

## FMM 01.13 Glossary

Term	Definition
Appropriation Level/Activity	Management unit in which funds are allocated at Budget Level within a particular Department or Agency
Accrual Accounting Basis	Under accrual accounting, income and expenditure transactions are recognised when they occur, regardless of when the associated cash payments are made. The accrual basis is recognized by IPSAS.
Portable and Attractive Item	Means items which are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale
Cash Accounting Basis	Basis of accounting where receipts and cash payments are recorded as they are made. The cash accounting basis is recognized by IPSAS.
Certification	Process whereby a certifying officer attests (provides an opinion) to the legality, propriety, and correctness of a voucher for payment.
Chart	A framework that provides the account structure for a ledger
Chart Component	Parts of the Chart of Account structure (content)
Chart Structure	Full account number comprised of individual components
Class of Property, Plant and Equipment	<p>A grouping of assets of a similar nature or function in an entity's operations that shown as a single item for the purpose of disclosure in the financial statements (IPSAS). Types of assets are:</p> <ul style="list-style-type: none"> <li>• Land and Buildings</li> <li>• Furniture and Fittings</li> <li>• Office Equipment (Computers, Photocopy Machines)</li> <li>• Motor Vehicles</li> <li>• Marine Vessels</li> <li>• Plant and Machinery</li> <li>• Tools and Equipment</li> <li>• Others</li> </ul>
Component Characters	Alphanumeric characters that make up the account component

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Control of an Asset	Arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit. (IPSAS)
Cyber Security	A sub-specialty in information security that focuses on protecting, preventing damage to and restoring electronic communications services and systems. This includes the information stored in these systems.
Default	A code assigned by IFMS which the user can override
Deficiency	Means the presence of a conspicuous defect to public property such that the property can no longer be used for its intended purpose. The defect cannot be remedied with normal operating maintenance, routine maintenance, or minor repair.
Drawing Account	Means an account that is held at a zero or negative balance and is replenished to zero balance on a regular basis. (NTR Act)
Economic Item (EI)	The EI is a 6-digit numerical string which represents every accounting unit
Economic Life	The period over which an asset is expected to yield economic benefits or service potential to one or more users (IPSAS)
Endorsement	Maintains financial integrity by authorising or acknowledging that a document is valid.
Fixed Asset	All tangible assets owned or newly acquired with a life expectancy of more than one year and of significant value.
Full String Account	A full string account is provided by joining every component of the Chart of Accounts to satisfy the Chart of Accounts structure
Fund Source	The Fund Source identifies whether the funding is received for GoPNG's recurrent budget, GoPNG's development budget, or donor funding
Funds Checking	Performing an enquiry on a particular account in IFMS to determine if there are available funds
Funds Tracking	Funds is a tracking system in IFMS that allows the Organisation to keep track of funds against an account or component within the Ledger

Term	Definition
Furniture and Fitting	Means larger items of movable equipment used in day-to-day business that is not attached to the building. Examples are bookcases, chairs, desks, filing cabinets, and tables.
Information Assurance	Focuses on the availability of information to users and protects information from threats such as natural disasters and server failures. Information assurance is the basis for business-continuity and disaster recovery planning.
Information Security	Information security is an overarching term for creating policies and procedures to protect information—digital, physical, or intellectual. This broad field that covers many areas such as physical security, endpoint security, data encryption, and network security.
Inspection	Ex-post activity for controlling the regularity of the transactions and the other activities in the field of financial management and control to identify problems or defects.
Ledger	A repository of transactions
Loss	means an unintended, unforeseen or accidental loss, damage or destruction of public property which reduces the Government's expected benefit in service delivery. 'Loss' includes, but is not limited to: <ul style="list-style-type: none"> <li>• Items that cannot be found after a reasonable search</li> <li>• Theft</li> <li>• Damage resulting in unexpected harm to public property requiring repair to restore the item to usable condition</li> <li>• Destruction resulting from incidents that cause the item to no longer be used for its intended purpose or damaged beyond economical repair. 'Loss' does not include obsolescence, normal wear and tear, or manufacturing defects.</li> </ul>
Misappropriation of public property	Means a situation where an Officer has taken the property for his own use, making it unavailable for its intended purpose.
Modified Cash Accounting Basis	Cash basis of accounting, plus systematic recording of Commitments, Fixed Assets, Financial Assets, and

Term	Definition
	Liabilities. The modified cash accounting basis is not defined by any standards body.
Non-Current Asset	See “Fixed Asset”
Operating Account	As defined by the Section 8, NTR Act, means account’ is meant to be held at a positive balance, subject to any overdraft facilities that may be in place
Periodic Ledger	For only a specified period of year/s where new ledgers are created for the next financial year/s
Perpetual Ledger	Ongoing ledgers that continue from financial year to financial year (e.g., Accounts Payable)
Processing Group	Comprises a logical grouping of ledgers for data processing purposes
Project Trust	Holds monies from donor and / or GoPNG counterpart funds for development projects.
Property, Plant and Equipment	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period (IPSAS)
Public Body	Is an agency which is part of the State Services established under Part VII of the <b>Constitution</b> and excludes a Provincial Government or Local-level Government established under the Organic Law on Provincial Governments and Local-Level Governments
Public Property	means real or personal property, including land, intellectual property, goods, and equipment, held of controlled by a public body or a person acting on behalf of the State or property held on trust for the benefit of the State by any other person (Section 2, the Act)
Revenue Trust	Used to account for Revenue collected from customers/industry for paying specific expenses of services provided by the government.
Royalty Trusts	Used to account for royalties for oil, timber, etc and payments to the beneficiaries (e.g.: Provincial Government and Resource Owners).
Selection Code	A code or response having a distinct value associated with a selection group

Term	Definition
Selection Type	An element that enables the grouping and classification of Chart of Accounts
Special Purpose Trust	Used to hold third party monies that are in dispute
Statutory Body	A body, authority or instrumentality established under an Act of Parliament for governmental or official purposes. It excludes a body, authority or instrumentality established by a Provincial Government or Local-level Government.
Sub-Appropriation	Identifies a section at the Budget Level of the appropriation within the Department or Agency. All appropriations are supported by sub-appropriations.
Temporary Holding Trust	Used to hold third party monies that are in dispute.
Trust Account	Also called 'account in trust'. Is a type of financial account that is managed by a designated trustee for the benefit of a third party per agreed-upon terms.
Trust Category	General grouping of trust accounts by purpose and intent: Project Trusts, Beneficiary Investment Trusts, Royalty Trusts, Revenue Trusts, Special Purpose Accounts, Temporary Holding Accounts
User Field (IFMS)	Field that allows the User to add additional information against a chart component
Validation	A set of rules associated with a chart which governs allowable combinations of chart components when posting
Warrant Authority	Authorities authorising the expenditure of moneys from the Consolidated Revenue Fund for the purpose for which those moneys were appropriated
Public Resources	Means public money and public property
Public Body	Any agency which is part of State Services established under Part VII of the Constitution and a Provincial Government or Local-level Government established under the Organic Law on Provincial Governments and Local-level Governments