

FMM 04.9 Special Purpose Financial Statements and Other Reports

In addition to the general purpose GPFS, agencies may be required to prepare special purpose financial statements or reports for specific needs. These are typically dictated by Finance Instructions, the Finance Minister or Treasurer's directives (Budget Circulars), or specific statutory requirements. They can also be prepared in compliance to loan agreements or conditions of a grant or other form of agreement.

9.1 Mandatory Policy

- 1. All agencies under the scope of the PFMA must comply with a request for reports or other records by the Finance Minister, Treasurer, Finance department head on any matter related to the agency departmental head responsibilities and the Treasury departmental head can request reports on budget and economic matters.**
- 2. The form of the request is not prescribed but specified by the requested accountable officer and should also specify the exact information required, format and the deadline.**
- 3. Other requests for reporting, records or any other form of information can also be issued under Finance Instructions or through the Finance Management Manual, under Section 117 of the PFMA by the Finance departmental head.**

An example might be the Treasurer directing a statutory body to produce a special audited financial statement to comply with Non-tax Revenue Administration Act Determinations.

Non-compliance is an offence – failing to comply can result in prosecution or sanctions. While these are not routine, the existence of these provisions means agencies should maintain accessible financial records throughout the year in case additional reports are required.

9.2 Non-mandatory Guidance

Special purpose reports are not for general dissemination but for particular stakeholders or purposes.

Key examples include:

1. **Trust Fund Cashflow Statement:** If an agency administers **trust accounts** or special funds (e.g. donor grants, project funds, court trust monies), it may need to prepare separate financial statements or schedules for those funds. *For example, a department managing a donor-funded project might produce a statement of receipts and payments specific to that project, to report to the donor.*

The Department of Finance often issues instructions on trust account reporting. These statements would typically be on a cash basis (showing opening balance, receipts, payments, closing balance for the trust fund) and should be audited as required by the trust arrangement. Agencies should include trust fund summaries in their annual GPFS notes (as provinces/LLGs do) and also furnish any standalone reports required by donors or Finance.

2. *Appropriation and Budget Reports/ Cash Forecasts:* National Departments are required to produce a quarterly set of reports on budget (Statement of Appropriations – basically showing the original budget, warrants received, actual expenditures, and unexpended balances for each program or vote). While IFMS can generate standard appropriation reports, departments might compile these as a part of their internal annual report. Such a report format would be as determined by the Department of Treasury and, if required, will be communicated via circular.

Further Information	frcd@finance.gov.pg
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