

FMM 01.8 Ministerial Directions and Decisions

There are specific responsibilities and powers given to the Finance Minister and Treasurer under the PFMA, however the PFMA does not assign Ministers or Members of Parliament to have financial delegations or approval authority over agency funds or public monies.

Ministers have broad powers to control and direct their agencies but need parliamentary authority via the Appropriation Acts for the use of public funds before each year's expenditure can take place.

Departmental heads have the authority to apply the funds received under an appropriation for the agency.

8.1.1 Legislated Ministerial Powers

There are still powers granted to Ministers under the Minister Determinations and Responsibilities that are gazetted from time to time by the Prime Minister through powers granted to Government by the Constitution.

These powers are prescribed to them under the Acts (enabling legislations) for which they are determined to by the responsible Minister.

These directions, policies or instructions may have financial impacts related to public monies such as, for example, establishing fees and charges.

Members of Parliament also have other roles such as Chairman of District Development Authority Boards. While they don't provide financial delegation powers, the powers of the Boards and Councils that they may oversee to undertake actions gives them execution powers.

8.1.2 Role of Ministers in agency governance

The National Parliament Standing Orders and the *PNG Parliament Practices and Procedures Manual (2008)* provides guidance on the conduct and responsibilities of Ministers and Members of Parliament.

Section 5 of the PFMA mandates Departmental heads to establish internal controls and take necessary actions to ensure the efficient, effective, economical, and ethical use of public money and property.

This includes the establishment of internal frameworks to document Ministerial decisions where specific legislation provides Ministers with authorities and powers. These frameworks should ensure all actions are transparent and adhere to legal and ethical standards.

Even though specific legislation may allow for Ministerial responsibilities in certain decision-making areas, these do not extend to financial approvals or the delegation of financial powers, which remain strictly within the purview of Departmental Heads as per the PFMA.

Furthermore, no NEC Submission can be considered by National Executive Council without the Treasurer firstly having been consulted if the submission will have a financial implication on the State (*S5 Fiscal Responsibility Act 2006*)

8.1.3 Bureaucratic Powers

Bureaucratic powers reside within the public service, particularly with Departmental Heads, who play a central role in financial management. Under Section 5 of the PFMA, Departmental Heads are mandated to establish internal controls that ensure public money and assets are used efficiently, effectively, economically, and ethically. Their role includes implementing financial regulations, ensuring compliance with national financial policies, and overseeing government expenditures.

A core function of Departmental Heads is managing fund allocations. They are responsible for applying funds received from the Treasurer, ensuring that government agencies operate within their approved budgets as per the appropriation process. This ensures that public funds are distributed and utilized according to government priorities and financial regulations.

Although some legislation may assign Ministers specific responsibilities in decision-making, financial approvals and delegation of financial powers remain strictly within the authority of Departmental Heads, as mandated by the PFMA.

This legal framework safeguards against political interference in financial management and ensures that public funds are administered with professionalism, accountability, and transparency.

The clear distinction between Ministerial and bureaucratic powers strengthens the governance framework, ensuring that Ministers provide strategic direction while public servants execute financial management duties within legal and regulatory boundaries.

Further Information	frcd@finance.gov.pg
Version	1.0
Date Issued	30 June 2025