

FMM 01.6 Accountable Officeholder responsibilities for financial management

Part II of the PFMA lays out the authorities of positions responsible for financial management.

All use of public funds occurs under the stewardship of accountable officers who is responsible to Parliament for ensuring that all consumption of public resources is compliant with the PFMA.

It is a constitutional principle that all public expenditure must have an appropriate legal basis. Parliament authorises spending on specific policies or services by passing the Appropriation Acts as part of the budget or passing specific legislation that will detail on the collecting or spending of public money.

It forms the foundation of the trust and understanding between government and Parliament, essential for effective public financial management.

There may also other financial responsibilities for officers that are specified in other legislation not covered by the FMM. Examples of this are the responsibility for submission of investment planning by the Road Funds Board under the *Road (Management and Fund) Act 2020*.

Under the PFMA, an overview of responsibilities are:

- a. *Finance Minister* Section 3 of the PFMA establishes the position of Finance Minister. Among the responsibilities of this position are: (i) implementation of the National Budget; (ii) ensuring a full accounting on the use of public money and property to Parliament; (iii) providing policy direction and guidelines on the management of public moneys and property.

- b. *Treasurer* Under Section 3A of the PFMA, the Treasurer has the overall responsibility for preparing the National Budget and presenting it to the National Executive Council (NEC) and National Parliament for their approval. During the fiscal year, the Treasurer is also responsible for publication budget strategy documents and other reports on budget execution as well as the issuance of warrants.
- c. *Secretary of Treasury* The Treasury departmental head, Secretary of the Treasury, is established under Section 4A of the PFMA.
- d. *Finance department head* The Finance department head is established under Section 4 of the PFMA.
- e. *Departmental Heads* The responsibilities of departmental heads are defined under Section 22 of the Public Services (Management) Act 2014 and Section 5 of the PFMA. The departmental head is also the principal advisor to a Portfolio Minister and is responsible to administer legislation relevant to that portfolio.

Section 5 of the PFMA where departmental heads are to accountable to the management and control of public moneys and assets under the PFMA.

As stipulated in the National Public Service GOs 8.13 “The Departmental Head shall have in place at all times a Corporate Plan providing the future business strategies and planned objectives of his/ her Department over a three to five-year period. Based upon the Corporate Plan, and the programmed budgeting approach to managing his/her Departmental resources, the Departmental Head shall provide Annual Management Plans to meet requirements of the Budgetary cycle.”

Furthermore, Department Heads cannot submit any submission to the National Executive Council that has a financial implication without first having consulted the Treasury in line with responsibilities under the *Fiscal Responsibility Act 2006*.

- f. *Accountable Officers* are persons who authorise the collection or payment of public money or the accounts for public property (Section 6 of the PFMA). Section 7 of the PFMA further states that the accountable officer shall ensure that those public moneys are collected promptly and

to the fullest extent and paid into an authorised bank account as soon as possible.

- g. *Finance Inspector*, Under Section 8 of the PFMA, the Finance department head may appoint a person to be a Finance Inspector. This person shall, at the direction of the Secretary, undertake inspections and investigations to the:
- Collection, receipt, management, expenditure or issue of public money
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 - Other matters as the Finance department head may direct.
- h. *Financial Controller*, The Finance department head may, under Section 8A of the PFMA, appoint a Financial Controller to any public or statutory body. The exception is for a constitutional institution where consent and agreement are required. This officer will assist the body in which placed comply with the PFMA, ensure compliance with procedures established under the PFMA, report to the Department of Finance on expenditure trends and non-tax revenue performance, among other matters as the Finance department head directs.
- i. *Provincial Finance Manager*: The person appointed as provincial finance manager under Section 8B of the PFMA shall:
- Be responsible for all the financial affairs of the provincial government to which they are assigned, irrespective of the source of the funds
 - Ensure the receipt, management, custody, disposal, issue or use of public resources in accordance with the PFMA
 - Assist and ensure provincial compliance with this Act
 - Assist and ensure provincial compliance with financial procedures established under this Act
 - Report to Finance department head as required
 - Deal with such other matters as directed

The Provincial Finance Manger is the equivalent to the Provincial Treasurer under Section 112 of the Organic Law.

- j. *District Finance Manager*: Under Section 8C of the PFMA, the Finance department head may appoint a person as District Finance Manager. This position is equivalent to District Treasurer under Section 112 of the Organic Law. The functions of this position are to:
- Be responsible for all the financial affairs of the local-level government to which they are assigned, irrespective of the source of the funds
 - Ensure the receipt, management, custody, disposal, issue or use of public resources in accordance with this Act;
 - Assist and ensure local-level government compliance with financial procedures established under this Act
 - Report to Finance department head as required
 - Deal with such other matters as directed
- k. *Section 32 Officer*, Under Section 32 of the PFMA, a departmental head may appoint, in writing, officers as financial delegates to approve expenditures, subject to the verified availability of funds for that expenditure and within warrant authority. Notices of appointments shall be published in the National Gazette. The role of the Section 32 Officer is included in the IFMS workflow and actions are recorded in the system.
- l. *Section 33 Officer* Under Section 33 of the PFMA, a departmental head may appoint officer/s to authorise payments and not payment can be made under with the officer's authorisation.

6.1 Provincial Governments and Local-Level Governments (PG-LLG) Financial Responsibility

There are also responsibilities specific to PG-LLG outlined in the *Organic Law Provincial Government and Local-Level Government*. PG-LLG are independent legal entities with authority for managing their financial affairs, within the overarching requirements of the PFMA.

6.1.1 Responsible Roles in PG-LLG Financial Responsibility under Part IV of the OLPLLG

The Organic Law on Provincial Governments and Local-level Governments (OLPLLG) outlines the responsibilities for managing financial affairs at the Provincial and Local-Level Governments (PG-LLG) in Part IV – Institutional Structure of the Administrative and Financial System. The key responsible roles are as follows:

1. Provincial Administrator (PA)

- Chief Executive Officer of the Provincial Government and considered the department head for the PFMA.
- Responsible for efficient management of administrative services within the province.
- Supervises and directs all National Government officers and Provincial Government employees.
- Liaises with the Provincial Treasurer on budget and treasury matters.

2. District Administrator (DA)

- Chief Executive Officer of the Local-Level Government (LLG) in a district.
- Administrative head of district-level staff.
- Ensures efficient management of the district administration.
- Coordinates support services for Local-Level Governments.
- Liaises with the District Treasurer on budget and financial matters.

3. Provincial Treasurer (PT)

- Heads the Provincial Treasury as part of the extended service of the National Department of Finance.
- Ensures that public funds are managed and released strictly in accordance with financial laws.
- Oversees budget execution, financial reporting, and compliance.
- Ensures the proper use of public funds under the Provincial and Local-level Government budgets.

4. District Treasurer (DT)

- Heads the District Treasury, which functions as a sub-unit of the Provincial Treasury.
- Ensures that funds for Local-Level Governments (LLG) are properly allocated, disbursed, and accounted for.

- Works closely with the District Administrator to ensure financial compliance.
- Submits financial reports and expenditure records to the Provincial Treasury and National Department of Finance.

5. Auditor-General (AG)

- Audits the financial statements of Provincial Governments and Local-Level Governments.
- Oversees the Provincial Audit Service, which ensures financial accountability and compliance with financial regulations.

6. Provincial Audit Service (PAS)

- Established under the Office of the Auditor-General.
- Conducts performance audits of Provincial and Local-Level Governments.
- Ensures transparency and accountability in public financial management.
- Reports financial irregularities and provides recommendations for corrective action.

7. Provincial and Local-Level Service Monitoring Authority (PLLSMA)

- Monitors and evaluates the effectiveness of Provincial and Local-Level Governments in implementing national policies.
- Assists the Auditor-General in performance audits.
- Ensures that all appointments to Provincial and Local-Level Government offices are based on merit.
- Reports findings to the National Executive Council for policy adjustments

8. National Economic and Fiscal Commission (NEFC)

- Reviews and advises on the equitable distribution of funds to Provincial and Local-Level Governments.
- Ensures that financial allocations align with national development priorities.

- Works in conjunction with Parliament and the Department of Finance in formulating budget allocations.

On a side note, there is some powers for District Development Authorities under the District Development Authority Act 2014 (DDAA).

Section 12(1)(a) of the DDAA makes the Member for the open electorate the Chairperson of the District Development Authority Board. Sections 28 and 30 then empower the Chairperson to set meeting dates, call extra meetings, preside, decide procedures and ensure Board decisions are recorded and disclosed.

However, financial powers sit with the District Administrator, not the Chair. Section 22 of the DDAA makes the District Administrator the Authority's Chief Executive Officer (and therefore the PFMA department head) and lets that officer sub-delegate.

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