



PROVINCIAL FINANCIAL LITERACY TRAINING PROGRAM

Province GULF - Kerema

Venue: Kerema Hotel

Region: Southern

Date 24-25 Aug. 2021

Training Code: FLT0321

REPORT



12 October 2021

Peter Michael
Program Officer, NJSS

INTRODUCTION/OVERVIEW

Establishing a feeling of control over the available scarce financial resources at disposal is the genesis to alleviating poverty and financial freedom. Financial literacy gives the benefit of making choice that builds greater life satisfaction and ease of financial stress. It is a tool that can empower the local economy if financial literacy concepts are well grasped and seriously executed

The PNG Centre for Judicial Excellence Board under the leadership of Chief Justice has approved this Financial Literacy Training (FLT) to be delivered in all 22 provinces of Papua New Guinea within a 12 months period commencing in late July 2021.

The Financial Literacy Training is designed to assist NJSS Officers and officers from Magisterial Services (MS) and Department of Justice and Attorney General (DJAG) who are the stakeholders of PNGCJE. This short training is designed and intended to help officers of especially the stakeholders of PNGCJE to better manage their financial resource (fortnight) and to reduce the habit of living on borrowed (loan) money year in year out. The program was developed upon observations on the lack of proper financial management skills exhibited by officers. Personal testimonies received from officers and the HRD records on staff loans with financial lenders/institutions had prompted the design and delivery of this training.

It is anticipated this training will relief staff from yearly routines on embarking financial institutions for loans and over a period of time will produce and build financial capability of staff in the organization (s) through tapping into investment and SMEs.

ABOUT THE COURSE

The Financial Literacy Training (FLT) delivered through the centre is entirely a PNGCJE product developed and delivered by the Finance Manager, Mr. Gitu Lago. A course book/material for this training has been developed and in the process of editing and printing to go along with the delivery of this program. The program is currently developed to be delivered in one whole day, but this approach of delivery may change to include additional days as demand and desire to

TRAINING OBJECTIVES

The overarching aim of the FLT training is to assist the NJSS, MS and DJAG Officers to carefully and confidently manage scarce financial resources at their disposal and loans for maximum benefit without financial stress.

Identifying the different types of loans and techniques of using debt/loan to generate income were emotion stimulating objectives participants highly valued and appreciated. Tips for proper budgeting of fortnightly salary was a focus and emphasized as the basis and road to financial freedom.

Personal finance budgeting techniques and exploring the simple financial tricks in obtaining loans from lending financial institutions were compliments to the main objective.

OUTCOME (s)

The participants are expected to appreciate the content and delivery of the training in the following manners:

- a) Do proper budget of their fortnight salary
- b) Save up money from salaries for tuition fees, traditional obligations, etc. instead of running to the financial institutions for loans during such events year in year out.
- c) Proper management of existing (if any) small SMEs like trade store and other sales
- d) Venture into mini-SME opportunities to earn extra money
- e) Make investments/buy shares in already existing companies
- f) Get more loans to fund economic activities without it affecting the fortnight salary

DESIGN & DELIVERY

The program is designed to accommodate 3 series into one day which previously had been delivered in phases. Series one covers the financial education and awareness component. It deliberates into the personal financial budgeting techniques and types of loans offered by financial institutions and calculations methods for each loan type.

The second phase explores the different types of legal income that officers can consider to enrich their financial obligations whilst still working as employees of their organization - an overview of transcending into business owner, self-employer or how to make investments.

The third series comprises of a practical group project to ensure the covered theoretically concepts are implemented and materialized at based on their available financial capacity.

Education and awareness on the prudent financial management either for personal or corporate is vital for a sound economy.

BACKGROUND INFORMATION

The observations have indicated that most court officers, if not all had tough challenges in proper management of financial resources at their disposal. The loan applications submitted to financial institutions each year is a testament that called for such intervention. Upon realizing the need for staff financial management skills within the organization (NJSS), the PNGCJE Finance Manager developed the course and called for interested officers to attend a one-day FLT training. The impressive feedback received indicated the continuity of the training, but was all done in Waigani, until the PNGCJE Board in July 2021 approved and directed this training be delivered in all 22 provinces of PNG and has to be done within 12 months from the time approval was given.

The PNGCJE Board noted the inclusion of Magisterial Services and DJAG staff located in the provincial centres where NJSS was located to be considered for this training where necessary.

DATES AND VENUE

The Kerema FLT training was delivered in a day (24 Aug. 2021) due to less number of participants available, although initial plan was to have two days depending on the number of participants. The training was scheduled to start at 8: 30am and finish at 4:00pm. This training in Kerema was delivered at the conference room at Kerema Hotel

FACILITATOR (S) AND PARTICIPANTS

The training was an initiative of the facilitator and PngCJE Finance Manager, Mr. Gitu Lago and NJSS Program Officer, Mr. Peter Michael. We were fortunate to have the company of the Executive Director, Dr. John Carey and the driver to the Kerema FLT training. The participants range from officers of NJSS, District Court, Public Solicitor, DJAG and village court officials located in Kerema. *Refer to the table below for details of the participants*

KEREMA FLT TRAINING: 24 AUGUST 2021			
Institutions	Male	Female	Total
NJSS	7	0	7
MS	3	1	4
DJAG	2	0	2
PUBSOL	1	1	2
VILL CT	1	1	2
	14	3	17
Total			

TRAINING COSTS

The FLT is a program entirely funded by PNGCJE and below is the breakdown of the budget for Kerema FLT training

No	Particulars	Amount	Supplier
1	Vehicle hire	K4, 920. 00	Kayson Hire Cars
2	Venue hire & catering	K10, 290. 50	Kerema Hotel
3	Accommodation		
4	TA	K3, 200. 00	John Carey, Gitu Lago, Peter Michael & Kori Tolpari
Total		K18, 410. 50	

HIGHLIGHTS OF SESSIONS

A. Types of Loans and methods of calculations

The definition of loan is featured as a borrowed money that is expected to be repaid with interest and is referred to as DEBT or LIABILITY = OBLIGATION

Different loan interest rates such as unsecured personal loan rate, secured personal loan rate, fixed rate loans and etc. are available and that individuals to choose the best rate. Further, it is wiser to negotiate and to repay at the earliest time possible then to complete the entire loan package at an extended timeframe only to be financially exhausted at the end.

Differentiation and prioritization of needs from wants is an important starting point for a proper budget. If a loan is to be considered, it must be carefully planned to at least part of the loan to be invested in an income generating activity.

Two commonly used methods of loan interest and repayment calculation namely '*simple interest*' and '*compounded interest*' were provided with examples.

B. Budgeting Fortnightly Income

Fortnightly salary has to be carefully managed as most of the employees may not have additional income generating activities. Listing and budgeting for needs is vital but wants equally play an important role in the economy. Additionally, some wants turn out to be needs at times – *careful consideration is paramount*

In budgeting, it is a bad idea to divert funds to an unbudgeted activity, unless it is economically viable and with in-depth consultation with financial experts.

Investments in economic areas comes at a lengthy period through proper budget and does not have to be a one-off payment unless enough funds available

Sample of facilitator's fortnightly budget was demonstrated to provide in-depth understanding and clearer picture on the importance of budgeting personal fortnight salary.

C. Six Words of Financial Intelligence

The six words of financial intelligence that all financial institutions use universally are; Assets, Liabilities, Income, Expenses, Cash and Flow. The total amount of money being transferred into and out of a business, especially as affecting liquidity is cashflow.

Further clarifications with demonstrations were made to show how these six financial terms are used and works in an economy.

D. Using Debt to Generate Income Without Financial Stress

The main concept in this session was that loans can be obtained and use to acquire assets that can generate money rather than it being only a liability.

E. Seven Types of Income and examples

- 1) Earned Income: *Employee*
- 2) Profit Income: *Moving from employee to entrepreneur (sales)*
- 3) Interest Income: *Lending money (treasury bill & bonds for government)*
- 4) Dividend Income: *Buying Stock (become shareholder)*
- 5) Rental Income: *Rent from properties*
- 6) Residual and Royalty Income: *Sales of books, videos on you-tube, etc.*
- 7) Capital Gain Income: *Real Estate (sales of vehicle purchased through internet)*

The facilitator indicated that his intention was to take the participants through to become self-employed, business owners and investors upon completion of the one-day intensive training. It is obvious that at least handful of the training participants have been motivated to venture into mini-SMEs with available resources at their disposal. It is anticipated that some good news will follow suit on the success of their mini-SMEs.

LESSONS LEARNT

1) Duration of training

Time frame for the training seemed very short to grasp the valuable information shared. If the course book drafted is being approved and printed, it would be desirable to run a second series of training with use of the financial resource book.

2) Medium of communication

It was also noted that a handful of participants could not read and write well, especially security officers and groundsmen. Tok Pisin was used as medium of communication for explanation in the training. The turnout of completed training evaluations were not impressive due to this reason (*some cannot write*) but we assumed that similar thoughts would have been expressed in those feedbacks received. It is wiser to be considerate and accept the commonly used medium of communication.

CERTIFICATE

Certificates signed by the Executive Director and the facilitator were issued to participants after successful completion of the training at the end of the day. Participants were informed of the importance of the certificate as a bank requirement for SME loans.

TRAINING EVALUATIONS

Training evaluation questionnaires were prepared and distributed to gauge participants' views on the concept and method of delivery. The feedbacks received have been analyzed and used as rectifying tools to improve future trainings (*refer to analysis in the next few pages*).

CONCLUSION

As they say *'time is money and money is life,'* proper use and management of available finance is a life skill one has to master. Offering this much needed knowledge and skills free is a bonus for the participants and the organization at large. It is a matter of discipline and commitment towards the financial plan/budget that can live up to one's desire for financial freedom.

A Chinese proverb states, *'teach him how to fish instead of giving him the fish to eat,'* the FLT training has the motivational instinct force able to convert aspiring entrepreneurs to realize their potentials and can become millionaires in the near future if they can put their minds to it - only time will tell.

The completed training evaluation analysis indicates training information disseminated was highly commendable with strong motivation to grasp the details of training a bit deeper and in-depth only if more time was allowed.

RECOMMENDATIONS

The recommendations contained here were either proposed during the discussion or expressed on the evaluation questionnaire

Comments and suggestions raised were analyzed and commonalities in the recommendations were noted. This FLT training in Wabag recommended that;

- 1. Training time be increased to at least two or three days to cover everything in detail*
- 2. Consideration of 'Book-Keeping Journals' to be included in this training would be of great assistant*
- 3. A refresher training of this financial literacy would be appreciated*

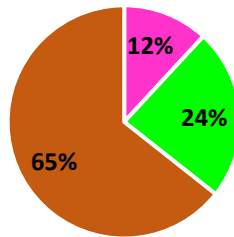
ATTACHMENTS

A) EVALUATION ANALYSIS

All 17 participants of Kerema had completed and submitted their training evaluations unlike other provinces which only a handful did complete the evaluations. The workshop evaluations and results have been collected and analysed in the following table.

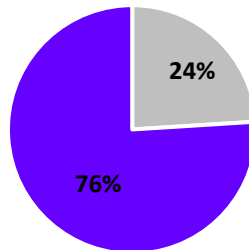
Response to Questions

Question 1: Having completed the training, how confident do you feel in managing your financial resources?



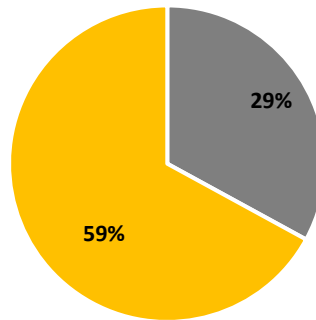
■ Less confident ■ Some confident ■ More confident ■ Much more confident

Question 12. Was the information presented useful and practical?



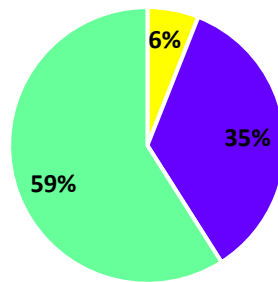
■ Less confident ■ Some confident ■ More confident ■ Much more confident

Question 3. Were the aims of the training clear and were they achieved?



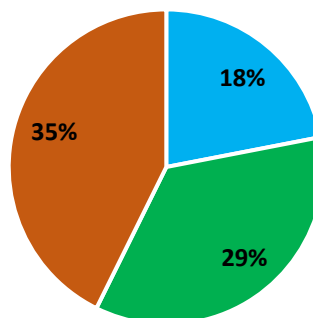
■ Not achieved ■ Reasonably ahcieved ■ Sunstantially achieved ■ Fully achieved

Question 4. Did you find that the presentation was effective and allowed adequate participation, discussion and practical presentation and interactions?



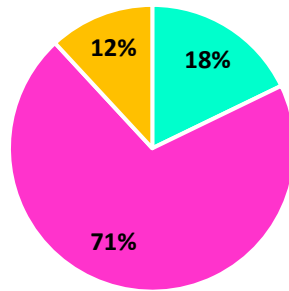
■ Not effective ■ Limited effectiveness ■ Quite effective ■ Extremyl Effective

Question 5. Overall, were you satisfied with the Financial Literacy Training?



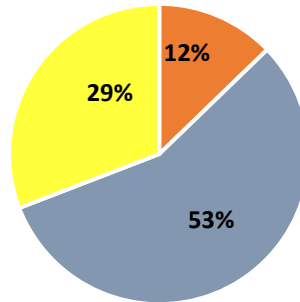
■ Not satisfied ■ Reasonably satisfied ■ Quite satisfied ■ Extremely satisfied

Question 6. Indicate your understanding on the cash flow quadrant



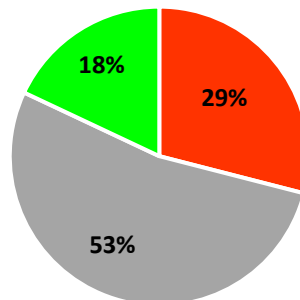
■ No understanding ■ Good understanding ■ More understanding ■ Excellent understanding

Question 7: Your understanding on developing personal strategic plan for income and capital raising



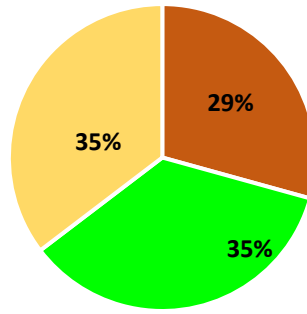
■ No understanding ■ Good understanding ■ Strong understanding ■ Excellent understanding

Question 8: Your understanding on types (7) of income



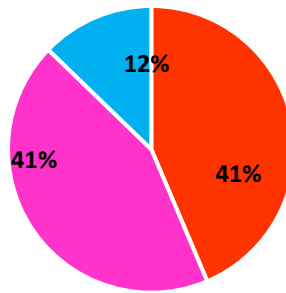
■ No understanding ■ Good understanding ■ Strong understanding ■ Excellent understanding

Question 9. Your understanding on when and how to get loans to fund investments or incubate business idea



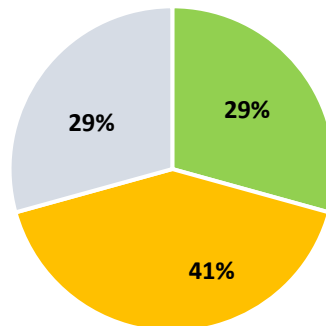
■ No understanding ■ Good understanding ■ Strong understanding ■ Excellent understanding

Question 10. Your understanding on developing simple cash flow, cash book and reconciling accounts



■ No understanding ■ Good understanding ■ Strong understanding ■ Excellent understanding

Question 11: Your understanding on the processes involved to register a business with IPA



■ No understanding ■ Good understanding ■ Strong understanding ■ Excellent understanding

Comments on questions 12 – 14 were summarized here

Question 12. List two interesting things you learned out of this training and explain why	
<ul style="list-style-type: none"> • Interest income: for treasury bills and company bonds x2 • Profit income: how to make extra income in terms of selling products • How to invest in business and become owner of a business x3 • Better understanding on Loan and its repayment x4 • Investments x2 • Identifying and understanding different types of loans x2 • Moving from employee to employer/business owner/investor • Life insurances 	<ul style="list-style-type: none"> • Identifying income and preparing personal budget • Dividend income • Preparing personal budget – gives me good planning for my salary • Types of income and loans x3 • Prioritizing Needs and wants: has opened my mind x 2 • Developing business plan – gives me business idea • Secured loans: calculating methods were really helpful •
Question 13. List two <u>least</u> interesting things you learned out of this training and explain why	
<ul style="list-style-type: none"> • Unsecured loan: learnt a lot in this where I had no idea • Huge profits obtained by financial institutions are repaid by our money • 	<ul style="list-style-type: none"> • Prioritizing needs and wants • 6 words of financial intelligent • Earned income – takes too long • Rental income – lots of liabilities • All topics are helpful • Getting unnecessary loans
Question 14. Do you wish to offer any other comments or suggestions for improvements of this training?	
<ul style="list-style-type: none"> • <i>I am so privilege and thankful about the how training is being facilitated</i> • <i>Its not too late to start a business</i> • <i>This training has helped me so much and put me in the rights direction'</i> • <i>Well done, but should have at least given 2 or 3 days x2</i> • <i>Recommended for second training. One day is not sufficient, 2 Or 3 days should be good x3</i> • <i>This training gives me confidence to organize small business for my family</i> • <i>I take this opportunity to thank the course coordinator, facilitator and the director for giving us this life changing knowledge x3</i> • <i>If book-keeping journals and bank reconciliations be covered in the training</i> 	

B) WORKSHOPS IN PICTURES



Dr. John Carey makes opening remarks



Trainer Mr. Lago takes on the sessions



Mr. Michael – Program officer making introductory remarks



Mr. Ravi, A/R and Kerema Nat. Court Registry OIC makes remarks



Participants rep. comments



Lunch time

C) Program – FLT Kerema



Papua New Guinea Centre for Judicial Excellence
Supreme & National Courts of Justice



FINACIAL LITERACY TRAINING for PROVINCIAL MS, NJSS & DJAG OFFICERS

Location: **KEREMA**

Venue: **Kerema Hotel**

Date: **24–25 August 2021**

Program Objective: Participants will be able to manage scarce financial resources and loans for maximum benefit without financial stress

Session	Time	Topic	Facilitator
	8:00 – 8: 30	Arrival of participants	All
	8: 30 – 8:45am	Opening remarks and welcome remarks	Peter Michael Roy Ravi: OIC – Kerema Registry Dr. John Carey – ED, PNGCJE
1	8:45 – 10:30	FINANCIAL LITERACY SERIES ONE <ul style="list-style-type: none"> - Financial Liabilities - Types of loans - Interest calculation methods - Needs & Wants 	Mr. Gitu Lago
	10:30 – 10:45am	Morning Tea	All
2	10:45 – 12:30am	FINANCIAL LITERACY SERIES TWO <ul style="list-style-type: none"> - Quadrants - Financial Intelligent & how 6 words of financial intelligent work - 7 types of supplement income you can generation - Regulatory & appropriate records 	Mr. Gitu Lago
	12:30 – 1:30pm	Lunch	All
3	1: 30 – 2:45pm	FINANCIAL LITERACY SERIES THREE 1) Developing Strategic Business Plan <ul style="list-style-type: none"> - Creating pool of assets - Investing in opportunities - Create Business (<i>Business Owner</i>) - Create wealth (<i>investment</i>) - Leverage Business (<i>loans</i>) 	Mr. Gitu Lago
	2:45 – 3: 00pm	Afternoon Tea	All
4	3:00 – 3: 15pm	Wrap – up and Evaluation	Mr. Gitu Lago & Peter Michael
5	3: 15 – 3:30pm	Closing Remarks & Issue of Certificates	Peter Michael Dr. John Carey – ED, PNGCJE Participants rep.
	3:30pm	The End!	



FINANCIAL LITERACY TRAINING: NJSS & MS STAFF & OTHERS - KEREMA

Participants List

VENUE: KEREMA HOTEL

DATE: 24 - 25 AUG 2021

No	Name	Designation	Dept/Division	Sign: 24 Aug
1	Roy Ravi	OIC - Registry	Kerema Nat. Court	<i>available</i>
2	Charlie Michael	Electronic Filing Officer	Kerema Nat. Court	<i>available</i>
3	Winnifred Akia	Admin Assistant	Kerema Nat. Court	<i>available</i>
4	Cohrent Tom Ravi	Security Supervisor	Kerema Nat. Court	<i>available</i>
5	Raymond Api	Security Supervisor	Kerema Nat. Court	<i>available</i>
6	Mariosu Murray Feaviri	Driver	Kerema Nat. Court	<i>available</i>
7	Job Roy	Groundsman/ Cleaner	Kerema Nat. Court	<i>available</i>
MAGISTERIAL SERVICES				
8	Alofa Miria	Registry Clerk MA4	MS - KEREMA	<i>available</i>
9	Eddie Paradi	Registry Clerk	MS - KEREMA	<i>available</i>
10	Justine Aianda	Office Assist/ Groundsman	MS - KEREMA	<i>available</i>
11	Ilarua Sevese	Security Officer MA1	MS - KEREMA	<i>available</i>
DJAG AND OTHERS				
12	Martin Makeu	Snr Probation & Parole Officer	DJAG - Kerema	<i>available</i>
13	Kevin Kaumi	Juvenile Officer	DJAG - Kerema	<i>available</i>
PUBSOL				
14	Maiva Sevese	Instructions Officer	PUBSOL - Kerema	<i>available</i>
15	Lahea Kasibudi	Legal Secretatry	PUBSOL - Kerema	<i>available</i>
VILLAGE COURT				
16	Grace Wapo	Insp. Village Court	Vill. Court - Kerema	<i>available</i>
17	Evara Hariha	Village Court Clerk	Vill. Court - Kerema	<i>available</i>
FACILITATING TEAM				
18	Dr. John Carey	Executive Director	PNGCJE	<i>Note: The Kerema attendance check list has been misplaced but I confirm all participants attended the training</i> <i>Peter</i>
19	Gitu Lago	Finance Manager	PNGCJE	
20	Peter Michael	Program Officer	PNGCJE	
21	Kori Palpari	Driver	PNGCJE	