



DEPARTMENT OF PERSONNEL MANAGEMENT

Office of the Secretary

CIRCULAR INSTRUCTION NO. 18/2023

DATE: 27TH NOVEMBER 2023

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TO :
: **ALL DEPARTMENTAL HEADS & DEEMED D/HEADS**
: **ALL PROVINCIAL ADMINISTRATORS**
: **ALL CHIEF EXECUTIVE OFFICERS OF PROVINCIAL HEALTH**
AUTHORITIES
: **ALL HEADS OF STATUTORY BODIES**
: **ALL CONSTITUTIONAL OFFICE HOLDERS**

RETURN OF ALL HUMAN RESOURCE DECISION POWERS AND FUNCTIONS TO COME INTO EFFECT ON 2ND JANUARY 2024

This Circular Instruction informs all Public Service Agencies and Public Service Heads on a decision by the Government to return all administrative HR powers and functions that were previously revoked through the *Special General Order No 11 (SGO 11) of 2019*.

The Department of Personnel Management (DPM) as the custodian of the Public Service Management Act and the Government Pay Policies revoked all HR decision making powers and functions as part of the Government's costs saving initiatives and as part of costs control measures initiated through the Public Service Ministry to address the ever-increasing Personnel Emoluments (PE) budget costs. The directive necessitated the need to re-assess and undertake a diagnostic of existing HR practices to assess the existing norms of business within the Public Service with the intention to maximizing outputs through more minimized costs for an effective and efficient public service delivery system.

Through this Government directive, the *Special General Order No. 11 (SGO 11)* of 2019 directed through the *National Executive Decision (NEC) Decision No. NG109/2019* and re-enforced through *Circular Instruction 15 of 2019* was issued as a means of rectifying standard rules that had been either ignored or misapplied by respective Government Agencies under the devolved human resource powers environment. Its implementation had also allowed DPM to identify and assess factors responsible for recurring HR issues and non-compliance by agency heads.

The following initiatives have recently been undertaken or are currently being undertaken as measures addressing these issues thus instilling government confidence in the return of HR powers.

1. The recent Government Payroll Audit conducted by independent firm Deloitte Touche' Tomatsu had identified six (6) key drivers of expenditure and 11 specific issues which are now being addressed through the implementation of the audit recommendations by DPM and the relevant stakeholders.
2. Strengthening of payroll system controls and business rules on the Ascender Pay, the - Integrated HR Payroll Management System (IHRPMS) - through Ascender Payroll Version Upgrade (Version 12 to Version 22) to address the poorly regulated areas on payroll that have led to high and uncontrolled personnel emoluments (PE) costs.
3. Cessation of the Offline Pay Facility.
4. Undertaking of a Human Resource Audit by the Monitoring and Compliance Division of the Department of Personnel Management for identified 'problematic' agencies with a view to identifying capacity gaps and addressing capacity prior to the return of HR Powers.
5. Strategic assistance by DPM to striving agencies notably in the area of improvement and rectification to the current HR framework.
6. Specific restrictions to detected areas of abuse and building capacity and awareness in the specific areas of concern and;
7. Proposed establishment of the Strategic Devolution Committee (SDC) with a key role to assessing and vetting HR decisions prior to facilitation on the IHRPM System (Ascender Pay)

The foregoing initiatives have been complimented by increased improvement in HR practices by agencies.

The ongoing HR consultations between HR sectors and the DPM under the SGO 11 environment has increased awareness on the relevant GO processes and the SGO 11 requirements for the stated agencies.

Agency heads have also been taking bold stands to ensure their agencies are complying to the relevant government business processes on HR matters and seeking advice on a regular basis to ensure compliance to relevant business processes.

Upon re-evaluating the situation and considering the progress made since the revocation, it has become evident that the concerns that led to the decision are being adequately addressed.

It is resolved, thus in the best interest of the Public Service that reinstating all administrative HR powers will enable the Public Service to continue its valuable work more effectively and efficiently.

REQUIREMENTS FOR THE RETURN OF HR POWERS

At this juncture, it is also important to note relevant requirements of the returned delegated powers.

1. Agencies that have 'stood out' in terms of HR issues are subject to a Human Resource Audit by my Monitoring & Compliance Division prior to the return of HR powers. The identified agencies are;

- 1.1 **New Ireland Provincial Administration (NIPA)**
- 1.2 **Madang Provincial Administration (MPA)**
- 1.3 **Oro Provincial Administration (OPA)**
- 1.4 **Hela Provincial Administration (HPA)**
- 1.5 **Jiwaka Provincial Administration (JPA)**
- 1.6 **Simbu Provincial Administration (SPA)**
- 1.7 **Southern Highlands Provincial Administration (SHPA)**
- 1.8 **Central Provincial Administration (CPA)**
- 1.9 **Western Provincial Administration (WPA)**
- 1.10 **Western Highlands Provincial Health Authority (WPHA)**

Return of powers for these agencies will be subject to the findings of the DPM Audits and the relevant audit recommendations. Audits for six (6) agencies have been completed with draft reports now finalized.

2. All HR matters currently before DPM for assessment and advice shall be maintained by DPM Secretary for decision up until the 2nd of January 2024. Delegated powers can be exercised for HR decisions only after this time. DPM will continue to strengthen its role in monitoring, compliance and auditing after the HR powers are given.
3. All HR decisions shall be subject to assessment and vetting by the *Strategic Devolution Committee* prior to facilitation on the IHRPM System (Ascender Pay).
4. All HR Payroll transactions shall be centralized at the Management Information Services (MIS) Division within DPM. Approval powers for relevant security user groups and relevant user access levels remains with Secretary DPM.
5. Subsequently, requirements stated under 3 and 4 shall remain in force until such time current work on the Payroll Version Upgrade is finalized and the intended outcomes on the IHRPM System controls are satisfactorily met.

RETURN OF HR POWERS AND ISSUANCE OF DELEGATION INSTRUMENTS

In view of the above, all HR powers previously revoked on and effective from 1st October of 2019 are now restored and will come into effect on Tuesday 2nd January 2024.

All Agency Heads are advised that formal issuance of your Instruments of Delegation is being scheduled for **Friday 1st December 2023** at the APEC Haus, Port Moresby, commencing from 9:00am and onwards during the final day of the Department of Personnel Management (DPM) Public Service Reforms Workshop.

Agency Heads who are unable to attend on Friday 01st December 2023 to receive your respective Instruments of Delegation are advised to communicate with the Office of Deputy Secretary Human Resource Advisory & Compliance Audits (HRA & CA) Ms. Constance Baisi to collect your Instruments.

In anticipation of this event, may I congratulate all Agency Heads on the return of the HR Powers and Functions through the receipt of the Delegation of Instruments, and seek your support and understanding in using those

delegated HR powers and functions with care, and not to use these delegated powers to cause further HR issues in your respective agencies, but to comply with the General Orders and the HR Business Processes in the Public Service.

My department stands ready and willing to provide your HR teams with the necessary tools and authority to assist you in the exercise of these powers to succeed in achieving your organization's goals and values.

Thank you for your efforts and hard work displayed during this period of adjustment.

CONSTITUTIONAL OFFICES

Constitutional Offices created under the *Constitution* and relevant Organic Laws that do not have Regulations/Administrative Orders etc, in place on HR matters can continue to liaise with this department for technical assistance and advice.

STATUTORY BODIES

Statutory bodies that have their own legislations but do not have Regulations/Administrative Orders etc, in place on HR matters can continue to liaise with this department for technical assistance and advice.

For enquiries concerning this Circular Instruction, please liaise with the **Office of the Secretary** on telephone number **327 6379**, the **Office of the Deputy Secretary HR Advisory & Compliance Audit** on telephone number **327 6449** or the **Regional Directorates** at telephone numbers 327 6484 (NGI & Admin); 327 6348 (Highlands & Economic); 327 6352 (Southern & Infrastructure, Justice, Law & Order) or 327 6369 (MOMASE & Social).


TAIES SANSAN
 SECRETARY

