OVERALL AIM

To enable the learner to apply and integrate policy, legal, regulatory, institutional, reporting and accountability frameworks in the public sector

LEARNING OUTCOMES

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

1. Discuss and explain the main features of public sector entities.
2. Discuss and apply the public sector, policy, legal and reporting frameworks.
3. Apply the principles, practices and techniques in the control and management of public resources in Uganda.
4. Prepare consolidated financial statements in the public sector
5. Prepare and interpret statutory and management reports in accordance with the applicable public sector frameworks in Uganda.

6. Apply International Public Sector Accounting Standards (IPSAS).

7. Evaluate current public sector challenges, reforms and practices.

8. Advise on best practices in the accounting for and management of public resources

**LEVEL OF ASSESSMENT**

The examination will be designed to test the learner’s analytical, evaluation and synthesis skills in the management of public resources.

**EXAMINATIONS STRUCTURE**

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

**DETAILED SYLLABUS**

**A. INTRODUCTION**

1. Introduction to public sector accounting:
   
   (a) Meaning of public sector accounting
   (b) Objectives of public sector accounting
   (c) Characteristics of public sector institutions
   (d) Private versus public sector accounting systems

2. 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, and statutory bodies)
   (c) Related governmental entities: agencies, boards, commissions and enterprises

   (d) Financing and accounting for public sector entities:
      (i) Classifying public sector entities
      (ii) Central government
      (iii) Local governments

3. Financial reporting in the public sector:

   (a) Objectives of government financial reporting
   (b) Users of public sector financial statements and their information needs
   (c) Accounting policies, principles, practices and standards in the public sector
B. REPORTING FRAMEWORK IN UGANDA

1. The regulatory, legal and institutional frameworks for financial reporting in Uganda:

   (a) Policy and legal framework
   (b) Central government institutional framework:
       (i) Parliament and the public accountability committees
       (ii) Minister in charge of finance, - designation, powers and duties
       (iii) Secretary to the Treasury, - designation, powers and duties
       (iv) Accountant General, - designation, powers and duties
       (v) Accounting Officers, - designation, powers and duties
   (c) The local government institutional framework:
       (i) Local Government Council
       (ii) Local Governments' Public Accounts Committee
       (iii) District Local Council Chairman/Mayor
       (iv) Chief Administrative Officer/Town Clerk
       (v) Chief Finance Officer

2. Accounting policies and practices

3. International Public Sector Accounting Standards

C. ACCOUNTING PRACTICES IN THE PUBLIC SECTOR

1. Accounting policies, practices and bases:

   (a) Fund accounting
   (b) Entity accounting
   (c) Cash basis accounting
       (i) Basic principles of the cash basis of accounting and its application to the public sector
       (ii) Basic principles of the modified cash basis of accounting and its application to the public sector
       (iii) Arguments for and against cash basis of accounting in the public sector
   (d) Accruals basis accounting.
       (i) Basic principles of accrual accounting and its application to the public sector
       (ii) Basic principles of modified accrual accounting and its application to the public sector
       (iii) Arguments for and against accrual accounting in the public sector

2. Accounting manuals, procedures and reports

3. Fund management, budget preparation, approval and management
(a) Definition of a fund

(b) Major funds
   (i) (i) Consolidated Fund: definition, sources and classification of government revenue
   (ii) (ii) Contingencies Fund

4. Budget cycle:
   (a) Annual budget cycle: process, activities and institutions
   (b) Planning and budgeting: process (led by Ministry of Finance)
   (c) Budget execution (led by Accountant General)
   (d) Budget oversight (mostly external audit and parliament)

5. External Audit

D. PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS PROCESS

1. Basic terms: bid, bidder, bidding documents, award, best practices

2. Procurement and disposing entities

3. Principles for public procurement and disposal:
   (a) Non-discrimination
   (b) Transparency
   (c) Accountability and fairness
   (d) Competition
   (e) Confidentiality
   (f) Economy, efficiency and effectiveness
   (g) Ethics

4. The public procurement process:
   (a) Procurement stages: key activities in the bidding process,
   (b) What takes place in each of the stages/activities
   (c) What should be adhered to in each activity

5. Contract Management:
   (a) Meaning and structure of contract management
   (b) Identification, roles and responsibilities of key stakeholders in contract management
   (c) Techniques used in contract cost control and management
   (d) Main content of a contract management plan
   (e) Causes of delays and termination of contracts
   (f) Challenges in contract management
6. Evaluation of procurement processes and procedures in government

E. PERFORMANCE EVALUATION IN GOVERNMENT

1. Purpose and principles of evaluation in the public sector
2. Internal audit
3. Monitoring and evaluation by the Office of the Prime Minister
4. Office of Auditor General
5. Inspectorate of Government
6. Criminal Investigation Intelligence Department (CIID)

F. PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTING SYSTEMS

1. General purpose of systems
2. Integrated Financial Management System (IFMS): definition; what it does
   (a) IFMS and public financial management cycle
   (b) Basic components of IFMS
   (c) Steps in the implementation of IFMS
   (d) Computerised financial management systems for embassies abroad
   (e) Advantages and disadvantages of automated financial management systems
3. Integrated Payroll and Pension System (IPPS)
   (f) Definition of IPPS
   (g) Role of IPPS
   (h) Advantages of IPPS in public financial management
   (i) Steps in the implementation of IPPS
   (j) Integrated payroll and pension system in Uganda
   (a) Definition of DMFAS
   (b) Role of DMFAS
   (c) Advantages of DMFAS in public financial management
   (d) Steps in the implementation of DMFAS
   (e) Debt management and financial management accounting systems in Uganda
5. Fixed Assets and Inventory Management Systems (FAIMS)
   (a) Definition of FAIMS
   (b) Role of FAIMS
   (c) Advantages of FAIMS in public financial management
   (d) Steps in the implementation of FAIMS
   (e) Fixed Assets and inventory management systems in Uganda
6. Operations of Treasury Single Account -TSA in Uganda
G. ETHICAL ISSUES IN PUBLIC SECTOR ACCOUNTING AND FINANCE

1. Code of conduct for public officers:
   (a) Guiding principles of the code:
      (i) Accountability
      (ii) Decency
      (iii) Diligence
      (iv) Discipline
      (v) Transparency
   (b) Work Ethics:
      (i) Attendance to duty
      (ii) Time management
      (iii) Sexual harassment
      (iv) Customer care
      (v) Conflict of interest
      (vi) Secrecy and confidentiality
   (c) The role of Inspector General of Government (IGG) and oversight committees
   (d) Declaration of income, assets and liabilities
   (e) Circumstances for disclosure of personal interest
   (f) Handling of gifts or benefits in kind by public officials in the process of executing their official work
   (g) Use of public property
   (h) Situations that can lead to conflict of interest and the consequences
   (i) Challenges of enforcing the leadership code of conduct

2. Inspectorate of Government:
   (a) Functions of the Inspectorate of Government in inculcating ethics and public service values among public officials
   (b) General powers of the Inspectorate
   (c) Challenges of the office of Inspectorate of Government

H. PRESENTATION OF FINANCIAL STATEMENTS (IPSAS1)

1. Objective of the standard

2. Scope of the standard: presentation requirements for the surplus or deficit for the period; requirements relating to the selection and application of accounting policies

3. Definition of key terms of the standard:
   (a) Economic entity
(b) Future economic benefits or service potential
(c) Government business enterprises
(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 flows
(b) Comparison between budget and actual (when an entity makes publicly available its approved budget)
(c) Notes (comprising a summary of significant accounting policies and other explanatory notes)

6. Preparation of each financial statement taking into consideration the information to be presented on the face of each

I. CASH FLOW STATEMENTS (IPSAS 2)

1. Objective of the standard
2. Scope of the standard
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 statements:
(a) Operating activities
(b) Investing activities
(c) Financing activities

6. Reporting of cash flow statements from operating, investing and financing activities using the:
   (a) Direct Method
   (b) Indirect Method

7. Reporting cash flows on net basis

8. Foreign currency cash flows

9. Interest and dividends

10. Taxation on net surplus

J. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS (IPSAS 3)

1. Objective of the standard

2. Scope of the standard:
   (a) Criteria for selecting accounting policy
   (b) Accounting for changes in accounting policies and accounting estimates
   (c) Correction of prior period errors and effects of correction
   (d) Exceptions to the standard

3. Definition of terms:
   (a) Changes in accounting estimates
   (b) Prior period errors
   (c) Prospective application
   (d) Retrospective application and retrospective restatement
   (e) Materiality
   (f) Impracticable
   (g) Notes

4. Selection and application of accounting policies:
   (a) Guidance to entities
   (b) Management judgment
   (c) Consistency of accounting policies

5. Changes in accounting policies and estimates
   (a) When it can take place
(b) When it cannot take place
6. Retrospective application and its limitation
7. Errors; limitations on retrospective restatement and disclosure of prior period errors
8. Impracticability in respect of retrospective application and retrospective restatement

K. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES (IPSAS 4)

1. Objective of the standard
2. Scope of the standard
3. Definition of key terms:
   (a) Functional currency
   (b) Monetary item
   (c) Net investments in a foreign operation
   (d) Exchange rate differences
   (e) Spot exchange rate
   (f) Foreign currency
   (g) Presentation currency
4. Summary of approach required by the standard
5. Reporting foreign currency transactions in the functional currency:
   (a) Initial recognition
   (b) Reporting of subsequent events
   (c) Reporting dates
   (d) Recognition of exchange differences
   (e) Changes in functional currency
6. Use of presentation currency other than the functional currency:
   (a) Translation to the presentation currency
   (b) Translation of a foreign operation
   (c) Disposal of a foreign operation
7. Tax effects of exchange differences
8. Disclosure

L. BORROWING COSTS (IPSAS 5)

1. Objective of the standard
2. Scope of the standard:
   (a) Accounting for borrowing costs
(b) All public entities except government business enterprises

(c) Exception

3. Borrowing costs; benchmark:

(a) Recognition treatment
(b) Disclosure

4. Borrowing costs; alternative treatment:

(a) Recognition
(b) Borrowing costs eligible for capitalisation
(c) Excess of the carrying amount for the qualifying asset over recoverable amount
(d) Commencement of capitalisation
(e) Sustentation of capitalisation
(f) Cessations of capitalisation

5. Disclosure

M. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (IPSAS 6)

1. Objective of the standard

2. Scope of the standard

3. Definitions:

(a) Cost method
(b) Separate financial statements
(c) Associates
(d) Equity method
(e) Investment in joint ventures

4. Exceptions from preparing consolidated financial statements

5. Preparation and presentation of consolidated financial statements:

(a) Establishing control over another entity for financial reporting
(b) Control for financial reporting purpose
(c) Regulatory and purchase power
(d) Determining whether control exists for financial reporting purposes
(e) Consolidation procedures

6. Separate financial statements

7. Disclosure

N. REVENUE FROM EXCHANGE TRANSACTIONS (IPSAS 9)
1. Objective of the standard
2. Scope of the standard
3. Definitions:
   (a) Revenue
   (b) Exchange transactions
   (c) Non-exchange transactions
4. Measurement of revenue
5. Identification of transactions:
   (a) Rendering of services
   (b) Sale of goods
   (c) Interests, royalties and dividends
6. Disclosure

0. INVENTORIES (IPSAS 12)
1. Objective of the standard
2. Scope of the standard
3. Definition of terms:
   (a) Current replacement costs
   (b) Net Realisable Value
   (c) Inventories
4. Inventories in public sector
5. Measurements of inventories:
   (a) Lower of cost and net realisable value
   (b) Fair value
   (c) Lower of cost and current replacement costs
6. Cost of inventories:
   (a) Cost of purchase
   (b) Cost of conversion
   (c) Other costs
   (d) Cost of inventories of a service provider
   (e) Cost of agricultural produce harvested from biological assets
7. Cost formulas: net realisable value, distributing goods at no charge or for a nominal charge
8. Recognition as an expense
9. Disclosure

P. EVENTS AFTER THE REPORTING DATE (IPSAS 14)

1. Objectives of the standard
2. Scope of the standard
3. Definition of ‘events after the reporting date’
4. Authorising the financial statements for issue
5. Recognition and measurement:
   (a) Adjusting events after the reporting date
   (b) Non-adjusting events after the reporting date
   (c) Dividends or similar distributions
6. Going concern and restructuring
7. Disclosure:
   (a) Disclosure of the date of authorisation for issue
   (b) Updating disclosure about condition at date of reporting
   (c) Disclosure of non-adjusting events after reporting date

Q. IMPAIRMENT OF NON-CASH GENERATING ASSETS-(IPSAS 21)

1. Objective of the standard
2. Scope of the standard
3. Definition of terms:
   (a) Recoverable service amount
   (b) Non-cash-generating assets
   (c) Impairment
4. Identifying an asset that may be impaired
5. Measuring recoverable service amount:
   (a) Measuring the recoverable service amount of an intangible asset with an indefinite useful life
   (b) Fair value less costs to sell
   (c) Value in use:
      (i) Depreciated replacement cost approach
      (ii) Restoration cost approach
      (iii) Service units approach
   (d) Application of approaches
6. Recognising and measuring an impairment loss
7. Reversing an impairment loss
8. Re-designation of assets
9. Disclosure

R. DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR (IPSAS 22)

1. Objective of the standard
2. Scope of the standard:
   (a) Segment reporting
   (b) Statistical bases of financial reporting
   (c) Accounting policies
3. Definitions
   (a) Government business enterprises
   (b) General government sector
      (i) Public Financial Corporations Sector
      (ii) Non-Public Financial Corporations Sector
4. Accounting policies; further disaggregation
5. Disclosures:
   (a) Reconciliation to the consolidated financial statements
   (b) Reconciliation to statistical bases of financial reporting

S. REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND TRANSFERS) (IPSAS 23)

1. Objective of the standard
2. Scope of the standard
3. Definition of terms:
   (a) Non-exchange transactions
   (b) Revenue
   (c) Stipulations
   (d) Conditions on transferred assets
   (e) Restrictions on transferred assets
   (f) Substance over form
   (g) Taxes
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
12. Disclosures

T. PRESENTATION OF BUDGET INFORMATION IN FINANCIAL STATEMENTS (IPSAS 24)

1. Objective of the standard
2. Scope of the standard
3. Definition of terms:
   (a) Approved budgets
   (b) Original and final budgets
   (c) Appropriation
   (d) Budgetary basis
   (e) Comparable basis
   (f) Actual amounts
   (g) Accounting basis
   (h) Annual budgets
   (i) Multi-year budgets
4. Disclosure of budgetary basis, period and scope
5. Reconciliation of actual amounts on a comparable basis and actual amounts to the financial statements

U. AGRICULTURE (IPSAS 27)

1. Objective of the standard
2. Scope of the standard
3. Definition of terms:
   (a) Harvest
   (b) Biological transformation
   (c) Cost to sale
   (d) A group of biological assets
   (e) Biological asset
   (f) Agricultural produce
   (g) Agricultural activity
4. Recognition and measurement:
   (a) Condition for recognition
   (b) Fair value of assets versus. basis
(c) Gains and losses
(d) Initial recognition
(e) Fair value less cost to sell
(f) Inability to measure fair value reliably

5. Disclosure

**V. FINANCIAL INSTRUMENTS (IPSAS 28, 29, 30)**

1. Objective the standards
2. Scope of the standards
3. Definition of terms:
   (a) Equity instrument
   (b) Hedge item
   (c) Derivative
   (d) Financial asset
   (e) Financial liability
   (f) Puttable instrument
   (g) Forecast transactions
   (h) Loans and receivables
   (i) Transaction costs
   (j) Hedge effectiveness
4. Embedded derivatives
5. Recognition of financial instruments:
   (a) Initial recognition
   (b) De-recognition of a financial asset:
      (i) Transfers that qualify for de-recognition
      (ii) Continuing involvement in transferred assets
      (iii) All transfers
   (c) Regular way purchase and sale of a financial asset
   (d) De-recognition of a financial liability
6. Measurement:
   (a) Initial measurement of the financial assets and liabilities
   (b) Subsequent measurement of financial assets and liabilities
   (c) Fair value considerations
   (d) Reclassifications
   (e) Gains and losses
(f) Impairment and uncollectability of financial assets:
   (i) Financial assets carried at amortised costs
   (ii) Financial assets carried at cost
   (iii) Available-for-sale financial assets

7. Hedging:

   (a) Hedging Instrument:
      (i) Qualifying hedging instruments
      (ii) Designation of hedging Instruments

   (b) Hedged Items:
      (i) Qualifying items
      (ii) Designation of financial items as hedged items
      (iii) Designation of non-financial item as hedged items

   (c) Hedge accounting:
      (i) Fair value hedges
      (ii) Cash flow hedges
      (iii) Hedges of a net investment

8. Presentation:

   (a) Liabilities and net assets/ equity:
      (i) Puttable instruments
      (ii) Reclassification of puttable instruments and compound instruments by
           the issuer
      (iii) No contractual obligation to deliver cash
      (iv) Settlement in own equity instruments
      (v) Contingent settlement provision
      (vi) Settlement options

   (b) Compound financial instruments:
      (i) Treasury shares
      (ii) Interest, dividends or similar distributions, losses and gains
      (iii) Offsetting a financial asset and a financial liability

9. Disclosure

   (a) Classes of financial instruments and level of disclosure
   (b) Significance of financial instrument for financial position and financial
        performance
   (c) Categories of financial assets and financial liabilities
   (d) Disclosure of risk management policies
W. INTANGIBLE ASSETS (IPSAS 31)

1. Objective of the standard
2. Scope of the standard
3. Definitions of key terms
4. Recognition and measurement
   (a) Separate acquisition
   (b) Subsequent expenditure on an acquired in-process research and development project
   (c) Intangible assets acquired through non-exchange transactions
   (d) Exchange of assets:
   (e) Internally generated goodwill
   (f) Internally generated intangible assets:
      (i) Research phase
      (ii) Development phase
      (iii) Cost of an internally generated intangible asset
   (g) Recognition of an expense; past expense not to be recognised as an asset
   (h) Subsequent measurement:
      (i) Cost model
      (ii) Revaluation model
   (i) Amortisation period and amortisation method:
      (i) Residual value
      (ii) Review of amortisation period and method
      (iii) Retirement and disposal
5. Disclosures

X. SERVICE CONCESSION ARRANGEMENTS: GRANTOR (IPSAS 32)

1. Objective of the standard
2. Scope of the standard
3. Definitions of terms:
   (a) Binding arrangement
   (b) Grantor
   (c) Operator
   (d) Service concession arrangement
   (e) Service concession assets
4. Recognition and measurement of a service concession

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 liability and contingent assets

6. Presentation and disclosure:
   (a) Present information as per IPSAS 1
   (b) All aspects of service concession arrangement should be disclosed

**PREFACE TO INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS**

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