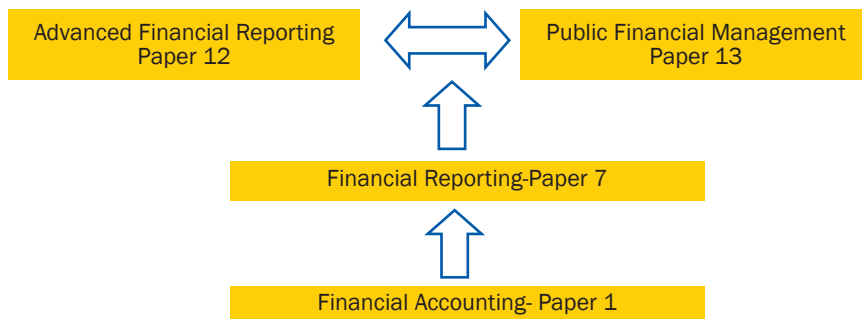


PUBLIC FINANCIAL MANAGEMENT

SYLLABUS CHART



OVERALL AIM

To equip the learner with skills to apply and integrate the policy, legal, regulatory, institutional accountability and reporting frameworks including the entire public financial management (PFM) cycle and the related institutions involved in public sector financial management

LEARNING OUTCOMES

On completion of this course, the learner should be able to:

	Learning outcomes	K	C	A	An	S	E
1.	Discuss the main features of public sector entities		✓				
2.	Apply public sector accounting techniques			✓			
3.	Evaluate public sector accounting and reporting frameworks in Uganda						✓
4.	Prepare and interpret general purpose financial statements				✓		
5.	Develop budgets			✓			
6.	Evaluate and advise on the PFM cycle						✓
7.	Apply statistical financial reporting systems in the preparation and interpretation of statutory and management reports			✓			
8.	Apply International Public Sector Accounting Standards relevant to public sector financial reporting			✓			
9.	Advise on public procurement and disposal						✓
10.	Evaluate current reporting issues and developments						✓
11.	Recommend best practices and ethical considerations in the management of public resources.						✓

LEVEL OF ASSESSMENT

The examination will test the learner's comprehension, application, analytical and evaluation skills in accounting for, management of and reporting on financial resources in the public sector

EXAMINATION STRUCTURE

There will be a three-hour examination made up of sections A and B. Section A will comprise one compulsory question of 50 marks. Section B will comprise three questions of 25 marks each, of which the candidate will be required to attempt any two

DETAILED SYLLABUS

A. INTRODUCTION

1. Meaning and objectives of public sector accounting
2. Characteristics of public sector institutions
3. Private versus public sector accounting systems
4. Categories of public sector reporting entities and their accounting records:
 - (a) Central government (ministries, departments and agencies)
 - (b) Local governments (rural and urban local governments),
 - (c) Statutory bodies
 - (d) Related governmental entities: Public corporations & state enterprises
 - (e) Financing of and accounting for public sector entities
5. Financial reporting in the public sector:
 - (a) Objectives
 - (b) Users of public sector financial statements and their information needs
 - (c) Accounting policies, principles, practices and standards

B. REGULATORY AND INSTITUTIONAL FRAMEWORK

1. Public Financial Management (PFM):
 - (a) Definition, objectives, components and importance
 - (b) Policy review

- (c) Budget:
 - (i) Preparation
 - (ii) Execution (payments, procurement, internal control and audit)
 - (d) Monitoring and financial reporting
 - (e) External audit
 - (f) Parliamentary oversight
 - (g) Treasury Memorandum
2. Laws, statutes and regulations developed for the public service in Uganda
- (a) Regulatory Framework
 - (i) The 1995 Constitution as amended
 - (ii) Leadership Code Act, 2017
 - (iii) Accountants Act, 2013 and Accountants Regulations, 2016
 - (iv) The Local Government Act, 1997 (As amended) and The Local Government (Financial and Accounting) Regulations, 2007
 - (v) Public Finance Management Act (PFMA), 2015 (As amended) and Public Finance Management Regulations, 2016
 - (vi) National Audit Act, 2008
 - (vii) Public Procurement and Disposal of Public Assets (PPDA) Act, 2003 (as Amended) and Public Procurement and Disposal of Public Assets Regulations, 2014
 - (viii) Public Service Act, 2008
 - (b) Institutional Framework:
 - (i) The policy and legal framework
 - (ii) The institutional framework:
 - 1. The central government:
 - Parliament and the public accountability committees
 - Powers and duties of:
 - ✓ Minister in charge of finance
 - ✓ Secretary to the Treasury
 - ✓ Accountant General
 - ✓ Accounting officers
 - ✓ Auditor General

- ✓ Internal Auditor General
 - Role of National Planning Authority (NPA)
2. The local government:
- Local government councils
 - Local government public accounts committees
 - Local government finance commission
 - District local council chairman/ mayor
 - Chief administrative officer/ town clerk
 - Chief finance officer/ town treasurer
 - Chief internal auditor

C. REPORTING FRAMEWORK

1. Scope and authority of the framework
2. Problems addressed by the framework
3. Accounting requirements for central and local governments
 - (a) Accounting cycle (periodic and annual financial statements)
 - (b) Accounting policies and financial statements
4. Role of ICPAU and Accountant General in the standards setting process
5. International Public Sector Accounting Standards (IPSAS):
 - (a) The Conceptual framework
 - (b) Structure of the standards setting process:
 - (i) Setting the agenda
 - (ii) Project planning
 - (iii) Development and publication of a discussion paper
 - (iv) Development and publication of an exposure draft
 - (v) Development and publication of a standard
 - (vi) Procedures after issue the Standard

D. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 1, PRESENTATION OF FINANCIAL STATEMENTS

1. Objective
2. Scope

3. Definition of key terms:
 - (a) Economic entity
 - (b) Future economic benefits or service potential
 - (c) Government business enterprise
 - (d) Materiality
 - (e) Net asset/ equity
4. Purpose, responsibility and fundamental principles underlying the preparation of financial statements
 - (a) Going concern
 - (b) Consistency of presentation and classification of assets and liabilities
 - (c) Materiality and aggregation
 - (d) Offsetting and aggregation
 - (e) Comparative information
5. Components of financial statements:
 - (a) Statement of:
 - (i) Financial position
 - (ii) Financial performance
 - (iii) Changes in net assets/ equity
 - (iv) Cash flow
 - (b) Comparison between budget and actual (when an entity makes its approved budget public)
 - (c) Notes (summary of significant accounting policies and other explanatory notes)
6. Preparation of the financial statements (with information to be presented on the face of each statement)

E. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 2, CASH FLOW STATEMENTS

1. Objective
2. Scope
3. Benefits of cash flow information

4. Definition of key terms:
 - (a) Cash and cash equivalents
 - (b) Operating, investing and financing activities
 - (c) Control
 - (d) Reporting date
 - (e) Net assets/ equity
5. Presentation of cash flow statement:
 - (a) Operating activities
 - (b) Investing activities
 - (c) Financing activities
6. Direct and indirect methods of reporting cash flow information from operating, investing and financing activities
7. Reporting cash flows on net basis
8. Foreign currency cash flows
9. Interest and dividends
10. Taxation on net surplus
11. Investments in controlled entities, associates and joint ventures
12. Acquisitions and disposals of controlled entities and other operating units
13. Non-cash transactions
14. Components of cash and cash equivalents
15. Disclosure

**F. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS)
5, BORROWING COSTS**

1. Objective
2. Scope
 - (a) Accounting for borrowing costs
 - (b) All public entities except government business enterprises
 - (c) Exceptions
3. Borrowing costs (benchmark treatment method)
 - (a) Recognition
 - (b) Disclosure

4. Borrowing costs (alternative treatment method)
 - (a) Recognition
 - (b) Borrowing costs eligible for capitalisation
 - (c) Excess of the carrying amount for a qualifying asset over recoverable amount
 - (d) Commencement, suspension and cessation of capitalisation
5. Disclosure

G. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 9, REVENUE FROM EXCHANGE TRANSACTIONS

1. Objective
2. Scope
3. Definition of key concepts:
 - (a) Revenue
 - (b) Exchange and non-exchange transactions
 - (c) Fair value
4. Measurement of revenue
5. Identification of transactions:
 - (a) Rendering of services
 - (b) Sale of goods
 - (c) Interest, royalties and dividends or similar distributions
6. Disclosure

H. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 17, PROPERTY, PLANT & EQUIPMENT

1. Objective
2. Scope
3. Definition of key concepts:
 - (a) Bearer plant
 - (b) Carrying and recoverable amount
 - (c) Classes of property, plant and equipment
 - (d) Useful and residual values
 - (e) Recoverable service amount

4. Recognition: Infrastructure assets, initial and subsequent costs
5. Measurement: Element and measurement of cost; cost and revaluation models; depreciation, impairment and compensation for impairment
6. Derecognition
7. Disclosure

I. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 24, PRESENTATION OF BUDGET INFORMATION IN FINANCIAL STATEMENTS

1. Objective
2. Scope
3. Definition of terms:
 - (a) Annual budget; approved budget; final budget; multi-year budget; original budget
 - (b) Appropriation
 - (c) Budgetary basis
 - (d) Comparable basis
 - (e) Actual amounts
 - (f) Accounting basis
4. Presentation of a comparison budget and actual amounts
5. Disclosure of budgetary basis, period and scope
6. Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements
7. Budgets as tools of determining and streamlining rates of growth for public sector entities

J. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 22, DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR

1. Objective
2. Scope:
 - (a) Segment reporting
 - (b) Statistical bases of financial reporting
 - (c) Accounting policies

3. Definition of key concepts:
 - (a) Government Business Enterprise
 - (b) General Government Sector
 - (i) Public financial corporations sector
 - (ii) Public non-financial corporations sector
4. Accounting policies
5. Further disaggregation
6. Disclosure
7. Reconciliation to:
 - (a) The consolidated financial statements
 - (b) Statistical bases of financial reporting

**K. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS)
23, REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND
TRANSFERS)**

1. Objective
2. Scope
3. Definition of terms:
 - (a) Non-exchange transactions
 - (b) Revenue
 - (c) Stipulations on transferred assets
 - (d) Conditions on transferred assets
 - (e) Restrictions on transferred assets
 - (f) Substance over form
 - (g) Taxes
 - (h) Transfers
 - (i) Taxable event
 - (j) Tax expenditures
 - (k) Fines
 - (l) Expenses paid through the tax system
 - (m) Control of an asset
4. Analysis of the initial inflow of resources from non-exchange transactions

5. Recognition of assets:
 - (a) Control of an asset
 - (b) Past event
 - (c) Probable inflow of resources
 - (d) Contingent assets
 - (e) Contributions from owners
 - (f) Exchange and non-exchange components of a transaction
 - (g) Measurement of assets on initial recognition
6. Recognition of revenue from non-exchange transactions
7. Measurement of revenue from non-exchange transactions
8. Present obligations recognised as liabilities:
 - (a) Present obligation
 - (b) Conditions on a transferred asset
9. Measurement of liabilities on initial recognition
10. Taxes:
 - (a) Taxable event
 - (b) Advance receipts of taxes
 - (c) Measurement of assets arising from taxation transactions
 - (d) Expenses paid through the tax system and tax expenditures
11. Transfers:
 - (a) Measurement of transferred assets
 - (b) Debt forgiveness and assumption of liabilities
 - (c) Fines
 - (d) Bequests
 - (e) Gifts and donations, including goods in-kind
 - (f) Services in-kind
 - (g) Pledges
 - (h) Advance receipts of transfers
 - (i) Concessionary loans
12. Disclosure

L. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) 32, SERVICE CONCESSION ARRANGEMENTS: GRANTOR

1. Objective
2. Scope
3. Definition of key terms:
 - (a) Binding arrangement
 - (b) Grantor
 - (c) Operator
 - (d) Service concession arrangement
 - (e) Service concession asset
4. Recognition and measurement of a service concession asset
5. Recognition and measurement of liabilities:
 - (a) Financial liability model
 - (b) Grant of a right to the operator model
 - (c) Dividing the arrangement
 - (d) Other liabilities, commitments, contingent liabilities and contingent assets
6. Presentation and disclosure:
 - (a) Presentation as per IPSAS 1
 - (b) Appropriate disclosures in the notes

M. ACCOUNTING PRACTICES AND BASES

1. Accounting practices:
 - (a) Fund accounting
 - (b) Entity accounting
2. Accounting bases:
 - (a) Cash basis:
 - (i) Principles and application of cash and modified cash bases
 - (ii) Arguments for and against cash and modified cash bases
 - (b) Accrual basis:
 - (i) Principles and application of accrual and modified accrual bases
 - (ii) Arguments for and against accrual and modified accrual bases

3. Accounting manuals and reports
 - (a) Local Government Financial and Accounting Manual, 2007
 - (b) Financial Reporting Guide, 2018
 - (c) Treasury Instructions, 2017
4. Fund management:
 - (a) Meaning of 'fund'
 - (b) Government funds:
 - (i) Consolidated Fund
 - (ii) Contingency Fund
 - (iii) Petroleum Fund
 - (iv) Local Government General Fund
 - (v) Other funds
5. Sources of government financing
 - (a) Taxes
 - (b) Loans
 - (c) Grants
 - (d) Non-tax revenues
6. The budget:
 - (a) Budget cycle
 - (b) Planning and budgeting
 - (c) Budget (annual) preparation and approval processes
 - (d) Budget execution
 - (e) Budget oversight
7. External audit
 - (a) Processes
 - (b) Reporting
8. Parliamentary oversight and treasury memoranda

N. PERFORMANCE EVALUATION IN GOVERNMENT

Accountability cycle

1. Purpose and principles of evaluation in the public sector
2. Budget monitoring and accountability unit in Ministry of Finance
3. Inspectorate of Government

4. Internal audit
5. Office of the Prime Minister
6. Office of Auditor General:
 - (a) Mandate
 - (b) Types of audits and reports
7. National Development Plan
8. Role, functions and powers of:
 - (a) Public Accounts Committee
 - (b) Parliamentary Local Government Accounts Committee
 - (c) Local Government Public Accounts Committee
 - (d) Committee on Commissions, Statutory Authorities and State Enterprises
 - (e) Committee on Government Assurances
 - (f) Internal Audit Committees

0. PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS PROCESS

1. Basic terms:
 - (a) Procurement
 - (b) Procurement process
 - (c) Disposal and disposal process
 - (d) Bid, bidder, bidding documents, award, best practices
 - (e) International commercial terms (Incoterms)
2. The public procurement process
 - (a) Procurement stages
 - (b) Stakeholders and their roles, activities and guidelines at each stage
3. Salient features of national procurement policy
 - (a) The procurement system:
 - (i) Purpose of public procurement policy
 - (ii) Pillars of national public procurement system:
 - Policy, institutional, legal/ regulatory frameworks
 - Human resource management
 - Market practices
 - Integrity and accountability
 - Procurement operations

- (b) Procurement practices:
 - (i) Supply chain management
 - (ii) Supplier management
 - (iii) Procurement strategy
 - (iv) Outsourcing
 - (v) Complaints handling mechanism
 - (vi) Abnormally priced and unsolicited bids
 - (vii) Risk management
 - (viii) Value engineering
 - (ix) Complex and/ or strategic procurements
- (c) Ways of attaining value for money (VFM), efficiency and effectiveness in procurement:
 - (i) Flexibility
 - (ii) Whole life cycle costing
 - (iii) Fit for purpose
 - (iv) Competition, equal opportunity and regulated environment
 - (v) Transparency
 - (vi) Collaboration and use of procurement tools such as e-procurement and benchmarking
 - (vii) Sustainability in procurement and disposal
 - (viii) Supply chain and risk management
 - (ix) Framework contracting arrangements
 - (x) Due diligence
 - (xi) Force account mechanism
 - (xii) Spend analysis
 - (xiii) Private finance initiatives (PFI)
 - (xiv) Concession contracts
 - (xv) Engineering, procurement and construction (EPC) contracts
 - (xvi) Public private partnerships (PPP)
 - (xvii) Implementation, monitoring and evaluation mechanisms

- (d) Procurement as a policy tool
 - (i) Innovation
 - (ii) Multilateral/ regional and international trade
- 4. Procurement and disposal regulations:
 - (a) Administrative review (process, key players and their role)
 - (b) Contracts (awarding a contract; types of contracts; contract pricing and payment; contract management and contract management plan; delays and termination of contracts and challenges in contract management)
 - (c) Disposal of public assets (process, types of disposal, key players and their role)
 - (d) Evaluations (evaluation committee, evaluation of bids, record of financial bid opening (Form 15) and financial evaluation report under quality and cost based evaluation (Form 17))
 - (e) Procuring and disposal entities (PDEs):
 - (i) Annual procurement plan
 - (ii) Contracts committee and its functions
 - (iii) Delegation of functions by accounting officer
 - (iv) Due diligence and role of internal audit
 - (v) Delegation of procurement and disposal functions by accounting officer (Forms 3 and 4)
 - (vi) PDEs outside Uganda
 - (f) Force account mechanism
 - (g) Procurement of consultancy services
 - (h) Procurement of supplies
 - (i) Preference and reservation schemes

P. PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTING SYSTEMS

1. General purpose of the systems
2. Integrated Financial Management System (IFMS):
 - (a) Meaning, purpose, basic components
 - (b) IFMS and the public financial management cycle
 - (c) Implementation of IFMS
 - (d) Computerised financial management systems for embassies/ high commissions/ consulates abroad

- (e) Advantages and disadvantages of automated financial management systems
- 3. Integrated Personnel and Payroll System (IPPS)
 - (a) Meaning and functions
 - (b) Implementation process
 - (c) Advantages and challenges in public financial management
 - (d) Integrated payroll and pension system in Uganda
- 4. Debt Management and Financial Accounting Systems (DMFAS)
 - (a) Meaning and functions
 - (b) Implementation process
 - (c) Advantages and challenges in public financial management
 - (d) Debt management and financial management accounting systems in Uganda
- 5. Fixed Assets and Inventory Management Systems (FAIMS)
 - (a) Meaning and functions
 - (b) Implementation process
 - (c) Advantages and challenges in public financial management
 - (d) Fixed assets and inventory management systems in Uganda
- 6. Treasury Single Account (TSA) in Uganda
- 7. The e-cash system
- 8. Programme Budgeting System (PBS)
- 9. Bank of Uganda Banking System (BBS)
- 10. E-registration system
- 11. E-tax system

Q. ETHICS AND PUBLIC SERVICE VALUES

- 1. The roles, obligations and conduct of public officers
- 2. Code of Conduct and Ethics for Uganda Public Service:
 - (a) Guiding principles of the Code:
 - (i) Accountability
 - (ii) Decency
 - (iii) Diligence
 - (iv) Discipline
 - (v) Transparency

- (b) Work ethics:
 - (i) Attendance to duty
 - (ii) Handing-over and taking-over of office
 - (iii) Employment outside official schedule
 - (iv) Dissemination of information
 - (v) Financial embarrassment
 - (vi) Time management
 - (vii) Sexual harassment
 - (viii) Customer care
 - (ix) Conflict of interest
 - (x) Secrecy and confidentiality

3. Inspectorate of Government: Leadership Code

- (a) General powers of the Inspectorate
- (b) Declaration of income, assets and liabilities
- (c) Circumstances for disclosure of personal interest
- (d) Handling of gifts or benefits in-kind by public officials
- (e) Use of public property
- (f) Conflict of interest and consequences
- (g) Challenges of the Office of Inspectorate of Government

R. CURRENT DEVELOPMENTS IN PFM

Any emerging issues

REFERENCES

1. ICPAU, Public Financial Management, Kampala.
2. Government of Uganda, Kampala: Uganda Printing and Publishing Corporation:
 - (a) Local Government Acts, 1997 as amended
 - (b) Public Finance Management Act, 2015 as amended
 - (c) Public Finance Management Regulations, 2016
 - (d) Local Government Financial and Accountability Regulations, 2007
 - (e) Public Procurement and Disposal of Public Assets Act and Regulations, 2014 as amended
 - (f) Public Service Standing Orders, 2010
 - (g) Leadership Code Act, 2017
 - (h) Constitution of the Republic of Uganda, 1995 as amended
 - (i) National Audit Act, 2008
 - (j) The Code of Conduct and Ethics for Uganda Public Service
3. International Federation of Accountants, Current Edition. Handbook of International Public Sector pronouncements. New York: International Federation of Accountants.
4. International Federation of Accountants, Current Edition. IPSAS Handbook. New York: International Federation of Accountants.