

# INTRODUCTION

## Background

The principles of Government accounting are mainly derived from the Constitution, and from the institutional and financial relationships between parliament and the executive which have been developed over the years. Public Financial Procedures (PFP) is a guide which sets out these principles, as well as the more important ways they are applied in the day-to-day operations of Government Departments and Offices. PFP also outlines the essential features of financial management.

As all administrators in Government Departments, Offices and Public Bodies are responsible for managing and using State resources, it is essential that they have a clear understanding of the overall framework and underlying principles that govern the consumption of these resources. The detailed rules and procedures to be observed will, of course, largely depend on the particular responsibilities of individual officers and Departments /Offices.

## Purpose

PFP is a practical guide to assist all officials to gain a better understanding of the public service financial management framework. It sets out the relevant constitutional, statutory, parliamentary and administrative requirements; emphasises the need for economy, efficiency and effectiveness; and promotes good practice and high standards of propriety. Throughout the guide, which should be viewed as an authoritative summary, references are provided to relevant source documents and resources where more detailed technical guidance and direction in relation to particular areas can be obtained.

The main body of the guide is set out in five sections:

- **Section A** describes the constitutional principles governing the State's finances and the financial management roles of relevant State institutions such as the Oireachtas, the Department of Finance, the Department of Public Expenditure and Reform and the Comptroller and Auditor General.

- **Section B** outlines the financial procedures concerning Government receipts and expenditure.
- **Section C** sets out the main Government accounting procedures and then deals with individual types of receipts and expenditure in more detail.
- **Section D** covers elements of financial management such as the Value-for-Money framework, Procurement and Capital Appraisal.
- **Section E** outlines the accountability framework surrounding receipts and expenditure in relation to EU funds.

A list of relevant websites is included at the end of each section and a Glossary of technical terms completes the guide.

## **Updates**

Government Accounting Unit of the Department of Public Expenditure and Reform compiles PFP with the co-operation of relevant areas in the Department of Finance and the Department of Public Expenditure and Reform. The online version of the guide will be updated on a periodic basis.

## **Enquiries**

Enquiries in regard to this publication can be addressed to Government Accounting Unit, Department of Public Expenditure and Reform, telephone: +353 1 6767571, LoCall: 1890 661010 or email: [govacc@per.gov.ie](mailto:govacc@per.gov.ie).<sup>1</sup>

---

<sup>1</sup> Department of Public Expenditure and Reform, 2012