

UGANDA MARTYRS UNIVERSITY

**FACULTY OF BUSINESS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE**

END OF SEMESTER ONE YEAR THREE EXAMINATIONS, JANUARY 2022

COURSE NAME: PUBLIC SECTOR ACCOUNTING

COURSE CODE: 3111

FOR CANDIDATES OFFERING:

**BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT
(ACCOUNTING)**

DAY/DATE: Thursday, 20 /01/2022

TIME: 2:00pm – 5:00pm

DURATION: 3 Hours

INSTRUCTIONS:

- Attempt Question **ONE** and Any **THREE** Questions
 - All Question have equal marks
 - Use of appropriate illustration and examples is a requirement
 - Write neatly throughout
 - Start every question on a fresh page of the answer booklet
 - Cheating of whatever form leads to automatic disqualification
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Question One

You have just been posted to the Office of the Accountant General Expenditure Unit. The Unit is responsible for the consolidation of Government accounts. You have been asked to analyze the information given below in the Trial Balance of the Consolidated Fund for the year ended 30 June, 2021.

	(Shs)Million	Shs(Millions)
Salaries Grade: A	6,760	
B	2,010	
C	230	
Administration cost	3,350	
Conferences and seminars	1,260	
Foreign travel cost	750	
Corporation tax		
Fines		5,010
Fees		150
Grants		310
Social benefits		430
Domestic debt interest	1,040	
External debt interest	1,450	
Purchase of motor vehicle	1,740	
Purchase of equipment	250	
Construction of infrastructure	410	
Cash and bank	560	
Treasury bills	2,470	
PAYE		11,120
Bonds on USE		7,330
Euro bonds		13,460
VAT		7,460
Fuel Levy		2,320
Bilateral and multilateral debt		700
Other expenditures		19,660
Accumulated fund	910	
	44,760	

Required:

- (I) Define the following terms as used in Public Sector Accounting and give two (2) example of each classification.
1. Financial Assets (3 marks)
 2. Non –Financial Liabilities (3 marks)
- (ii) Using Cash Basis IPSAS of Accounting, outline mandatory disclosure requirements for presentation of financial statements. (4 marks)

(iii) Using the information from the Trial Balance, prepare a Statement of Financial Performance for the statement of financial position for the year ended 30 June, 2021 (15 marks)

Question Two

- a) The Payroll and Personnel Management system (PPMS) is an integrated payroll system that enables Government to efficiently and effectively manage the government payroll.

Required:

- (i) Briefly describe the main features of an integrated payroll system. (5 marks)
 - (ii) Identify users of Public Sector Financial Information and state why this information is useful. (10 marks)
- b) The Government Chart of Accounts is a detailed classification of government revenue and expenditure. Required: Briefly explain why it is important of classifying government accounts. (10 marks)

Question Three

- a) "Corruption, fraud and embezzlement of funds by senior public servants in the Ministry of Local Government is alarming, I wonder whether there are government agencies charged with responsibilities of fighting fraud, corruption and money laundering in Uganda" (concern citizen 2018).

Required:

Discuss the differences in the mandate between the following agencies in relation to the above concern:

- i. Uganda Financial Intelligence Authority and Directorate of Criminal Investigation and Crime Intelligence. (6 marks)
- ii. Office of the Auditor General and Office of the Inspectorate of Government. (7 marks)

- b) The Minister of Finance has appointed you the chairperson of the audit committee for the energy and minerals sector of government. This sector comprises one ministry and seven agencies.

Required:

In accordance with the Uganda Public Finance Management Act, 2015 discuss the functions of the sector audit committee. **(12 marks)**

Question Four

The Uganda Public Finance and Management Act, 2015 requires that the national budget and work plans for public sector entities are approved by the Parliament by 31st May every year and budget execution commences on 1st July. Business organizations on the other hand are not required to comply with the provisions of this Act.

Required;

Discuss the accountability roles of the following officers/bodies in ensuring safety of public funds

- | | | |
|------|--|----------|
| i) | Secretary to the treasury | (5Marks) |
| ii) | The Accountant General | (5Marks) |
| iii) | Public Accounts Committee of Parliament | (5Marks) |
| iv) | The Accounting Officers | (5Marks) |
| v) | The minister of Finance, Planning and Economic Development | (5Marks) |

Question Five

- a) Budget typically plays a greater role in planning, controlling and evaluation of governmental operations. Discuss. (15 marks)
- b) There are several stages to the budget preparation process both at central government and local government level. Explain various stages of the process at the central government level. (10 marks)

(Total 25 marks)

QUESTION Six

Accrual accounting is a technique of recognizing revenues and expenses for the purposes of determining profit. The accrual convention makes the distinction between the receipt of cash and the right to receive cash, and the payment of cash and the legal obligation to pay cash.

- a) Explain in detail the advantages and disadvantages of using accrual accounting. (15 marks)
- b) Discuss the challenges in implementing accrual accounting in government. (10 marks)

(Total 25 marks)

End

Good Luck