

## **FMM 01.1 Introduction to the Finance Management Manual**

**All Government of PNG public entities (also called agencies) must comply with the *Public Finances (Management) Act 1995 (as amended)* including issued Finance Manuals and Instructions issued under s117 of the Act.**

The Finance Management Manual is designed to assist agencies in complying with the various public financial management legislations and to also assist departmental heads in developing a framework for the financial management within their agency or agencies of responsibility.

This manual consists of a number of different volumes, each addressing a specific aspect of PNG's Public Financial Management (PFM) framework. The FMM is a key resource for government officials, public administrators, and elected representatives responsible for financial oversight and decision-making.

**Under the *Fiscal Responsibility Act 2006* Section 5 -**

**(a) Government agencies shall have regard to the provisions of the Public Finances (Management) Act 1995 and instructions issued under Section 117 of that Act; and**

**(b) the Treasurer must be consulted on any submission to the National Executive Council that will have a financial implication on the State prior to its consideration by the National Executive Council; and**

**(c) Government agencies shall not be permitted to borrow funds without the prior approval of the Treasurer.**