

FMM 04.11 Management and Performance Reporting

In addition to pure financial statements, public sector agencies must engage in performance management reporting to link financial results with service delivery and targets.

11.1 Mandated Policy

11.1.1 Annual Performance and Management Reports and Plans

- 1. The PFMA outlines through Section 47L and Section 63 - Performance and Management Reports as mandatory submissions to the Finance departmental head.**
- 2. The PFMA Section 50 - Performance and Management Plan as mandatory submission to the Finance departmental head.**
- 3. This mandatory submission is required for reporting entities only and agencies (usually offices or projects or limited life units or committees) who are not reporting entities but are controlled by a reporting entity, are required to contribute to the Performance and Management Reports and Plans of their reporting entity.**
- 4. At a minimum, a Performance and Management Report should cover:**
 - 1. Overview of the Year** – agency mission and objectives (as per the plan), key achievements, and significant challenges or issues faced.
 - 2. Performance by Program/Activity** – a review of each major program, project, or functional area, comparing planned targets (from the Performance Plan or Budget) to actual results. This should include quantitative measures where possible (e.g. number of schools built, patients served, inspections conducted, etc., depending on the agency) and qualitative analysis.
 - 3. Financial Performance Summary** – a summary of budget allocation vs expenditure by program (linking to the Statement of Budget Comparison in the financial statements), highlighting any major

variances and explanations. It may also include analysis of revenue performance (for revenue-collecting agencies or statutory bodies with income streams). Essentially, this ties financial inputs to outputs/outcomes.

4. **Compliance and Governance** – statements on compliance with PFMA (for example, whether financial reports were submitted on time, whether audits are up to date), and governance matters like board meetings held (for statutory bodies), internal audit activities, etc.
5. **Future Outlook** – brief mention of plans for the next year or areas of focus (closing the loop to the next Performance Plan).
6. **The Annual Performance Report should be approved by its governing board for a Statutory Authority or approved by the Minister for a Public Body.**
7. **A statutory body is required to submit a Performance Management Plan which is a forward-looking document that outlines the agency's goals, key outputs, and financial/resource plans for the upcoming year. The plan should include: major programs and activities to be undertaken, performance metrics, and projected financial requirements (budget allocations) for those programs.**

11.1.2 Quarterly Report on Financial Management

8. **Under Section 5(5)(c) the departmental head of an agency shall as soon as practicable after the end of each quarter of each fiscal year, submit to the Finance departmental head a report on the financial management as required by the Act.**
9. **After the end of each quarter (Q1 ends 31 March, Q2 30 June, Q3 30 Sept, Q4 31 Dec), agencies should compile a financial management report and submit it to the Finance department head no later than 7 days after the quarter's end. For example, the Q1 report (Jan–Mar) is due by April 7.**

- A list of approved programs (or functions) for the year, with their corresponding activities or projects. (If an agency doesn't use a Program Budget structure, it can list by divisions/functions instead.)
- For each program/function, a Program/Function Evaluation Report summarising progress of that area.
- Activity/Project performance reports for each major activity and project, detailing implementation status, outputs, and any issues.
- Revenue performance (if applicable) showing for each revenue source the estimated revenue vs actual collection to date, including an explanation for any shortfalls or arrears. For example, if an agency is supposed to collect fees or internal revenue, report how much has been collected versus the target, and explain any arrears or delays.
- Expenditure performance – the report should include financial tables for expenditures by program (or economic category) against the quarterly budget or year-to-date budget. (The inclusion of a budget comparison is important to highlight overspending or underspending early.)
- Internal monthly reviews - the report can append any internal monthly review documents or minutes, highlighting problems identified and corrective actions taken during the period.

11.2 Non-mandatory Guidance

As with other reports, submission by email is preferred to statutorybodies@finance.gov.pg. Timely submission of quarterly reports is monitored.

To ensure continuous monitoring of performance throughout the year, all public and statutory bodies are required to submit quarterly financial management reports and a circular is usually issued by the Department of Treasury and/or National Planning & Monitoring on quarterly budget reviews. These are typically internal reports (not published externally) but are used by central agencies to track progress.

The quarterly report can be in a narrative Word/PDF document with embedded tables and charts. The Department of Finance may issue a standard template; if so, agencies should use it for consistency. Where possible, attach

system-generated reports. The narrative should focus on explaining significant variances from plan and what management is doing in response.

11.2.1 Monthly Operational Reports (Internal)

While not formally required to be submitted to Finance (except for financial data mentioned in Section 5 below), many agencies find it useful to do brief monthly reporting internally.

This could include a summary of key activities accomplished in the month, budget utilisation to date, and any issues needing leadership attention. Such internal reports feed into the quarterly report.

If an agency has an internal audit or monitoring unit, they should verify critical figures (like budget execution rates) each month. Though not mandated for all agencies to send monthly performance reports to Finance, some central agencies or high-priority programs might have to. Always follow any specific instructions from your oversight Ministry regarding monthly progress updates.

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