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FOREWARD MESSAGE



Mr Gordon Kega - MBA, CPA
Auditor General of Papua New Guinea

I am pleased to present this bulletin highlighting the recent initiatives and progress of the Office of the Auditor-General (AGO) across Papua New Guinea. Our commitment remains steadfast in strengthening accountability, transparency, and good governance at all levels of government.

Recently, in Morobe Province, the AGO engaged with stakeholders to outline our ongoing efforts to improve district audit engagements and compliance audits. These efforts are critical in ensuring the efficient management of public funds and the effective implementation of development projects.

A key focus has been assessing the District Services Improvement Program (DSIP). In line with the Public Finance Management Act, Financial Instructions, and government guidelines, we are conducting evaluations to verify proper project execution and reporting. Strengthening relationships with local governments and public sector agencies is vital to this process, and our engagement aims to foster cooperation and enhance governance

practices.

Transparency in managing provincial government business entities has also been a priority. Discussions with Morobe Provincial Government officials centered on the financial reporting status of government-owned companies, emphasizing the need for updated operational records, governance structures, and financial data. Accurate and timely reporting is essential for understanding which entities are active or inactive and their contributions to provincial development.

I am pleased to highlight the commendable performance of Angau Memorial Hospital, which demonstrated exemplary financial management and timely reporting during the 2024 audit cycle. The hospital remains among the few health institutions with current financial records, with only the 2024 and 2025 statements pending. This positions Angau favorably compared to others with significant backlogs. We encourage hospital management to continue providing documentation promptly to facilitate smooth and efficient audits.

The AGO emphasizes that timely, accurate financial reporting from government agencies, provincial administrations, districts, and state-owned enterprises is fundamental to good governance. High-quality financial reports underpin our efforts to ensure the effective use of public funds and improve service delivery nationwide.

Furthermore, our engagement with institutions such as NARI and Unitech underscores our dedication to fostering open dialogue, governance, and compliance. These partnerships are essential to strengthening transparency and accountability in the public sector.

Lastly, we are exploring plans to relocate to a modern, purpose-built office complex. This move aims to enhance operational efficiency, support our expanding workforce, and better serve our stakeholders.

I invite you to review this bulletin for a comprehensive overview of our ongoing work and future plans.



Auditor-General's Office strengthens district audit oversight through stakeholder engagement



During a stakeholder consultation in Morobe Province, the Strategic Planning and Monitoring Committee (SPMC) outlined the Office of the Auditor-General's efforts to evaluate DSIP project implementation and ensure compliance with government guidelines.

The Auditor-General's Office (AGO) has reaffirmed its commitment to strengthening accountability and transparency in the management of public funds through enhanced district audit engagements and compliance audits across Papua New Guinea.

Speaking during a stakeholder consultation with district and provincial officials in Morobe Province, The Strategic Planning and Monitoring Committee (SPMC) representatives outlined the Office's ongoing efforts to assess the implementation of District Services Improvement Program (DSIP) projects and ensure compliance with the Public Finance Management Act, Financial Instructions, and other government guidelines.

The SPMC explained that the AGO office is currently addressing a backlog of audits covering several years due to limited manpower and financial resources. As part of its audit strategy, the AGO is focusing on project-based audits, including the physical verification of selected development projects to determine whether funds have been properly utilized and whether projects have been completed, remain in progress, or have not been implemented as intended.

It was emphasized that AGO's audits are designed not only to identify weaknesses but also to recognize examples of

The engagement also highlighted the importance of co-operation between the AGO, district administrations, and internal audit units. The SPMC encouraged greater information sharing and coordination to improve audit efficiency and coverage, particularly given the Office's resource constraints.

Discussions further explored cost-sharing arrangements for logistical support, with the AGO assuring stakeholders that such support would not compromise the office's independence, integrity, or objectivity in carrying out its constitutional mandate.

The SPMC reiterated that all audit findings and recommendations will be shared with relevant district authorities for review and response before final reports are submitted to Parliament and the Public Accounts Committee.

Through these engagements, the AGO aims to foster a stronger culture of accountability, strengthen public financial management practices, and ensure that government-funded development projects deliver meaningful and sustainable benefits to communities throughout Papua New Guinea.



Auditor-General's Office strengthens engagement with Local-Level Governments



During a recent engagement session, the Strategic Planning and Monitoring Committee (SPMC) emphasized the importance of strengthening relationships with government entities to enhance understanding of audit processes and promote greater cooperation.

The Auditor-General's Office (AGO) has continued its stakeholder engagement program with local-level governments and public sector agencies in Morobe as part of its commitment to promoting accountability, transparency, and good governance throughout Papua New Guinea.

Speaking during a recent engagement session, the Strategic Planning Monitoring Committee (SPMC) highlighted the importance of building stronger relationships with government entities to improve understanding of audit processes and foster greater cooperation. The visit forms part of the AGO's broader strategy to engage directly with its clients and ensure they are better informed about their responsibilities in managing public resources.

The SPMC noted that previous engagements conducted across the country had yielded positive outcomes, allowing the AGO and government agencies to strengthen communication and address challenges collaboratively. The SPMC acknowledged the significant role local-level governments play in delivering services to communities and emphasized the need for continuous dialogue to support effective public financial management.

Through these engagements, the AGO aims to assist agencies in understanding audit requirements while encouraging compliance with established laws, regulations, and governance standards.

During the discussions, the SPMC also highlighted oper-

ational challenges affecting its work, including funding constraints and limited resources. The SPMC explained that delays in the release of government funding have impacted audit activities and travel schedules across the country.

Despite these challenges, the SPMC reiterated that the AGO remains committed to fulfilling its constitutional mandate and continuing audit programs aimed at improving accountability in the use of public funds.

Stakeholders were assured that the AGO will continue to pursue its work with professionalism and impartiality while seeking practical solutions to operational constraints.

The SPMC further reminded staff and stakeholders of the importance of maintaining the highest standards of integrity, professionalism, and ethical conduct. It was stressed that all employees represent the reputation and credibility of the Auditor-General's Office and must conduct themselves appropriately at all times when interacting with clients and the public.

The engagement concluded with a call for continued collaboration between the AGO and government agencies to strengthen governance systems, improve service delivery, and uphold public confidence in state institutions.



Auditor-General's Office urges improved reporting of Provincial Government business arms



The engagement focused on assessing the financial reporting status of government-owned companies and emphasized the need to update records related to their operations, governance structures, and financial performance.

The Auditor-General's Office (AGO) has called for greater transparency and accountability in the management of provincial government business entities during a stakeholder engagement with officials of the Morobe Provincial Government in Morobe Province recently. The engagement focused on the financial reporting status of government-owned companies and the need to update records relating to their operations, governance structures, and financial performance.

AGO officials emphasized that the audit process aims to establish an accurate picture of which business entities remain operational, which have become inactive, and the extent to which they are contributing to provincial development.

During the discussions, AGO representatives acknowledged the challenges associated with auditing provincial government business arms, particularly where records are incomplete, outdated, or unavailable. Officials noted that some entities have not submitted financial statements for several years due to governance changes, administrative disruptions, and poor record-keeping practices. However, the Office encouraged provincial authorities to begin reconstructing available records and preparing financial statements from the most recent years, stressing that progress can only be achieved by establishing a clear starting point for compliance and reporting.

meeting that efforts are already underway to strengthen oversight of government-owned companies through the appointment of new board members, the review of company records, and the recovery of information relating to assets, financial transactions, and company operations.

Investigations have also been initiated into the status of several entities to determine their legal standing, operational performance, and accountability obligations. Officials acknowledged that some companies have remained dormant for extended periods, while others continue to operate without up-to-date financial reporting.

The Auditor-General's Office welcomed these initiatives and reaffirmed the importance of maintaining proper financial records and submitting audited financial statements on a regular basis. Officials stressed that all government-owned businesses must operate with the same standards of transparency and accountability expected of public institutions, particularly where public assets and funds are involved.

The engagement concluded with a commitment from both parties to work collaboratively in updating company records, improving financial reporting practices, and ensuring that provincial government business entities operate in the best interests of the people of Morobe Province.

Provincial Government representatives informed the



Auditor-General's office commends angau memorial hospital for strong financial governance



The SPMC urged ANGAU Hospital management to promptly provide the requested documentation to facilitate the efficient completion of the ongoing audit.

The Auditor-General's Office (AGO) has commended Angau Memorial Hospital for maintaining strong financial management practices and timely financial reporting during a stakeholder engagement held in Morobe Province as part of the ongoing 2024 audit process.

The SPMC members noted that the hospital remains one of the few public health institutions with current financial reporting records, with only the 2024 and 2025 financial statements outstanding. The SPMC highlighted that this places Angau in a favourable position compared to many other public sector entities that continue to face significant reporting backlogs. The SPMC encouraged ANGAU hospital management to continue providing requested documentation promptly to enable the efficient completion of the current audit.

During the engagement, ANGAU hospital management outlined the challenges and achievements associated with delivering healthcare services to a rapidly growing population across Morobe Province and surrounding regions. The officials revealed that Angau Memorial Hospital serves a catchment population of more than one million people while managing increasing patient volumes, workforce shortages, and infrastructure demands.

Despite these challenges, the hospital has continued to strengthen its financial systems, governance structures, and internal controls, including the establishment of an independent audit committee and efforts to build internal audit capacity.

ANGAU Hospital management also highlighted major service improvements achieved in recent years, including the successful establishment of a modern cancer treatment facility. The facility has significantly reduced the need for overseas referrals and has enabled more Papua New Guineans to access specialist treatment within the country.

Management noted that the investment has not only improved healthcare outcomes but has also generated substantial cost savings for both patients and the government. Ongoing plans to expand specialist services, including dialysis and cardiac care, were also discussed as part of the hospital's long-term vision for healthcare delivery.

Speaking at the close of the engagement, The SPMC reaffirmed the importance of transparency, accountability, and regular stakeholder dialogue in strengthening public sector performance. It was emphasized that audits are not intended solely to identify shortcomings but to support institutions in improving governance and service delivery.

Both the AGO and ANGAU hospital management expressed their commitment to maintaining strong cooperation and ensuring that public resources continue to be managed responsibly for the benefit of the people of Papua New Guinea.



Auditor-General calls for stronger financial reporting and accountability



Auditor-General Gordon Kega highlights the importance of quality financial reporting as the cornerstone of good governance and effective public fund utilization during a stakeholder engagement session in Morobe Province.

The Auditor-General's Office (AGO) has reaffirmed the importance of timely and accurate financial reporting by government agencies, provincial administrations, districts, and state-owned entities to strengthen accountability and transparency in the management of public resources. Speaking during a stakeholder engagement session, Auditor-General Gordon Kega emphasized that quality financial reporting remains the foundation of good governance and is essential for ensuring public funds are utilized effectively for service delivery throughout Papua New Guinea.

Mr. Kega highlighted that many public institutions continue to face challenges in meeting their financial reporting obligations, resulting in delays to audits and accountability processes. He noted that the AGO is working closely with stakeholders to improve awareness of reporting requirements and strengthen collaboration with provincial administrations, government departments, and state entities.

The Auditor-General stressed that the AGO views itself as a partner in promoting better governance and not merely an oversight agency, encouraging public officials to work collectively towards improved compliance and reporting standards.

The Auditor-General also raised concerns about legislative

and policy gaps affecting the oversight of state-owned enterprises and government-owned companies. He revealed that the AGO is reviewing existing audit legislation to ensure it remains relevant to the current operating environment, particularly in relation to entities with full government ownership.

Mr. Kega said public consultation with key stakeholders would be critical in shaping proposed reforms aimed at enhancing accountability across the public sector.

Meanwhile, provincial administrators and finance officials welcomed the engagement and acknowledged the challenges associated with financial statement preparation, particularly following changes to government financial management systems. Participants reaffirmed their commitment to working closely with the Auditor-General's Office and the Department of Finance to address reporting issues and improve compliance.

The stakeholder discussions concluded with a shared commitment to strengthening financial management practices and ensuring public resources are managed transparently and in the best interests of the people of Papua New Guinea.



India and Papua New Guinea Strengthen Audit Cooperation



The SPMC team addresses key challenges faced by government institutions in maintaining timely financial reporting and audits during a recent meeting.

The Auditor-General's Office (AGO) has reaffirmed its commitment to strengthening stakeholder engagement and promoting accountability across public institutions during a stakeholders meeting with the National Agricultural Research Institute (NARI) in Morobe province.

Auditor-General Gordon Kega and the other AGO team members met with NARI management and staff to discuss financial reporting, governance, and audit compliance, emphasizing the importance of open dialogue between the AGO and government agencies. Mr. Kega said the engagement forms part of the AGO's ongoing efforts to build stronger partnerships and improve public sector accountability.

Speaking during the meeting, Mr. Kega highlighted the challenges facing government institutions in maintaining up-to-date financial reporting and audits. He noted that many public sector entities remain years behind in their financial reporting obligations, making it difficult to ensure effective oversight and accountability.

The Auditor-General stressed that audits are not intended to find fault but rather to support organizations in strengthening governance systems, improving financial management practices, and ensuring compliance with legal and regulatory requirements.

NARI Director-General Dr. Nelson Simbiken welcomed

the visit and outlined the institute's ongoing contributions to Papua New Guinea's food security and agricultural development. He highlighted NARI's research achievements, including the development of climate-resilient crop varieties, disease-resistant planting materials, improved livestock feed, and locally adapted rice varieties.

Dr. Simbiken noted that despite funding challenges, the institute continues to deliver innovative agricultural solutions that support farmers and strengthen national food security. He also acknowledged the role of regular audits in maintaining donor confidence and ensuring transparency within the organization.

The meeting concluded with both organizations reaffirming their commitment to good governance, transparency, and continuous improvement. NARI management expressed appreciation for the guidance provided by the Auditor-General's Office and welcomed continued support as the institute transitions to digital financial management systems.

The Auditor-General commended NARI for maintaining current audit records and strong financial reporting practices, describing the institute as one of the better-performing public entities in terms of accountability and compliance.



Unitech, AGO partner for better accountability



The SPMC team engages with management of Papua New Guinea University of Technology (Unitech) during a stakeholder meeting, emphasizing the importance of strengthening relationships and fostering open dialogue on governance and financial reporting obligations.

The Auditor-General's Office (AGO) has reaffirmed its commitment to working collaboratively with higher education institutions to strengthen financial accountability, governance, and transparency across the public sector.

During a stakeholder engagement meeting with the management of Papua New Guinea University of Technology (Unitech), Auditor-General Gordon Kega emphasized that the purpose of the engagement was to build stronger relationships with public institutions and encourage open dialogue on governance and financial reporting obligations.

Speaking during the meeting, Mr. Kega highlighted the important role universities play as key public institutions and stakeholders in national development. He explained that the AGO is currently reviewing aspects of its governing legislation and consulting widely with stakeholders to ensure audit laws remain relevant and effective.

The Auditor-General stressed that timely and accurate financial reporting remains critical, noting that Vice-Chancellors and university administrations bear significant responsibility for ensuring compliance with public sector financial management requirements.

He also reminded participants that the Auditor-General's constitutional powers are designed to safeguard accountability and support improved governance outcomes rather than punish institutions.

University management welcomed the engagement and acknowledged the challenges associated with budget allocations, delayed funding releases, and outstanding appropriations owed to the institution. University representatives raised concerns regarding significant funding shortfalls that have impacted operations and development projects.

In response, Mr. Kega advised the institution to continue pursuing outstanding appropriations through the appropriate government channels, noting that many public entities face similar funding challenges due to national cash flow constraints and budget management processes.

The meeting also focused on the future of technical and vocational education in Papua New Guinea. Participants discussed the need for greater investment in technical training, digital learning platforms, and infrastructure to accommodate increasing student numbers and workforce demands.

Mr. Kega expressed support for initiatives aimed at expanding technical education opportunities, stating that institutions such as Unitech play a vital role in equipping young Papua New Guineans with practical skills needed for national development.

Both parties concluded the discussions by reaffirming their commitment to continued collaboration, accountability, and strengthening public institutions for the benefit of the country.



AGO Explores New Office Space to Support Growth



AGO management was briefed by property developers LJ Hookers on a proposed office development featuring modern facilities, enhanced accessibility, and ample space to accommodate future growth.

The Auditor-General's Office (AGO) is considering relocating to a new purpose-built office complex as part of efforts to address growing space constraints and accommodate its expanding workforce.

During a presentation by property developers LJ Hookers recently, AGO management was briefed on a proposed office development that would provide modern facilities, improved accessibility, and sufficient room for future growth.

The proposed office building forms part of the third stage of the Hilton development precinct and is expected to be completed next year. Developers (LJ Hookers) informed AGO management that the facility offers flexible floor layouts that can be customized to meet the organization's operational requirements.

The new premises would provide modern office spaces, meeting rooms, staff amenities, and dedicated parking facilities, creating a more efficient working environment for employees and visitors.

LJ Hooker's Representative said the project was presented to the AGO before being released to the broader market, recognizing the Office's need for additional space as it continues to expand its activities and staffing levels.

Discussions also highlighted the opportunity to design office layouts during the construction phase, ensuring the facility meets the specific needs of the Auditor-General's Office from the outset.

Auditor-General Gordon Kega welcomed the presentation and acknowledged the challenges staff currently face due to limited office space.

He said the proposed development presents an opportunity to improve working conditions and support the Office's long-term growth plans.

Further discussions and site inspections are expected before any decision is made on a possible relocation.



LJ Hookers developers informed AGO management that the facility features flexible floor layouts, allowing customization to meet the organization's operational needs.