



# National Economic and Fiscal Commission Anti-Corruption and Integrity Strategy 2022-2025



**2022  
MARCH**

National Economic & Fiscal Commission  
Kumul Haus, Port Moresby, Papua New Guinea  
P.O. Box 566, Waigani, NCD, Papua New Guinea



# Chairman/CEO's Message

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**Mr Patrick Kennedy  
Painap**

It is my pleasure to present to you the National Economic & Fiscal Commission's (NEFC) Anti-Corruption and Integrity Strategy, which is in fact the first of its kind for the Commission. Transparency International in their assessment has ranked PNG as 150 out of 176 countries, 1 or first being least corrupted country. These assessments confirm that corruption is a big issue in PNG, especially within the public service machinery thus affecting effective service delivery. With this background, fighting corruption and building a culture that demonstrates high standards of honesty and integrity in organizations especially in the public service is not an easy task and we must admit this reality when we embark on minimizing corrupt practices. I am saying to minimize because corruption in some form will always exist, and our strategy is to minimize by building the right culture and installing appropriate and effective systems to prevent corrupt practices from occurring. This is a long-term initiative as there are no short-term solutions to dealing with corruption which has become systemic, and indeed, has developed a culture of its own.

The prime objective of this strategy is to build high standards of honesty and integrity and at the same time review and implement effective systems to minimize and prevent corrupt practices and conduct from occurring. The NEFC has identified four (4) key areas that it needs to primarily focus on to help achieve its prime objective. These key areas are: (1) Strengthening and mainstreaming intergovernmental funding arrangements; (2) Ensuring accountability, transparency, and compliance; (3) Promoting effective anti-corruption leadership and practices; and (4) Fostering anti-corruption culture. Corrupt practices and conduct are primarily perpetrated by people who control or have power in making decisions or have access to public resources and systems. Therefore, we have noted that taking effective initiatives to build the right culture to change people's behavior and habits to be honest and perform with integrity will have sustainable positive impact in minimizing and preventing corrupt practices.

Our strategy has both an internal and external outlook. Firstly, the NEFC will implement this strategy within its operations. Secondly, the NEFC working with key partners will implement this strategy through some of its key programs and activities. Though the key objectives and focus areas are the same, the initiatives, success measures and expected outcomes differ in these respective implementation outlooks.

We value the importance of working together with our partners to gain sustainable results. One of the key achievements for the NEFC was the signing of MOU between the NEFC and Transparency International PNG. We will also establish similar arrangements with other key partners to build effective leadership competencies at all levels so that we all take a common, cohesive, and integrated approach in fighting corruption in PNG.

Finally, I thank my staff and our partners who have worked hard to develop this strategy and I look forward to the same commitment and teamwork in implementing this strategy.

With God's blessings.

A handwritten signature in blue ink, appearing to read 'P. Kennedy Painap', written in a cursive style.

**Mr Patrick Kennedy Painap  
Chairman & CEO  
National Economic & Fiscal Commission**

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# Mandate of the NEFC

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## Mandate of the Commission

### Mandate of Commission

The NEFC is established under section 187H of the Constitution of Papua New Guinea. The Commission is an independent and impartial advisory institution to the National Parliament and the Government and its overarching role is to:

- Assess and monitor the economic and fiscal policies of the national, provincial and local level governments;
- Advise and recommend to the National Executive Council appropriate economic and fiscal policies;
- Make recommendations to the National Executive Council and the National Parliament on the intergovernmental financing arrangements and administration of grants.

### Enabling Legislation

The NEFC is established under section 187H of the Constitution and its detailed roles and responsibilities are further specified under the following principal legislations:

1. Organic Law on Provincial & Local Level Governments (OLPLLG) 1998 - Section 117;
2. Intergovernmental Relations (Functions & Funding) Act 2009 (IGRFF); and
3. National Economic & Fiscal Commission Act 2009.

And other relevant and related legislations of other line agencies, sub national governments, authorities, and statutory bodies.

# Anti-Corruption and Integrity Strategy 2022-2025

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## **Vision**

We aspire to be a leading institution built on integrity, professionalism and accountability that promotes an anti-corruption culture to ensure fair and equitable distribution of wealth to all Papua New Guineans.

## **Mission**

To help promote a high standard of professional integrity at the national and sub-national levels, by mainstreaming anti-corruption measures and provide strong leadership to boost public and stakeholder confidence in maintaining a high level of transparency and accountability of economic and fiscal policy.

## **Our Corporate Values and Guiding Principles Driving this Anti-Corruption and Integrity Strategy**

### **Our People**

We value the strength through diversity, safe, fair, and healthy workplace. We value a high-performance culture and maximise opportunities for personal development.

### **Our Stakeholders & Partners**

We value our stakeholders and partners by building and maintaining positive and lasting relationships with individuals, departments, semi-government bodies, members of parliament, all levels of government, the private sector and civil society.

### **Our Professionalism**

In carrying out our duties and making decisions, we promote ethical values, transparency, accountability in our duties to the government, other organisations, individuals and to civil society as a whole.

### **Our Results**

We are result oriented in our performance and accountable for our outputs. We focus on project management to deliver core business outcomes and we use project teams to achieve results. We seek efficient outcomes and eliminate unnecessary activities.

# Anti-Corruption and Integrity Strategy 2022-2025

<b>Anti-Corruption and Integrity Objectives</b>				
	<b>Objective 1: Strengthening and mainstreaming intergovernmental funding systems</b>	<b>Objective 2: Ensuring accountability, transparency, and compliance</b>	<b>Objective 3: Promoting effective anti-corruption leadership and practices</b>	<b>Objective 4: Fostering anti-corruption culture</b>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>The NEFC promotes transparency in government funding systems with particular emphasis on equitable allocation of function grants at Provincial and Local Level Government based on sound economic and fiscal criteria.</li> </ul>	<ul style="list-style-type: none"> <li>Publicly available fiscal information in a comprehensive and timely manner support accountability and build public trust and confidence in the NEFC.</li> <li>The NEFC forms effective strategic partnership networks at national and subnational levels to highlight and isolate corruption where it takes place leading to improved financial systems.</li> <li>The NEFC internal administration and compliance policies, procedures and guidelines are adequately available.</li> </ul>	<ul style="list-style-type: none"> <li>The NEFC is seen to take a leading role in inspiring and influencing human behaviour that promotes anti-corruption practices.</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption and integrity are embedded within the NEFC's culture and operations, and the NEFC role models and influences the anti-corruption culture and operations of stakeholders.</li> </ul>
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>Provide quality independent and objective advice on economic and public policy issues to the government in promoting anti-corruption.</li> <li>Development of transparent processes and procedures in the intergovernmental financing arrangement systems.</li> </ul>	<ul style="list-style-type: none"> <li>Make fiscal information available to the public in an accurate, comprehensive and timely manner throughout the budget cycle.</li> <li>Develop subnational Chart of Accounts in compliance with Public Finance Management Act</li> <li>Make recommendation of function grants in compliance with all government legislation, regulations, acts and laws.</li> <li>Develop corporate policies to support administrative compliance system</li> </ul>	<ul style="list-style-type: none"> <li>Promote anti-corruption through Annual Regional Workshops at subnational levels</li> <li>Include awareness programs as part of Annual Activity Plans</li> <li>Include anti-corruption as an agenda during Business meetings and stakeholder engagements.</li> </ul>	<ul style="list-style-type: none"> <li>Embed anti-corruption into the NEFC's corporate culture and role model anti-corruption behaviour through quarterly PLLSMA Committee meetings.</li> <li>Embed anti-corruption messaging and content into Annual Regional Workshops.</li> <li>Build awareness of and compliance with the NEFC 'zero-tolerance' policy on bribery &amp; corruption through quarterly shareholders meetings and key partners conferences and training programs.</li> </ul>

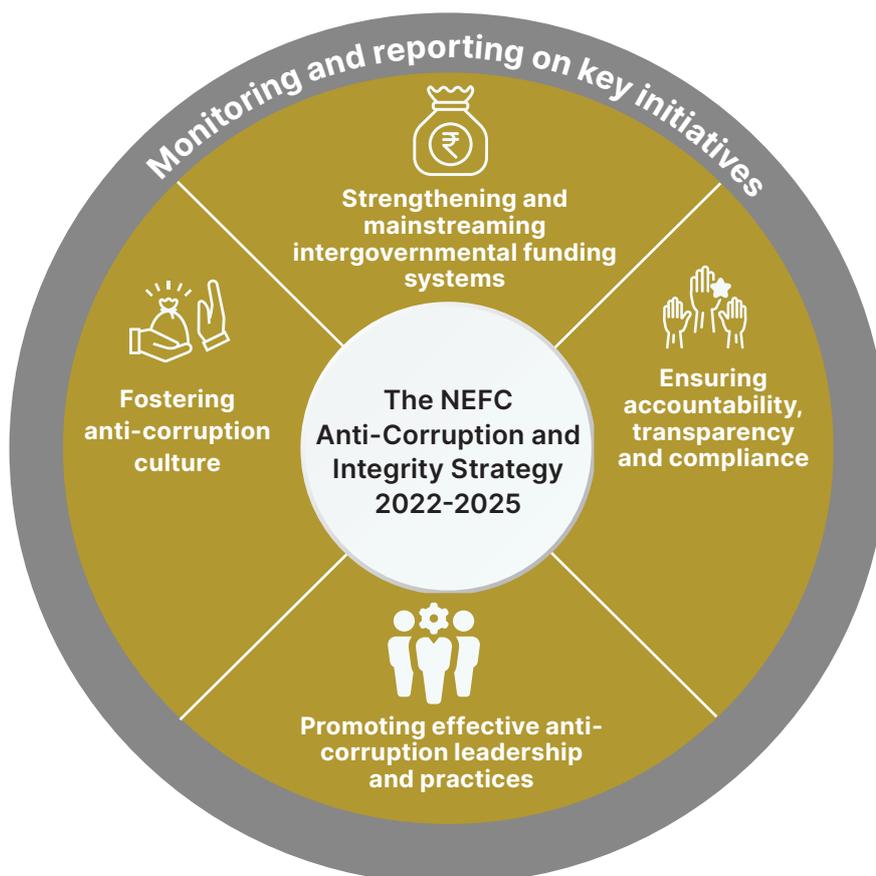
# Anti-Corruption and Integrity Strategy 2022-2025

Anti-Corruption and Integrity Objectives				
	Objective 1: Strengthening and mainstreaming intergovernmental funding systems	Objective 2: Ensuring accountability, transparency, and compliance	Objective 3: Promoting effective anti-corruption leadership and practices	Objective 4: Fostering anti-corruption culture
<b>Measures</b>	<ul style="list-style-type: none"> <li>Timely publication of the Annual Budget Fiscal Report, to ensure that the grant calculation for subnational conforms with the intergovernmental funding systems.</li> </ul>	<ul style="list-style-type: none"> <li>Timely public availability of Warrant Releases, Provincial Expenditure Report, Fiscal Reports, Cost of Services Reports, Provincial Revenue Report, and Sectoral Reports.</li> <li>Subnational Chart of Accounts developed</li> <li>Recommendation of function grants made in compliance with OLPLLG, IGRFF Act 2009, Financial Instructions, and Budget Expenditure Instructions.</li> <li>Development of Staff Grievance Policy to ensure fair and just staff complaints handling process in 2022</li> <li>Development of Health and Safety policy in 2022</li> <li>Development of HR Policy to prevent in wrongful termination and to ensure compliance with correct disciplinary process in 2022</li> <li>Development of Budgets &amp; Expenditure Policy in compliance with PFMA in 2022</li> <li>Development of IT Policy to improve transparent digital and on-line communication portals in 2022</li> <li>Development of Fleet Management Policy to promote and support anti-corruption practices in 2022</li> <li>Development of Travel Policy to improve and make transparent acquittal process in 2022</li> <li>Effective implementation of new policies</li> </ul>	<ul style="list-style-type: none"> <li>Number of regional workshops at subnational levels held by the NEFC promoting anti-corruption.</li> <li>Number of annual activity plans including anti-corruption awareness programs.</li> <li>Number of business meetings and stakeholder engagements involving the NEFC with anticorruption on the agenda.</li> </ul>	<ul style="list-style-type: none"> <li>Number of PLLSMA Committee meetings with anti-corruption and integrity on the agenda.</li> <li>Number of annual regional workshops with anti-corruption messaging and content included</li> <li>Number of quarterly shareholders meetings, key partners conferences and training programs held with awareness and compliance with the NEFC 'zero-tolerance' policy on bribery &amp; corruption included.</li> </ul>

# The Four Key Focus Areas

The *Anti-Corruption and Integrity Strategy 2022-2025* is driven by four Key Objective Areas:

- 1. Strengthening and mainstreaming intergovernmental funding systems** with national and sub-national levels of government through assessing and monitoring the function grants and promoting integrity and accountability of service delivery.
- 2. Ensuring accountability, transparency and compliance** practices are followed through the work of the NEFC in order to make sound decisions based on fairness, justice, equality, ethical values and professional standards.
- 3. Promoting effective anti-corruption leadership and practices** through the building of positive working relationships amongst all the NEFC staff, and the people and entities from across government, the private sector, and civil society with which we engage.
- 4. Fostering anti-corruption culture** through supporting and monitoring compliance standards and institutional strengthening and capacity development activities.





# Key Focus Area 1 – Strengthening and Mainstreaming Intergovernmental Funding Systems

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Strengthening and mainstreaming financial arrangement mechanisms through assessing and monitoring of the function grants is integral to ensuring transparency of process and application of principles, and to making sure that decision making around intergovernmental funding arrangements is free from bias and corruption. This is central to realising the Government of PNG's Vision and Policies for increasing funding to sub-national levels annually, and to promoting integrity and accountability of service delivery.

## **Outcome**

The NEFC promotes transparency in government with particular emphasis on equitable allocation of function grants at the Provincial and Local Level Government levels based on sound economic and fiscal assessment.

## **Key Initiatives**

### ***Provide quality independent and objective advice on economic and public policy issues to the government in promoting anti-corruption***

Providing independent and objective advice to the NEC and National Parliament, using evidence-based recommendations, is necessary for promoting a clear and responsible intergovernmental financing system. Through high quality economic policy research and development, intergovernmental funding systems are strengthened, and core principles of equity in the distribution of resources and equal participation in national development are promoted and upheld.

### ***Development of transparent processes and procedures***

Developing transparent processes and procedures is essential for fiscal transparency, increased accountability and making trusted information accessible to different levels of government and the public. The development of transparent processes and procedures will improve budget making and crucially, resourcing for improved service delivery across PNG. Actions such as reviewing and developing the applications for Standardised Chart of Accounts will bolster transparency and integrity in grant allocations to sub-national levels of government. Transparent and trusted intergovernmental financing mechanisms and decision-making processes will help ensure anti-corruption and integrity is mainstreamed through central agencies and sub-national levels of government.

## **Success Measures**

The key success measure for strengthening and mainstreaming intergovernmental funding arrangements is:

- Timely publication of the Annual Budget Fiscal Report, ensuring that the grant calculation for subnational does not deviate from the Intergovernmental Relations (Functions & Funding) Act 2009.



## Key Focus Area 2 – Ensuring Accountability, Transparency and Compliance

Accountable, transparent and compliance-oriented practices underpin the work of the NEFC and support an intergovernmental finance system that is responsive to the budgetary and resourcing needs and expectations of subnational levels of government. Such practices encourage sound decisions based on fairness, justice, equality, ethical values and professional standards.

### **Outcome**

Publicly available fiscal information in a comprehensive and timely manner support accountability and build public trust and confidence in the NEFC.

The NEFC forms effective strategic partnership networks at national and subnational levels to highlight and isolate corruption where it takes place leading to improved financial systems.

The NEFC internal administration and compliance policies, procedures and guidelines are adequately available.

### **Key Initiatives**

***Make fiscal information available to the public in an accurate, comprehensive and timely manner throughout the budget cycle***

Accurate fiscal information is provided for the citizens and stakeholders of PNG to be informed of how much

actual allocations of -various national government grants are being transferred on a periodic basis from the national government to respective subnational governments based on their budget appropriations.

### ***Develop subnational Chart of Accounts in compliance with PFMA***

The Chart of Accounts is carefully designed, developed and rolled out to subnational levels of governments in alignment with the PFMA, promoting a transparent and accountable intergovernmental financing system and consolidating user-friendly operations of grant allocations to subnational governments.

### ***Make recommendation of function grants in compliance with all government legislation, regulations, acts and laws***

Ensure that function grants for subnational governments are determined, implemented and monitored clearly as spelled out in the OLPLLG, IGRFF Act 2009, Financial Instructions and Budget Expenditure Instructions.



### ***Develop corporate policies to support administrative compliance system***

The NEFC will develop best practice corporate governance policies to strengthen and support internal business operations and foster an administrative compliance process and business culture characterised by consistency and accountability. Externally, these policies establish trust, confidence and credibility of the NEFC with our stakeholders.

### **Success Measures**

The key success measures for ensuring accountability, transparency and compliance are:

- Timely public availability of Warrant Releases, Provincial Expenditure Report, Fiscal Reports, Cost of Services Reports, Provincial Revenue Report, and Sectoral Reports.
- Subnational Chart of Accounts developed.
- Recommendation of function grants made in compliance with OLPLLG, IGRAFF Act 2009, Financial Instructions, and Budget Expenditure Instructions.
- Development of Staff Grievance Policy to ensure fair and just staff complaints handling process.
- Development of Health and Safety policy.
- Development of HR Policy to ensure compliance with correct disciplinary process.
- Development of Budgets & Expenditure Policy in compliance with PFMA.
- Development of IT Policy to improve transparent digital and on-line communication portals.
- Development of Fleet Management Policy to promote and support anti-corruption practices.
- Development of Travel Policy to improve and make transparent acquittal process.

# Key Focus Area 3 – Promoting Effective Anti-Corruption Leadership and Practices

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The NEFC promotes effective anti-corruption leadership and practices through the building of positive working relationships, based on our corporate values, amongst all NEFC staff, and the people and entities from across government, the private sector, and civil society with which we engage. The NEFC also influences our external partners through role-modelling, agenda setting and promoting anti-corruption leadership and practices through a variety of forums.

## Outcome

The NEFC is seen to take a leading role in inspiring and influencing human behaviour that promotes anti-corruption practices.

## Key Initiatives

### ***Promote anti-corruption through Annual Regional Workshops at subnational levels***

The NEFC will include anti-corruption as an agenda item at Annual Regional Workshops. In this way, the NEFC can foster dialogue and knowledge sharing with provincial stakeholders about the importance of transparency, accountability, and compliance for the administration of budgetary and resource allocations and timely disbursement of service delivery.

### ***Include awareness programs as part of Annual Activity Plans***

This Anti-Corruption and Integrity Strategy (PAIS) will form an integral action item of the annual activity plan and will form a chapter in the IGFA Review. It will also be included in the induction program for the new staff, as well as in-house staff information awareness and on-going capacity learning and enhancement programs.

### ***Include anti-corruption as an agenda item during business meetings and stakeholder engagements***

Anti-corruption will be included as an agenda item during business meetings with central agencies and stakeholder engagements in alignment with our corporate values, particularly the focus on building positive, amicable, transparent, and lasting relationships with individuals, departments, semi-government bodies, members of parliament, all levels of government, the private sector, and civil society as a whole.

## Success Measures

The key success measures for promoting effective anti-corruption leadership and practices are:

- Number of regional workshops at subnational levels held by the NEFC promoting anti-corruption.
- Number of annual activity plans including anti-corruption awareness programs.
- Number of business meetings and stakeholder engagements involving the NEFC with anti-corruption on the agenda.



# Key Focus Area 4 – Fostering Anti-Corruption Culture

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The NEFC will strengthen its anti-corruption culture through exposing corrupt and dishonest practices, and promoting and holding people accountable to a professional level of conduct, in keeping with codes of conduct and ethical values of leadership. Establishing and maintaining a corruption resistant culture will also ensure swift identification of inefficiencies in funding arrangements and bolster public confidence through improved service delivery.

## Outcome

Anti-corruption and integrity are embedded within the NEFC's culture and operations, and the NEFC role models and influences the anti-corruption culture and operations of stakeholders.

## Key Initiatives

### ***Embed anti-corruption into the NEFC's corporate culture through quarterly PLLSMA Committee meetings***

Anti-corruption and integrity will be embedded into the the NEFC's corporate culture by becoming a central agenda item of quarterly PLLSMA committee meetings. These committee meetings are one of the central foundation stones to foster and diffuse anti-corruption and integrity culture, as they are an important part of an ongoing governance compliance reform and dissemination process.

### ***Embed anti-corruption messaging and content into annual regional workshops***

Annual Regional Workshops will help ensure that anti-corruption and integrity culture forms an integral part of the intergovernmental financing arrangements of subnational governments. These workshops will help promote anti-corruption and integrity culture by aiding subnational governments in their efforts to integrate anti-corruption and transparency processes and procedures into their operation plans for budgeting and resourcing.

### ***Build awareness of and compliance with the NEFC 'zero-tolerance' policy on bribery and corruption through Quarterly Shareholder Meetings, key partner conferences, and training programs***

The NEFC's zero-tolerance policy on bribery and corruption will become a key message shared through quarterly meetings of shareholders, with key partner agencies, and at conferences and events attended by the NEFC. The zero-tolerance policy will also be introduced into the content of NEFC learning programs.

## Success Measures

The key success measures for fostering anti-corruption culture are:

- Number of PLLSMA Committee meetings with anti-corruption on the agenda.
- Number of Annual Regional Workshops with anti-corruption messaging and content included.
- Number of Quarterly Shareholder Meetings, key partner conferences, and training programs held with awareness and compliance with the NEFC 'zero-tolerance' policy on bribery and corruption included.





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