



MINISTER FOR FINANCE

I am pleased to present the updated Government of PNG Finance Management Manual. This manual aims to support the key principle of "good governance" through the sound management of public money by outlining the relevant laws and necessary guidelines we have established to effect the control and management of that money.

Since national independence, Papua New Guinea has been on the road to "Good Governance" and since 1975 there have been many changes in policy and law relating to financial management practices. However, there was a widely acknowledged deterioration in our economic management during the 1990s. In 2002 the Government responded to this situation by embarking on a program of financial reforms that hinged on a holistic approach to good financial governance.

In particular, the government committed and pursued reforms aimed at countering fraud and abuses involving Public Money, pursuing sound financial management of the economy and improving professionalism and performance of the public sector. These reforms have given rise to policies emphasising public expenditure control, transparency and accountability across the three tier of government while preserving the decentralisation between the national government and lower tier governments. Many of these policies find their day-to-day expression in the principles and procedures contained in this manual.

When I was made the Minister for Finance, I accepted responsibility for the effective management and oversight of Public Money. These monies are held on behalf of, and used for the benefit of, all the peoples of PNG. The future of this country and of its people depends in large part on the effectiveness of our guardianship and the management of this money, and these are the responsibilities that I take very seriously. I expect, in fact I demand, that all public servants and official office holders who have Public Money and resources under their direct control on a day-to-day basis take these responsibilities equally as seriously as I do.

The Ministry and Department are indeed indebted to all that have, in one way or another, contributed to the production of this important and valuable reference document. As the Minister responsible, I am delighted to be able to officially endorse the manual and commend it to all public sector managers and staff.

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Minister for Finance
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