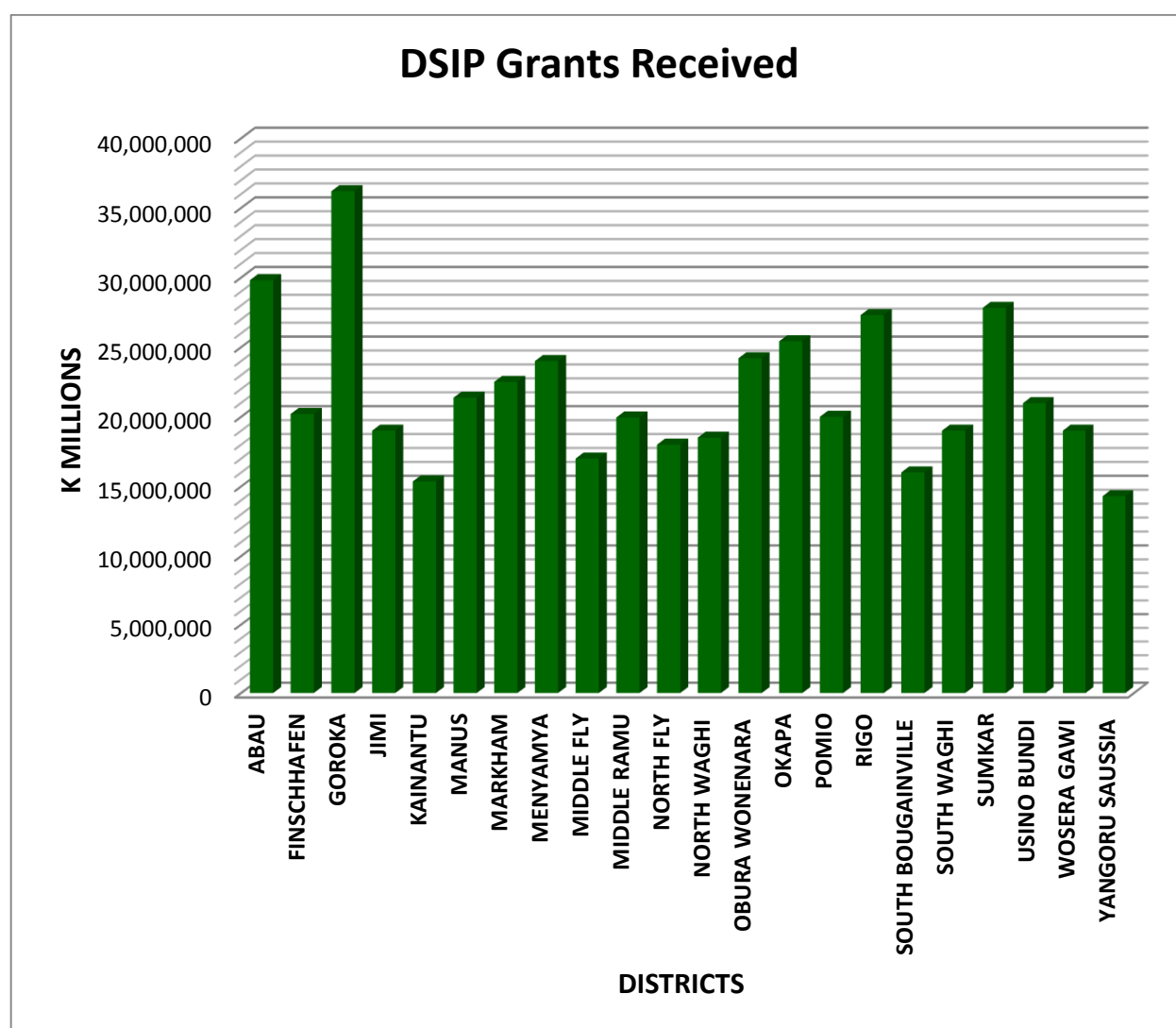
In several instances classrooms and teachers houses with project costs totalling over K2.3 million were poorly constructed and have not been completed by the contractors who had been paid in full for these projects.



APPENDIX IV – EXTRACTS FROM DISTRICT BANK STATEMENTS FEB 2008 – OCT 2012

The tables on the following pages provide details of grants received by each District along with a summary of transactions (receipts and payments) on the DSIP bank accounts as per the bank statements. Also for all Districts a table of payments made over K200,000 is provided.

The table below highlights the totality of DSIP grants received by each District. This includes funds transferred from District Treasuries to DSIP bank accounts where for some, the reasons for the transfers was unable to be determined.



The following table identifies the source of funding deposited into each District's DSIP bank account along with the total funds received by each District from all sources in ascending order.

TOTAL FUNDS DEPOSITED INTO DSIP BANK ACCOUNTS									
DISTRICT	DSIP	DAL	PLANNING	TSSP	EDUCATION	NATIONAL PARLIAMENT	DOW	UNIDENTIFIED DEPOSITS	GRAND TOTAL
Goroka	36,200,000	200,000	120,000			4,000,000		172,013	40,692,013
Abau	29,815,000							12,039	29,827,039
Rigo	27,296,050	200,000	2,000,000					250,000	29,746,050
Sumkar	27,820,544	200,000						276,494	28,297,038
Pomio	20,000,000	200,000	8,000,000						28,200,000
Usino Bundi	20,979,809	200,000	120,000					4,278,590	25,578,399
Okapa	25,420,000							12,830	25,432,830
Menyamy	24,000,000	200,000	120,000					162,102	24,482,102
Obura Wonenara	24,200,000							32,000	24,232,000
Markham	22,500,000	200,000					1,000,000	154,490	23,854,490
Finschhafen	20,200,000		120,000	2,000,000	1,000,000				23,320,000
Manus	21,364,502							463,734	21,828,236
Yangoru Saussia	14,300,000	200,000	2,000,000					5,293,500	21,793,500
Kainantu	15,354,000		2,000,000					4,200,060	21,554,060
Middle Ramu	19,948,860	200,000							20,148,860
North Waghi	18,500,000	200,000						1,299,500	19,999,500
Wosera Gawi	19,000,000	200,000	120,000						19,320,000
South Waghi	19,000,000	200,000						10,320	19,210,320
Jimi	19,000,000	200,000							19,200,000
Middle Fly	17,000,000	200,000	2,000,000						19,200,000
North Fly	18,000,000	200,000						1,000,000	19,200,000
South Bougainville	16,000,000	200,000	2,000,000					100,000	18,300,000
TOTAL	*475,898,765	3,200,000	18,600,000	2,000,000	1,000,000	4,000,000	1,000,000	17,717,672	523,416,437

* This amount includes K47.8 million transferred from District Treasury accounts to DSIP accounts.

ABAU DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
17-Dec-08	Deposit	200,000
23-Mar-09	B/Chq #636901	4,000,000
19-Aug-09	8294 Bank Chq	2,000,000
16-Dec-09	1 x BSP B/Chq Dep	2,000,000
22-Jun-10	BPNG Wrnt #73067	2,000,000
01-Sep-10	Rural Dev Office Drawing	250,000
26-Oct-10	BSP POM 8294 B/chq	2,000,000
10-Aug-11	Stat Grant	1,000,000
27-Sep-11	From 1001472783	165,000
23-Nov-11	Trf from 1000878654	9,700,000
07-Mar-12	Rural Dev Office	1,000,000
28-Mar-12	Rural Dev Office	1,000,000
14-May-12	Abau Dist.Treas.	500,000
TOTAL		29,815,000

Summary of Transactions per Bank Statement since 07 February 2008		
Bank Account No. - 1001 372216		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	29,815,000	
Interest on bank balance – Gross	24,795	
Unidentified deposits	12,039	
23 Cheques returned by bank	1,636,628	
Payments above K200,000		10,689,276
Other payments up to 30 October 2012		19,120,832
23 Cheques drawn but returned by bank		1,636,628
Withholding tax on interest earned		3,615
O/D Interest paid in 9 instances		775
Fees charged for drawing cheques without sufficient funds		820
Cash handling fees		2,173
Unusual payment - P.I.H - 07.05.2012		26,905
Balance on 30 October 2012		7,438
TOTAL	31,488,462	31,488,462

Payments Above K200,000				
Date	Description	Cheque	Debit	Sub total
19-Oct-09	IPC Qld Pty Ltd	0000147	500,000	
18-Mar-10	IPC Qld Pty Ltd	0000274	299,000	
26-Apr-10	IPC Qld Pty Ltd	0000292	201,000	
11-Oct-10	IPC Qld Pty Ltd	0000316	299,000	1,299,000
08-Sep-08	Cheque	0000001	1,190,893	1,190,893
04-Dec-09	Cheque	0000209	702,818	702,818
16-Mar-12	Cheque	0000515	686,575	686,575
28-Nov-08	Engineering & Construction Ltd	0000061	290,000	
23-Dec-08	engineering & construction	0000071	299,000	589,000
10-Mar-10	Laugu Investment	0000250	270,000	
21-Dec-10	Laugu Investment	0000365	250,000	520,000
15-Sep-11	Cheque	0000452	337,000	337,000
03-Dec-08	Cheque	0000059	300,000	300,000
05-Apr-12	Abba Construction	0000601	299,900	299,900
13-Jan-12	Cheque	0000494	299,310	299,310
16-Apr-12	Cheque	0000620	298,750	298,750
10-Mar-10	Cheque	0000258	296,450	296,450
09-May-12	Cheque	0000746	290,959	290,959
30-Sep-10	Cheque	0000322	286,000	286,000
01-Dec-09	Cheque	0000199	269,800	269,800
09-Mar-10	Active Power Systems	0000255	267,787	267,787
26-Apr-12	Cheque	0000651	253,031	253,031
12-Jan-12	Apatia Puri	0000499	252,000	252,000
16-Mar-12	Cheque	0000519	250,000	250,000
12-Apr-12	Cheque	0000608	250,000	250,000
10-May-12	Cheque	0000747	250,000	250,000
23-Apr-12	Cheque	0000622	246,212	246,212
22-May-12	Cheque	0000776	228,791	228,791
29-Sep-10	Cheque	0000314	225,000	225,000
25-Mar-09	Cheque	0000079	200,000	200,000
29-Sep-10	Cheque	0000324	200,000	200,000
12-Apr-12	Cheque	0000613	200,000	200,000
13-Apr-12	Cheque	0000623	200,000	200,000
TOTAL			10,689,276	10,689,276

FINSCHHAFEN DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
27-Mar-09	1 x BSP B/Chq	4,000,000
12-Jul-10	BSP B/Chq #750222	1,000,000
29-Sep-10	1 x BSP B/Chq #751426	2,000,000
08-Oct-10	Finschafen District Treasury	2,000,000
04-May-11	BPNG Wrnt #74279 B/- DSIP Trust	1,000,000
10-Aug-11	Stat Grant	1,000,000
19-Dec-11	Finschafen District Treasury	700,000
23-Dec-11	Finsch.Dist.Treasury	2,500,000
23-Feb-12	1 x BPNG chq-Rural Dev Office drawing A/c	1,000,000
30-Mar-12	Rural Dev Office	1,000,000
TOTAL		20,200,000

Summary of Transactions per Bank Statement since 07 February 2008 Bank Account No - 1001 373131		
DESCRIPTION	Receipts	Payments
DSIP and other credits that appear to be grants	20,200,000	
Interest on bank balance - Gross	58,956	
Unidentified deposit - 19.01.12	59,417	
73 payments returned by bank	2,097,994	
National planning department - 22.12.11	120,000	
Dept of Education - resi - 07.2.12	1,000,000	
T.S.S.P. - 27.11.09	2,000,000	
Dal chq received on 11.12.08 and reversed on 15.07.09	200,000	200,000
Tfr from a/c 1000 878755 received on 23.10.09 and reversed on 23.06.10	2,000,000	2,000,000
Payments over K200,000		7,168,797
Other payments up to 23 October 2012		9,908,225
23 cheques drawn but returned by bank		2,097,994
Withholding tax on interest earned		8,843
Balance on 23 October 2012		6,352,508
TOTAL	27,736,367	27,736,367

Payments Over K200,000			
Date	Description	Cheque	Debit
11-Sep-08	Cheque	0000001	1,000,000.00
17-Dec-10	Cheque	0001131	900,000.00
25-Nov-10	Cheque	0001073	704,000.00
08-Dec-09	Cheque	0000490	609,830.00
10-Sep-09	Cheque	0000379	544,500.00
04-Jun-12	Cheque	0001771	500,000.00
08-Dec-08	Cheque	0000063	500,000.00
20-Dec-10	Cheque	0001132	450,000.00
09-Jun-10	Cheque	0000656	302,450.00
19-Oct-11	Cheque	0001511	300,000.00
30-Nov-11	Cheque	0001559	270,000.00
10-Dec-09	Cheque	0000492	270,000.00
30-Apr-10	Cheque	0000527	213,367.00
20-Jul-09	Cheque	0000277	204,650.00
17-Aug-11	Cheque	0001442	200,000.00
04-Jun-10	Cheque	0000600	200,000.00
TOTAL			7,168,797.00

GOROKA DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
21-Oct-09	BSP POM Bank Chq #715422	2,000,000
27-Nov-09	BSP POM B/Chq B/o:DSIP Clrd	2,000,000
19-Aug-10	BSP Bank Chq #750278	1,000,000
07-Oct-10	BSP Banch#751417	2,000,000
26-Jan-11	B/o- Dept of Finance -stat Grant	1,000,000
10-Aug-11	Stat Grant	1,000,000
11-Oct-11	Trf frm Gka Dto	4,000,000
13-Dec-11	Trf frm Dto A/c	7,000,000
29-Feb-12	Gka Dist Dto	10,200,000
09-Mar-12	B/o Rural Development Office	1,000,000
29-Mar-12	B/o Rural Development Office	1,000,000
TOTAL		36,200,000

Summary of Transactions per Bank Statement since 07 February 2008 Bank Account No - 1001 372386		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	36,200,000	
Interest on bank balance - Gross	51,848	
Receipt from Hastings Deering PNG Ltd	172,013	
Dal - 03.12.2008	200,000	
National parliament - 24.03.2009	4,000,000	
Dept of National Planning - 21.12.2011	120,000	
28 cheques returned by bank	730,848	
Payments over K 200,000		9,813,175
Other payments up to 23 October 2012		19,626,306
28 cheques drawn but returned by bank		730,848
Withholding tax on interest earned		7,777
Fees charged for drawing cheques without sufficient fund		480
Balance on 23 October 2012		11,296,123
TOTAL	41,474,709	41,474,709

Payments Over K200,000			
Date	Cheque	Description	Debit
26-Feb-10	0000457	Cheque	2,862,590.00
08-Nov-10	0000640	Cheque	1,000,000.00
30-Mar-12	0001140	Cheque	606,705.00
13-Mar-12	0001134	Cheque	560,715.00
30-Mar-12	0001136	Cheque	504,346.70
01-Nov-10	0000628	Cheque	400,000.00
06-Apr-10	0000435	Cheque	355,000.00
26-Sep-08	0000104	Cheque	339,805.20
29-Sep-08	0000105	Oxford First Aid Supply	299,985.95
29-Dec-09	0000428	Cheque	298,200.00
30-Mar-12	0001133	Cheque	284,944.00
30-Mar-12	0001131	Cheque	284,944.00
14-Jul-10	0000488	Cheque	253,000.00
14-Jul-10	0000489	Cheque	253,000.00
14-Jul-10	0000490	Cheque	253,000.00
18-Dec-08	0000303	Cheque	233,981.02
01-May-12	0001305	Cheque	219,800.00
18-Dec-09	0000397	Cheque	203,000.00
14-Jan-10	0000420	Cheque	200,158.70
17-May-12	0001241	Cheque	200,000.00
10-Dec-10	0000669	669-Ma Investments Group Ltd Warrant #10318 To W/Pac	200,000.00
TOTAL			9,813,175.57

JIMI DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
25-Mar-09	B/o BSP Bank Chq	4,000,000
18-Aug-09	1x BSP Chq #715494	2,000,000
01-Dec-09	BSP POM Bank Chq #718188	2,000,000
05-Jul-10	BSP B/Chq 750260 8294	1,000,000
30-Sep-10	1 x BSP Bank Chq #751437	2,000,000
02-Dec-10	Bank Chq #753284	1,000,000
10-Aug-11	Stat Grant	1,000,000
23-Feb-12	Dept Of Implementation & Rural	1,000,000
22-Mar-12	Rural Development Office	1,000,000
TOTAL		19,000,000

Summary of Transactions per Bank Statement since 07 February 2008 Bank Account No - 1001 373677		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	19,000,000	
Dal - 08.12.2008	200,000	
Interest on bank balance - Gross	17,684	
14 cheques returned by bank	229,757	
Payments over K 200,000		8,046,898
Other payments up to 24 October 2012		10,626,438
14 cheques drawn but returned by bank		229,757
Withholding tax on interest earned		2,653
Unusual payment - Jennifer Doa		473,364
Cash handling fees		43,690
Fees charged for drawing cheques without sufficient fund		564
Balance on 25 October 2012		24,077
TOTAL	19,447,441	19,447,441

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
29-Aug-08	Adb Road Project	0000001	2,000,000	2,000,000
19-Jun-09	Wrnt to ANZ Bank Gka #9298	0001042	598,308	598,308
30-Jul-09	Jimi Ngal Builders Ltd	0001104	255,700	
18-Apr-11	Jimi Ngal	0001385	297,900	553,600
08-Sep-10	Jennifer Doa	0001246	9,190	
02-Nov-11	jennifer @ counter	0001471	13,000	
08-Jan-10	Jennifer Doa	0001170	341,304	
12-Jun-09	Jennifer Doa	0001013	99,620	
12-Jun-09	Jennifer Doa	0001014	10,250	473,364
30-Aug-11	Cheque	0001444	337,000	337,000
11-Nov-09	Cheque	0001132	299,800	299,800
17-Jun-09	Cheque	0001048	294,634	294,634
29-Mar-12	Cheque	0001474	292,600	292,600
25-Sep-08	Cheque	0000014	292,415	292,415
08-Oct-09	Cheque	0001129	285,652	285,652
26-Sep-08	Cheque	0000015	280,866	280,866
20-Sep-10	Cheque	0001266	261,589	261,589
29-Mar-10	Cheque	0001214	256,825	256,825
07-Jan-10	Cheque	0001175	250,000	250,000
25-May-11	Cheque	0001374	247,005	247,005
29-Jul-09	Cheque	0001100	241,763	241,763
04-Aug-09	Cheque	0001103	231,038	231,038
09-Mar-09	Cheque	0001002	230,000	230,000
03-Jun-09	Cheque	0001026	220,440	220,440
06-May-11	Cheque	0001375	200,000	200,000
14-Mar-12	Cheque	0001477	200,000	200,000
TOTAL			8,046,898	8,046,898

KAINANTU DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
24-Sep-09	1 x BSP B/Chq dep	2,000,000
27-Nov-09	1 x BSP Chq#718118-Paramount Bank	2,000,000
29-Jun-10	B/Chq #750280-BSP	1,000,000
26-Jan-11	B/o- Dept of Finc -stat Grant	1,000,000
29-Jun-11	BPNG-Rural Development Office	1,000,000
10-Aug-11	Stat Grant	1,000,000
12-Dec-11	1 x BPNG Chq B/o Finance Dept	1,000,000
23-Feb-12	Office of Rural Development	1,000,000
28-Mar-12	Rural Development Office	1,000,000
07-May-12	B/o EHP Grant Acct	354,000
TOTAL		15,354,000

Summary of Transactions per Bank Statement since 07 February 2008		
Bank Account No - 1001 372709		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	15,354,000	
Dept of National Planning 26.07.2010	2,000,000	
DAL Received on 27.11.2008 and returned on 02.12.2008	200,000	200,000
Deposit - 30.03.2009	4,000,000	
Deposit - 07.04.2009	200,000	
Deposit - 02.11.2010	60	
Interest on bank balance - Gross	46,385	
28 Cheques returned by bank	1,687,947	
Payments above K200,000 up to 25 October 2012		4,767,105
Other payment up to 25 October 2012		15,729,787
28 Cheques drawn but returned by bank		1,687,947
Withholding tax on interest earned		6,958
Cash handling fees		3,858
Balance on 25 October 2012		892,737
TOTAL	23,488,392	23,488,392

Payments Above K200,000			
Date	Description	Cheque	Debit
23-Dec-08	Wrnt #19581 Issued To Maybank	0000050	1,256,610.00
03-Mar-11	Cheque	0001397	600,000.00
02-Apr-09	Cheque	0000149	440,000.00
09-Jul-10	Cheque	0000827	400,000.00
30-Dec-08	Cheque	0000064	396,818.40
30-Nov-09	Karridale Ltd	0000346	350,000.00
10-Feb-11	Karridale Limited	0001392	8,005.94
19-Dec-08	Cheque	0000057	336,300.00
15-Sep-11	Cheque	0001738	283,113.34
04-Jan-10	Cheque	0000382	250,000.00
19-Nov-10	Cheque	0001243	226,457.10
09-Nov-11	Cheque	0001890	219,800.00
TOTAL			4,767,104.78

MANUS DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
23-Mar-09	BSP Bank Chq #636936	4,000,000
31-Jul-09	B/Chq #715444-	2,000,000
30-Nov-09	BSP Chq	2,000,000
06-Jul-10	1 x BSP bank chq	1,000,000
25-Aug-10	1 x BPNG chq	2,000,000
14-Dec-10	Dept of Finance & Treasury-bk	1,000,000
26-Jan-11	B/o- Dept of Finance -stat Grant	1,000,000
10-Aug-11	Stat Grant	1,000,000
02-Mar-12	Manus District Treasury	1,364,502
02-Mar-12	1 x BPNG Chq	1,000,000
16-May-12	Rural Dev BPNG chq dep	1,000,000
TOTAL		21,364,502

Summary of Transactions per Bank Statement since 07 February 2008 Bank Account No - 1001 373066			
Description	Receipts	Payments	
DSIP and other credits that appear to be grants	21,364,502		
Interest on bank balance - Gross	48,692		
Unidentified deposits - 6 instances	463,734		
11 cheques returned by bank	501,564		
Payments over K200,000		11,480,052	
Other payments up to 24 October 2012		5,371,717	
11 cheques drawn but returned by bank		501,564	
Withholding tax on interest earned		7,304	
Fees charged for drawing cheques without sufficient fund		60	
Balance on 24 October 2012		5,017,795	
TOTAL	22,378,492	22,378,492	

Payments Over K200,000			
Date	Description	Cheque	Debit
29-Nov-10	Cheque	0000356	3,000,000.00
02-Nov-10	Cheque	0000351	2,000,000.00
13-Oct-08	Dept of Works	0000020	1,490,000.00
15-Jun-11	Cheque	0000448	1,117,600.00
15-Sep-09	Cheque	0000198	931,392.00
28-Aug-09	Cheque	0000195	874,892.11
10-Dec-09	8334/1587-t/t	0000228	500,000.00
09-Jun-11	Cheque	0000443	368,641.53
10-Sep-10	Cheque	0000348	303,133.57
11-Jun-09	Cheque	0000153	255,193.00
02-Sep-09	Cheque	0000194	239,200.00
17-Mar-11	Cheque	0000415	200,000.00
24-Aug-11	Cheque	0000495	200,000.00
TOTAL			11,480,052.21

MARKHAM DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
23-Mar-09	BSP Bank Chq #636946 POM	4,000,000
12-Oct-09	B/Chq dep	2,000,000
27-Nov-09	BSP Bank Chq #718148	2,000,000
01-Jul-10	Bank Chq 294 750225	1,000,000
07-Oct-10	BPNG Wrnt 73479	2,000,000
06-Dec-10	Bank Chq #753293	1,000,000
10-Aug-11	Stat Grant	1,000,000
13-Dec-11	Frm 1-878766	3,500,000
28-Feb-12	Rural Dev Office Drawing Account	1,000,000
27-Mar-12	Rural Development Office	1,000,000
TOTAL		22,500,000

Summary of Transactions per Bank Statement since 07 February 2008 Bank Account No - 1001 373170		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	22,500,000	
Interest on bank balance - Gross	62,309	
Unidentified deposits - 4 instances	154,490	
DAL - 03.12.2008	200,000	
Dept of Works - 17.10.2012	1,000,000	
56 cheques returned by bank	1,387,064	
Payments over K200,000		4,606,974
Other payments up to 25 October 2012		10,825,051
56 cheques drawn but returned by bank		1,387,064
Withholding tax on interest earned		9,346
Cash handling fees		1,736
Details of payment identified from b/s - green its 31.08.2009		203,500
Balance on 25 October 2012		8,270,192
TOTAL	25,303,863	25,303,863

Payments Over K200,000			
Date	Description	Cheque	Debit
20-Apr-09	Bank chq #621194	0000088	1,017,955.00
22-Oct-08	Cheque	0000014	631,328.48
28-Dec-11	Cheque	0001466	543,576.00
21-Dec-11	Cheque	0001470	375,098.00
08-Dec-10	Cheque	0000882	352,000.00
19-Dec-11	Cheque	0001469	300,000.00
08-Mar-12	Cheque	0001471	289,408.00
20-Oct-08	Cheque	0000023	255,670.00
18-Sep-09	Cheque	0000273	238,439.00
31-Aug-09	To Green Ltd	0000251	203,500.00
10-Nov-11	Cheque	0001445	200,000.00
24-Sep-12	Cheque	0001549	200,000.00
TOTAL			4,606,974.48

MENYAMYA DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
02-Apr-09	B/Chq #636947	4,000,000
07-Aug-09	BSP POM B/Chq 715455	2,000,000
30-Nov-09	1 xBSP Bnk Chq	2,000,000
28-Jun-10	1 x B/Chq#750226	1,000,000
30-Jul-10	Deposit	2,000,000
02-Dec-10	B/chq 753292 Bsp 8294	1,000,000
27-Jun-11	Rural Development Office (BPNG)	1,000,000
10-Aug-11	Stat Grant	1,000,000
17-Nov-11	Frm 1000878774	3,000,000
08-Dec-11	B/o Dept of Finance Drawing A/	1,000,000
23-Feb-12	1 x BPNG Chq-Rural Development Off	1,000,000
26-Mar-12	B/o Rural Development Office	1,000,000
TOTAL		24,000,000

Summary of Transaction per Bank Statement Since 07 February 2008			
Bank Account Number - 1001 373178			
Description	Receipts	Payments	
DSIP and other credits that appear to be grants	24,000,000		
Interest on bank balance - Gross	49,496		
Unidentified deposits - 3 instances	162,102		
DAL - 20.03.2009	200,000		
Education - monies received 11.01.2012 and taken back 12.01.2012	1,000,000	1,000,000	
Dept of Agriculture - monies received 01.12.2008 and taken back 08.12.2008	200,000	200,000	
Dept of National Planning - 08.12.2011	120,000		
63 Cheques returned by bank	2,341,679		
Payments over K200,000		10,078,516	
Other payments up to 24 October 2012		12,540,511	
63 Cheques drawn but returned by bank		2,341,679	
Withholding tax on interest earned		7,424	
Cash handling fees			
Details of payments identified from bank statement -			
Balance on 24 October 2012		1,905,147	
TOTAL	28,073,277	28,073,277	

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
18-Mar-09	Cheque	9 57	1,747,287	1,747,287
26-Nov-09	Anga Niugini Ltd	0000084	1,015,711	
29-Sep-09	Anga Niugini Ltd	0000083	200,000	1,215,711
24-Nov-10	Cheque	0000506	674,978	674,978
02-Jun-11	Cheque	0001226	600,000	600,000
26-Nov-09	Yha Hauka Kopi Ltd	0000087	470,029	470,029
08-Jan-10	Cheque	0000092	390,000	390,000
29-Apr-09	Cheque	0000063	362,934	362,934
06-Feb-09	Cheque	-	360,000	360,000
30-Jun-09	Cheque	0000062	360,000	360,000
13-Dec-11	Cheque	0003160	360,000	360,000
01-Dec-09	Cheque	0000085	353,989	353,989
29-Apr-09	Cheque	0000061	316,000	316,000
04-Aug-09	Cheque	0000078	313,861	313,861
16-Mar-09	Cheque	0000054	304,678	304,678
13-Dec-11	Cheque	0003244	300,000	300,000
30-Nov-10	Cheque	0000531	300,000	300,000
28-Jul-09	Cheque	0000076	292,000	292,000
16-May-12	Cheque	0004242	250,000	250,000
12-Mar-12	Cheque	0003746	240,000	240,000
15-Sep-11	Cheque	0001623	233,486	233,486
28-Jul-09	Cheque	0000074	230,054	230,054
03-Sep-10	Cheque	0000264	203,511	203,511
05-Jun-09	R/e 20/03 cr 1-878774	-	200,000	200,000
TOTAL			10,078,516	10,078,516

MIDDLE FLY DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
01-Apr-09	1 x BSP Bank Chq POM branch	4,000,000
19-Aug-09	1 x BSP Bank Chq	2,000,000
26-Nov-09	BSP B/Chq#718182	2,000,000
30-Jun-10	1 x BSP-Bank Chq Dep	1,000,000
17-Jan-11	BSP Bank Chq #753282	1,000,000
10-Aug-11	Stat Grant	1,000,000
28-Mar-12	Rural Deve Office	1,000,000
03-Apr-12	BPNG POM-Rural Development Off	1,000,000
TOTAL		17,000,000

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 373633		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	17,000,000	
Interest on bank balance - Gross	107,230	
DAL - 01.04.2009	200,000	
Dept of National Planning - 06.08.2010	2,000,000	
1 Cheque returned by bank	5,000	
Payments over K200,000		4,854,486
Other payments up to 25 October 2012		1,106,735
1 Cheque drawn but returned by bank		5,000
Withholding tax on interest earned		16,084
Balance on 25 October 2012		13,329,925
TOTAL	19,312,230	19,312,230

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
12-Oct-11	Mfd DSIP Pymnts	0000137	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000136	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000139	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000138	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000130	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000131	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000132	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000133	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000135	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000134	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000151	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000143	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000146	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000148	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000113	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000120	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000118	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000117	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000121	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000115	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000119	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000116	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000114	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000122	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000129	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000128	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000127	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000126	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000125	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000124	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000123	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000153	44,000	
12-Oct-11	Mfd DSIP Pymnts	0000166	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000164	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000169	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000155	48,500	
12-Oct-11	Mfd DSIP Pymnts	0000160	48,500	
12-Oct-11	Mfd DSIP Pymnts	0000165	48,500	
12-Oct-11	Mfd DSIP Pymnts	0000301	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000295	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000296	50,000	

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
12-Oct-11	Mfd DSIP Pymnts	0000161	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000162	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000157	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000168	44,000	
12-Oct-11	Mfd DSIP Pymnts	0000158	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000278	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000277	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000276	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000279	44,000	
12-Oct-11	Mfd DSIP Pymnts	0000264	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000265	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000140	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000141	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000142	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000144	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000145	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000147	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000149	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000150	50,000	
12-Oct-11	Mfd DSIP Pymnts	0000235	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000236	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000237	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000238	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000239	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000240	25,000	
12-Oct-11	Mfd Dspi Pymnts	0000241	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000281	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000280	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000286	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000285	25,000	
12-Oct-11	Mfd DSIP Pymnts	0000283	22,000	
12-Oct-11	Mfd DSIP Pymnts	0000287	22,000	
12-Oct-11	Mfd DSIP Pymnts	0000191	40,320	
12-Oct-11	Mfd DSIP Pymnts	0000187	72,000	
12-Oct-11	Mfd DSIP Pymnts	0000292	84,000	
12-Oct-11	Mfd DSIP Pymnts	0000163	48,500	3,166,320
24-Aug-09	Cheque	0000031	958,993	958,993
09-Feb-12	Cheque	0000362	479,497	479,497
07-May-12	Cheque	0000424	249,677	249,677
TOTAL			4,854,486	4,854,486

MIDDLE RAMU DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
17-Mar-09	Middle Ramu DSIP BSP Chq	1,317,466
03-Aug-09	1 x BSP Bank Chq #715440	2,000,000
02-Nov-09	B/Chq #636932-paramount	4,000,000
27-Jan-10	B/Chq #718133-paramount	2,000,000
18-Feb-11	Deposit	2,000,000
10-Aug-11	Stat Grant	1,000,000
24-Feb-12	Middle Ramu District Treasury	991,366
24-Feb-12	Middle Ramu	890,028
28-Feb-12	Rural Dev Office-Drawing Acc	1,000,000
27-Mar-12	Rural Development Office	750,000
TOTAL		19,948,860

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 372906		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	19,948,860	
Interest on bank balance - Gross	53,628	
Unidentified deposits - 3 Instances	99,912	
DAL - 24.06.2009	200,000	
15 Cheques returned by bank	12,444,756	
Payments over K200,000		8,526,023
Other payments up to 26 October 2012		10,217,234
15 Cheques drawn but returned by bank		12,444,756
Withholding tax on interest earned		8,044
Cash handling fees		3,925
4 Payments to former Member Mr Ben Semri		20,123
Balance on 26 October 2012		1,527,051
TOTAL	32,747,156	32,747,156

Payments Over K200,000			
Date	Description	Cheque	Debit
20-Feb-09	Cheque	0000006	2,800,000.00
17-Mar-09	Cheque	0000014	1,317,466.30
10-May-11	Cheque	0000561	1,300,000.00
13-Dec-11	Cheque	0001085	487,585.00
27-Oct-11	Cheque	0000868	391,204.00
12-Sep-12	Cheque	0003501	300,000.00
22-Mar-10	Cheque	0061612	299,767.60
01-Oct-10	Cheque	0000240	280,000.00
23-Mar-12	Cheque	0001241	250,000.00
27-Apr-12	Cheque	0125307	250,000.00
18-May-12	Cheque	0125468	250,000.00
08-Nov-11	Cheque	0000935	200,000.00
12-Jan-12	Cheque	0001131	200,000.00
02-Mar-12	Cheque	0001130	200,000.00
TOTAL			8,526,022.90

NORTH FLY DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
08-Apr-09	1 x POM Bank Chq #636978	4,000,000
04-Jan-10	BSP Bank Chq #718183	2,000,000
09-Jun-10	B/chq #715489 POM 8294	2,000,000
11-Aug-11	BPNG Chqs:rufal Development	6,000,000
TOTAL		18,000,000

Summary of Transaction per Bank Statement since 07 February 2008		
Bank Account Number - 1001 373637		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	18,000,000	
Interest on bank balance - Gross	77,018	
Unidentified deposit 13.01.2011	1,000,000	
DAL - 19.12.08	200,000	
8 Cheques returned by bank	3,534,128	
Payments over K200,000		10,805,974
Other payments up to 25 October 2012		8,171,366
8 Cheques drawn but returned by bank		3,534,128
Withholding tax on interest earned		11,553
Cash handling fees		660
Cheque return fees		2,540
Balance on 25 October 2012		284,972
TOTAL	22,811,146	22,811,146

Payments Over K200,000			
Date	Description	Cheque	Debit
05-Jan-12	8294tt120105501	0000555	1,248,364.00
19-May-11	Cheque	0000248	980,148.52
22-Aug-12	Cheque	0000598	600,000.00
23-Aug-12	Cheque	0000596	600,000.00
12-Dec-11	Cheque	0000556	436,426.00
14-Apr-11	Alk Construction Ltd	0000250	433,450.00
05-Aug-10	Cheque	0000151	365,000.00
29-Sep-11	Lincoln University	0000353	300,000.00
08-Jun-12	Cheque	0000601	300,000.00
31-Aug-09	Cheque	0000044	285,015.00
05-Jan-12	Cheque	0000411	283,058.27
26-Oct-11	Cheque	0000415	279,400.00
10-Feb-12	Cheque	0000573	270,000.00
04-Jun-12	Cheque	0000593	257,523.30
21-Jan-11	Cheque	0000226	250,000.00
21-Jan-11	Cheque	0000217	250,000.00
21-Jan-11	Cheque	0000222	250,000.00
21-Jan-11	Cheque	0000224	250,000.00
07-Feb-11	Cheque	0000216	250,000.00
07-Feb-11	Cheque	0000215	250,000.00
28-Mar-11	Cheque	0000225	250,000.00
28-Mar-11	Cheque	0000221	250,000.00
28-Mar-11	Cheque	0000223	250,000.00
28-Mar-11	Cheque	0000227	250,000.00
08-Jun-12	Cheque	0000602	250,000.00
27-May-11	Cheque	0000276	216,934.00
13-Oct-09	Cheque	0000065	200,000.00
28-Mar-11	Cheque	0000228	200,000.00
27-Oct-11	Cheque	0000413	200,000.00
10-Feb-12	Cheque	0000572	200,000.00
27-Feb-12	Cheque	0000570	200,000.00
28-May-12	Cheque	0000594	200,000.00
TOTAL			10,805,319.09

NORTH WAGHI DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
31-Aug-09	B/Chq 636988 (8294)	4,000,000
29-Sep-09	1 x BSP Bank Chq -POM-8294	2,000,000
06-Jan-10	1 x BSP B/Chq #718190	2,000,000
09-Dec-10	2 x Bank Chq -POM	3,000,000
10-Aug-11	Stat Grant	1,000,000
08-May-12	3 x BPNG Dept of Fin & Rural D	2,500,000
TOTAL		18,500,000

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 373708		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	18,500,000	
Interest on bank balance - Gross	40,423	
Unidentified deposit 30.06.2010	1,000,000	
Deposit - Nazarene Publication - 15.12.2011	299,500	
DAL - 02.01.2009	200,000	
20 Cheques returned by bank	1,170,390	
Payments over K200,000		7,357,712
Other payments up to 25 October 2012		12,584,201
20 Cheques drawn but returned by bank		1,170,390
Withholding tax on interest earned		6,017
Cash handling fees		30,205
Charges for insufficient funds/Dishonour fees		1,307
Balance on 25 October 2012		60,481
TOTAL	21,210,313	21,210,313

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
01-Mar-10	Cashed - tobias/steven/ben mul	0001816	49,820	
01-Mar-10	Cashed - tobias/steven/ben mul	0001810	49,800	
01-Mar-10	Cashed - tobias/steven/ben mul	0001809	49,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001813	48,600	
01-Mar-10	Cash by tobias/steven/b Mul	0001801	47,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001797	46,400	
01-Mar-10	Cashed - tobias/steven/ben mul	0001808	46,400	
01-Mar-10	Cashed - tobias/steven/ben mul	0001866	46,400	
01-Mar-10	Cashed - tobias/steven/ben mul	0001814	46,400	
01-Mar-10	Cashed - tobias/steven/ben mul	0001803	45,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001806	42,600	
01-Mar-10	Cashed - tobias/steven/ben mul	0001812	39,300	
01-Mar-10	Cashed - tobias/steven/ben mul	0001860	36,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001833	35,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001832	34,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001823	30,500	
01-Mar-10	Cashed - tobias/steven/ben mul	0001800	22,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001836	20,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001787	20,000	
01-Mar-10	Cashed - tobias/steven/ben mul	0001837	10,000	764,220
16-Oct-08	Cheque	0000033	539,248	539,248
21-Dec-10	Cheque	0001941	414,312	414,312
31-Mar-09	Cheque	0001675	300,000	300,000
05-May-09	Cheque	0001708	300,000	300,000
14-May-09	Cheque	0001707	300,000	300,000
10-Dec-09	Cheque	0001765	300,000	300,000
25-Aug-11	Cheque	0002140	300,000	300,000
18-May-11	Cheque	0002004	299,990	299,990
31-Aug-11	Cheque	0002130	299,900	299,900
11-Aug-11	Cheque	0002066	299,500	299,500
16-Aug-11	Cheque	0002137	299,500	299,500
16-Aug-11	Cheque	0002129	299,500	299,500
31-Aug-11	Cheque	0002087	299,500	299,500
28-Dec-10	Wrnt To ANZ Hgn	0001954	299,000	299,000
09-May-12	Cheque	0002162	295,000	295,000
18-Apr-11	Cheque	0001981	290,000	290,000
23-Jun-11	Cheque	0002000	285,000	285,000

Payments Over K200,000				
01-Dec-10	Cheque	0001914	261,300	261,300
20-May-11	Cheque	0002002	260,000	260,000
28-May-12	Cheque	0002185	250,000	250,000
21-Dec-10	Cheque	0001938	201,742	201,742
06-Jan-09	Cheque	0001516	200,000	200,000
TOTAL			7,357,712	7,357,712

OBURA WONENARA DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
28-Nov-08	WPAC Dept of Agri chq dep	200,000
23-Mar-09	Deposit	4,000,000
02-Nov-09	BSP (8294) Bank Chq Dep @ Ktu	2,000,000
27-Nov-09	BSP POM B/Chq B/o:DSIP Clrd	2,000,000
02-Jul-10	B/Chq #750265	1,000,000
22-Oct-10	Bank Chq #751419	2,000,000
16-Nov-10	Stat Grant	1,000,000
19-Nov-10	BSP B/Chq	1,000,000
10-Aug-11	Stat Grant	1,000,000
13-Dec-11	Trf Frm Dto A/c	3,000,000
23-Dec-11	From Dto A/c	1,000,000
27-Feb-12	1 x BPNG Chq-Rural Devt	1,000,000
23-Mar-12	B/o Rural Development Office	1,000,000
TOTAL		24,200,000

Summary of Transactions per Bank Statement since 07 February 2008		
Bank Account No - 1001 372736		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	24,200,000	
Interest on bank balance - Gross	35,674	
Unidentified deposits	32,000	
23 Cheques returned by bank	1,173,652	
Payments over K200,000		7,124,105
Other payments up to 24 October 2012		16,151,057
23 Cheques drawn but returned by bank		1,173,652
Withholding tax on interest earned		5,351
Fees charged for drawing cheques without sufficient funds		300
Balance on 24 October 2012		986,861
TOTAL	25,441,326	25,441,326

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
21-Nov-08	Cheque	0000032	1,835,260	1,835,260
09-Jun-11	Cheque	0000959	1,211,880	1,211,880
17-Nov-10	B/Chq #752971	0009409	1,000,000	1,000,000
06-Nov-09	Weti Konifo	0000372	32,274	
27-Nov-09	Weti Konifo	0000428	34,960	
21-Dec-09	Weti Konifo	0000441	64,862	
09-Apr-10	Weti Konifo	0000499	35,000	
13-Apr-10	Weti Konifo	0000514	7,000	
13-Apr-10	Weti Konifo	0000520	10,880	
21-Apr-10	Weti Konifo	0000524	40,450	
20-May-10	Weti Konifo	0000553	21,278	
28-May-10	Weti Konifo	0000554	14,300	
30-Nov-11	Weti Konofi	0000979	35,600	
14-May-12	Weti Konifo	0001176	96,400	393,004
25-Nov-08	Obura DSIP	0000107	50,000	
09-Apr-09	Obura/Wone DISP Ch	0000226	720	
09-Apr-09	Obura/Wone DISP Ch	0000215	1,000	
09-Apr-09	Obura/Wone DISP Ch	0000192	4,725	
09-Apr-09	Obura/Wone DISP Ch	0000198	5,000	
09-Apr-09	Obura/Wone DISP Ch	0000204	5,500	
09-Apr-09	Obura/Wone DISP Ch	0000227	5,600	
09-Apr-09	Obura/Wone DISP Ch	0000187	6,500	
09-Apr-09	Obura/Wone DISP Ch	0000188	8,200	
09-Apr-09	Obura/Wone DISP Ch	0000208	9,600	
09-Apr-09	Obura/Wone DISP Ch	0000186	10,000	
09-Apr-09	Obura/Wone DISP Ch	0000195	12,000	
09-Apr-09	Obura/Wone DISP Ch	0000230	12,300	
09-Apr-09	Obura/Wone DISP Ch	0000194	12,350	
09-Apr-09	Obura/Wone DISP Ch	0000221	12,900	
09-Apr-09	Obura/Wone DISP Ch	0000196	20,000	
09-Apr-09	Obura/Wone DISP Ch	0000222	22,000	
27-Nov-09	Obura DSIP	0000431	21,076	
07-Nov-11	Obura Wonenara Pay	0000965	67,470	
24-Nov-11	Obura Wonenara Pay	0000971	62,250	
10-Jan-12	Obura Wonenara Pay	0001011	23,500	372,691
09-Oct-09	Mapo Taison	0000369	14,275	
20-May-10	Mapo Taison	0000552	2,270	

Payments Over K200,000				
09-Jul-10	Mapo Taison	0000560	31,590	
11-Aug-10	Mapo Taison	0000600	29,712	
10-Sep-10	Mapo Taison	0000660	31,740	
23-Sep-10	Pay Mapo Taison	0000691	31,075	
04-Nov-10	Pay Mapo Taison 1001413745	0000766	31,790	
19-Nov-10	Pay Taison Mapo 1001413745	0000782	35,304	
18-Feb-11	Mapo Taison	0000921	34,880	
18-Feb-11	Mapo Taison	0000926	39,530	
18-Feb-11	Mapo Taison	0000924	25,460	
18-Feb-11	Mapo Taison	0000923	30,510	338,136
20-Feb-12	Cheque	0001010	330,000	330,000
09-Feb-12	1008	0001008	324,064	324,064
15-Jun-09	Tt to Korea	0000285	301,849	301,849
08-Feb-12	Cheque	0001009	300,000	300,000
06-Jan-12	Cheque	0000964	259,160	259,160
21-Nov-08	Cheque	0000034	258,060	258,060
13-Jan-12	Cheque	0000984	200,000	200,000
TOTAL			7,124,104	7,124,104

OKAPA DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
08-May-09	Dep 1 x BSP Chq	4,000,000
06-Nov-09	B/Chq #715427 f/o Okapa Dsi T/a	2,000,000
08-Mar-10	Chq Dep- POM Bank #718121	2,000,000
22-Jul-10	BSP Bank Chq of POM #750201	1,000,000
27-Oct-10	BSP B/Chq #751420	2,000,000
06-Jan-11	BSP Bank Chq dep	1,000,000
11-Jul-11	B/o Rural Dev. Office	1,000,000
10-Aug-11	Stat Grant	1,000,000
12-Dec-11	Trf DSIP 1/878792	4,000,000
23-Feb-12	Dept Of Implementation & Rural	1,000,000
15-Mar-12	Frm Act 1000878792	1,120,000
26-Mar-12	B/o Rural development office	1,000,000
06-Jun-12	Trf frm Dto A/c Dep 04/04	300,000
TOTAL		25,420,000

Summary of Transaction per Bank Statement since 07 February 2008		
Bank Account Number - 1001 372742		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	25,420,000	
Interest on bank balance - Gross	42,723	
Unidentified deposit - 2	12,830	
29 Cheques returned by bank	1,292,914	
Payments over K200,000		9,370,768
Other payments up to 31 October 2012		14,157,547
29 Cheques drawn but returned by bank		1,292,914
Withholding tax on interest earned		6,408
Cash handling fees		2,159
Charges for insufficient funds/Dishonour fees		360
Details of payments identified from bank statement ;		
Goroka Private Specialist Medical Service – 2		60,800
Balance on 31 October 2012		1,877,511
TOTAL	26,768,467	26,768,467

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
15-Oct-09	Cheque	0000259	1,445,000	1,445,000
02-Nov-10	Cheque	0001414	968,760	968,760
17-May-11	Moibamo Construction	0001986	299,605	
30-Sep-11	Moibamo Construction Ltd	0002369	663,006	962,611
11-Dec-09	Cheque	0000453	676,500	676,500
04-Dec-08	6	0000006	597,816	597,816
06-Sep-12	R/i 05.09.12	0003482	517,000	517,000
04-Sep-09	Cheque	0000319	500,000	500,000
04-Dec-08	Cheque	0000007	490,530	490,530
08-Feb-12	Cheque	0003077	408,966	408,966
10-May-12	B/Chq Hardware Haus	0003433	43,270	
10-May-12	B/Chq Hardware Haus	0003429	73,270	
10-May-12	B/Chq Hardware Haus	0003425	73,270	
10-May-12	Hardware Haus	0003427	73,270	
10-May-12	B/Chq Hardware Haus	0003452	73,270	336,350
20-Dec-11	DSIP Okapa	0002749	336,076	336,076
15-Oct-09	Cheque	0000293	300,000	300,000
15-Oct-09	Cheque	0000285	300,000	300,000
04-Jun-12	Cheque	0003492	254,970	254,970
10-Feb-12	Cheque	0002989	237,600	237,600
15-May-12	Cheque	0003503	220,000	220,000
05-Jun-12	Cheque	0003423	218,589	218,589
23-Feb-09	Cheque	0000142	200,000	200,000
23-Feb-09	Cheque	0000140	200,000	200,000
17-Apr-12	Cheque	0003432	200,000	200,000
TOTAL			9,370,768	9,370,768

POMIO DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
06-Nov-09	2 x BSP chqs	6,000,000
02-Feb-10	B/chq #718107	2,000,000
15-Dec-10	1 x BSP 8294 B/chq #750270	1,000,000
15-Dec-10	1 x BSP 8294 B/chq #753273	1,000,000
15-Apr-11	2 x Vrs Chqs	2,000,000
10-Aug-11	Stat Grant	1,000,000
28-Nov-11	Frm Pomio Dist Treasury	1,000,000
29-Mar-12	B/o Rrl Dev Office	1,000,000
18-Apr-12	BPNG POM- Rural Dev Office	1,000,000
TOTAL		20,000,000

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 372265		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	20,000,000	
Interest on bank balance - Gross	58,619	
DAL - 17.09.2009	200,000	
Dept of National Planning - 16.05.2011	6,000,000	
Dept of National Planning - 29.12.2010	2,000,000	
8 Cheques returned by bank	174,785	
Payments over K200,000		13,464,139
Other payments up to 26 October 2012		7,787,973
8 Cheques drawn but returned by bank		174,785
Withholding tax on interest earned		8,793
Balance on 26 October 2012		6,997,714
TOTAL	28,433,404	28,433,404

Payments Over K200,000			
Date	Description	Cheque	Debit
30-Dec-09	Cheque	0000077	3,000,000
05-May-11	T 1000878752	0006420	1,631,500
23-Aug-11	Cheque	0000728	1,000,000
24-Aug-11	Cheque	0000727	600,000
20-Oct-10	Cheque	0000505	500,000
21-Oct-10	Cheque	0000508	500,000
21-Oct-10	Cheque	0000524	500,000
17-Oct-11	Cheque	0000738	500,000
13-Aug-10	Cheque	0000384	427,514
17-May-12	Cheque	0000906	400,000
14-Nov-11	Cheque	0000780	350,000
16-Nov-09	Cheque	0000036	299,999
11-Apr-11	Cheque	0000689	298,000
28-May-10	Cheque	0000096	297,250
08-Jun-11	Cheque	0000482	277,000
13-Oct-09	Cheque	0000005	265,980
07-Jan-11	Cheque	0000653	260,183
23-Dec-09	Cheque	0000064	252,340
20-Jan-10	Cheque	0000069	250,000
16-Jul-10	Cheque	0000260	250,000
26-Aug-10	Cheque	0000382	250,000
25-Feb-11	Cheque	0000593	250,000
23-Aug-11	Cheque	0000739	250,000
14-Oct-09	Cheque	0000004	228,360
10-Apr-12	Cheque	0000844	226,000
12-Oct-09	Cheque	0000002	200,013
22-Oct-10	Cheque	0000511	200,000
TOTAL			13,464,139

RIGO DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
16-Apr-09	1 x BSP Bank Chq-POM branch	4,000,000
05-Aug-09	1 x BSP B/Chq #715410	2,000,000
14-Oct-09	N/o: Rigo District Treasury	4,296,050
16-Dec-09	1 x BSP Bank Chq Dep	2,000,000
01-Jul-10	1 x BSP B/Chq #750267	1,000,000
02-Dec-10	BSP B/Chq Dep	1,000,000
01-Feb-11	From A/c #1000878674	1,000,000
10-Aug-11	Stat Grant	1,000,000
13-Oct-11	Frm 1000878674	1,000,000
16-Dec-11	Prcds From 1000878674	1,000,000
20-Dec-11	Rigo District Treasury	2,000,000
29-Feb-12	Trf From 1000878674	1,000,000
01-May-12	Rural Dev Office	1,000,000
11-May-12	ORD	1,000,000
TOTAL		27,296,050

Summary of Transaction per Bank Statement since 07 February 2008		
Bank Account Number - 1001 372226		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	27,296,050	
Interest on bank balance - Gross	26,205	
PNG Motors - 02.03.10	44,000	
Refund for Agri NADP - 18.08.2009	6,000	
10.12.2008 Deposit	200,000	
26 Cheques returned by bank	1,313,184	
Dept of National Planning - 09.08.2010	2,000,000	
Payments above K200,000		12,893,623
Other payments up to October 2012		16,669,940
26 Cheques drawn but returned by bank		1,313,184
Withholding tax on interest earned		3,927
Cash handling fees		1,750
O/D Interest		712
Charges for insufficient funds/Dishonour fees		440
Balance on 23 October 2012		1,873
TOTAL	30,885,439	30,885,449

Payments Over K200,000				
Date	Description	Cheque	Paid	Sub total
16-Feb-10	Konevilla No.1 Consultants	0000261	1,800,000.00	
07-May-10	Konevilla No.1 Consultants	0000330	128,550.00	
09-Jul-10	Konevilla No.1 Consultants	0000356	300,000.00	
20-Aug-10	Konevilla No 1 Consultants	0000384	500,000.00	
13-Dec-10	Konevilla No 1 Consulants	0000442	284,000.00	
21-Jan-11	Konevilla No 1 Consultants	0000467	10,500.00	3,023,050
26-Jun-09	Karidale Ltd	0000096	2,125,902.90	2,125,903
30-Mar-10	Cheque	0000305	900,000.00	900,000
08-May-12	Cheque	0000677	899,786.95	899,787
07-Nov-08	Rimua Engineering Ltd	0000034	394,860.74	
31-Dec-08	Rimua Engineering Ltd	0000057	153,428.76	
09-Jun-09	Rimua Engineering Ltd	0000090	99,000.00	
30-Mar-10	Rimua Engineering Spare Parts	0000306	150,000.00	797,290
12-Sep-08	Cheque	0000020	761,898.50	761,899
22-Jan-09	Cheque	0000058	475,134.00	475,134
23-May-12	Cheque	0000683	447,000.00	447,000
29-Sep-09	GHF Com Network Ltd	0000122	135,000.00	
18-Nov-09	GHF Com Network Ltd	0000148	90,000.00	
24-Dec-09	GHF Com Network Ltd	0000200	120,000.00	
21-Jan-10	GHF Com Network Ltd	0000230	80,000.00	425,000
28-Nov-11	Cheque	0000531	397,756.82	397,757
29-Sep-09	Cheque	0000123	376,000.00	376,000
24-Apr-09	Nnawa Civil Works & Const	0000086	177,624.63	
24-Jul-09	Nnawa Civil Works & Const	0000105	59,208.21	
14-Oct-09	Nnawa Civil Works & Const	0000132	50,000.00	286,833
04-Dec-09	Niuty Express Construction	0000162	48,000.00	
22-Dec-09	Niuty Express Construction	0000183	32,000.00	
21-Jan-10	Niuty Express Construction	0000224	80,000.00	
05-Feb-10	Niuty Express Construction	0000250	72,000.00	
24-Feb-10	Niuty Express Construction	0000278	48,000.00	280,000
12-Sep-08	Cheque	0000019	275,111.98	275,112
21-Mar-12	Cheque	0000650	260,000.00	260,000
04-May-10	Cheque	0000320	250,000.00	250,000
13-May-09	Tee Gee Maintenance Ltd	0000087	43,500.00	
13-Jul-09	Tee Gee Maintenance Ltd	0000103	50,000.00	

Payments Over K200,000				
19-May-10	Tee Gee Maintenance Ltd	0000338	40,000.00	
07-Jun-10	Tee Gee Maintenance Ltd	0000348	44,880.00	
19-Dec-11	Tee Gee Maintenance Ltd	0000563	64,000.00	242,380
30-Dec-08	Virtual Land	0000059	230,000.00	230,000
06-Sep-10	Manu & Associates Lawyers	0000399	221,000.00	221,000
01-Dec-11	Boio Family Construction	0000538	53,400.00	
23-Dec-11	BFC Construction	0000582	50,000.00	
11-Jan-12	Boio Family Construction	0000592	76,080.00	
01-Feb-12	BFC Construction Ltd	0000601	40,000.00	219,480
TOTAL			12,893,623.49	12,893,623

SOUTH BOUGAINVILLE DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/A	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
24-Sep-09	B/Chq #715465 Dep	2,000,000
29-Jun-10	BSP Bank Chq #718157	2,000,000
07-Oct-10	BPNG Wrnt 73482	2,000,000
08-Aug-11	T/frm 1000932161	1,000,000
10-Aug-11	Stat Grant	1,000,000
20-Dec-11	From 1000932161	1,000,000
23-Mar-12	Form Central D/Tre	1,000,000
30-Mar-12	Rural Development Office	1,000,000
26-Apr-12	South Bville Dist Treasury	1,000,000
TOTAL		16,000,000

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 373251		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	16,000,000	
Interest on bank balance - Gross	30,557	
DAL - Received on 27.03.2009 and returned on 12.05.2009	200,000	200,000
Deposit - 16.06.2011	100,000	
Dept of National Planning - 14.07.2011	2,000,000	
3 Cheques returned by bank	316,000	
DSIP grant of K 4,000,000 received and returned 05.06.09	4,000,000	4,000,000
Payments above K200,000 – 25 cheques		8,460,751
Other payments up to 25 October 2012		8,638,045
3 Cheques drawn but returned by bank		316,000
Withholding tax on interest earned		4,584
Coy fees refund - 8 cheques on 10.11.2009		402,830
Balance on 25 October 2012		624,347
TOTAL	22,646,557	22,646,557

Payments Over K200,000				
Date	Description	Cheque	Debit	Sub total
19-Apr-11	Cheque	0000358	700,000.00	700,000
03-Jun-09	Cheque	0000006	658,974.41	658,974
24-Apr-12	Cheque	0000482	643,681.38	643,681
16-Dec-09	Cheque	0000076	522,088.60	522,089
11-Dec-09	Cheque	0000126	500,000.00	500,000
20-Dec-11	Cheque	0000437	414,250.00	414,250
23-Dec-10	Cheque	0000288	409,271.14	409,271
10-Nov-09	Coy Fee Refund	0000099	280.00	
10-Nov-09	Coy Fee Refund	0000104	900.00	
10-Nov-09	Coy Fee Refund	0000109	1,000.00	
10-Nov-09	Coy Fee Refund	0000106	1,000.00	
10-Nov-09	Coy Fee Refund	0000117	1,250.00	
10-Nov-09	Coy Fee Refund	0000119	8,400.00	
10-Nov-09	Coy Fee Refund	0000131	50,000.00	
10-Nov-09	Coy Fee Refund	0000129	340,000.00	402,830
24-Jul-09	Cheque	0000020	290,000.00	290,000
21-Apr-09	Jomik Plant Hire	0000003	289,754.00	289,754
26-Sep-11	Cheque	0000400	280,051.20	280,051
03-Sep-12	Cheque	0000555	280,000.00	280,000
26-Sep-11	Cheque	0000394	275,584.10	275,584
03-Nov-11	8336tt111028547		260,000.00	260,000
31-Aug-12	Cheque	0000572	256,640.00	256,640
04-Oct-10	Cheque	0000241	251,400.00	251,400
30-Sep-10	Cheque	0000247	250,000.00	250,000
29-Aug-11	Cheque	0000378	247,669.20	247,669
30-Sep-10	Cheque	0000244	243,568.22	243,568
12-Nov-09	R/i Ltd 11.11.09	0000121	242,030.00	242,030
23-Oct-09	Cheque	0000044	240,000.00	240,000
02-Apr-12	Cheque	0000464	202,958.62	202,959
28-Aug-12	Cheque	0000559	200,000.00	200,000
27-Apr-11	Cheque	0000359	200,000.00	200,000
16-Dec-10	Cheque	0000277	200,000.00	200,000
TOTAL			8,460,750.87	8,460,751

SOUTH WAGHI DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
08-Apr-09	1 x BSP POM B/chq#636989	4,000,000
18-Nov-09	Cashed B/Chq#715497	2,000,000
24-Jun-10	1 BSP B/Chq	2,000,000
14-Jul-10	BSP B/Chq 750263	1,000,000
29-Sep-10	POM 8294 B/chq 751439	2,000,000
26-Jan-11	B/o- Dept of Finc -stat Grant	1,000,000
10-Aug-11	Stat Grant	1,000,000
24-May-12	2 x BPNG Chq - B/o Rdo	2,000,000
TOTAL		19,000,000

Summary of Transaction per Bank Statement since 07 February 2008		
Bank Account Number - 1001 373716		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	19,000,000	
Interest on bank balance - Gross	15,518	
Unidentified deposit - 2 Instances	10,320	
DAL - 03.12.2008	200,000	
26 Cheques returned by bank	497,058	
Payments over K200,000 up to 25 October 2012 - 15 Instances		5,390,042
Other payments over K200,000 up to 25 October 2012		11,903,802
26 Cheques drawn but returned by bank		497,058
Withholding tax on interest earned		2,054
Cash handling fees		1,036
Charges for insufficient funds/Dishonour fees		1,245
Balance on 25 October 2012		1,927,659
TOTAL	19,722,896	19,722,896

Payments Over K200,000			
Date	Description	Cheque	Debit
22-Dec-08	Cheque	0000503	299,000.00
23-Dec-08	Cheque	0000502	525,000.00
30-Dec-08	Cheque	0000524	325,000.00
27-Jan-09	Dow Wsoota	0000504	1,000,000.00
21-Apr-09	Cheque	0000582	299,000.00
02-Jun-09	Cameron Construction	0000606	287,540.00
03-Aug-09	Cheque	0000663	200,000.00
02-Sep-09	Cheque	0000698	313,980.00
03-Sep-09	Cheque	0000699	244,170.00
01-Oct-09	Cheque	0000726	300,000.00
13-Oct-09	Cheque	0000729	290,000.00
15-Dec-09	Cheque	0000822	299,000.00
22-Dec-09	Cheque	0000778	250,000.00
02-Jul-10	Cheque	0000977	283,777.32
19-Jul-10	Cheque	0000999	473,575.00
TOTAL			5,390,042.32

SUMKAR DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
26-Jan-09	Sumkar Dist Treasury	563,426
27-Mar-09	B/o: National Gov't	4,000,000
04-Aug-09	1 x B/chq#715442	2,000,000
08-Dec-09	BSP B/chq 718135	2,000,000
19-Jan-10	Dept Of Finance DSIP	982,491
02-Jul-10	Deposit	1,000,000
20-Sep-10	Deposit	2,000,000
19-Jan-11	B/o Ken Fairweather BSP POM 294 Bank Chq	1,000,000
07-Feb-11	DSIP-Sumkar District	1,724,627
31-Mar-11	Frm 1001520934	1,000,000
10-Aug-11	Stat Grant	1,000,000
19-Aug-11	Sumkar Dist Trsy-1000878622	1,000,000
12-Oct-11	Sumkar Dist Treasury Op A/c	50,000
24-Oct-11	Dept of Finance Drawing A/c	2,000,000
14-Dec-11	B/o:Department of Finance	1,000,000
12-Mar-12	Dept of Implementation & Rural D	1,000,000
16-Apr-12	1 x BPNG Chq B/o Rural Developm	1,000,000
30-Apr-12	BPNG Chq-Dept of Finance	500,000
TOTAL		27,820,544

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 373051		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	27,820,544	
Interest on bank balance - Gross	30,425	
Deposit - UMW Niugini Ltd - 09.04.2009	276,494	
DAL - 09.12.2008	200,000	
36 Cheques returned by bank	1,278,129	
25 cheques above K200,000		10,495,784
Other payments up to October 2012		17,826,575
36 Cheques drawn but returned by bank		1,278,129
Withholding tax on interest earned		4,549
Cash handling fees		290
Charges for insufficient funds/Dishonour fees		476
Overdraft on 24 October 2012	211	
TOTAL	29,605,803	29,605,803

Payments Over K200,000			
Date	Description	Cheque	Debit
07-Feb-11	Cheque	0000806	1,724,627.13
15-May-12	Trf To 1-878622	0006014	1,000,000.00
19-Jan-10	Cheque	0000359	982,490.92
08-Jan-09	Cheque	0000033	714,875.00
12-Jan-09	Cheque	0000030	683,000.00
26-Jan-09	Cheque	0000034	563,426.16
15-Jan-09	Cheque	0000032	300,000.00
06-Aug-10	Cheque	0000511	300,000.00
01-Jun-09	Cheque	0000060	297,550.00
12-Aug-09	Cheque	0000126	291,005.00
05-Oct-11	Cheque	0001185	279,910.39
25-Aug-08	Cheque	0000005	269,940.00
16-Apr-10	Cheque	0000438	269,819.00
12-Aug-09	Cheque	0000121	269,500.00
15-Dec-09	Cheque	0000287	269,368.00
13-Oct-09	Cheque	0000209	269,155.48
10-Dec-08	Cheque	0000024	267,616.56
08-Dec-08	Cheque	0000020	267,190.00
13-Oct-08	Cheque	0000012	239,992.83
08-Jan-09	Cheque	0000031	227,291.19
23-Jun-09	Cheque	0000069	206,076.50
05-Feb-10	Cheque	0000360	202,950.00
03-Sep-09	Cheque	0000142	200,000.00
17-Feb-10	Cheque	0000364	200,000.00
11-Aug-10	Cheque	0000512	200,000.00
TOTAL			10,495,784.16

USINO BUNDI DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
05-Feb-09	B/o DSIP	2,979,809
25-May-09	Bank Chq #636935	4,000,000
04-Dec-09	Deposit	4,000,000
10-Aug-11	Stat Grant	1,000,000
04-Apr-12	2 x Chq B/o Rural Development	2,000,000
08-Oct-12	Usino Bundi Dist Treasury	3,000,000
TOTAL		20,979,809

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 373057		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	20,979,809	
Interest on bank balance - Gross	53,843	
Unidentified deposits - 7 Nos	4,278,590	
DAL - 30.12.2008	200,000	
23 Cheques returned by bank	3,901,708	
16 payments above K200,000 up to 24 October 2012		10,841,107
Payments up to 24 October 2012		10,119,474
23 Cheques drawn but returned by bank		3,901,708
Withholding tax on interest earned		8,076
Balance on 24 October 2012		4,543,585
TOTAL	29,413,950	29,413,950

Payments Over K200,000			
Date	Description	Cheque	Debit
05-Feb-09	Cheque	0000052	2,979,809.29
01-Sep-09	Cheque	0000165	1,678,270.00
06-Jul-11	Cheque	0000842	1,150,000.00
18-Apr-12	Cheque	0000885	952,433.30
31-May-12	Cheque	0000994	735,027.32
29-Dec-08	Cheque	0000044	710,000.00
13-Apr-10	Cheque	0000245	457,567.43
06-Jan-11	Cheque	0000709	297,000.00
13-Apr-11	Cheque	0000789	276,000.00
29-Jun-11	Cheque	0000759	270,000.00
10-Feb-09	Cheque	0000054	250,000.00
20-Apr-11	Cheque	0000818	250,000.00
16-May-11	Cheque	0000787	235,000.00
10-Dec-10	Cheque	0000585	200,000.00
22-Mar-12	Cheque	0000882	200,000.00
24-Sep-12	Cheque	0000883	200,000.00
TOTAL			10,841,107.34

WOSERA GAWI DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
08-Jul-08	B/-District Serv Improv Trust	2,700,000
31-Mar-09	1 x BSP bank chq	4,000,000
03-Aug-09	B/chq 715419 294	2,000,000
27-Nov-09	BSP POM B/chq B/o:DSIP Trust	2,000,000
28-Jun-10	1 x BSP Bank Chq	1,000,000
13-Dec-10	BSP b/chq #753297	1,000,000
22-Jun-11	1 x BPNG Chq-Rural Developmnt	1,000,000
10-Aug-11	Stat Grant	1,000,000
06-Mar-12	2 X Chqs Dep @ Pbc Bko	2,000,000
19-Apr-12	DSIP-Rural Dev Office -BPNG	1,000,000
TOTAL		19,000,000

Summary of Transaction per Bank Statement since 07 February 2008		
Bank Account Number - 1001 372357		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	19,000,000	
Interest on bank balance - Gross	80,333	
Dept of National Planning	120,000	
Tender fees collected	6,500	
DAL - 11.02.2008	200,000	
8 Cheques returned by bank	813,809	
20 cheques over K200,000 drawn up to 26 October 2012		8,142,326
Other payments up to 26 October 2012		4,015,756
8 Cheques drawn but returned by bank		813,809
Withholding tax on interest earned		12,050
Balance on 26 October 2012		7,236,701
TOTAL	20,220,642	20,220,642

Payments Over K200,000			
Date	Description	Cheque	Debit
23-Nov-10	C/e Ltd 18.11.10	0000237	1,000,000.00
27-Jul-09	Cheque	0000072	1,000,000.00
27-Jun-11	R/e Bck Ltd 220611		1,000,000.00
20-Nov-09	Cheque	0000092	681,572.14
11-Dec-09	Hardware Haus Ltd	0000093	647,509.50
19-Apr-12	Cheque	0000499	390,000.00
22-Jul-10	Cheque	0000164	299,999.85
04-Mar-11	Cheque	0000324	299,999.85
08-Mar-11	Cheque	0000325	297,000.00
20-Apr-12	Cheque	0000497	270,000.00
08-Jun-10	Letter Auth Held/attach	0080610	256,845.01
22-Jul-10	Cheque	0000171	240,000.00
26-Jul-10	Cheque	0000169	240,000.00
27-Jul-10	Cheque	0000168	240,000.00
28-Jul-10	Cheque	0000170	240,000.00
20-Aug-10	Cheque	0000174	224,400.00
03-Jan-12	Cheque	0000453	215,000.00
04-Aug-10	Cheque	0000173	200,000.00
15-Nov-11	Cheque	0000426	200,000.00
22-Jan-10	Fund Trans 1-87868		200,000.00
TOTAL			8,142,326.35

YANGORU SAUSSIA DISTRICT

Details of Grants Received		
Date	Description	Credit
07-Feb-08	Trf Auth-Dist Serv	300,000
20-Jun-08	District Service Improve T/a	1,000,000
29-May-09	BSP B/Chq-636914	4,000,000
03-Aug-09	Frm BSP Bank Chq #715499	2,000,000
26-Nov-09	BSP B/Chq #718114	2,000,000
29-Jun-10	BSP POM 294-B/Chq #750276	1,000,000
30-Nov-10	B/chq 753298 BSP POM	1,000,000
10-Aug-11	Stat Grant	1,000,000
23-Mar-12	Rural Dev Office	1,000,000
23-Mar-12	Rural Dev Office – BPNG POM	1,000,000
TOTAL		14,300,000

Summary of Transaction per Bank Statement since 07 February 2008 Bank Account Number - 1001 372371		
Description	Receipts	Payments
DSIP and other credits that appear to be grants	14,300,000	
Interest on bank balance - Gross	57,127	
Dept of National - 30.07.2010	2,000,000	
Deposit- 25.06.2009	5,293,500	
Received from National Planning on 13.05.10 & returned on 19.05.10	1,000,000	1,000,000
DAL 29.05.2009	200,000	
5 Cheques returned by bank	361,576	
Payments above K200,000 made up to 23 October 2012		15,715,768
Other payments up to 23 October 2012		6,119,304
5 Cheques drawn but returned by bank		361,576
Withholding tax on interest earned		8,569
Cash handling fees - 01.06.2012		1,942
Fraudulent cheque	100,000	
Balance on 23 October 2012		105,044
TOTAL	23,312,203	23,312,203

Details of Payments Above K200,000				
Date	Description	Cheque	Debit	Sub total
04-Nov-09	Cheque	0000011	1,818,895	1,818,895
29-Jan-10	Cr 1000878678	0290110	1,300,000	1,300,000
15-Jan-10	Cheque	0000025	1,292,873	1,292,873
25-May-11	Cheque	0000160	1,283,942	1,283,942
12-Apr-11	Hastings Deering	0000130	1,260,219	1,260,219
28-Jun-11	Cheque	0000187	1,221,000	1,221,000
09-Jul-09	Western Star Truck	0000002	865,000	865,000
22-Jan-10	Cheque	0000027	614,535	614,535
20-Nov-09	Hastings Deering Ltd	0000014	500,000	500,000
08-Jun-12	Cheque	0000274	353,813	353,813
10-Apr-12	Cheque	0000245	350,000	350,000
14-Jul-09	Cheque	0000001	341,915	341,915
13-Jun-12	Cheque	0000277	330,000	330,000
17-Jul-09	Cheque	0000005	300,000	300,000
16-Jul-10	Cheque	0000062	300,000	300,000
11-Dec-09	R/i	0000016	300,000	
11-Dec-09	R/i	0000018	145,027	
11-Dec-09	R/i	0000019	5,282	450,310
04-Jul-08	Trf to 1001373372	0009412	300,000	300,000
10-Aug-11	Cheque	0000191	275,511	275,511
25-Feb-10	Cheque	0000050	270,000	270,000
03-May-11	Cheque	0000137	259,808	259,808
06-Jul-10	Cheque	0000065	240,000	240,000
06-Jul-10	Cheque	0000064	240,000	240,000
06-Jul-10	Cheque	0000066	240,000	240,000
06-Jul-10	Cheque	0000063	240,000	240,000
07-Jun-11	Cheque	0000175	236,008	236,008
19-Apr-12	Cheque	0000221	220,000	220,000
03-Apr-12	Cheque	0000211	206,404	206,404
24-Mar-11	Cheque	0000113	205,540	205,540
28-Oct-11	Cheque	0000194	200,000	200,000
TOTAL			15,715,773	15,715,773

AGO PERFORMANCE AND SPECIAL REPORTS

1. The Effectiveness of Solid Waste Management in Papua New Guinea (2010)
2. Access to Safe Drinking-Water in the National Capital District—Papua New Guinea (2013)

