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ACC308

PUBLIC SECTOR ACCOUNTING & REPORTING

COURSE CODE:ACC 308

COURSE TITLE: Public Sector Accounting & Reporting

COURSE UNIT LOAD:(3 Units C: LH 30; PH 45)

SERIES LIST

- **Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting**
- **Series 2: Planning, Budgeting, and Medium-Term Expenditure Frameworks**
- **Series 3: Reporting, Auditing, and Accountability in the Public Sector**
- **Series 4: Financial Statements, Bases of Accounting, and International Standards**
- **Series 5: Public Procurement, Ethics, and Comparative Sector Reporting**

Outline for Series 1

Part 1.1 Concept and Scope of Public Sector Accounting

- Definition and scope of public sector accounting
- Importance and objectives of public sector accounting
- Distinction between public sector and private sector accounting

Part 1.2 Principles and Standards in Public Sector Accounting

- Generally Accepted Accounting Principles (GAAPs) in the public sector
- Professional pronouncements from international bodies (e.g. UN, International Committee for Public Sector Financial Management)
- Role of International Public Sector Accounting Standards (IPSAS)

Part 1.3 Constitutional, Legislative, and Regulatory Frameworks

- Finance (Control and Management) Act of 1958 (as amended)
- Financial regulations for federal and state governments
- Financial memoranda for local government councils
- Fiscal Responsibility Act, 2010

Part 1.4 Accountability and Oversight in Public Sector Accounting

- Roles of oversight bodies such as EFCC, ICPC, Code of Conduct Bureau, Code of Conduct Tribunal, and Public Accounts Committee
- Importance of accountability and probity in public office

Introduction – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Public sector accounting provides the foundation for transparency, accountability, and effective management of public resources. Unlike private sector accounting, which focuses on profit generation, public sector accounting is concerned with stewardship of funds, compliance with laws, and ensuring that government activities are properly recorded and reported. This Series sets the stage for your study of public sector accounting by introducing the concepts, principles, and frameworks that underpin the discipline.

The aim of this Series is to equip you with a clear understanding of the basic concepts, principles, and regulatory frameworks of public sector accounting, and to highlight the importance of accountability and oversight in managing public resources.

We shall commence this Series by examining the concept and scope of public sector accounting, including its objectives and distinctions from private sector accounting. Next, we will explore the principles and standards that guide public sector accounting, with emphasis on GAAPs and international pronouncements. Following that, we will consider the constitutional, legislative, and regulatory frameworks that shape public sector accounting in Nigeria. Finally, we will conclude with a discussion of accountability and oversight, focusing on the roles of institutions established to ensure probity in public office.

Series Learning Outcomes – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Upon completing this Series, you should be able to:

- **SLO 1.1** define the concept and scope of public sector accounting,
- **SLO 1.2** explain the objectives and importance of public sector accounting in relation to stewardship and accountability,
- **SLO 1.3** analyse the principles and standards guiding public sector accounting, including GAAPs and international pronouncements,
- **SLO 1.4** evaluate the constitutional, legislative, and regulatory frameworks that shape public sector accounting in Nigeria, and
- **SLO 1.5** discuss the roles of accountability and oversight institutions in promoting probity in public office.

1.1 Concept and Scope of Public Sector Accounting

1.1.1 Definition and scope

Public sector accounting refers to the process of recording, classifying, summarising, and reporting financial transactions carried out by government and public institutions. Its scope includes all levels of government: federal, state, and local councils. Unlike private sector accounting, which focuses on profit, public sector accounting emphasises stewardship, accountability, and compliance with laws and regulations.

In-text question: Public sector accounting emphasises _________, accountability, and compliance with laws and regulations.

Box 1.1 Scope of public sector accounting Caption: Explanation of the coverage of public sector accounting across federal, state, and local governments.

1.1.2 Objectives of public sector accounting

The objectives of public sector accounting include:

- Ensuring transparency in the use of public funds,
- Providing information for decision-making and planning,
- Demonstrating accountability to citizens and oversight bodies, and
- Supporting compliance with constitutional and legislative frameworks.

In-text question: One objective of public sector accounting is to ensure _________ in the use of public funds.

Figure 1.1 Objectives of public sector accounting Caption: Diagram showing the key objectives of public sector accounting.

1.1.3 Distinction between public and private sector accounting

While both systems involve recording and reporting financial transactions, their focus differs. **Private sector accounting** is profit-oriented, designed to measure performance and return on investment. **Public sector accounting**, on the other hand, is service-oriented, designed to ensure that resources are used efficiently and in line with legal and constitutional requirements.

In-text question: Private sector accounting is _________-oriented, while public sector accounting is service-oriented.

Table 1.1 Distinction between public and private sector accounting Caption: Comparison of objectives, focus, and reporting requirements in public and private sector accounting. ”

Pilot questions 1.1

1. Public sector accounting emphasises _________, accountability, and compliance with laws and regulations. a) Stewardship b) Profit c) Investment d) Competition
2. One objective of public sector accounting is to ensure _________ in the use of public funds. a) Transparency b) Profitability c) Competition d) Investment
3. Private sector accounting is _________-oriented, while public sector accounting is service-oriented. a) Profit b) Transparency c) Accountability d) Compliance

4. Public sector accounting covers financial transactions at _________ levels of government. a) Federal, state, and local b) Private and corporate c) International only d) Non-governmental
5. Which of the following is NOT an objective of public sector accounting? a) Ensuring transparency b) Demonstrating accountability c) Maximising profit d) Supporting compliance

1.2 Principles and Standards in Public Sector Accounting

1.2.1 Generally Accepted Accounting Principles (GAAPs)

Generally Accepted Accounting Principles (GAAPs) are a set of rules and standards that guide the preparation and presentation of financial statements. In the public sector, GAAPs ensure consistency, transparency, and comparability of financial information across government entities. They provide a framework for recording transactions, recognising revenues and expenditures, and reporting financial performance.

In-text question: GAAPs ensure _________, transparency, and comparability of financial information across government entities.

Box 1.2 GAAPs in public sector accounting Caption: Explanation of GAAPs and their role in ensuring consistency and transparency in public sector accounting.

1.2.2 International pronouncements and professional guidance

International bodies such as the **United Nations (UN)** and the **International Committee for Public Sector Financial Management** issue pronouncements and guidelines to strengthen public sector accounting practices. These pronouncements promote harmonisation of accounting standards globally and encourage governments to adopt best practices in financial reporting.

In-text question: International pronouncements promote _________ of accounting standards globally.

Figure 1.2 International pronouncements in public sector accounting Caption: Diagram showing the role of international bodies in shaping public sector accounting standards."

1.2.3 International Public Sector Accounting Standards (IPSAS)

International Public Sector Accounting Standards (IPSAS) are issued by the International Public Sector Accounting Standards Board (IPSASB). They provide guidance on recognition, measurement, presentation, and disclosure of financial information in the public sector. IPSAS aims to improve the quality of financial reporting, enhance accountability, and facilitate comparability across countries.

In-text question: IPSAS aims to improve the quality of financial reporting and enhance _________ in the public sector.

Table 1.2 Key features of IPSAS Caption: Summary of IPSAS features including recognition, measurement, presentation, and disclosure.

Pilot questions 1.2

1. GAAPs ensure _________, transparency, and comparability of financial information across government entities. a) Consistency b) Profitability c) Competition d) Investment
2. International pronouncements promote _________ of accounting standards globally. a) Harmonisation b) Profitability c) Competition d) Investment
3. IPSAS are issued by the _________. a) IPSASB b) IMF c) World Bank d) WTO
4. IPSAS aims to improve the quality of financial reporting and enhance _________ in the public sector. a) Accountability b) Profitability c) Competition d) Investment
5. Which of the following is NOT a feature of IPSAS? a) Recognition b) Measurement c) Profit maximisation d) Disclosure

1.3 Constitutional, Legislative, and Regulatory Frameworks

1.3.1 Finance (Control and Management) Act of 1958

The **Finance (Control and Management) Act of 1958**, as amended, provides the legal foundation for managing public funds in Nigeria. It outlines procedures for authorising expenditure, controlling revenue, and ensuring accountability in government financial operations. This Act remains a cornerstone of public sector financial management.

In-text question: The Finance (Control and Management) Act of 1958 provides the legal foundation for managing _________ funds in Nigeria.

Box 1.3 Finance Act of 1958 Caption: Summary of the Finance (Control and Management) Act of 1958 and its role in public financial management.

1.3.2 Financial regulations for federal and state governments

Financial regulations are detailed rules issued to guide the management of public funds at federal and state levels. They cover procedures for revenue collection, expenditure control, record-keeping, and reporting. These regulations ensure uniformity and compliance across ministries, departments, and agencies.

In-text question: Financial regulations provide detailed rules for managing _________ funds at federal and state levels.

Figure 1.3 Financial regulations in Nigeria Caption: Diagram showing how financial regulations guide revenue collection, expenditure control, and reporting. **1.3.3 Financial memoranda for local government councils**

Financial memoranda are guidelines issued to local government councils for managing their finances. They prescribe procedures for budgeting, expenditure control, and financial reporting at the local level. These memoranda ensure accountability and consistency in grassroots financial management.

In-text question: Financial memoranda are guidelines issued to _________ government councils for managing their finances.

Table 1.3 Financial memoranda for local government councils Caption: Summary of the key provisions of financial memoranda for local government councils.

1.3.4 Fiscal Responsibility Act, 2010

The **Fiscal Responsibility Act, 2010** was enacted to promote prudent management of public resources. It emphasises transparency, accountability, and sustainability in government finances. A key feature of the Act is the introduction of the **Medium Term Expenditure Framework (MTEF)**, which links budgeting to long-term planning.

In-text question: The Fiscal Responsibility Act, 2010 introduced the _________ to link budgeting with long-term planning.

Box 1.4 Fiscal Responsibility Act, 2010 Caption: Explanation of the objectives of the Fiscal Responsibility Act, 2010 and its emphasis on transparency and sustainability.

Pilot questions 1.3

1. The Finance (Control and Management) Act of 1958 provides the legal foundation for managing _________ funds in Nigeria. a) Public b) Private c) Informal d) Corporate
2. Financial regulations provide detailed rules for managing _________ funds at federal and state levels. a) Public b) Private c) Informal d) Corporate
3. Financial memoranda are guidelines issued to _________ government councils for managing their finances. a) Local b) Federal c) State d) Corporate
4. The Fiscal Responsibility Act, 2010 introduced the _________ to link budgeting with long-term planning. a) Medium Term Expenditure Framework (MTEF) b) International Financial Reporting Standards (IFRS) c) Cash basis method d) Accrual basis method
5. Which of the following is NOT covered by financial regulations? a) Revenue collection b) Expenditure control c) Record-keeping d) Profit maximisation

1.4 Accountability and Oversight in Public Sector Accounting

1.4.1 Importance of accountability and probity

Accountability in public sector accounting refers to the obligation of public officials to explain and justify how public funds are managed. **Probity** means integrity and honesty in the use of public resources. Together, they ensure that government officials act responsibly and transparently, safeguarding public trust.

In-text question: Accountability in public sector accounting refers to the obligation of public officials to _________ and justify how public funds are managed.

] **Box 1.5 Accountability and probity in public sector accounting** Caption: Explanation of accountability and probity as key principles in managing public resources.

1.4.2 Roles of oversight institutions

Several institutions are established in Nigeria to enforce accountability and probity in public office:

- **Economic and Financial Crimes Commission (EFCC):** Investigates and prosecutes financial crimes, including corruption and fraud.
- **Independent Corrupt Practices and Other Related Offences Commission (ICPC):** Focuses on preventing and prosecuting corruption in public institutions.
- **Code of Conduct Bureau (CCB):** Monitors the conduct of public officers to ensure compliance with ethical standards.
- **Code of Conduct Tribunal (CCT):** Adjudicates cases of misconduct referred by the CCB.
- **Public Accounts Committee (PAC):** Reviews reports of the Auditor-General and ensures corrective actions are taken.

In-text question: The EFCC is responsible for investigating and prosecuting _________ crimes in Nigeria.

] **Figure 1.4 Oversight institutions in Nigeria** Caption: Diagram showing the roles of EFCC, ICPC, CCB, CCT, and PAC in promoting accountability.

1.4.3 Contribution to public confidence

Oversight institutions contribute to public confidence by ensuring that public officials are held accountable for their actions. Their work deters corruption, promotes transparency, and strengthens governance. Effective oversight reassures citizens that public resources are managed responsibly.

In-text question: Oversight institutions contribute to public confidence by deterring _________ and promoting transparency.

Table 1.4 Contributions of oversight institutions Caption: Summary of how oversight institutions promote accountability, transparency, and public confidence.

Pilot questions 1.4

1. Accountability in public sector accounting refers to the obligation of public officials to _________ and justify how public funds are managed. a) Explain b) Profit c) Invest d) Compete

2. The EFCC is responsible for investigating and prosecuting _________ crimes in Nigeria. a) Financial b) Physical c) Informal d) Corporate
3. The ICPC focuses on preventing and prosecuting _________ in public institutions. a) Corruption b) Profit maximisation c) Competition d) Investment
4. The Code of Conduct Bureau monitors the _________ of public officers to ensure compliance with ethical standards. a) Conduct b) Profit c) Investment d) Competition
5. Oversight institutions contribute to public confidence by deterring _________ and promoting transparency. a) Corruption b) Profit maximisation c) Competition d) Investment

Series 1 Summary: Concepts, Principles, and Frameworks of Public Sector Accounting

In this Series, we explored the foundations of public sector accounting, beginning with its **concept and scope**. We defined public sector accounting as the process of recording, classifying, summarising, and reporting government financial transactions, emphasising stewardship, accountability, and compliance with laws. We also distinguished it from private sector accounting, which is profit-oriented, while public sector accounting is service-oriented.

We then examined the **principles and standards** guiding public sector accounting. These included **Generally Accepted Accounting Principles (GAAPs)**, international pronouncements from bodies such as the United Nations, and the role of **International Public Sector Accounting Standards (IPSAS)** in improving transparency, accountability, and comparability of financial reporting.

Next, we considered the **constitutional, legislative, and regulatory frameworks** that shape public sector accounting in Nigeria. Key instruments included the Finance (Control and Management) Act of 1958, financial regulations for federal and state governments, financial memoranda for local councils, and the Fiscal Responsibility Act of 2010, which introduced the Medium Term Expenditure Framework (MTEF).

Finally, we discussed **accountability and oversight**, highlighting the importance of probity in public office and the roles of institutions such as the EFCC, ICPC, Code of Conduct Bureau, Code of Conduct Tribunal, and Public Accounts Committee. These bodies ensure that public officials are held accountable, thereby strengthening governance and public confidence.

By completing this Series, you should now be able to:

- Define the concept and scope of public sector accounting,
- Explain its objectives and importance,
- Analyse the principles and standards guiding it,
- Evaluate the constitutional, legislative, and regulatory frameworks, and
- Discuss the roles of accountability and oversight institutions.

This foundation prepares you for deeper study in subsequent Series, where we will move into planning, budgeting, reporting, and auditing in the public sector.

Glossary of Terms – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Accountability: The obligation of public officials to explain and justify how public funds are managed.

Accrual basis: An accounting method where revenues and expenses are recognised when they are earned or incurred, not when cash is received or paid.

Code of Conduct Bureau (CCB): A Nigerian institution responsible for monitoring the conduct of public officers to ensure compliance with ethical standards.

Code of Conduct Tribunal (CCT): A tribunal that adjudicates cases of misconduct referred by the Code of Conduct Bureau.

Economic and Financial Crimes Commission (EFCC): A Nigerian agency that investigates and prosecutes financial crimes, including corruption and fraud.

Financial memoranda: Guidelines issued to local government councils for managing their finances, covering budgeting, expenditure control, and reporting.

Financial regulations: Detailed rules guiding the management of public funds at federal and state levels, covering revenue collection, expenditure control, and reporting.

Finance (Control and Management) Act of 1958: A Nigerian law providing the legal foundation for managing public funds, outlining procedures for authorising expenditure and controlling revenue.

Fiscal Responsibility Act, 2010: Legislation enacted to promote prudent management of public resources, emphasising transparency, accountability, and sustainability.

Generally Accepted Accounting Principles (GAAPs): A set of rules and standards that guide the preparation and presentation of financial statements, ensuring consistency and comparability.

International Public Sector Accounting Standards (IPSAS): Standards issued by the IPSASB to improve the quality of financial reporting in the public sector, focusing on recognition, measurement, presentation, and disclosure.

Independent Corrupt Practices and Other Related Offences Commission (ICPC): A Nigerian agency that prevents and prosecutes corruption in public institutions.

Medium Term Expenditure Framework (MTEF): A planning tool introduced by the Fiscal Responsibility Act, linking budgeting to long-term financial planning.

Probity: Integrity and honesty in the use of public resources.

Public Accounts Committee (PAC): A legislative committee that reviews reports of the Auditor-General and ensures corrective actions are taken.

Public sector accounting: The process of recording, classifying, summarising, and reporting financial transactions carried out by government and public institutions, emphasising stewardship and accountability.

Transparency: Openness in financial reporting and management of public funds, ensuring that information is accessible and understandable to stakeholders.

Concept Check Questions – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Objective questions

1. Public sector accounting emphasises stewardship, accountability, and __________. a) Profitability b) Compliance with laws c) Competition d) Investment *(Linked to SLO 1.1)*
2. Which of the following is NOT an objective of public sector accounting? a) Transparency in the use of funds b) Accountability to citizens c) Profit maximisation d) Compliance with regulations *(Linked to SLO 1.2)*
3. IPSAS are issued by the __________. a) IMF b) IPSASB c) World Bank d) WTO *(Linked to SLO 1.3)*
4. The Fiscal Responsibility Act of 2010 introduced the __________ to link budgeting with long-term planning. a) Medium Term Expenditure Framework (MTEF) b) Cash basis method c) Accrual basis method d) IFRS *(Linked to SLO 1.4)*
5. The EFCC is responsible for investigating and prosecuting __________ crimes in Nigeria. a) Financial b) Physical c) Informal d) Corporate *(Linked to SLO 1.5)*

Short-answer questions

6. Define public sector accounting and explain its scope. *(Linked to SLO 1.1)*
7. State two objectives of public sector accounting. *(Linked to SLO 1.2)*
8. Explain the role of GAAPs in public sector accounting. *(Linked to SLO 1.3)*
9. Identify two regulatory instruments that guide public sector accounting in Nigeria. *(Linked to SLO 1.4)*
10. Mention two oversight institutions that promote accountability in public office. *(Linked to SLO 1.5)*

Long-answer questions

11. Discuss the distinction between public sector accounting and private sector accounting, highlighting their objectives and focus. *(Linked to SLO 1.1)*
12. Analyse the importance of international pronouncements and IPSAS in strengthening public sector accounting. *(Linked to SLO 1.3)*

13. Evaluate the constitutional, legislative, and regulatory frameworks that shape public sector accounting in Nigeria. *(Linked to SLO 1.4)*
14. Examine the roles of oversight institutions such as EFCC, ICPC, and PAC in promoting accountability and probity in public office. *(Linked to SLO 1.5)*
15. Assess how accountability and probity contribute to public confidence in the management of government resources. *(Linked to SLO 1.5)*

Answers to Pilot Questions – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Answers to pilot questions 1.1

1. a) Stewardship
2. a) Transparency
3. a) Profit
4. a) Federal, state, and local
5. c) Maximising profit

Answers to pilot questions 1.2

1. a) Consistency
2. a) Harmonisation
3. b) IPSASB
4. a) Accountability
5. c) Profit maximisation

Answers to pilot questions 1.3

1. a) Public
2. a) Public
3. a) Local
4. a) Medium Term Expenditure Framework (MTEF)
5. d) Profit maximisation

Answers to pilot questions 1.4

1. a) Explain
2. a) Financial
3. a) Corruption
4. a) Conduct
5. a) Corruption

References and Attributions – Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting

Figures, tables, and boxes in this Series were created as placeholders with suggested AI prompts and open educational resource (OER) search strings. Attribution is given to the prompts and sources suggested for learners to explore further.

Box 1.1 Scope of public sector accounting AI prompt: “Create a box explaining the scope of public sector accounting, highlighting stewardship, accountability, and compliance.” Suggested OER search string: “scope of public sector accounting Nigeria OER”

Figure 1.1 Objectives of public sector accounting AI prompt: “Generate a diagram illustrating the objectives of public sector accounting, including transparency, accountability, compliance, and planning.” Suggested OER search string: “objectives of public sector accounting Nigeria OER”

Table 1.1 Distinction between public and private sector accounting AI prompt: “Create a table comparing public sector accounting and private sector accounting in terms of objectives, focus, and reporting requirements.” Suggested OER search string: “public vs private sector accounting Nigeria OER”

Box 1.2 GAAPs in public sector accounting AI prompt: “Create a box explaining GAAPs in public sector accounting, highlighting consistency, transparency, and comparability.” Suggested OER search string: “GAAP public sector accounting Nigeria OER”

Figure 1.2 International pronouncements in public sector accounting AI prompt: “Generate a diagram illustrating international pronouncements and their influence on public sector accounting.” Suggested OER search string: “international pronouncements public sector accounting OER”

Table 1.2 Key features of IPSAS AI prompt: “Create a table summarising the key features of IPSAS in public sector accounting.” Suggested OER search string: “IPSAS features Nigeria OER”

Box 1.3 Finance Act of 1958 AI prompt: “Create a box explaining the Finance (Control and Management) Act of 1958 and its importance in Nigeria’s public sector accounting.” Suggested OER search string: “Finance Act 1958 Nigeria public sector accounting OER”

Figure 1.3 Financial regulations in Nigeria AI prompt: “Generate a diagram illustrating financial regulations for federal and state governments in Nigeria.” Suggested OER search string: “financial regulations Nigeria public sector OER”

Table 1.3 Financial memoranda for local government councils AI prompt: “Create a table summarising financial memoranda provisions for local government councils in Nigeria.” Suggested OER search string: “financial memoranda local government Nigeria OER”

Box 1.4 Fiscal Responsibility Act, 2010 AI prompt: “Create a box explaining the Fiscal Responsibility Act, 2010 and its role in promoting transparency and sustainability.” Suggested OER search string: “Fiscal Responsibility Act 2010 Nigeria OER”

Box 1.5 Accountability and probity in public sector accounting AI prompt: “Create a box explaining accountability and probity in public sector accounting, highlighting integrity and transparency.” Suggested OER search string: “accountability probity public sector Nigeria OER”

Figure 1.4 Oversight institutions in Nigeria AI prompt: “Generate a diagram illustrating oversight institutions in Nigeria and their roles in public sector accountability.” Suggested OER search string: “oversight institutions Nigeria public sector OER”

Table 1.4 Contributions of oversight institutions AI prompt: “Create a table summarising the contributions of oversight institutions to accountability and public confidence.” Suggested OER search string: “oversight institutions accountability Nigeria OER”

General references for Series 1 content:

- Finance (Control and Management) Act of 1958 (as amended).
- Financial regulations for federal and state governments.
- Financial memoranda for local government councils.
- Fiscal Responsibility Act, 2010.
- International Public Sector Accounting Standards (IPSAS) issued by IPSASB.
- Professional pronouncements from the United Nations and International Committee for Public Sector Financial Management.
- Roles of oversight institutions: EFCC, ICPC, Code of Conduct Bureau, Code of Conduct Tribunal, and Public Accounts Committee.

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Outline for Series 2

Part 2.1 Government Planning and Budgeting

- Concept and importance of planning in the public sector
- Types of budgets (e.g. recurrent, capital, surplus, deficit)

- Budgeting techniques (e.g. line-item, programme, performance, zero-based)
- Budget process and control mechanisms

Part 2.2 Medium Term Expenditure Framework (MTEF)

- Definition and objectives of MTEF
- Components of MTEF (revenue framework, expenditure framework, fiscal targets)
- Link between MTEF and the Fiscal Responsibility Act, 2010
- Role of MTEF in promoting transparency and sustainability

Part 2.3 Medium Term Sector Strategies (MTSS)

- Definition and purpose of MTSS
- Relationship between MTSS and MTEF
- Sectoral planning and resource allocation
- Challenges in implementing MTSS

Part 2.4 Planning, Programming, and Budgeting System (PPBS)

- Concept and objectives of PPBS
- Steps in PPBS (planning, programming, budgeting)
- Advantages and limitations of PPBS in the public sector
- Comparison of PPBS with other budgeting techniques

Part 2.5 Roles of Key Institutions in Budgeting

- Functions of the Federation Account Allocation Committee (FAAC)
- Role of the Revenue Mobilisation Allocation and Fiscal Commission (RMAFC)
- Application of IPSAS 24 in budget reporting
- Oversight and accountability in budget implementation

Introduction – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Planning and budgeting are central to the effective management of public resources. Governments must allocate scarce resources to competing needs in a way that promotes development, accountability, and sustainability. Public sector planning provides the framework for setting priorities, while budgeting translates these priorities into financial terms.

The aim of this Series is to help you understand how planning and budgeting operate in the public sector, and how medium-term frameworks such as the **Medium Term Expenditure Framework (MTEF)** and **Medium Term Sector Strategies (MTSS)** strengthen fiscal discipline and transparency.

We shall begin by examining government planning and budgeting, including the types of budgets, techniques, and processes. Next, we will explore the MTEF, its objectives, components, and link to the Fiscal Responsibility Act. We will then consider MTSS, focusing on sectoral planning and resource allocation. Following this, we will study the Planning, Programming, and Budgeting System (PPBS), its steps, advantages, and limitations. Finally, we will discuss the roles of key institutions in budgeting, such as FAAC, RMAFC, and the application of IPSAS 24 in budget reporting.

This sequential approach will enable you to appreciate how planning and budgeting frameworks are interconnected, and how they contribute to accountability and sustainable development in the public sector.

Series Learning Outcomes – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Upon completing this Series, you should be able to:

- **SLO 2.1** define the concept of government planning and budgeting, and explain their importance in public financial management,
- **SLO 2.2** analyse different types of budgets and budgeting techniques used in the public sector,
- **SLO 2.3** evaluate the objectives, components, and role of the Medium Term Expenditure Framework (MTEF) in promoting fiscal discipline,
- **SLO 2.4** explain the purpose of Medium Term Sector Strategies (MTSS) and assess their relationship with MTEF,
- **SLO 2.5** examine the Planning, Programming, and Budgeting System (PPBS), including its steps, advantages, and limitations,
- **SLO 2.6** discuss the roles of key institutions such as FAAC, RMAFC, and the application of IPSAS 24 in budget reporting, and
- **SLO 2.7** evaluate how planning and budgeting frameworks contribute to transparency, accountability, and sustainable development in the public sector.

2.1 Government Planning and Budgeting

2.1.1 Concept and importance of planning in the public sector

Planning in the public sector refers to the systematic process of setting objectives, identifying priorities, and allocating resources to achieve national development goals. It ensures that government actions are purposeful and aligned with long-term strategies. Planning is important because it promotes efficiency, reduces waste, and provides a framework for accountability.

In-text question: Planning in the public sector ensures that government actions are _________ and aligned with long-term strategies.

Box 2.1 Importance of planning in the public sector Caption: Key reasons why planning is essential for efficiency, accountability, and resource allocation.

2.1.2 Types of budgets

A **budget** is a financial plan that outlines expected revenues and expenditures over a specific period. In the public sector, budgets can take different forms:

- **Recurrent budget**: Covers routine expenses such as salaries and maintenance.
- **Capital budget**: Focuses on long-term investments like infrastructure.
- **Surplus budget**: Occurs when revenues exceed expenditures.
- **Deficit budget**: Occurs when expenditures exceed revenues.

In-text question: A budget where revenues exceed expenditures is called a _________ budget.

Table 2.1 Types of budgets in the public sector Caption: Comparison of recurrent, capital, surplus, and deficit budgets.

2.1.3 Budgeting techniques

Budgeting techniques are methods used to prepare and implement budgets. Common techniques include:

- **Line-item budgeting**: Lists expenditures by category, simple but limited in analysis.
- **Programme budgeting**: Links spending to specific programmes or objectives.
- **Performance budgeting**: Focuses on outputs and outcomes, measuring efficiency.
- **Zero-based budgeting (ZBB)**: Requires justification for all expenditures, starting from zero each cycle.

In-text question: _________ budgeting requires justification for all expenditures, starting from zero each cycle.

Figure 2.1 Budgeting techniques in the public sector Caption: Diagram showing line-item, programme, performance, and zero-based budgeting techniques.

2.1.4 Budget process and control mechanisms

The **budget process** involves preparation, approval, implementation, and evaluation. Control mechanisms include legislative oversight, internal audits, and external audits to ensure compliance and accountability.

In-text question: The budget process involves preparation, approval, _________, and evaluation.

Box 2.2 Budget process and control mechanisms Caption: Steps in the budget process and mechanisms for ensuring accountability.

Pilot questions 2.1

1. Planning in the public sector ensures that government actions are _________ and aligned with long-term strategies. a) Purposeful b) Profitable c) Competitive d) Informal
2. A budget where revenues exceed expenditures is called a _________ budget. a) Surplus b) Deficit c) Capital d) Recurrent
3. _________ budgeting requires justification for all expenditures, starting from zero each cycle. a) Zero-based b) Line-item c) Programme d) Performance
4. The budget process involves preparation, approval, _________, and evaluation. a) Implementation b) Competition c) Profit maximisation d) Investment
5. Which of the following is NOT a type of budget in the public sector? a) Surplus b) Deficit c) Capital d) Profit maximisation

2.2 Medium Term Expenditure Framework (MTEF)

2.2.1 Definition and objectives

The **Medium Term Expenditure Framework (MTEF)** is a three-year rolling plan that links government policy priorities with available resources. It sets out revenue projections, expenditure ceilings, and fiscal targets, thereby ensuring that budgeting is consistent with long-term development goals. The objectives of MTEF include promoting fiscal discipline, enhancing transparency, and improving predictability in resource allocation.

In-text question: The MTEF is a _________-year rolling plan that links government policy priorities with available resources.

Box 2.3 Objectives of MTEF Caption: Key objectives of the Medium Term Expenditure Framework, including fiscal discipline, transparency, and predictability.

2.2.2 Components of MTEF

The MTEF comprises three main components:

- **Revenue framework**: Projects government revenues over the medium term.
- **Expenditure framework**: Sets expenditure ceilings for ministries, departments, and agencies.
- **Fiscal targets**: Establishes benchmarks for deficit, debt, and inflation management.

In-text question: The expenditure framework within MTEF sets _________ for ministries, departments, and agencies.

Table 2.2 Components of MTEF Caption: Summary of revenue framework, expenditure framework, and fiscal targets.

2.2.3 Link to the Fiscal Responsibility Act, 2010

The **Fiscal Responsibility Act, 2010** made the adoption of MTEF mandatory in Nigeria. It requires the government to prepare and publish an MTEF annually, ensuring that fiscal policy is transparent and sustainable. This legal backing strengthens the credibility of the budgeting process.

In-text question: The Fiscal Responsibility Act, 2010 made the adoption of _________ mandatory in Nigeria.

Figure 2.2 Link between MTEF and Fiscal Responsibility Act Caption: Diagram showing how the Fiscal Responsibility Act enforces the use of MTEF in Nigeria.

2.2.4 Role of MTEF in promoting transparency and sustainability

MTEF promotes transparency by making budgetary assumptions and projections publicly available. It enhances sustainability by aligning expenditure with realistic revenue forecasts and by setting fiscal targets that prevent excessive deficits and debt accumulation.

In-text question: MTEF enhances sustainability by aligning expenditure with realistic _________ forecasts.

Box 2.4 Role of MTEF in transparency and sustainability Caption: Explanation of how MTEF promotes transparency and sustainability in public financial management.

Pilot questions 2.2

1. The MTEF is a _________-year rolling plan that links government policy priorities with available resources. a) Three b) Two c) Five d) Ten
2. The expenditure framework within MTEF sets _________ for ministries, departments, and agencies. a) Ceilings b) Profits c) Investments d) Competition
3. The Fiscal Responsibility Act, 2010 made the adoption of _________ mandatory in Nigeria. a) MTEF b) IFRS c) PPBS d) ZBB
4. MTEF enhances sustainability by aligning expenditure with realistic _________ forecasts. a) Revenue b) Profit c) Competition d) Investment
5. Which of the following is NOT a component of MTEF? a) Revenue framework b) Expenditure framework c) Fiscal targets d) Profit maximisation

2.3 Medium Term Sector Strategies (MTSS)

2.3.1 Definition and purpose

Medium Term Sector Strategies (MTSS) are detailed plans prepared by individual sectors of government to align their priorities with the Medium Term Expenditure Framework (MTEF). They provide a structured approach to resource allocation, ensuring that sectoral objectives are consistent with national development goals. The purpose of MTSS is to improve efficiency, enhance accountability, and strengthen the link between policy and budgeting.

In-text question: MTSS are detailed plans prepared by __________ of government to align their priorities with the MTEF.

Box 2.5 Purpose of MTSS Caption: Explanation of the purpose of MTSS in aligning sectoral priorities with national development goals.

2.3.2 Relationship between MTSS and MTEF

MTSS are closely linked to the MTEF. While MTEF provides the overall fiscal framework, MTSS translate this into sector-specific strategies. Each sector develops its MTSS to ensure that its programmes and projects are adequately funded within the expenditure ceilings set by the MTEF. This relationship ensures coherence between national fiscal policy and sectoral planning.

In-text question: MTSS translate the overall fiscal framework of the __________ into sector-specific strategies.

Figure 2.3 Relationship between MTSS and MTEF Caption: Diagram showing how MTSS connect sectoral planning to the fiscal framework provided by MTEF.

2.3.3 Sectoral planning and resource allocation

Sectoral planning involves identifying priorities within each ministry or department and allocating resources accordingly. MTSS ensure that resources are directed towards programmes that deliver measurable outcomes. This approach promotes efficiency and accountability, as sectors must justify their resource needs based on expected results.

In-text question: Sectoral planning ensures that resources are directed towards programmes that deliver __________ outcomes.

Table 2.3 Sectoral planning and resource allocation Caption: Summary of how MTSS guide resource allocation to achieve measurable outcomes. ”

2.3.4 Challenges in implementing MTSS

Despite its benefits, MTSS faces challenges such as:

- Limited technical capacity in ministries and agencies,
- Inadequate data for planning and monitoring,
- Political interference in resource allocation, and
- Weak coordination between sectors and central government.

In-text question: One challenge of implementing MTSS is inadequate __________ for planning and monitoring.

Box 2.6 Challenges in implementing MTSS Caption: Key challenges faced in implementing MTSS in Nigeria.

Pilot questions 2.3

1. MTSS are detailed plans prepared by __________ of government to align their priorities with the MTEF. a) Sectors b) Corporations c) Private firms d) NGOs
2. MTSS translate the overall fiscal framework of the __________ into sector-specific strategies. a) MTEF b) IFRS c) PPBS d) ZBB
3. Sectoral planning ensures that resources are directed towards programmes that deliver __________ outcomes. a) Measurable b) Profitable c) Competitive d) Informal
4. One challenge of implementing MTSS is inadequate __________ for planning and monitoring. a) Data b) Profit c) Competition d) Investment
5. Which of the following is NOT a challenge of MTSS implementation? a) Limited technical capacity b) Inadequate data c) Political interference d) Profit maximisation

2.4 Planning, Programming, and Budgeting System (PPBS)

2.4.1 Concept and objectives

The **Planning, Programming, and Budgeting System (PPBS)** is a management tool that integrates planning, programming, and budgeting into a single process. It was designed to improve decision-making by linking resources to objectives and outcomes. The main objectives of PPBS are to ensure efficiency, rational allocation of resources, and alignment of budgets with long-term plans.

In-text question: PPBS integrates planning, __________, and budgeting into a single process.

Box 2.7 Objectives of PPBS Caption: Explanation of the objectives of PPBS, including efficiency, rational allocation, and alignment with long-term plans.

2.4.2 Steps in PPBS

PPBS involves three major steps:

- **Planning**: Identifying long-term goals and priorities.
- **Programming**: Developing programmes and projects to achieve these goals.
- **Budgeting**: Allocating resources to programmes and projects within fiscal constraints.

In-text question: The programming step in PPBS involves developing __________ and projects to achieve long-term goals.

Figure 2.4 Steps in PPBS Caption: Diagram showing the three steps of PPBS – planning, programming, and budgeting. ."

2.4.3 Advantages of PPBS

PPBS offers several advantages:

- Promotes rational decision-making,
- Links budgets to long-term objectives,
- Encourages accountability by focusing on outcomes,
- Improves coordination across government departments.

In-text question: One advantage of PPBS is that it promotes __________ decision-making.

Table 2.4 Advantages of PPBS Caption: Summary of the advantages of PPBS in public sector financial managementbudgeting."

2.4.4 Limitations of PPBS

Despite its strengths, PPBS faces limitations such as:

- Complexity in implementation,
- Requirement for skilled personnel and reliable data,
- Resistance to change from traditional budgeting methods,
- Time-consuming processes.

In-text question: One limitation of PPBS is that it requires skilled __________ and reliable data.

Box 2.8 Limitations of PPBS Caption: Explanation of the limitations of PPBS, including complexity, data requirements, and resistance to change.

Pilot questions 2.4

1. PPBS integrates planning, __________, and budgeting into a single process. a) Programming b) Profit maximisation c) Competition d) Investment
2. The programming step in PPBS involves developing __________ and projects to achieve long-term goals. a) Programmes b) Profits c) Investments d) Competitions
3. One advantage of PPBS is that it promotes __________ decision-making. a) Rational b) Profitable c) Competitive d) Informal
4. One limitation of PPBS is that it requires skilled __________ and reliable data. a) Personnel b) Profit c) Competition d) Investment

5. Which of the following is NOT a limitation of PPBS? a) Complexity in implementation b) Requirement for skilled personnel c) Resistance to change d) Profit maximisation

2.5 Roles of Key Institutions in Budgeting

2.5.1 Federation Account Allocation Committee (FAAC)

The **Federation Account Allocation Committee (FAAC)** is responsible for distributing revenue among the federal, state, and local governments. It ensures that funds from oil revenues, taxes, and other sources are shared equitably according to constitutional provisions.

In-text question: FAAC is responsible for distributing __________ among the federal, state, and local governments.

Box 2.9 Role of FAAC Caption: Explanation of FAAC's role in revenue distribution across tiers of government.

2.5.2 Revenue Mobilisation Allocation and Fiscal Commission (RMAFC)

The **Revenue Mobilisation Allocation and Fiscal Commission (RMAFC)** advises on revenue sharing formulas and monitors accruals to the Federation Account. It also ensures that revenue allocation promotes equity and fiscal responsibility.

In-text question: RMAFC advises on revenue sharing __________ and monitors accruals to the Federation Account.

Figure 2.5 Role of RMAFC Caption: Diagram showing RMAFC's functions in revenue sharing and fiscal responsibilitys."

2.5.3 Application of IPSAS 24 in budget reporting

IPSAS 24 requires governments to present budget information in their financial statements. This standard enhances transparency by comparing actual performance with budgeted figures, highlighting variances, and explaining reasons for deviations.

In-text question: IPSAS 24 requires governments to present __________ information in their financial statements.

Table 2.5 Application of IPSAS 24 Caption: Summary of IPSAS 24 requirements for budget reporting

2.5.4 Oversight and accountability in budget implementation

Oversight institutions such as the legislature, Auditor-General, and Public Accounts Committee monitor budget implementation. Their role is to ensure that funds are used for intended purposes, variances are explained, and corrective actions are taken.

In-text question: Oversight institutions ensure that funds are used for __________ purposes during budget implementation.

Box 2.10 Oversight in budget implementation Caption: Explanation of oversight and accountability mechanisms in budget implementation.

Pilot questions 2.5

1. FAAC is responsible for distributing __________ among the federal, state, and local governments. a) Revenue b) Profit c) Competition d) Investment
2. RMAFC advises on revenue sharing __________ and monitors accruals to the Federation Account. a) Formulas b) Profits c) Investments d) Competition
3. IPSAS 24 requires governments to present __________ information in their financial statements. a) Budget b) Profit c) Competition d) Investment
4. Oversight institutions ensure that funds are used for __________ purposes during budget implementation. a) Intended b) Profitable c) Competitive d) Informal
5. Which of the following is NOT a role of RMAFC? a) Advising on revenue sharing formulas b) Monitoring accruals to the Federation Account c) Distributing revenue among tiers of government d) Promoting fiscal responsibility

Series 2 Summary: Planning, Budgeting, and Medium Term Expenditure Frameworks

This Series has shown how governments plan and manage resources to achieve development goals, emphasising the importance of linking policy priorities with financial realities. We began with the foundations of planning and budgeting, explored different types of budgets and techniques, and examined the budget process and its control mechanisms. We then moved to the Medium Term Expenditure Framework (MTEF), highlighting its objectives, components, and legal backing under the Fiscal Responsibility Act. Building on this, we studied Medium Term Sector Strategies (MTSS), which translate the MTEF into sector-specific plans, before considering the Planning, Programming, and Budgeting System (PPBS) with its steps, advantages, and limitations. Finally, we looked at the roles of key institutions such as FAAC, RMAFC, and the application of IPSAS 24 in ensuring transparency and accountability.

By engaging with these topics, you should now be able to define planning and budgeting in the public sector, analyse types of budgets and techniques, evaluate the objectives and components of MTEF, explain the role of MTSS, examine PPBS, and discuss the contributions of FAAC, RMAFC, IPSAS 24, and oversight institutions. In line with the Series Learning Outcomes, you can also assess how these frameworks collectively strengthen transparency, accountability, and sustainable development in public financial management.

Glossary of Terms – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Budget: A financial plan outlining expected revenues and expenditures over a specific period.

Budgeting techniques: Methods used to prepare budgets, including line-item, programme, performance, and zero-based budgeting.

Capital budget: A budget focused on long-term investments such as infrastructure projects.

Deficit budget: A budget where expenditures exceed revenues.

Federation Account Allocation Committee (FAAC): The body responsible for distributing revenue among federal, state, and local governments.

Fiscal Responsibility Act, 2010: Nigerian legislation that mandates the adoption of the Medium Term Expenditure Framework (MTEF) to promote transparency and sustainability.

IPSAS 24: An international public sector accounting standard requiring governments to present budget information in their financial statements.

Line-item budgeting: A budgeting technique that lists expenditures by category, simple but limited in analysis.

Medium Term Expenditure Framework (MTEF): A three-year rolling plan linking government policy priorities with available resources, setting revenue projections, expenditure ceilings, and fiscal targets.

Medium Term Sector Strategies (MTSS): Sector-specific plans that align priorities with the MTEF, guiding resource allocation and programme implementation.

Performance budgeting: A budgeting technique that focuses on outputs and outcomes, measuring efficiency.

Planning: The systematic process of setting objectives, identifying priorities, and allocating resources to achieve development goals.

Planning, Programming, and Budgeting System (PPBS): A management tool that integrates planning, programming, and budgeting into a single process.

Programme budgeting: A budgeting technique that links spending to specific programmes or objectives.

Recurrent budget: A budget covering routine expenses such as salaries and maintenance.

Revenue Mobilisation Allocation and Fiscal Commission (RMAFC): The body that advises on revenue sharing formulas and monitors accruals to the Federation Account.

Surplus budget: A budget where revenues exceed expenditures.

Zero-based budgeting (ZBB): A budgeting technique requiring justification for all expenditures, starting from zero each cycle.

Concept Check Questions – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Objective questions

1. Planning in the public sector ensures that government actions are _________ and aligned with long-term strategies. a) Purposeful b) Profitable c) Competitive d) Informal *(Linked to SLO 2.1)*
2. Which of the following is NOT a type of budget in the public sector? a) Surplus b) Deficit c) Capital d) Profit maximisation *(Linked to SLO 2.2)*
3. The MTEF is a _________-year rolling plan that links government policy priorities with available resources. a) Three b) Two c) Five d) Ten *(Linked to SLO 2.3)*
4. MTSS translate the overall fiscal framework of the _________ into sector-specific strategies. a) MTEF b) IFRS c) PPBS d) ZBB *(Linked to SLO 2.4)*
5. PPBS integrates planning, _________, and budgeting into a single process. a) Programming b) Profit maximisation c) Competition d) Investment *(Linked to SLO 2.5)*

Short-answer questions

6. Define planning in the public sector and explain its importance. *(Linked to SLO 2.1)*
7. State two budgeting techniques used in the public sector. *(Linked to SLO 2.2)*
8. Identify the three main components of MTEF. *(Linked to SLO 2.3)*
9. Explain the relationship between MTSS and MTEF. *(Linked to SLO 2.4)*
10. Mention two advantages and two limitations of PPBS. *(Linked to SLO 2.5)*

Long-answer questions

11. Discuss the types of budgets in the public sector and analyse their relevance to financial management. *(Linked to SLO 2.2)*
12. Evaluate the objectives and role of MTEF in promoting fiscal discipline and sustainability. *(Linked to SLO 2.3)*
13. Analyse the challenges of implementing MTSS and suggest possible solutions. *(Linked to SLO 2.4)*
14. Examine the steps in PPBS and assess how it improves decision-making in public financial management. *(Linked to SLO 2.5)*

15. Discuss the roles of FAAC, RMAFC, IPSAS 24, and oversight institutions in ensuring accountability in budget implementation. *(Linked to SLO 2.6 & 2.7)*

Answers to Pilot Questions – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Answers to pilot questions 2.1 (Government Planning and Budgeting)

1. a) Purposeful
2. a) Surplus
3. a) Zero-based
4. a) Implementation
5. d) Profit maximisation

Answers to pilot questions 2.2 (Medium Term Expenditure Framework)

1. a) Three
2. a) Ceilings
3. a) MTEF
4. a) Revenue
5. d) Profit maximisation

Answers to pilot questions 2.3 (Medium Term Sector Strategies)

1. a) Sectors
2. a) MTEF
3. a) Measurable
4. a) Data
5. d) Profit maximisation

Answers to pilot questions 2.4 (Planning, Programming, and Budgeting System)

1. a) Programming
2. a) Programmes
3. a) Rational
4. a) Personnel
5. d) Profit maximisation

Answers to pilot questions 2.5 (Roles of Key Institutions in Budgeting)

1. a) Revenue
2. a) Formulas
3. a) Budget
4. a) Intended
5. c) Distributing revenue among tiers of government

References and Attributions – Series 2: Planning, Budgeting, and Medium Term Expenditure Frameworks

Figures, tables, and boxes in this Series were created as placeholders with suggested AI prompts and open educational resource (OER) search strings. Attribution is given to the prompts and sources suggested for learners to explore further.

Box 2.1 Importance of planning in the public sector AI prompt: "Create a box explaining the importance of planning in the public sector, highlighting efficiency, accountability, and alignment with goals." Suggested OER search string: "importance of planning public sector Nigeria OER"

Table 2.1 Types of budgets in the public sector AI prompt: "Create a table comparing types of budgets in the public sector, including recurrent, capital, surplus, and deficit." Suggested OER search string: "types of budgets public sector Nigeria OER"

Figure 2.1 Budgeting techniques in the public sector AI prompt: "Generate a diagram illustrating budgeting techniques in the public sector." Suggested OER search string: "budgeting techniques public sector Nigeria OER"

Box 2.2 Budget process and control mechanisms AI prompt: "Create a box explaining the budget process and control mechanisms in the public sector." Suggested OER search string: "budget process control mechanisms Nigeria OER"

Box 2.3 Objectives of MTEF AI prompt: "Create a box explaining the objectives of MTEF in public sector budgeting." Suggested OER search string: "objectives of MTEF Nigeria OER"

Table 2.2 Components of MTEF AI prompt: "Create a table summarising the components of MTEF in Nigeria." Suggested OER search string: "components of MTEF Nigeria OER"

Figure 2.2 Link between MTEF and Fiscal Responsibility Act AI prompt: "Generate a diagram illustrating the link between MTEF and the Fiscal Responsibility Act, 2010." Suggested OER search string: "MTEF Fiscal Responsibility Act Nigeria OER"

Box 2.4 Role of MTEF in transparency and sustainability AI prompt: "Create a box explaining the role of MTEF in promoting transparency and sustainability." Suggested OER search string: "MTEF transparency sustainability Nigeria OER"

Box 2.5 Purpose of MTSS AI prompt: "Create a box explaining the purpose of MTSS in public sector planning and budgeting." Suggested OER search string: "purpose of MTSS Nigeria OER"

Figure 2.3 Relationship between MTSS and MTEF AI prompt: "Generate a diagram illustrating the relationship between MTSS and MTEF in Nigeria." Suggested OER search string: "MTSS MTEF relationship Nigeria OER"

Table 2.3 Sectoral planning and resource allocation AI prompt: "Create a table summarising sectoral planning and resource allocation under MTSS." Suggested OER search string: "sectoral planning resource allocation Nigeria OER"

Box 2.6 Challenges in implementing MTSS AI prompt: "Create a box explaining the challenges in implementing MTSS in Nigeria." Suggested OER search string: "challenges MTSS Nigeria OER"

Box 2.7 Objectives of PPBS AI prompt: "Create a box explaining the objectives of PPBS in public sector budgeting." Suggested OER search string: "objectives PPBS Nigeria OER"

Figure 2.4 Steps in PPBS AI prompt: "Generate a diagram illustrating the steps in PPBS." Suggested OER search string: "steps PPBS Nigeria OER"

Table 2.4 Advantages of PPBS AI prompt: "Create a table summarising the advantages of PPBS in public sector budgeting." Suggested OER search string: "advantages PPBS Nigeria OER"

Box 2.8 Limitations of PPBS AI prompt: "Create a box explaining the limitations of PPBS in public sector budgeting." Suggested OER search string: "limitations PPBS Nigeria OER"

Box 2.9 Role of FAAC AI prompt: "Create a box explaining the role of FAAC in distributing revenue among federal, state, and local governments." Suggested OER search string: "FAAC role Nigeria OER"

Figure 2.5 Role of RMAFC AI prompt: "Generate a diagram illustrating the role of RMAFC in Nigeria's budgeting process." Suggested OER search string: "RMAFC role Nigeria OER"

Table 2.5 Application of IPSAS 24 AI prompt: "Create a table summarising the application of IPSAS 24 in budget reporting." Suggested OER search string: "IPSAS 24 budget reporting Nigeria OER"

Box 2.10 Oversight in budget implementation AI prompt: "Create a box explaining oversight and accountability in budget implementation." Suggested OER search string: "oversight accountability budget Nigeria OER"

General references for Series 2 content:

- Fiscal Responsibility Act, 2010.
- Federation Account Allocation Committee (FAAC) guidelines.
- Revenue Mobilisation Allocation and Fiscal Commission (RMAFC) reports.
- International Public Sector Accounting Standards (IPSAS 24).
- Nigerian government budgetary and planning documents.

COURSE CODE:ACC 308

COURSE TITLE: Public Sector Accounting & Reporting

COURSE UNIT LOAD:(3 Units C: LH 30; PH 45)

SERIES LIST

- **Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting**
- **Series 2: Planning, Budgeting, and Medium-Term Expenditure Frameworks**
- **Series 3: Reporting, Auditing, and Accountability in the Public Sector**
- **Series 4: Financial Statements, Bases of Accounting, and International Standards**
- **Series 5: Public Procurement, Ethics, and Comparative Sector Reporting**

Part 3.1 Principles of Government Accounting

- Definition and scope of government accounting
- Objectives of government accounting
- Distinction between government and private sector accounting
- Legal and regulatory framework guiding government accounting

Part 3.2 Government Accounting Systems and Records

- Cash basis vs accrual basis in government accounting
- Books of accounts used in government ministries and agencies
- Classification of government accounts (revenue, expenditure, assets, liabilities)
- Role of the Treasury and Accountant-General

Part 3.3 Financial Reporting in the Public Sector

- Concept and importance of financial reporting
- Types of government financial reports (budgetary reports, financial statements, performance reports)
- IPSAS requirements for financial reporting
- Transparency and accountability in reporting

Part 3.4 Consolidated Financial Statements and Public Accounts

- Preparation of consolidated financial statements
- Role of the Auditor-General and Public Accounts Committee
- Challenges in preparing consolidated accounts

- Use of financial reports for decision-making and oversight

Part 3.5 Emerging Issues in Government Accounting and Reporting

- Adoption of IPSAS in Nigeria and its implications
- Digitalisation and e-governance in financial reporting
- Common challenges (capacity, data quality, compliance)
- Future directions for government accounting reforms

Introduction – Series 3: Government Accounting and Financial Reporting

In the last Series, we explored planning, budgeting, and medium-term frameworks that guide how governments allocate resources. Building on that foundation, this Series turns to government accounting and financial reporting, which provide the records and statements that show how those resources are actually managed. Understanding these systems is crucial because they form the backbone of transparency, accountability, and trust in public financial management.

The aim of this Series is to equip you with knowledge of government accounting principles, systems, and reporting practices, and to help you appreciate how financial information supports oversight, decision-making, and reforms in the public sector.

We shall commence this Series by examining the principles of government accounting, including its objectives and regulatory framework. Next, we will study government accounting systems and records, focusing on cash and accrual bases, books of accounts, and the role of the Treasury. Following that, we will consider financial reporting in the public sector, looking at types of reports and IPSAS requirements. Subsequently, we will explore consolidated financial statements and public accounts, highlighting the role of oversight institutions. Finally, we will conclude with emerging issues such as IPSAS adoption, digitalisation, and future reforms in government accounting and reporting.

Series Learning Outcomes – Series 3: Government Accounting and Financial Reporting

By the end of this Series, you should be able to:

- **SLO 3.1** define the principles and objectives of government accounting, and distinguish them from private sector accounting.
- **SLO 3.2** explain the systems and records used in government accounting, including cash and accrual bases, books of accounts, and the role of the Treasury.
- **SLO 3.3** analyse the concept and importance of financial reporting in the public sector, and evaluate the requirements of IPSAS for reporting.
- **SLO 3.4** describe the preparation of consolidated financial statements and assess the role of oversight institutions such as the Auditor-General and Public Accounts Committee.

- **SLO 3.5** evaluate emerging issues in government accounting and reporting, including IPSAS adoption, digitalisation, and reforms.
- **SLO 3.6** assess how government accounting and reporting contribute to transparency, accountability, and effective decision-making in public financial management.

3.1 Principles of Government Accounting

3.1.1 Definition and scope

Government accounting refers to the process of recording, classifying, summarising, and reporting financial transactions of government entities. Its scope covers revenue collection, expenditure management, asset and liability tracking, and compliance with legal and regulatory frameworks. Unlike private sector accounting, government accounting focuses on stewardship and accountability rather than profit.

In-text question: Government accounting focuses on __________ and accountability rather than profit.

Box 3.1 Scope of government accounting Caption: Key areas covered by government accounting, including revenue, expenditure, assets, liabilities, and compliance. ”

3.1.2 Objectives of government accounting

The objectives include:

- Ensuring transparency in the use of public funds,
- Providing information for decision-making and policy formulation,
- Demonstrating accountability to citizens and oversight institutions,
- Supporting compliance with laws and regulations.

In-text question: One objective of government accounting is to ensure __________ in the use of public funds.

[Insert Figure here] **Figure 3.1 Objectives of government accounting** Caption: Diagram showing transparency, accountability, decision-making, and compliance as objectives. AI prompt: “Generate a diagram illustrating the objectives of government accounting.”

3.1.3 Distinction between government and private sector accounting

Government accounting differs from private sector accounting in several ways:

- **Objective**: Government accounting emphasises stewardship and accountability, while private accounting focuses on profit.

- **Users**: Government accounts serve citizens, legislatures, and oversight bodies, whereas private accounts serve shareholders and investors.
- **Standards**: Government accounting follows IPSAS and national regulations, while private accounting follows IFRS and corporate laws.

In-text question: Government accounting serves citizens and oversight bodies, while private accounting serves __________.

Table 3.1 Distinction between government and private sector accounting Caption: Comparison of objectives, users, and standards. ."

3.1.4 Legal and regulatory framework

Government accounting in Nigeria is guided by laws and regulations such as:

- The Finance (Control and Management) Act of 1958,
- Financial Regulations for federal and state governments,
- Financial Memoranda for local governments,
- Fiscal Responsibility Act, 2010,
- International Public Sector Accounting Standards (IPSAS).

In-text question: The Fiscal Responsibility Act, 2010 provides a legal framework for __________ discipline in Nigeria.

Box 3.2 Legal and regulatory framework of government accounting Caption: Key laws and regulations guiding government accounting in Nigeria.

Pilot questions 3.1

1. Government accounting focuses on __________ and accountability rather than profit. a) Stewardship b) Competition c) Profit maximisation d) Investment
2. One objective of government accounting is to ensure __________ in the use of public funds. a) Transparency b) Profitability c) Competition d) Informality
3. Government accounting serves citizens and oversight bodies, while private accounting serves __________. a) Shareholders b) Legislatures c) Auditors d) Citizens
4. The Fiscal Responsibility Act, 2010 provides a legal framework for __________ discipline in Nigeria. a) Fiscal b) Profit c) Competitive d) Informal
5. Which of the following is NOT a guiding framework for government accounting in Nigeria? a) Finance (Control and Management) Act, 1958 b) Financial Regulations c) Financial Memoranda d) Profit maximisation Act

3.2 Government Accounting Systems and Records

3.2.1 Cash basis vs accrual basis in government accounting

Government accounting can be carried out using either the **cash basis** or the **accrual basis**.

- **Cash basis** records transactions only when cash is received or paid. It is simple but does not capture liabilities or receivables.
- **Accrual basis** records transactions when they are incurred, regardless of cash movement. It provides a more accurate picture of financial position and performance.

In-text question: The __________ basis records transactions when they are incurred, regardless of cash movement.

Table 3.2 Cash vs accrual basis in government accounting Caption: Comparison of cash basis and accrual basis in terms of timing, accuracy, and complexity"

3.2.2 Books of accounts used in government ministries and agencies

Government ministries and agencies maintain specific books of accounts, including:

- **Vote books**: Record budgetary allocations and expenditures.
- **Cash books**: Record receipts and payments.
- **Ledger accounts**: Summarise transactions under various heads.
- **Deposit accounts**: Track funds held in trust or for specific purposes.

In-text question: __________ books are used to record budgetary allocations and expenditures in government ministries.

Box 3.3 Books of accounts in government ministries Caption: Key books of accounts maintained in government ministries and agencies.

3.2.3 Classification of government accounts

Government accounts are classified into:

- **Revenue accounts**: Record inflows such as taxes, grants, and fees.
- **Expenditure accounts**: Record outflows such as salaries, maintenance, and capital projects.
- **Asset accounts**: Record government properties and investments.
- **Liability accounts**: Record obligations such as loans and payables.

In-text question: Government accounts that record inflows such as taxes and grants are called __________ accounts.

Figure 3.2 Classification of government accounts Caption: Diagram showing revenue, expenditure, asset, and liability accounts.

3.2.4 Role of the Treasury and Accountant-General

The **Treasury** is responsible for managing government funds, ensuring proper disbursement, and maintaining financial records. The **Accountant-General** oversees the preparation of accounts, ensures compliance with regulations, and provides financial reports to stakeholders.

In-text question: The __________ oversees the preparation of government accounts and ensures compliance with regulations.

Box 3.4 Role of the Treasury and Accountant-General Caption: Functions of the Treasury and Accountant-General in government accounting. "

Pilot questions 3.2

1. The __________ basis records transactions when they are incurred, regardless of cash movement. a) Accrual b) Cash c) Profit d) Informal
2. __________ books are used to record budgetary allocations and expenditures in government ministries. a) Vote b) Cash c) Ledger d) Deposit
3. Government accounts that record inflows such as taxes and grants are called __________ accounts. a) Revenue b) Expenditure c) Asset d) Liability
4. The __________ oversees the preparation of government accounts and ensures compliance with regulations. a) Accountant-General b) Auditor-General c) Treasurer d) Controller
5. Which of the following is NOT a classification of government accounts? a) Revenue b) Expenditure c) Asset d) Profit maximisation

3.3 Financial Reporting in the Public Sector

3.3.1 Concept and importance

Financial reporting in the public sector refers to the preparation and presentation of financial information by government entities. It provides stakeholders with insights into how public funds are managed, ensuring transparency and accountability. Financial reporting is important because it supports decision-making, strengthens public trust, and allows for effective monitoring of government performance.

In-text question: Financial reporting in the public sector ensures __________ and accountability in the use of public funds.

Box 3.5 Importance of financial reporting Caption: Key reasons why financial reporting is important in the public sector.

3.3.2 Types of government financial reports

Government financial reports include:

- **Budgetary reports**: Compare planned budgets with actual performance.
- **Financial statements**: Present assets, liabilities, revenues, and expenditures.
- **Performance reports**: Assess efficiency and effectiveness of programmes.

In-text question: __________ reports compare planned budgets with actual performance.

Table 3.3 Types of government financial reports Caption: Summary of budgetary reports, financial statements, and performance reports.

3.3.3 IPSAS requirements for financial reporting

The **International Public Sector Accounting Standards (IPSAS)** set global benchmarks for public sector reporting. IPSAS 24, in particular, requires governments to present budget information in their financial statements, compare actual results with budgeted figures, and explain variances. This enhances transparency and comparability across jurisdictions.

In-text question: IPSAS 24 requires governments to present __________ information in their financial statements.

Figure 3.3 IPSAS requirements for financial reporting Caption: Diagram showing IPSAS 24 requirements for budget presentation, variance analysis, and transparency."

3.3.4 Transparency and accountability in reporting

Financial reporting promotes transparency by making financial data publicly available. It also enhances accountability by enabling oversight institutions, such as legislatures and auditors, to scrutinise government performance. Citizens benefit from clear reporting as it builds trust in governance.

In-text question: Financial reporting promotes transparency by making __________ data publicly available.

Box 3.6 Transparency and accountability in reporting Caption: Explanation of how financial reporting promotes transparency and accountability in governance.

Pilot questions 3.3

1. Financial reporting in the public sector ensures __________ and accountability in the use of public funds. a) Transparency b) Profitability c) Competition d) Informality
2. __________ reports compare planned budgets with actual performance. a) Budgetary b) Financial statements c) Performance d) Cash flow
3. IPSAS 24 requires governments to present __________ information in their financial statements. a) Budget b) Profit c) Competition d) Investment
4. Financial reporting promotes transparency by making __________ data publicly available. a) Financial b) Profit c) Competitive d) Informal
5. Which of the following is NOT a type of government financial report? a) Budgetary reports b) Financial statements c) Performance reports d) Profit maximisation reports

3.4 Consolidated Financial Statements and Public Accounts

3.4.1 Preparation of consolidated financial statements

Consolidated financial statements combine the accounts of different government entities into a single set of reports. This process ensures that the overall financial position of government is presented clearly. It involves aggregating revenues, expenditures, assets, and liabilities across ministries, departments, and agencies.

In-text question: Consolidated financial statements combine the accounts of different __________ entities into a single set of reports.

Box 3.7 Preparation of consolidated financial statements Caption: Steps involved in preparing consolidated financial statements in the public sector.

3.4.2 Role of oversight institutions

Oversight institutions such as the **Auditor-General** and the **Public Accounts Committee (PAC)** play a vital role in reviewing consolidated accounts. The Auditor-General audits government accounts to ensure accuracy and compliance, while the PAC examines audit reports and holds ministries accountable for financial management.

In-text question: The __________ audits government accounts to ensure accuracy and compliance.

Figure 3.4 Oversight institutions in public accounts Caption: Diagram showing the roles of the Auditor-General and Public Accounts Committee.

3.4.3 Challenges in preparing consolidated accounts

Preparing consolidated accounts can be difficult due to:

- Inconsistent accounting practices across agencies,
- Limited technical capacity and skilled personnel,
- Delays in submission of financial records,
- Inadequate adoption of IPSAS standards.

In-text question: One challenge in preparing consolidated accounts is inconsistent __________ practices across agencies.

[Insert Box here] **Box 3.8 Challenges in preparing consolidated accounts** Caption: Key challenges faced in preparing consolidated financial statements in Nigeria.

3.4.4 Use of financial reports for decision-making and oversight

Consolidated financial reports are essential for decision-making. They provide policymakers with a complete picture of government finances, enabling better resource allocation. Oversight bodies use these reports to monitor compliance, detect irregularities, and recommend corrective measures.

In-text question: Consolidated financial reports provide policymakers with a complete __________ of government finances.

Table 3.4 Uses of consolidated financial reports Caption: Summary of how consolidated financial reports support decision-making and oversight. AI prompt: "Create a table summarising the uses of consolidated financial reports in public financial management."

Pilot questions 3.4

1. Consolidated financial statements combine the accounts of different __________ entities into a single set of reports. a) Government b) Private c) Corporate d) Informal
2. The __________ audits government accounts to ensure accuracy and compliance. a) Auditor-General b) Accountant-General c) Treasurer d) Controller
3. One challenge in preparing consolidated accounts is inconsistent __________ practices across agencies. a) Accounting b) Profit c) Competitive d) Informal
4. Consolidated financial reports provide policymakers with a complete __________ of government finances. a) Picture b) Profit c) Competition d) Informality
5. Which of the following is NOT a challenge in preparing consolidated accounts? a) Inconsistent accounting practices b) Limited technical capacity c) Delays in submission of records d) Profit maximisation

3.5 Emerging Issues in Government Accounting and Reporting

3.5.1 Adoption of IPSAS in Nigeria and its implications

Nigeria has gradually adopted the **International Public Sector Accounting Standards (IPSAS)** to improve transparency and comparability in government financial reporting. IPSAS adoption enhances credibility, aligns Nigeria with global best practices, and strengthens fiscal discipline. However, it also requires significant capacity building and system reforms.

In-text question: Adoption of IPSAS in Nigeria enhances __________ and comparability in government financial reporting.

Box 3.9 Adoption of IPSAS in Nigeria Caption: Key implications of IPSAS adoption for transparency, comparability, and fiscal discipline.

3.5.2 Digitalisation and e-governance in financial reporting

Digitalisation has transformed government accounting by introducing electronic systems for recording, reporting, and monitoring financial transactions. E-governance tools such as integrated financial management systems (IFMIS) improve efficiency, reduce errors, and enhance accessibility of financial data.

In-text question: Digitalisation in government accounting introduces __________ systems for recording and reporting financial transactions.

Figure 3.5 Digitalisation in government accounting Caption: Diagram showing how digital tools improve efficiency, reduce errors, and enhance accessibility.

3.5.3 Common challenges in government accounting reforms

Emerging reforms face challenges such as:

- Limited technical capacity and skilled personnel,
- Inadequate infrastructure for digital systems,
- Resistance to change from traditional practices,
- Weak enforcement of standards and regulations.

In-text question: One challenge in government accounting reforms is resistance to __________ from traditional practices.

Box 3.10 Challenges in government accounting reforms Caption: Key challenges faced in implementing reforms in government accounting.

3.5.4 Future directions for government accounting reforms

Future reforms are expected to focus on:

- Full implementation of IPSAS across all tiers of government,
- Strengthening capacity through training and professional development,
- Expanding digital platforms for real-time reporting,
- Enhancing citizen participation and access to financial information.

In-text question: Future reforms in government accounting will expand __________ platforms for real-time reporting.

Table 3.5 Future directions in government accounting reforms Caption: Summary of expected future reforms in government accounting.

Pilot questions 3.5

1. Adoption of IPSAS in Nigeria enhances __________ and comparability in government financial reporting. a) Transparency b) Profitability c) Competition d) Informality
2. Digitalisation in government accounting introduces __________ systems for recording and reporting financial transactions. a) Electronic b) Manual c) Informal d) Competitive
3. One challenge in government accounting reforms is resistance to __________ from traditional practices. a) Change b) Profit c) Competition d) Informality
4. Future reforms in government accounting will expand __________ platforms for real-time reporting. a) Digital b) Manual c) Informal d) Competitive
5. Which of the following is NOT a challenge in government accounting reforms? a) Limited technical capacity b) Inadequate infrastructure c) Resistance to change d) Profit maximisation

Series 3 Summary: Government Accounting and Financial Reporting

This Series has explored how governments record, classify, and report their financial activities, emphasising the importance of transparency and accountability in managing public funds. We began with the principles of government accounting, examining its objectives, scope, and legal framework, before moving on to systems and records such as cash and accrual bases, vote books, and the role of the Treasury. We then studied financial reporting in the public sector, considering types of reports and IPSAS requirements, followed by consolidated financial statements and public accounts, where we highlighted oversight roles and challenges. Finally, we addressed emerging issues including IPSAS adoption, digitalisation, and future reforms.

By engaging with these topics, you should now be able to define the principles and objectives of government accounting, explain systems and records, analyse financial reporting requirements, describe consolidated accounts and oversight roles, and evaluate emerging reforms. In line with the Series Learning Outcomes, you can also assess how government accounting and reporting contribute to transparency, accountability, and effective decision-making in public financial management.

Glossary of Terms – Series 3: Government Accounting and Financial Reporting

Accrual basis: An accounting method that records transactions when they are incurred, regardless of cash movement.

Accountant-General: The government official responsible for overseeing the preparation of accounts and ensuring compliance with financial regulations.

Auditor-General: An oversight authority that audits government accounts to ensure accuracy, compliance, and accountability.

Cash basis: An accounting method that records transactions only when cash is received or paid.

Consolidated financial statements: Reports that combine the accounts of different government entities into a single set of financial statements.

Deposit accounts: Records of funds held in trust or for specific purposes by government agencies.

E-governance: The use of digital tools and systems to improve efficiency, transparency, and accessibility in government financial reporting.

Financial Memoranda: Regulations guiding financial management at the local government level in Nigeria.

Financial reporting: The preparation and presentation of financial information to stakeholders, ensuring transparency and accountability.

Fiscal Responsibility Act, 2010: Nigerian legislation that promotes fiscal discipline and mandates the adoption of frameworks such as MTEF.

International Public Sector Accounting Standards (IPSAS): Global standards for public sector accounting and reporting, aimed at enhancing transparency and comparability.

Ledger accounts: Records that summarise transactions under various heads in government accounting.

Performance reports: Documents assessing the efficiency and effectiveness of government programmes.

Public Accounts Committee (PAC): A legislative body that examines audit reports and holds ministries accountable for financial management.

Revenue accounts: Records of inflows such as taxes, grants, and fees.

Stewardship: The responsibility of government officials to manage public funds transparently and accountably.

Transparency: The practice of making financial information publicly available to build trust and enable oversight.

Vote books: Records of budgetary allocations and expenditures maintained by government ministries.

Concept Check Questions – Series 3: Government Accounting and Financial Reporting

Objective questions

1. Government accounting focuses on __________ and accountability rather than profit. a) Stewardship b) Competition c) Profit maximisation d) Investment
2. The __________ basis records transactions when they are incurred, regardless of cash movement. a) Accrual b) Cash c) Profit d) Informal
3. IPSAS 24 requires governments to present __________ information in their financial statements. a) Budget b) Profit c) Competition d) Investment
4. The __________ audits government accounts to ensure accuracy and compliance. a) Auditor-General b) Accountant-General c) Treasurer d) Controller
5. Digitalisation in government accounting introduces __________ systems for recording and reporting financial transactions. a) Electronic b) Manual c) Informal d) Competitive

Short-answer questions

6. Define government accounting and explain its scope.
7. State two objectives of government accounting.
8. Identify three types of government financial reports.

9. Explain the difference between cash basis and accrual basis in government accounting.
10. Mention two challenges in preparing consolidated accounts.

Long-answer questions

11. Discuss the distinction between government and private sector accounting, highlighting objectives, users, and standards.
12. Analyse the importance of financial reporting in the public sector and evaluate IPSAS requirements.
13. Examine the role of oversight institutions such as the Auditor-General and Public Accounts Committee in reviewing public accounts.
14. Evaluate the challenges of government accounting reforms and suggest possible solutions.
15. Assess how emerging issues such as IPSAS adoption and digitalisation contribute to transparency and accountability in public financial management.

Answers to Pilot Questions – Series 3: Government Accounting and Financial Reporting

Answers to pilot questions 3.1 (Principles of Government Accounting)

1. a) Stewardship
2. a) Transparency
3. a) Shareholders
4. a) Fiscal
5. d) Profit maximisation Act

Answers to pilot questions 3.2 (Government Accounting Systems and Records)

1. a) Accrual
2. a) Vote
3. a) Revenue
4. a) Accountant-General
5. d) Profit maximisation

Answers to pilot questions 3.3 (Financial Reporting in the Public Sector)

1. a) Transparency
2. a) Budgetary
3. a) Budget
4. a) Financial

5. d) Profit maximisation reports

Answers to pilot questions 3.4 (Consolidated Financial Statements and Public Accounts)

1. a) Government
2. a) Auditor-General
3. a) Accounting
4. a) Picture
5. d) Profit maximisation

Answers to pilot questions 3.5 (Emerging Issues in Government Accounting and Reporting)

1. a) Transparency
2. a) Electronic
3. a) Change
4. a) Digital
5. d) Profit maximisation

References and Attributions – Series 3: Government Accounting and Financial Reporting

Figures, tables, and boxes in this Series were created as placeholders with suggested AI prompts and open educational resource (OER) search strings. Attribution is given to the prompts and sources suggested for learners to explore further.

Box 3.1 Scope of government accounting AI prompt: "Create a box explaining the scope of government accounting." Suggested OER search string: "scope of government accounting Nigeria OER"

Figure 3.1 Objectives of government accounting AI prompt: "Generate a diagram illustrating the objectives of government accounting." Suggested OER search string: "objectives of government accounting Nigeria OER"

Table 3.1 Distinction between government and private sector accounting AI prompt: "Create a table comparing government and private sector accounting." Suggested OER search string: "government vs private sector accounting Nigeria OER"

Box 3.2 Legal and regulatory framework of government accounting AI prompt: "Create a box explaining the legal and regulatory framework of government accounting in Nigeria." Suggested OER search string: "legal framework government accounting Nigeria OER"

Table 3.2 Cash vs accrual basis in government accounting AI prompt: “Create a table comparing cash basis and accrual basis in government accounting.” Suggested OER search string: “cash vs accrual basis government accounting Nigeria OER”

Box 3.3 Books of accounts in government ministries AI prompt: “Create a box explaining the books of accounts used in government ministries and agencies.” Suggested OER search string: “books of accounts government ministries Nigeria OER”

Figure 3.2 Classification of government accounts AI prompt: “Generate a diagram illustrating the classification of government accounts.” Suggested OER search string: “classification of government accounts Nigeria OER”

Box 3.4 Role of the Treasury and Accountant-General AI prompt: “Create a box explaining the role of the Treasury and Accountant-General in government accounting.” Suggested OER search string: “Treasury Accountant-General Nigeria OER”

Box 3.5 Importance of financial reporting AI prompt: “Create a box explaining the importance of financial reporting in the public sector.” Suggested OER search string: “importance of financial reporting public sector Nigeria OER”

Table 3.3 Types of government financial reports AI prompt: “Create a table summarising the types of government financial reports.” Suggested OER search string: “types of government financial reports Nigeria OER”

Figure 3.3 IPSAS requirements for financial reporting AI prompt: “Generate a diagram illustrating IPSAS requirements for financial reporting.” Suggested OER search string: “IPSAS 24 financial reporting Nigeria OER”

Box 3.6 Transparency and accountability in reporting AI prompt: “Create a box explaining transparency and accountability in financial reporting.” Suggested OER search string: “transparency accountability financial reporting Nigeria OER”

Box 3.7 Preparation of consolidated financial statements AI prompt: “Create a box explaining the preparation of consolidated financial statements in government accounting.” Suggested OER search string: “preparation consolidated financial statements Nigeria OER”

Figure 3.4 Oversight institutions in public accounts AI prompt: “Generate a diagram illustrating the role of oversight institutions in reviewing public accounts.” Suggested OER search string: “Auditor-General Public Accounts Committee Nigeria OER”

Box 3.8 Challenges in preparing consolidated accounts AI prompt: “Create a box explaining the challenges in preparing consolidated accounts in Nigeria.” Suggested OER search string: “challenges consolidated accounts Nigeria OER”

Table 3.4 Uses of consolidated financial reports AI prompt: "Create a table summarising the uses of consolidated financial reports in public financial management." Suggested OER search string: "uses consolidated financial reports Nigeria OER"

Box 3.9 Adoption of IPSAS in Nigeria AI prompt: "Create a box explaining the adoption of IPSAS in Nigeria and its implications." Suggested OER search string: "IPSAS adoption Nigeria OER"

Figure 3.5 Digitalisation in government accounting AI prompt: "Generate a diagram illustrating digitalisation and e-governance in government accounting." Suggested OER search string: "digitalisation government accounting Nigeria OER"

Box 3.10 Challenges in government accounting reforms AI prompt: "Create a box explaining the challenges in government accounting reforms." Suggested OER search string: "challenges government accounting reforms Nigeria OER"

Table 3.5 Future directions in government accounting reforms AI prompt: "Create a table summarising future directions in government accounting reforms." Suggested OER search string: "future reforms government accounting Nigeria OER"

General references for Series 3 content:

- Finance (Control and Management) Act, 1958.
- Financial Regulations for federal and state governments.
- Financial Memoranda for local governments.
- Fiscal Responsibility Act, 2010.
- International Public Sector Accounting Standards (IPSAS 24).
- Reports of the Auditor-General and Public Accounts Committee.
- Nigerian government treasury and accounting guidelines.

COURSE CODE:ACC 308

COURSE TITLE: Public Sector Accounting & Reporting

COURSE UNIT LOAD:(3 Units C: LH 30; PH 45)

SERIES LIST

- **Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting**
- **Series 2: Planning, Budgeting, and Medium-Term Expenditure Frameworks**
- **Series 3: Reporting, Auditing, and Accountability in the Public Sector**
- **Series 4: Financial Statements, Bases of Accounting, and International Standards**
- **Series 5: Public Procurement, Ethics, and Comparative Sector Reporting**

Series 4 Outline: Public Revenue and Expenditure

Part 4.1 Principles of Public Revenue

- Definition and sources of public revenue

- Objectives of revenue generation

- Classification of revenue (tax, non-tax, grants, loans)

- Principles guiding revenue collection

Part 4.2 Taxation and Non-Tax Revenue

- Types of taxes (direct and indirect)

- Characteristics of effective taxation

- Non-tax revenue sources (fees, fines, royalties, dividends)

- Challenges in revenue mobilisation

Part 4.3 Public Expenditure: Concepts and Classification

- Definition and objectives of public expenditure

- Classification of expenditure (recurrent, capital, transfer payments)

- Principles of public expenditure (economy, efficiency, equity)

- Trends and patterns of expenditure in Nigeria

Part 4.4 Control and Management of Public Expenditure

- Budgetary control mechanisms
- Role of legislature, executive, and judiciary in expenditure control
- Audit and oversight institutions
- Challenges in expenditure management

Part 4.5 Contemporary Issues in Public Revenue and Expenditure

- Fiscal federalism and revenue allocation in Nigeria
- Deficit financing and debt management
- Transparency and accountability in revenue and expenditure
- Emerging reforms and digitalisation in public financial management

Introduction – Series 4: Public Revenue and Expenditure

Every citizen feels the impact of how government raises and spends money, whether through taxes, public services, or infrastructure projects. Public revenue and expenditure are therefore central to public financial management, shaping economic stability and social development. This Series builds on the previous exploration of government accounting and reporting by focusing on the inflows and outflows that sustain governance.

The aim of this Series is to provide you with a clear understanding of the principles, sources, and classifications of public revenue and expenditure, while equipping you to evaluate control mechanisms and contemporary issues in Nigeria's fiscal system.

We shall commence this Series by examining the principles of public revenue, including its sources and guiding objectives. Next, we will explore taxation and non-tax revenue, highlighting challenges in mobilisation. Following that, we will consider public expenditure, its classifications, and guiding principles. Subsequently, we will study the control and management of expenditure, focusing on oversight institutions and budgetary mechanisms. Finally, we will conclude with contemporary issues such as fiscal federalism, deficit financing, debt management, and emerging reforms in public financial management.

Series Learning Outcomes – Series 4: Public Revenue and Expenditure

By the end of this Series, you should be able to:

- SLO 4.1 define the principles and objectives of public revenue, and classify its sources.

- SLO 4.2 explain the types of taxation and non-tax revenue, and evaluate challenges in revenue mobilisation.

- SLO 4.3 describe the concepts and classifications of public expenditure, and assess the principles guiding its use.

- SLO 4.4 analyse the mechanisms for controlling and managing public expenditure, including the roles of oversight institutions.

- SLO 4.5 evaluate contemporary issues such as fiscal federalism, deficit financing, debt management, and reforms in public financial management.

- SLO 4.6 assess how public revenue and expenditure contribute to transparency, accountability, and economic development in Nigeria.

3.1 Principles of Public Revenue

4.1.1 Definition and sources

Public revenue refers to the income that governments generate to finance their activities. Sources include taxation, non-tax revenues such as fees and fines, grants, and loans. These revenues are essential for providing public goods and services, maintaining infrastructure, and ensuring economic stability.

In-text question: Public revenue refers to the __________ that governments generate to finance their activities.

Box 4.1 Sources of public revenue

Caption: Main sources of public revenue including taxation, non-tax revenues, grants, and loans.

4.1.2 Objectives of revenue generation

The objectives of public revenue include:

- Financing government expenditure,

- Promoting economic stability,

- Redistributing income and wealth,

- Supporting development projects.

In-text question: One objective of public revenue is to promote __________ stability.

Figure 4.1 Objectives of public revenue

Caption: Diagram showing financing expenditure, stability, redistribution, and development.

"

4.1.3 Classification of revenue

Public revenue can be classified into:

- **Tax revenue**: Income from direct and indirect taxes.
- **Non-tax revenue**: Income from fees, fines, royalties, and dividends.
- **Grants and aids**: Transfers from other governments or international organisations.
- **Loans**: Borrowed funds to meet deficits.

In-text question: Income from fees, fines, and royalties is classified as __________ revenue.

Table 4.1 Classification of public revenue

Caption: Comparison of tax, non-tax, grants, and loans.

4.1.4 Principles guiding revenue collection

Revenue collection should follow principles such as:

- **Equity**: Fair distribution of tax burden.
- **Certainty**: Clear rules and procedures for collection.
- **Convenience**: Easy for taxpayers to comply.
- **Economy**: Cost-effective collection methods.

In-text question: The principle of __________ ensures fair distribution of the tax burden.

Box 4.2 Principles of revenue collection

Caption: Equity, certainty, convenience, and economy as guiding principles.

Pilot questions 4.1

1. Public revenue refers to the __________ that governments generate to finance their activities.

   a) Income

   b) Profit

   c) Competition

   d) Investment

2. One objective of public revenue is to promote __________ stability.

   a) Economic

   b) Profit

   c) Competitive

   d) Informal

3. Income from fees, fines, and royalties is classified as __________ revenue.

   a) Non-tax

   b) Tax

   c) Grant

   d) Loan

4. The principle of __________ ensures fair distribution of the tax burden.

   a) Equity

   b) Certainty

   c) Convenience

   d) Economy

5. Which of the following is NOT a source of public revenue?

   a) Taxation

b) Non-tax revenue

c) Grants

d) Profit maximisation

Part 4.2: Taxation and Non-Tax Revenue, where we will explore types of taxes, characteristics of effective taxation, non-tax sources, and challenges in mobilisation. Shall I proceed with that next?

Part 4.2 Taxation and Non-Tax Revenue

4.2.1 Types of taxes

Taxes are the primary source of government revenue. They can be classified into:

- **Direct taxes**: Levied directly on individuals and organisations (e.g., personal income tax, company income tax).

- **Indirect taxes**: Levied on goods and services (e.g., value-added tax, customs duties, excise duties).

In-text question: Taxes levied directly on individuals and organisations are called __________ taxes.

Table 4.2 Types of taxes

Caption: Comparison of direct and indirect taxes with examples.

4.2.2 Characteristics of effective taxation

An effective tax system should have the following characteristics:

- **Equity**: Fair distribution of tax burden.

- **Certainty**: Clear rules and predictable obligations.

- **Convenience**: Easy for taxpayers to comply.

- **Economy**: Cost-effective collection methods.

In-text question: The principle of __________ ensures that taxpayers clearly understand their obligations.

Box 4.3 Characteristics of effective taxation

Caption: Equity, certainty, convenience, and economy as features of effective taxation.

4.2.3 Non-tax revenue sources

Non-tax revenue includes:

- **Fees and charges**: Payments for government services.

- **Fines and penalties**: Payments for violations of laws.

- **Royalties**: Payments from natural resource exploitation.

- **Dividends**: Income from government investments in enterprises.

In-text question: Payments for government services are classified as __________ revenue.

Figure 4.2 Non-tax revenue sources

Caption: Diagram showing fees, fines, royalties, and dividends as non-tax revenue.

4.2.4 Challenges in revenue mobilisation

Governments face challenges in mobilising revenue, such as:

- Tax evasion and avoidance,

- Weak enforcement mechanisms,

- Corruption and leakages,

- Inadequate infrastructure for collection,

- Public resistance to taxation.

In-text question: One challenge in revenue mobilisation is tax __________ and avoidance.

Box 4.4 Challenges in revenue mobilisation

Caption: Key challenges in mobilising tax and non-tax revenue.

Pilot questions 4.2

1. Taxes levied directly on individuals and organisations are called __________ taxes.

   a) Direct

   b) Indirect

   c) Informal

   d) Competitive

2. The principle of __________ ensures that taxpayers clearly understand their obligations.

   a) Certainty

   b) Equity

   c) Convenience

   d) Economy

3. Payments for government services are classified as __________ revenue.

   a) Fees

   b) Taxes

   c) Grants

   d) Loans

4. One challenge in revenue mobilisation is tax __________ and avoidance.

   a) Evasion

   b) Profit

   c) Competition

   d) Informality

5. Which of the following is NOT a source of non-tax revenue?

a) Royalties

b) Dividends

c) Customs duties

d) Fines

4.3.1 Definition and objectives

Public expenditure refers to the spending of government funds on goods, services, and obligations. Its objectives include:

- Provision of public goods and services,

- Promotion of economic growth and stability,

- Redistribution of income and wealth,

- Support for social welfare and development projects.

In-text question: Public expenditure refers to the __________ of government funds on goods, services, and obligations.

Box 4.5 Objectives of public expenditure

Caption: Provision of services, growth, redistribution, and welfare as objectives.

4.3.2 Classification of expenditure

Government expenditure can be classified into:

- **Recurrent expenditure**: Regular spending such as salaries, pensions, and maintenance.

- **Capital expenditure**: Spending on infrastructure, equipment, and long-term projects.

- **Transfer payments**: Payments without direct exchange, such as subsidies and social benefits.

In-text question: Salaries and pensions are examples of __________ expenditure.

Table 4.3 Classification of public expenditure

Caption: Comparison of recurrent, capital, and transfer payments with examples.

4.3.3 Principles of public expenditure

Public expenditure should follow principles such as:

- **Economy**: Avoiding waste and ensuring cost-effectiveness.

- **Efficiency**: Achieving maximum output from resources.

- **Equity**: Fair distribution of benefits across society.

- **Accountability**: Ensuring transparency in spending.

In-text question: The principle of __________ ensures fair distribution of benefits across society.

Box 4.6 Principles of public expenditure

Caption: Economy, efficiency, equity, and accountability as guiding principles.

4.3.4 Trends and patterns of expenditure in Nigeria

In Nigeria, public expenditure has shown patterns such as:

- High recurrent expenditure on salaries and administration,

- Increasing capital expenditure on infrastructure projects,

- Rising transfer payments for subsidies and social programmes,

- Challenges of deficit financing and debt servicing.

In-text question: In Nigeria, high __________ expenditure is often directed towards salaries and administration.

Figure 4.3 Trends in public expenditure in Nigeria

Caption: Diagram showing recurrent, capital, transfer payments, and debt servicing trends.

Pilot questions 4.3

1. Public expenditure refers to the __________ of government funds on goods, services, and obligations.

a) Spending

b) Profit

c) Competition

d) Investment

2. Salaries and pensions are examples of __________ expenditure.

a) Recurrent

b) Capital

c) Transfer

d) Informal

3. The principle of __________ ensures fair distribution of benefits across society.

a) Equity

b) Economy

c) Efficiency

d) Accountability

4. In Nigeria, high __________ expenditure is often directed towards salaries and administration.

a) Recurrent

b) Capital

c) Transfer

d) Competitive

5. Which of the following is NOT a principle of public expenditure?

a) Economy

b) Efficiency

c) Equity

d) Profit maximisation

Part 4.4 Control and Management of Public Expenditure

4.4.1 Budgetary control mechanisms

Budgetary control ensures that government spending aligns with approved budgets. Mechanisms include:

- Preparation of annual budgets,

- Monitoring actual expenditure against budgeted figures,

- Use of vote books and expenditure warrants,

- Mid-year reviews and supplementary budgets.

In-text question: Budgetary control ensures that government spending aligns with __________ budgets.

Box 4.7 Budgetary control mechanisms

Caption: Key mechanisms such as preparation, monitoring, warrants, and reviews.

4.4.2 Role of institutions in expenditure control

Several institutions play roles in controlling expenditure:

- **Legislature**: Approves budgets and monitors spending.

- **Executive**: Implements budgets through ministries and agencies.

- **Judiciary**: Ensures legality of expenditure.

- **Treasury and Accountant-General**: Manage disbursement and records.

In-text question: The __________ approves budgets and monitors government spending.

Figure 4.4 Institutions in expenditure control

Caption: Diagram showing legislature, executive, judiciary, and treasury roles.

4.4.3 Audit and oversight mechanisms

Audit and oversight ensure accountability in expenditure. Mechanisms include:

- Internal audits within ministries,

- External audits by the Auditor-General,

- Oversight by the Public Accounts Committee,

- Reporting to citizens for transparency.

In-text question: The __________ conducts external audits of government expenditure.

Box 4.8 Audit and oversight mechanisms

Caption: Internal audits, external audits, PAC oversight, and citizen reporting.

4.4.4 Challenges in expenditure management

Challenges include:

- Weak enforcement of budgetary discipline,

- Corruption and mismanagement,

- Delays in audit reporting,

- Political interference in spending priorities.

In-text question: One challenge in expenditure management is weak enforcement of __________ discipline.

Table 4.4 Challenges in expenditure management

Caption: Summary of key challenges such as weak discipline, corruption, delays, and interference.

Pilot questions 4.4

1. Budgetary control ensures that government spending aligns with __________ budgets.

   a) Approved

   b) Informal

c) Competitive

d) Profit

2. The __________ approves budgets and monitors government spending.

a) Legislature

b) Executive

c) Judiciary

d) Treasury

3. The __________ conducts external audits of government expenditure.

a) Auditor-General

b) Accountant-General

c) Treasurer

d) Controller

4. One challenge in expenditure management is weak enforcement of __________ discipline.

a) Budgetary

b) Profit

c) Competitive

d) Informal

5. Which of the following is NOT an institution involved in expenditure control?

a) Legislature

b) Executive

c) Judiciary

d) Shareholders

Part 4.5 Contemporary Issues in Public Revenue and Expenditure

4.5.1 Fiscal federalism and revenue allocation in Nigeria

Fiscal federalism refers to the division of financial responsibilities between federal, state, and local governments. In Nigeria, revenue allocation is guided by formulas that distribute oil revenues, taxes, and grants among tiers of government. This system aims to balance equity, efficiency, and national unity.

In-text question: Fiscal federalism refers to the division of __________ responsibilities between different levels of government.

Box 4.9 Fiscal federalism and revenue allocation

Caption: Explanation of fiscal federalism and Nigeria's revenue allocation formula.

4.5.2 Deficit financing and debt management

Deficit financing occurs when government expenditure exceeds revenue, requiring borrowing or use of reserves. Debt management involves strategies to ensure sustainability, such as repayment schedules, refinancing, and debt restructuring.

In-text question: When government expenditure exceeds revenue, it results in __________ financing.

Figure 4.5 Deficit financing and debt management

Caption: Diagram showing deficit financing, borrowing, and debt management strategies.

4.5.3 Transparency and accountability in revenue and expenditure

Transparency ensures that citizens have access to information on how revenue is raised and spent. Accountability requires government officials to justify their financial decisions to oversight institutions and the public.

In-text question: Transparency ensures that citizens have access to __________ on how revenue is raised and spent.

Box 4.10 Transparency and accountability in revenue and expenditure

Caption: Explanation of transparency and accountability in public financial management.

4.5.4 Emerging reforms and digitalisation

Recent reforms focus on adopting digital platforms for revenue collection and expenditure monitoring. Tools such as Integrated Financial Management Information Systems (IFMIS) improve efficiency, reduce leakages, and enhance real-time reporting.

In-text question: Emerging reforms in public financial management emphasise the adoption of __________ platforms for efficiency.

Table 4.5 Emerging reforms in public financial management

Caption: Summary of reforms including IPSAS adoption, IFMIS, and real-time reporting.

Pilot questions 4.5

1. Fiscal federalism refers to the division of __________ responsibilities between different levels of government.

   a) Financial

   b) Profit

   c) Competitive

   d) Informal

2. When government expenditure exceeds revenue, it results in __________ financing.

   a) Deficit

   b) Profit

   c) Competitive

   d) Informal

3. Transparency ensures that citizens have access to __________ on how revenue is raised and spent.

   a) Information

   b) Profit

   c) Competition

   d) Informality

4. Emerging reforms in public financial management emphasise the adoption of __________ platforms for efficiency.

a) Digital

b) Manual

c) Informal

d) Competitive

5. Which of the following is NOT a contemporary issue in public revenue and expenditure?

a) Fiscal federalism

b) Deficit financing

c) Transparency

d) Profit maximisation

Series 4 Summary: Financial Statements, Bases of Accounting, and International Standards

This Series has focused on how governments prepare and present financial statements, the bases of accounting they employ, and the role of international standards in ensuring comparability and transparency. We began by examining the nature and purpose of financial statements, then explored the cash and accrual bases of accounting, highlighting their differences and implications. From there, we considered the adoption of International Public Sector Accounting Standards (IPSAS), looking at their requirements and the challenges of implementation. Finally, we addressed the importance of aligning national practices with global standards to strengthen accountability and decision-making.

By engaging with these topics, you should now be able to define the principles and objectives of financial statements, explain the cash and accrual bases, analyse IPSAS requirements, and evaluate the impact of international standards on public financial management. In line with the Series Learning Outcomes, you can also assess how these elements contribute to transparency, accountability, and effective governance in the public sector.

Glossary of Terms – Series 4: Financial Statements, Bases of Accounting, and International Standards

Accrual basis: An accounting method that records revenues and expenses when they are incurred, not when cash is exchanged.

Auditor-General: The official responsible for auditing government financial statements to ensure accuracy and compliance.

Cash basis: An accounting method that records revenues and expenses only when cash is received or paid.

Consolidated financial statements: Reports that combine the accounts of multiple government entities into a single set of statements.

Financial reporting: The process of preparing and presenting financial information to stakeholders for transparency and accountability.

International Public Sector Accounting Standards (IPSAS): Global standards designed to improve the quality, comparability, and transparency of public sector financial reporting.

Ledger accounts: Records that summarise financial transactions under specific headings.

Public Accounts Committee (PAC): A legislative body that reviews audit reports and holds ministries accountable for financial management.

Revenue accounts: Records of government inflows such as taxes, grants, and fees.

Stewardship: The responsibility of government officials to manage public funds transparently and accountably.

Transparency: The practice of making financial information publicly available to build trust and enable oversight.

Vote books: Records of budgetary allocations and expenditures maintained by government ministries.

Concept Check Questions – Series 4: Financial Statements, Bases of Accounting, and International Standards

Objective questions

1. Financial statements in government accounting are primarily prepared to ensure __________.

a) Transparency

b) Profit maximisation

c) Competition

d) Investment

2. The __________ basis records transactions only when cash is received or paid.

a) Cash

b) Accrual

c) Profit

d) Informal

3. IPSAS are designed to improve __________ in public sector financial reporting.

a) Comparability

b) Profitability

c) Competition

d) Informality

4. The __________ basis records revenues and expenses when they are incurred, not when cash is exchanged.

a) Accrual

b) Cash

c) Profit

d) Informal

5. Consolidated financial statements combine the accounts of __________ government entities.

a) Multiple

b) Single

c) Informal

d) Competitive

Short-answer questions

6. Define financial statements in the context of government accounting.

7. State two differences between cash basis and accrual basis of accounting.

8. Identify three types of financial statements prepared in the public sector.

9. Explain the purpose of IPSAS in public financial management.

10. Mention two challenges in adopting international standards in Nigeria.

Long-answer questions

11. Discuss the importance of financial statements in government accounting, highlighting their objectives and users.

12. Compare and contrast the cash basis and accrual basis of accounting, explaining their implications for transparency.

13. Analyse the role of IPSAS in improving public sector financial reporting and accountability.

14. Evaluate the challenges faced by Nigeria in adopting IPSAS and suggest possible solutions.

15. Assess how international standards contribute to transparency, accountability, and effective governance in public financial management.

Answers to Pilot Questions – Series 4: Financial Statements, Bases of Accounting, and International Standards

Answers to pilot questions 4.1 (Principles of Financial Statements)

1. a) Transparency

2. a) Income

3. a) Balance sheet

4. a) Accountability

5. d) Profit maximisation

Answers to pilot questions 4.2 (Cash and Accrual Bases of Accounting)

1. a) Cash

2. a) Accrual

3. a) Certainty

4. a) Equity

5. d) Profit maximisation

Answers to pilot questions 4.3 (International Public Sector Accounting Standards – IPSAS)

1. a) Comparability

2. a) Transparency

3. a) Accountability

4. a) Adoption

5. d) Profit maximisation

Answers to pilot questions 4.4 (Consolidated Financial Statements and Oversight)

1. a) Multiple

2. a) Auditor-General

3. a) Public Accounts Committee

4. a) Stewardship

5. d) Profit maximisation

Answers to pilot questions 4.5 (Emerging Issues and Reforms)

1. a) Fiscal federalism

2. a) Deficit

3. a) Information

4. a) Digital

5. d) Profit maximisation

References and Attributions – Series 4: Financial Statements, Bases of Accounting, and International Standards

Figures, tables, and boxes in this Series were created as placeholders with suggested AI prompts and open educational resource (OER) search strings. Attribution is given to the prompts and sources suggested for learners to explore further.

Box 4.1 Nature and purpose of financial statements

AI prompt: “Create a box explaining the nature and purpose of financial statements in government accounting.”

Suggested OER search string: “financial statements public sector Nigeria OER”

Figure 4.1 Objectives of financial statements

AI prompt: “Generate a diagram illustrating the objectives of financial statements.”

Suggested OER search string: “objectives of financial statements public sector OER”

Table 4.1 Cash vs accrual basis of accounting

AI prompt: “Create a table comparing cash basis and accrual basis of accounting.”

Suggested OER search string: “cash vs accrual basis government accounting Nigeria OER”

Box 4.2 Principles of cash basis accounting

AI prompt: “Create a box explaining the principles of cash basis accounting.”

Suggested OER search string: “cash basis accounting principles Nigeria OER”

Box 4.3 Principles of accrual basis accounting

AI prompt: “Create a box explaining the principles of accrual basis accounting.”

Suggested OER search string: “accrual basis accounting principles Nigeria OER”

Figure 4.2 IPSAS requirements for financial reporting

AI prompt: “Generate a diagram illustrating IPSAS requirements for financial reporting.”

Suggested OER search string: “IPSAS requirements public sector Nigeria OER”

Box 4.4 Challenges in adopting IPSAS

AI prompt: “Create a box explaining challenges in adopting IPSAS in Nigeria.”

Suggested OER search string: “IPSAS adoption challenges Nigeria OER”

Table 4.2 Consolidated financial statements

AI prompt: “Create a table summarising consolidated financial statements in government accounting.”

Suggested OER search string: “consolidated financial statements Nigeria OER”

Figure 4.3 Oversight institutions in financial reporting

AI prompt: “Generate a diagram illustrating oversight institutions in financial reporting.”

Suggested OER search string: “Auditor-General Public Accounts Committee Nigeria OER”

Box 4.5 Emerging reforms in financial reporting

AI prompt: “Create a box explaining emerging reforms in financial reporting.”

Suggested OER search string: “emerging reforms financial reporting Nigeria OER”

General references for Series 4 content:

- Finance (Control and Management) Act, 1958.

- Financial Regulations for federal and state governments.

- Financial Memoranda for local governments.

- Fiscal Responsibility Act, 2010.

- International Public Sector Accounting Standards (IPSAS).

- Reports of the Auditor-General and Public Accounts Committee.

- Nigerian government treasury and accounting guidelines.

COURSE CODE:ACC 308

COURSE TITLE: Public Sector Accounting & Reporting

COURSE UNIT LOAD:(3 Units C: LH 30; PH 45)

SERIES LIST

- **Series 1: Concepts, Principles, and Frameworks of Public Sector Accounting**
- **Series 2: Planning, Budgeting, and Medium-Term Expenditure Frameworks**
- **Series 3: Reporting, Auditing, and Accountability in the Public Sector**
- **Series 4: Financial Statements, Bases of Accounting, and International Standards**
- **Series 5: Public Procurement, Ethics, and Comparative Sector Reporting**

Outline – Series 5: Budgeting and Budgetary Control

Part 5.1 Concepts and Objectives of Budgeting

- Definition of a budget in public financial management

- Objectives of budgeting (planning, control, accountability, resource allocation)

- Importance of budgeting in governance

Part 5.2 Types and Approaches to Budgeting

- Traditional line-item budgeting

- Performance budgeting

- Programme budgeting

- Zero-based budgeting

- Medium-term expenditure frameworks

Part 5.3 Budget Preparation and Approval Process

- Stages of budget formulation (proposal, drafting, submission)

- Role of ministries, departments, and agencies (MDAs)

- Legislative approval and executive assent

- Citizen participation in the budget process

Part 5.4 Budget Implementation and Control

- Release of funds and cash management

- Monitoring expenditure against allocations

- Role of vote books and warrants

- Internal controls and reporting mechanisms

Part 5.5 Challenges and Reforms in Budgetary Control

- Common challenges (delays, corruption, unrealistic projections)

- Oversight institutions and accountability mechanisms

- Emerging reforms (digitalisation, participatory budgeting, fiscal responsibility laws)

- Case studies from Nigeria and international best practices

Introduction – Series 5: Budgeting and Budgetary Control

Budgeting is one of the most important tools in public financial management, as it provides a framework for planning, allocating, and controlling resources. It ensures that government priorities are translated into financial commitments and that spending is monitored against approved allocations. This Series builds on earlier discussions of financial reporting and expenditure by focusing on how budgets are prepared, implemented, and controlled to achieve accountability and efficiency.

The aim of this Series is to equip you with a clear understanding of the concepts, types, and processes of budgeting, as well as the mechanisms of budgetary control. We shall begin by examining the concepts and objectives of budgeting, then move on to the different types and approaches. Next, we will explore the preparation and approval process, followed by implementation and control mechanisms. Finally, we will consider the challenges and reforms shaping modern budgetary practices, with examples from Nigeria and international best practice.

Series Learning Outcomes – Series 5: Budgeting and Budgetary Control

By the end of this Series, you should be able to:

- SLO 5.1 define the concepts and objectives of budgeting, and explain its importance in public financial management.

- SLO 5.2 describe and compare different types and approaches to budgeting, including line-item, performance, programme, zero-based, and medium-term frameworks.

- SLO 5.3 outline the stages of budget preparation and approval, and analyse the roles of ministries, departments, agencies, and the legislature.

- SLO 5.4 explain the processes of budget implementation and control, including fund releases, monitoring, and internal control mechanisms.

- SLO 5.5 evaluate the challenges in budgetary control and assess emerging reforms such as digitalisation, participatory budgeting, and fiscal responsibility laws.

- SLO 5.6 assess how effective budgeting and control contribute to accountability, transparency, and efficient resource allocation in governance.

5.1 Concepts And Objectives Of Budgeting

5.1.1 Definition of a budget in public financial management

A **budget** is a financial plan prepared by government to outline expected revenues and proposed expenditures over a specific period, usually one fiscal year. It serves as a tool for planning, coordination, and control, ensuring that resources are allocated in line with policy priorities. In public financial management, the budget is both a statement of intent and a legal authorisation to spend.

Public budgets are important because they provide a framework for accountability, allowing citizens and oversight institutions to track how funds are raised and spent.

Fill in the blank: A budget is a __________ plan prepared by government to outline expected revenues and proposed expenditures.

Diagram showing the flow of government budgeting from revenue to expenditure

Caption: Figure 5.1 Flow of government budgeting

5.1.2 Objectives of budgeting

The objectives of budgeting in public financial management include:

- **Planning**: Budgets help governments plan for future activities by estimating revenues and expenditures.

- **Control**: Budgets act as a control mechanism, ensuring that spending does not exceed approved limits.

- **Accountability**: Budgets provide a basis for holding officials responsible for financial decisions.

- **Resource allocation**: Budgets ensure that scarce resources are distributed according to national priorities.

Fill in the blank: One objective of budgeting is to ensure proper __________ of scarce resources.

Box 5.1 Objectives of budgeting

Caption: Objectives of budgeting in public financial management

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5.1.3 Importance of budgeting in governance

Budgeting is vital in governance because it:

- Translates policy goals into financial commitments,

- Promotes transparency and citizen trust,

- Provides a benchmark for evaluating government performance,

- Supports economic stability by managing public spending and borrowing.

Fill in the blank: Budgeting promotes __________ by making financial commitments visible to citizens.

Table 5.1 Importance of budgeting in governance

Caption: Importance of budgeting in governance

Pilot questions 5.1

1. A budget is a __________ plan prepared by government to outline expected revenues and proposed expenditures.

a) Financial

b) Competitive

c) Informal

d) Profit

2. One objective of budgeting is to ensure proper __________ of scarce resources.

a) Allocation

b) Profit

c) Competition

d) Informality

3. Budgeting promotes __________ by making financial commitments visible to citizens.

a) Transparency

b) Profit

c) Competition

d) Informality

4. Which of the following is NOT an objective of budgeting?

a) Planning

b) Control

c) Accountability

d) Profit maximisation

5. Budgets provide a framework for __________, allowing citizens to track how funds are raised and spent.

a) Accountability

b) Profit

c) Competition

d) Informality

5.2 Types And Approaches To Budgeting

5.2.1 Traditional line-item budgeting

Line-item budgeting is the oldest and most widely used approach, where expenditures are grouped under specific categories such as salaries, equipment, and maintenance. It is simple to prepare and easy to monitor, but it focuses more on inputs rather than outputs or results.

Fill in the blank: Line-item budgeting focuses more on __________ rather than outputs or results.

Table 5.2 Features of line-item budgeting

Caption: Features of line-item budgeting

5.2.2 Performance budgeting

Performance budgeting links expenditure to measurable results. It emphasises efficiency by requiring ministries and agencies to show what outcomes will be achieved with allocated funds. This approach encourages accountability and better resource use.

Fill in the blank: Performance budgeting links expenditure to measurable __________.

Box 5.2 Performance budgeting

Caption: Key features of performance budgeting

5.2.3 Programme budgeting

Programme budgeting organises expenditure around programmes or objectives rather than departments. It allows governments to allocate resources to specific goals, such as education or healthcare, making it easier to assess the impact of spending.

Fill in the blank: Programme budgeting organises expenditure around __________ or objectives rather than departments.

Diagram showing programme budgeting structure

Caption: Figure 5.2 Programme budgeting structure

5.2.4 Zero-based budgeting

Zero-based budgeting (ZBB) requires every budget item to be justified from scratch, rather than relying on previous allocations. It promotes efficiency by eliminating unnecessary expenditures, but it can be time-consuming and complex to implement.

Fill in the blank: Zero-based budgeting requires every budget item to be __________ from scratch.

Box 5.3 Zero-based budgeting

Caption: Features of zero-based budgeting

5.2.5 Medium-term expenditure frameworks

A **medium-term expenditure framework (MTEF)** is a multi-year budgeting approach that links policy, planning, and budgeting over a period of three to five years. It helps governments maintain fiscal discipline and align spending with long-term development goals.

Fill in the blank: A medium-term expenditure framework links policy, planning, and budgeting over a period of __________ to five years.

Table 5.3 Medium-term expenditure framework

Caption: Features of medium-term expenditure frameworks

Pilot questions 5.2

1. Line-item budgeting focuses more on __________ rather than outputs or results.

   a) Inputs

   b) Outputs

c) Results

d) Efficiency

2. Performance budgeting links expenditure to measurable __________.

a) Results

b) Inputs

c) Salaries

d) Departments

3. Programme budgeting organises expenditure around __________ or objectives rather than departments.

a) Programmes

b) Inputs

c) Salaries

d) Results

4. Zero-based budgeting requires every budget item to be __________ from scratch.

a) Justified

b) Ignored

c) Reduced

d) Maximised

5. A medium-term expenditure framework links policy, planning, and budgeting over a period of __________ to five years.

a) Three

b) One

c) Two

d) Ten

5.3 Budget Preparation And Approval Process

5.3.1 Stages of budget formulation

Budget formulation begins with the preparation of proposals by ministries, departments, and agencies (MDAs). These proposals are consolidated by the Ministry of Finance or Budget Office into a draft budget. The draft is then reviewed by the executive arm of government before being submitted to the legislature. This process ensures that priorities are reflected in financial plans.

Fill in the blank: Budget formulation begins with the preparation of proposals by __________.

Diagram showing stages of budget formulation

Caption: Figure 5.3 Stages of budget formulation

5.3.2 Role of ministries, departments, and agencies (MDAs)

MDAs play a critical role in budget preparation. They identify their needs, estimate costs, and propose allocations. These proposals are aligned with national priorities and submitted to the Ministry of Finance for consolidation. MDAs are therefore the starting point of the budgeting process.

Fill in the blank: MDAs identify their needs, estimate costs, and propose __________ during budget preparation.

Box 5.4 Role of MDAs in budget preparation

Caption: Role of ministries, departments, and agencies in budget preparation

5.3.3 Legislative approval and executive assent

Once the draft budget is submitted, the legislature reviews it through committees and debates. Amendments may be made before the budget is passed into law. The executive then gives assent, authorising expenditure. This stage ensures checks and balances between the arms of government.

Fill in the blank: The __________ reviews the draft budget through committees and debates before passing it into law.

Table 5.4 Legislative approval and executive assent

Caption: Legislative approval and executive assent in budget preparation

5.3.4 Citizen participation in the budget process

Citizen participation enhances transparency and accountability. Public hearings, consultations, and access to budget documents allow citizens to contribute to decision-making. This involvement builds trust and ensures that budgets reflect the needs of the people.

Fill in the blank: Citizen participation in the budget process enhances __________ and accountability.

Box 5.5 Citizen participation in the budget process

Caption: Citizen participation in the budget process

Pilot questions 5.3

1. Budget formulation begins with the preparation of proposals by __________.
   a) MDAs
   b) Citizens
   c) Legislature
   d) Judiciary

2. MDAs identify their needs, estimate costs, and propose __________ during budget preparation.
   a) Allocations
   b) Laws
   c) Votes
   d) Warrants

3. The __________ reviews the draft budget through committees and debates before passing it into law.
   a) Legislature
   b) Executive
   c) Judiciary
   d) Citizens

4. Citizen participation in the budget process enhances __________ and accountability.

a) Transparency

b) Profit

c) Competition

d) Informality

5. Which of the following is NOT a stage in budget preparation and approval?

a) Formulation

b) Legislative approval

c) Executive assent

d) Profit maximisation

5.4 Budget Implementation And Control

5.4.1 Release of funds and cash management

Once the budget is approved, funds are released to ministries, departments, and agencies (MDAs) through warrants or authorisations. Effective **cash management** ensures that funds are available when needed and that government avoids unnecessary borrowing. This process requires coordination between the treasury and spending units.

Fill in the blank: Effective cash management ensures that funds are available when needed and prevents unnecessary __________.

Diagram showing fund release and cash management cycle

Caption: Figure 5.4 Fund release and cash management cycle

5.4.2 Monitoring expenditure against allocations

Monitoring ensures that expenditure stays within approved limits. MDAs must record spending and compare it with allocations to avoid overspending. This process promotes accountability and helps detect irregularities early.

Fill in the blank: Monitoring expenditure ensures that spending stays within approved __________.

Box 5.6 Monitoring expenditure against allocations

Caption: Monitoring expenditure against allocations

5.4.3 Role of vote books and warrants

Vote books are records maintained by MDAs to track budgetary allocations and expenditures. They provide a running balance of funds available. **Warrants** are authorisations issued by the Ministry of Finance to release funds for spending. Together, they form the backbone of budgetary control.

Fill in the blank: Vote books provide a running __________ of funds available for spending.

Table 5.5 Role of vote books and warrants

Caption: Role of vote books and warrants in budgetary control

5.4.4 Internal controls and reporting mechanisms

Internal controls are procedures designed to safeguard public funds and ensure compliance with financial regulations. These include authorisation of transactions, segregation of duties, and regular audits. Reporting mechanisms, such as financial statements and progress reports, provide transparency and allow oversight institutions to hold officials accountable.

Fill in the blank: Internal controls include authorisation of transactions, segregation of duties, and regular __________.

Box 5.7 Internal controls and reporting mechanisms

Caption: Internal controls and reporting mechanisms in budget implementation

Pilot questions 5.4

1. Effective cash management ensures that funds are available when needed and prevents unnecessary __________.

   a) Borrowing

   b) Spending

c) Competition

d) Profit

2. Monitoring expenditure ensures that spending stays within approved __________.

a) Limits

b) Profits

c) Competition

d) Informality

3. Vote books provide a running __________ of funds available for spending.

a) Balance

b) Profit

c) Competition

d) Informality

4. Warrants are authorisations issued by the __________ to release funds for spending.

a) Ministry of Finance

b) Legislature

c) Citizens

d) Judiciary

5. Internal controls include authorisation of transactions, segregation of duties, and regular __________.

a) Audits

b) Profits

c) Competition

d) Informality

5.5 Challenges And Reforms In Budgetary Control

5.5.1 Common challenges

Budgetary control often faces difficulties such as delays in fund releases, corruption, and unrealistic revenue projections. These issues weaken the effectiveness of the budget and reduce public trust. Inaccurate forecasts can lead to deficits, while corruption diverts resources away from intended purposes.

Fill in the blank: Unrealistic revenue projections can lead to budget __________.

Box 5.8 Common challenges in budgetary control

Caption: Common challenges in budgetary control

5.5.2 Oversight institutions and accountability mechanisms

Oversight institutions such as the Auditor-General and the Public Accounts Committee (PAC) play a vital role in ensuring accountability. They review financial reports, audit spending, and investigate irregularities. These mechanisms strengthen transparency and help maintain fiscal discipline.

Fill in the blank: The __________ reviews financial reports and audits spending to ensure accountability.

Table 5.6 Oversight institutions and accountability mechanisms

Caption: Oversight institutions and accountability mechanisms

5.5.3 Emerging reforms

Recent reforms aim to improve budgetary control through digitalisation, participatory budgeting, and fiscal responsibility laws. **Digitalisation** enhances efficiency by automating processes. **Participatory budgeting** allows citizens to influence spending priorities. **Fiscal responsibility laws** set rules for borrowing and spending to maintain stability.

Fill in the blank: Participatory budgeting allows __________ to influence spending priorities.

Diagram showing emerging reforms in budgetary control

Caption: Figure 5.5 Emerging reforms in budgetary control

5.5.4 Case studies from Nigeria and international best practices

Nigeria has introduced reforms such as the Fiscal Responsibility Act and the adoption of digital platforms for budget monitoring. Internationally, countries like Brazil and South Africa have implemented participatory budgeting, while the United Kingdom has strengthened oversight through independent fiscal councils. These examples show how reforms can enhance accountability and efficiency.

Fill in the blank: Nigeria introduced the __________ Act to strengthen fiscal responsibility.

Box 5.9 Case studies in budgetary reforms

Caption: Case studies in budgetary reforms

Pilot questions 5.5

1. Unrealistic revenue projections can lead to budget __________.

   a) Deficits

   b) Profits

   c) Competition

   d) Informality

2. The __________ reviews financial reports and audits spending to ensure accountability.

   a) Auditor-General

   b) Citizens

   c) Executive

   d) Judiciary

3. Participatory budgeting allows __________ to influence spending priorities.

   a) Citizens

   b) Legislature

   c) Executive

   d) Judiciary

4. Nigeria introduced the __________ Act to strengthen fiscal responsibility.

a) Fiscal Responsibility

b) Budgetary Control

c) Transparency

d) Accountability

5. Which of the following is NOT an emerging reform in budgetary control?

a) Digitalisation

b) Participatory budgeting

c) Fiscal responsibility laws

d) Profit maximisation

Series 5 Summary: Budgeting and Budgetary Control

This Series has explored how governments plan, allocate, and monitor resources through budgeting, highlighting its role as a cornerstone of public financial management. We began with the concepts and objectives of budgeting, then examined the different types and approaches, including line-item, performance, programme, zero-based, and medium-term frameworks. From there, we studied the preparation and approval process, focusing on the roles of MDAs, the legislature, and citizens. We then considered budget implementation and control, looking at fund releases, monitoring, vote books, warrants, and internal controls. Finally, we addressed challenges such as corruption and unrealistic projections, alongside reforms like digitalisation, participatory budgeting, and fiscal responsibility laws, supported by case studies from Nigeria and international practice.

By engaging with these topics, you should now be able to define the concepts and objectives of budgeting, compare different approaches, outline the preparation and approval process, explain implementation and control mechanisms, and evaluate challenges and reforms. In line with the Series Learning Outcomes, you can also assess how effective budgeting contributes to transparency, accountability, and efficient governance.

Glossary of Terms – Series 5: Budgeting and Budgetary Control

Accountability: The obligation of government officials to explain and justify how public funds are used.

Budget: A financial plan prepared by government to outline expected revenues and proposed expenditures over a specific period.

Cash management: The process of ensuring that funds are available when needed and that government avoids unnecessary borrowing.

Citizen participation: The involvement of citizens in the budget process through consultations, hearings, and access to budget documents.

Fiscal responsibility laws: Legal frameworks that set rules for borrowing, spending, and debt management to maintain economic stability.

Line-item budgeting: A traditional budgeting approach where expenditures are grouped under specific categories such as salaries and equipment.

Medium-term expenditure framework (MTEF): A multi-year budgeting approach that links policy, planning, and budgeting over three to five years.

Performance budgeting: A budgeting approach that links expenditure to measurable results, promoting efficiency and accountability.

Programme budgeting: A budgeting approach that organises expenditure around programmes or objectives rather than departments.

Transparency: The practice of making budget information publicly available to build trust and enable oversight.

Vote books: Records maintained by ministries, departments, and agencies to track budgetary allocations and expenditures.

Warrants: Authorisations issued by the Ministry of Finance to release funds for spending.

Zero-based budgeting (ZBB): A budgeting approach where every item must be justified from scratch, rather than relying on previous allocations.

Concept Check Questions – Series 5: Budgeting and Budgetary Control

Objective questions

1. A budget is a __________ plan prepared by government to outline expected revenues and proposed expenditures.

a) Financial

b) Competitive

c) Informal

d) Profit

2. Line-item budgeting focuses more on __________ rather than outputs or results.

a) Inputs

b) Outputs

c) Results

d) Efficiency

3. Citizen participation in the budget process enhances __________ and accountability.

a) Transparency

b) Profit

c) Competition

d) Informality

4. Warrants are authorisations issued by the __________ to release funds for spending.

a) Ministry of Finance

b) Legislature

c) Citizens

d) Judiciary

5. Nigeria introduced the __________ Act to strengthen fiscal responsibility.

a) Fiscal Responsibility

b) Budgetary Control

c) Transparency

d) Accountability

Short-answer questions

6. Define budgeting in the context of public financial management.

7. State two differences between line-item budgeting and performance budgeting.

8. Identify three stages in the budget preparation and approval process.

9. Explain the role of vote books in budgetary control.

10. Mention two emerging reforms in budgetary control.

Long-answer questions

11. Discuss the objectives of budgeting and explain why they are important in governance.

12. Compare and contrast programme budgeting and zero-based budgeting, highlighting their strengths and weaknesses.

13. Analyse the role of the legislature and executive in the budget approval process.

14. Evaluate the challenges faced in budgetary control in Nigeria and suggest possible solutions.

15. Assess how reforms such as digitalisation and participatory budgeting contribute to transparency and accountability in public financial management.

Answers to Pilot Questions – Series 5: Budgeting and Budgetary Control

Answers to pilot questions 5.1 (Concepts and Objectives of Budgeting)

1. a) Financial

2. a) Allocation

3. a) Transparency

4. d) Profit maximisation

5. a) Accountability

Answers to pilot questions 5.2 (Types and Approaches to Budgeting)

1. a) Inputs

2. a) Results

3. a) Programmes

4. a) Justified

5. a) Three

Answers to pilot questions 5.3 (Budget Preparation and Approval Process)

1. a) MDAs

2. a) Allocations

3. a) Legislature

4. a) Transparency

5. d) Profit maximisation

Answers to pilot questions 5.4 (Budget Implementation and Control)

1. a) Borrowing

2. a) Limits

3. a) Balance

4. a) Ministry of Finance

5. a) Audits

Answers to pilot questions 5.5 (Challenges and Reforms in Budgetary Control)

1. a) Deficits

2. a) Auditor-General

3. a) Citizens

4. a) Fiscal Responsibility

5. d) Profit maximisation

References and Attributions – Series 5: Budgeting and Budgetary Control

Figures

Figure 5.1 Flow of government budgeting

Placeholder description: Diagram showing the flow of government budgeting from revenue to expenditure

AI prompt: “Generate a diagram showing the flow of government budgeting from revenue to expenditure.”

Search string: “public sector budget process diagram Nigeria OER”

Figure 5.2 Programme budgeting structure

Placeholder description: Diagram showing programme budgeting structure

AI prompt: “Generate a diagram showing programme budgeting structure in public financial management.”

Search string: “programme budgeting structure Nigeria OER”

Figure 5.4 Fund release and cash management cycle

Placeholder description: Diagram showing fund release and cash management cycle

AI prompt: “Generate a diagram showing fund release and cash management cycle in public financial management.”

Search string: “fund release cash management Nigeria OER”

Figure 5.5 Emerging reforms in budgetary control

Placeholder description: Diagram showing emerging reforms in budgetary control such as digitalisation, participatory budgeting, and fiscal responsibility laws

AI prompt: “Generate a diagram showing emerging reforms in budgetary control.”

Search string: “emerging reforms budgetary control Nigeria OER”

Tables

Table 5.1 Importance of budgeting in governance

Placeholder description: Table summarising the importance of budgeting in governance

AI prompt: “Create a table summarising the importance of budgeting in governance.”

Search string: “importance of budgeting governance Nigeria OER”

Table 5.2 Features of line-item budgeting

Placeholder description: Table summarising the features of line-item budgeting

AI prompt: “Create a table summarising the features of line-item budgeting.”

Search string: “line-item budgeting features public sector Nigeria OER”

Table 5.3 Medium-term expenditure framework

Placeholder description: Table summarising the features of medium-term expenditure frameworks

AI prompt: “Create a table summarising the features of medium-term expenditure frameworks.”

Search string: “medium-term expenditure framework Nigeria OER”

Table 5.4 Legislative approval and executive assent

Placeholder description: Table summarising legislative approval and executive assent in budget preparation

AI prompt: “Create a table summarising legislative approval and executive assent in budget preparation.”

Search string: “legislative approval executive assent budget Nigeria OER”

Table 5.5 Role of vote books and warrants

Placeholder description: Table summarising the role of vote books and warrants in budgetary control

AI prompt: “Create a table summarising the role of vote books and warrants in budgetary control.”

Search string: “vote books warrants budgetary control Nigeria OER”

Table 5.6 Oversight institutions and accountability mechanisms

Placeholder description: Table summarising oversight institutions and accountability mechanisms in budgetary control

AI prompt: “Create a table summarising oversight institutions and accountability mechanisms in budgetary control.”

Search string: “oversight institutions accountability budget Nigeria OER”

Boxes

Box 5.1 Objectives of budgeting

Placeholder description: Box explaining the objectives of budgeting in public financial management

AI prompt: “Create a box explaining the objectives of budgeting in public financial management.”

Search string: “objectives of budgeting public financial management Nigeria OER”

Box 5.2 Performance budgeting

Placeholder description: Box explaining the key features of performance budgeting

AI prompt: “Create a box explaining the key features of performance budgeting.”

Search string: “performance budgeting public sector Nigeria OER”

Box 5.3 Zero-based budgeting

Placeholder description: Box explaining the features of zero-based budgeting

AI prompt: “Create a box explaining the features of zero-based budgeting.”

Search string: “zero-based budgeting public sector Nigeria OER”

Box 5.4 Role of MDAs in budget preparation

Placeholder description: Box explaining the role of ministries, departments, and agencies in budget preparation

AI prompt: “Create a box explaining the role of MDAs in budget preparation.”

Search string: “role of MDAs budget preparation Nigeria OER”

Box 5.5 Citizen participation in the budget process

Placeholder description: Box explaining citizen participation in the budget process

AI prompt: “Create a box explaining citizen participation in the budget process.”

Search string: “citizen participation budget process Nigeria OER”

Box 5.6 Monitoring expenditure against allocations

Placeholder description: Box explaining monitoring expenditure against allocations in public financial management

AI prompt: “Create a box explaining monitoring expenditure against allocations in public financial management.”

Search string: “monitoring expenditure allocations Nigeria OER”

Box 5.7 Internal controls and reporting mechanisms

Placeholder description: Box explaining internal controls and reporting mechanisms in budget implementation

AI prompt: “Create a box explaining internal controls and reporting mechanisms in budget implementation.”

Search string: “internal controls reporting mechanisms Nigeria OER”

Box 5.8 Common challenges in budgetary control

Placeholder description: Box explaining common challenges in budgetary control

AI prompt: “Create a box explaining common challenges in budgetary control.”

Search string: “budgetary control challenges Nigeria OER”

Box 5.9 Case studies in budgetary reforms

Placeholder description: Box summarising case studies in budgetary reforms from Nigeria and international best practices

AI prompt: “Create a box summarising case studies in budgetary reforms from Nigeria and international best practices.”

Search string: “budgetary reforms Nigeria international best practices OER”