

FMM 04.8 Final Reporting of Abolished Agencies

There are occasions where an agency is abolished or is in the process of being dissolved and will be required to complete final financial statements.

8.1 Mandatory Policy

FMM Volume 1 – FMM 01.09 and FMM 01.10 provides specific policy and guidance on the restructure, acquisition or winding up of public entities.

- 1. Any agency whether previously a reporting entity or not is required to prepare final financial statements and include a note that must clearly state the legal or administrative authority under which the agency is dissolved. Examples of this abolition include:**
 - A *NG Gazettal Notice* pursuant to the Public Services (Management) Act (including Notice number and date);
 - A *Repealing Act* or legislative instrument dissolving the agency;
 - A *Ministerial Directive* or NEC Decision explicitly shutting down operations.
- 2. The final financial statements must specify:**
 - The exact period covered (e.g., “1 January 20XX to 30 June 20XX” if it is a partial year);
 - How comparative figures are presented if the final period is shorter or otherwise differs from previous reporting periods.
- 3. Where this decision is made for a commercial enterprise or subsidiary statutory body, the agency must disclose whether it has prepared the final financial statements on a going concern basis or on another basis (Where the government’s plan involves transferring certain assets, liabilities, or functions to a successor agency (refer to FMM 04.7 above), the financial statements should clarify these transfers and any residual matters).**

8.2 Non-mandatory Guidance

Winding up or abolishing an agency is a long and complex process and the financial statements are usually part of the final work that is undertaken:

1. If any assets or liabilities will be transferred to another government entity, outline the transfer arrangement (including referencing relevant schedules, if known at the date of final statements).
2. The final statements must still be audited and the agency (or the Department of Finance if overseeing the abolition) should facilitate the Auditor-General’s review before official closure.
3. Even upon abolition, financial and administrative records must be archived or transferred as per Public Services (Management) Act or PFMA provisions, (FMM Volume 2 FMM 02.12) on retention of financial data and records.

8.2.1 Example Disclosure

Note X: Basis of Abolition and Reporting Period

“On 30 June 20XX, the agency was abolished under National Gazette Notice No. XXX (pursuant to Section XX of the Public Services (Management) Act). These financial statements cover the period 1 January 20XX to 30 June 20XX. Comparative figures for the prior 12-month period are presented, but the current period is six months only due to the agency’s closure.”

Note Y: Going Concern

“These final financial statements have been prepared on a basis other than going concern because the agency has ceased operations. All remaining assets and liabilities will be transferred to the Department of ABC in accordance with the Gazette Notice. Therefore, no assumption is made about the agency’s continuity beyond 30 June 20XX.”

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