**APPRAISAL OF ACCOUNTING SYSTEM IN THE PUBLIC SECTOR**

**(A STUDY OF BOARD OF INTERNAL REVENUE OF ENUGU STATE)**

**BY**

**NWAGWU SABASTINE .C**

**GOU/11/815**

**DEPARTMENT OF ACCOUNTING/FINANCE**

**FACULTY OF MANAGEMENT AND SOCIAL SCIENCE,**

**GODFREY OKOYE UNIVERSITY,**

**UGWUOMU-NIKE,**

**ENUGU STATE.**

**JULY 2015**

**Appraisal of Accounting System In The Public sector**

**(A Study of board of internal Revenue of Enugu state)**

**BY**

**NWAGWU SABASTINE .C**

**GOU/11/815**

**A PROJECT REPORT SUBMITTED TO THE**

**DEPARTMENT OF ACCOUNTING AND FINANCE**

**FACULTY OF MANAGEMENT OF AND SOCIAL SCIENCES**

**GODFREY OKOYE UNIVERSITY, ENUGU**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE**

**BACHELOR OF SCIENCE (B.SC) IN ACCOUNTING**

**JULY 2015**

**DECLARATION**

**I NWAGWU SABASTINE C.** with registration number Gou/11/815 is a bonfide student in the department of accounting and finance under the faculty of management and social sciences in Godfrey okoye university. I would like to declare that the research work entitled Appraisal of Accounting system in public sector (A study of Board of Internal Revenue of Enugu state) Submitted by me in partial fulfillment of the requirement for the award of Bachelor of science (B.Sc.) in accounting is my original work and has not been submitted either in part or full for any other degree or diploma either in this or any other tertiary institution.

**CERTIFICATION**

This is to certify that this research work entitled Appraisal of Accounting system in Public sector ( A study of Board of internal Revenue of eungu state ) written by Nwagwu Sabastine c. with registration number GOU/11/815 presented to the department of Accounting and finance of Godfrey okoye university Enugu has been assessed and approved for oral examination/ defense by the department of Accounting / Finance, Godfrey okoye University, Enugu

…………………………… …………………………

SUPERVISOR DATE

……………………………… …………………………. HEAD OF DEPARTMENT DATE

………………………………… ………………………….

DEAN FACULTY OF MGT & SOCIAL SCIENCES DATE

…………………………… ……………

EXTERNAL EXAMINER DATE

**DEDICATION**

THIS project work is dedicated to the king of king who made it possible for me to reach this stage in life. For his mercies, love, protection and guidance throughout the completion of my program.

**ACKNOWLEDGEMENTS**

My utmost gratitude goes to God almighty, who has made this academic feat possible and I am equally grateful to my project supervisor Mr. Elias I Agbo for his patience, prompt attention, suggestion, strict and careful scrutiny of this work. I shall not fall to acknowledge the role of all the lecturers in department of accountancyespecially my Head of Department (H.O.D) DrT,F,INwanne, and for their time, academic encouragement , training and assistance. Alsomy Dean Pro every commendation for her efforts in giving me proper orientation; for her understanding, encouragement, and for that most valuable financial support and unending prayers. My beloved family ChristiananNwagwu, ChizobaNwagwu, ChinosoNwagwu and Chigozie, who were always encouraging and praying for me. I also extend my unalloyed gratitude to all who have in one way or the other contributed towards the actualization of this dream. Not forgetting my course mates, Mrs. Nwekwo Scholar, Nwansohuche (course rep),Onwunzuruike Emmanuel, Nwosu Gloria, Ihejieto Charles, Omebije Catherine, IdibeJosehat (aka joe money) Ofoma Victoria, Okoye Ezekiel (aka Lee yungtung), Ogenyi Nelson (aka Kaka) and others too numerous to mention whose friendship, jokes and synergies has always remaina foundation of hope and encouragement to me. Finally, my appreciation goes to all the CCTV members, MrEmeka James madu, madam JoyA.k.aCctv) Chinedu , Jude for their support, love and care throughout my stay in school.

**TABLE OF CONTENTS**

Title page

Declaration:………………………………………………………………………. i.

Certification:…………………………………………………………………….. ii

Dedication……………………………………………………………………......iii

Acknowledgements:……………………………………………………………iv

Abstract:……………………………………………………………………………..v

CHAPTER ONE: INTRODUTION

## BACKGROUND OF THE STUDY:……………………..1

## STATEMENT OF THE PROBLEM:…………………….3

## Objectives of the study………………………………….5

## Research Questions:………………………………………5

## Research Hypotheses:……………………………………6

## Significance of the study………………………………..6

## Scope and Limitation of the study………………….8

## Definition of terms:………………………………………..10

CHAPTER TWO: REVIEW OF LITERATURE

## 2.1 Theoretical Review:……………………………………….17

## 2.2 Conceptual Review:……………………………………….18

## 2.3 Historical Development of Government Accounting:..19

## 2.4 Financial Information……………………………………….23

## 2.5 Sources of Cash and Recording Media: ……………..25

2.6 Nature and Purpose of Government Accounting: …………….31

2.7 Fund Accounting Classification: ………………………………………34

2.8 Basis of Accounting: ………………………………………………………..39

2.9 Depreciation:……………………………………………………………………46

2.10 Summary Review:…………………………………………………………46

CHAPTER THREE: RESEARCH METHODOLOGY AND DESING

3.1 Research design:…………………………………………………………….48

3.2 Population of the study: …………………………………………………….49

3.3 Determination of sample size: ……………………………………………50

3.4 Sources of data: ………………………………………………………………52

3.5 Method of date collection: ………………………………………………….53

3.6 Procedure of date analysis: ………………………………………………54

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4:1 Introduction: …………………………………………………………………55

4.2 Data presentation: ……………………………………………………………56

4.3 Hypotheses Test: ……………………………………………………….……61

4.4 Discussion of Results: ………………………………………………………..68

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings: ……………………………………………………….70

5.2Conclusion: …………………………………………………………….…….71

5.3 Recommendation: …………………………………………………………..71

References: …………………………………………………………………….

Appendix: ……………………………………………………………………

**ABSTRACT**

This research aims at providing an insight of the accounting system in the public sector, a study of Board of Internal Revenue of Enugu state. The purpose of this research is to examine the Board whether it is efficient and effective. The method employed for data collection in this study is survey method which include: questionnaires direct interview and the methodology used to determining the sample size is sample percentage. The statistics were employed to analyze method employed for data collection in which 34 questionnaires were distributed among the accounting personnel of the board of internal revenue of Enugu state. And all were returned the major finding were that out of the total population of 37, the sample related was 34 accounting staff, the researcher found out that accounting system in the public sector is not effective and dose not provide for proper financial control and accountability. The study recommend that the Board Of Internal Revenue of Enugu State should set up efficient financial control system and organize in-service training programmers for its staff in order to make them familiar with the accounting system or procedure of the Board. Based on this employment of staff who have prior knowledge of Government accounting will no doubt help to ascertain the adequacy and effectiveness of the accounting system in the public sector.

**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

The practice accountability for public funds dates back to the history of the ancient Greece. As old as theory is, it would not be erroneous to say that the idea has been equally lost to antiquity although not much is known about it, this makes the subject, government accounting to remain a myth.

However, there is general awareness all over the world of the need to pay greater attention to the development of government accounting and financial control. The reason is obvious, government, in most , if not all nations constitute the economy. Government in any society is basically for maintaining law and order. With changes and the complete nature of the society, government responsibility has automatically changed from the role of maintaining law and order to business like nature in the modern era. The enormous activities of government, equally call for enlarged government accounting in order to accommodate the innense task. As a result of this development, the traditional cash procedures of accounting can hardly meet the demands of reasonable accounting for modern government in providing necessary for information. Therefore there is need for government accounting to be dynamic in order to accommodate both the fundamental roles and the developments.

Government accounting is the process of recording, analyzing, classifying, summering, communicating and interpreting financial information about government in aggregate and in detail, reflecting all transactions involving the receipts, transfer and disposition of government funds and property. The purpose are to demonstrate the propriety of transactions and their conformity with established rules to give evidence of accountability for the stewardship of government resources and to provide useful information for the good control and efficient management of government operation.

Financial management in public services as can be observed has failed to encourage and promote the efficient utilization of public funds or serve as effective basis for planning and decision making as well as to ensure proper accountability. Besides, it does not mean that financial irregularities being detected in public sector at large is basically based on traditional cash procedure of accounting but it dose arouse a question whether the modern system of accounting will make both modern management and financial management viable.

**1.2 Statement Of The Problem**

The problem of this research is to identify these weaknesses and limitations inherent in the cash accounting system of the public sector ( in relation to the accounting system of the sample ministry).

This is with a view to propose means of eliminating them completely or at least reducing them to the barest minimum. Put in question from, what are those weaknesses and limitation that militates against adequate and efficient accounting system and financial reporting in the public sector and how can they be eliminated?

Some of these problem witnessed in the public sector includes: the lack of accountability and abuse of delegated authority by the officers in authority, fraud and misappropriation of governmentfunds, as well as lack of expertise and business acumen on the part of those officers. Due to the fact that government operation have been termed “Non-profit oriented operations”, there is no pressure on the part of these government officers to preformup to optimum expectation, accounts are kept in messy shape while the officers get away with lack of proper accountability.

This research is carried out in order to examine the extent to which proper accounts are being kept in the public sector and to offer solution to the inherent problem discovered. The Enugu State Board Of Internal Revenue has been used as a sample ministry for this research for this work.

* 1. **Objectives Of The Study**

This cardinal objective of this study is to determine strength of the accounting system existing in the public sector.

The specific objective include the following.

1. To determine the extent to which the sample ministry has installed an accounting system.

2. To determine the factors that promotes or constrain the accounting system of the sample ministry.

3. To determine the impact of the accounting procedures of the sample ministry upon its financial reporting.

* 1. **Research Questions**

Three dominant questions being reviewed by this research include;

1 Is the accounting system in the public sector effective and adequate?

1. Does the accounting system in the public sector provide for proper financial control and accountability of stewardship?
2. Does the accounting system in the public sector provide useful information for the effective control and management of government operations?

1.5 Research Hypothesis

H0 The accounting system in the public sector is not effective and adequate.

H1 The accounting system in the public is effective and adequate

Ho The accounting system in the public sector does not provide proper financial control and accountability of stewardship.

H1 The accounting system in the public sector porvied proper financial control and stewardship

Ho The accounting system in the public sector does not provide useful information for the effective control and management of government operation.

H1 The accounting system in the public sector provide uesfu information for the effective control and management of government operation.

**1.6 Significance Of The Study**

This research paper is intended to examine the accounting system common in public sector with a view to exposing and highlighting the inherent limitation in the system. Therefore the research paper will be of interest and useful to the general public the government as well as the governed.

Government entrust public funds in the hands of its officials hence government reporting has traditionally stressed stewardship. Original accounting emphasis has been directed towards measuring the public funds generated and expended by the government programmer or activities. The traditional reporting approach is filled with many weaknesses of what it is hope that this study will make useful recommendation on how to improve upon the accountability and financial reporting system of the government.

The duty to report all its financial activities to the general public is a debt that government must pay. Such report will enable the people know how public funds entrusted in the hands of the government have been utilized, this type of report is very sensitive and useful to the public but very few of them ( the public) can understand it. This study will serve as a useful medium to such member of the public who find government financial reporting very ambiguous and hard to understand.

In many institution of higher learning the accounting curriculum offered is tailored specifically to provide students with an understanding of financial reporting as it relates to profit oriented enterprises. For the purpose. Students are frequently surprised to discover that the basic framework of financial accounting is significantly altered when the profit motive is removed. Though the accounting terminology may initially appear to resemble foreign language to all students of accountancy, and related professions who always depraved of knowledge of accounting system of the public sector this study will be very useful.

Moreover, potential researcher in this aspect of accounting will fine this research paper a very reliable reference base.

1.7 **Scope and Limitation Of The Study**

As the research topic would suggest at a glance, the scope of this is essentially focused on the accounting system of the sample department as a general overview sample study of the accounting in the public sector. Therefore, this study will look into the nature of the accounting system of the sample ministry; how the system operates, the relevance of the system to the environment problems and prospects of the system.

. **Limitations**

This aspect of accountancy ( as pointed out above ) has received very little attention from scholars despite its long historical age. Consequently, there is few literary publication on the student; the researcher was therefore limited to reviewing few literature which are mostly in origin, through relevant to the study.

Government establishment are well known for maintaining utmost screening as regard their operations, more so, where its is a study that concerns their financial operation the researcher found it difficult to obtain material relating to the study (that is literature) and some officials who have been very elusive and uncooperative. More so the bureaucracy and protocol the research went through to obtain material and an appointment has been very discouraging.

Due to all this constrains, the researcher cannot say for certain whether the study has covered very rutty gritty of the sample ministry as regards its accounting systems and procedures, but one thing is certain, enough materials have been gathered to help express an opinion as to the operation of the sample ministry.

Apart from the above listed limitations witnessed by this researcher is time constraint. This is a major limiting factor as the time between approval of the study and the deadline for submission was very short. The researcher relied heavily on the good will of the research supervisor because he understand my plight. Again lack of sufficient funds to conduct an extensive study was another handicap.

This was part of the reason why I had to limit my work to fewer staffs then was earlier planned.

**1.8 Definition Of Terms**

Every field, discipline or profession has its terminology. Therefore, government accounting can never be an exception. In order to ensure easy understanding by the users of this work in relation to government accounting which are extensively applicable in public sector and or which have different meaning from private sector interpretation and usage are here by define below:

1. Accounting entity: clearly defined economic unit which
2. Engages in identifiable economic activities
3. Control economic resources (for which accounting records are maintained and periodic financial statement is prepared.
4. Is distinct from the personal dealings of its owners or employees. To ensure that the fundamental accounting equation always refers to the same distinct entity the boundaries of the unit, once established must not be managed arbitrarily also called reporting entity.

Accounting entity is in the accounting and auditing, banking commerce and finance and corporate, commercial and general law subjects.

Accounting entity appears in the definition of the following terms; accounting change, reporting entity, combination fund and accounting policies.

1. Accrual accounts: The principles of “accruals” makes a distinction between the receipt of the cash and the right to receive it, and the payment of cash and the liability to pay it, stressing the importance of the right to the assets or the legal obligation in favors of the movement of the cash.
2. Annual Appropriations: These are issues required to meet the expenditure of the state other than those covered by direct issues from the consolidated Revenue Fund
3. Capital: is a plan of action quantified usually in monetary unit to serve as a guild for the achievement of government objectives.
4. Cash accounting the recording of the transaction in which revenue and expense are reported ( cash inflow and outflow ) in the period in which the related cash receipts and payment occur. The wide spread use of cash accounting in public sector result from the governments historically based requirement for financial information that shows fiscal compliance.
5. Capital Budget: this is the budget that sets out the proposed acquisition of fixed (long term) assests or project and their finance.
6. Depreciation: a non-cash expense that reduces the value of an asset as a result of wear and tear, age or obsolescence. Most asset lose their value over time (in other words, the depreciated), and must be replaced once the end of their useful life is reached. There are several accounting methods that are used in order to write off an assets depreciation cost over the period of its useful life. Because it is a non-cash expense depreciation lowers the company’s reported earning while increase free cash flow. Although, government accounting does not recognize depreciation and this is one of the criticisms of the system.
7. Encumbrance: is an expanse, which is both contingent and estimated. Obligation in the from of purchase order contact or salary commitments which are chargeable to an appropriating and for which a part of the appropriation is reserved. These obligations ceases to be encumbrance when paid or when paid or when the actual liability is recorded. This term no equivalent in the private sector accounting since unperformed protions of executing contracts are not recognized in the accounts
8. Estimated Revenue (Budget) if the accounts are kept on the accrual basis this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collection during the period.
9. Expenditure (Actual Expenses) : this is expenditure chargeable to an appropriation.
10. Fixed Assets: A long- term tangible assets held for business ues and not expected to be converted to cash in the current or upcoming fiscal year, such as manufacturing equipment real estate and furniture (also called plant)
11. Functional Budget/programme Budget: a budget that allocates costs (or inputs) to particular functions or activities.
12. Fun Accounting: this is basically operated on cash basis it si an accounting arrangement whwereby self-balancing set of accounts are provided for specific purpose. This system accounting is usually used by non-profit organization and by the public sector.
13. Fund balance; the excess of assets of a fund over its liabilities are reserves, except in the case of funds subject to budgetary accounting where prior to the end of a fiscal period. It thus represents the excess of the funds assets and revenuesfor the period over its liabilities reserves, and appropriatios for the prriod.
14. Historical cost Accounting; the traditional system of accounting that is based on valuations made in terms of the price ruling when transactions take place. In practice this is modified by the concept of prudence and the possible revaluation of fixed assets.
15. Revenue (Actual Revenue); is that revenue which are recorded on accrual basis, this term designates additions to assets which. Do not represent the recovery of the expenditure. Do not represent the cancejjaton of certain liabilities or without a corresponding increase in other liabilities or decrease in assets.
16. Warrant: Authority for expenditure from the consolidated Revenue fund covered by the appropriation law in respect of recurrent budget or from the capital development fund is the case of a capital budget

**CHAPTER TWO**

**REVIES OF RELATED LITERATURE**

Originally there were distinguishing features that differentiate government accounting and commercial accounting. But in the new ear, there is little or no different because most government units area now engaging in the profit making ventures, while some commercial enterprises also engage in non-profit ventures.

The two main differences usually pointed out are:

1 The absence of a profit motive in government and 2 That managers in government primarily aim at conforming to legislative” (Anthony, 1980; 83-93).

However, the profit making motive of the government is only applicable to a very few areas, while the commercial sectors profit is on the basis of yearly activities.

According to premchand (1983. P.380) “There is on ( and there connot be any ) equivalent of profit in the government though the concern of government and the commercial world are the same all over in regared to the allocation and use of resources both material” 2 whether in the public sector or in the private is for “measurement and communication and to provide economic and social information about an identifiable entity to permit users to make judgment and decision…..”3 Landgendefer (1973, pg. 50) By and large, government accounting is supposed to feed two groups of user; the government and the general public.

Conceptual Framework

As a form of accountability is the existence of the financial statements as a from of accountability and performance monitoring. This is closely related by the state management, especially in term of budgeting. In Indonesia, the budgeting system is performance- based budgeting system outlined in the government accounting

1. Measurable in Finance

Government accounting interpreted as a sign the procedure the corridor is related to the mechanism of action and be bound by the format the reporting. In government accounting, every transaction there is recording of transaction and budget approval.

2.2 Historical Development Of Government Accounting

The growth of government accounting can be traced to the period before and during the middle ages when local officials had to lender accounts for receipt and payment or expenses to their master, the king or royal auditor. The ruin of the royal finance and the chaotic state of accountin france in the eighteenth century was one of the causes of the France revolution which promulgated the doctrine of popular sovereignty over public finance so that tax could be levied without the assent of the nation. The separation of law making function of government and the executive power in the French constitution during the time of Montesquieu rendered theexiting accounting system disproportionate and the executive had to request and to render account to the legislature.

Similar condition prevailed in Great Britain, which called for high degree accountability with respect to public funds. There was a long historical tussle in Britain for parliamentary control of funds with respect to control over taxation. The consolidated fund Act of 1787 provided a single general from for expenditures. There was thus laid basis for the comprehensive financial statement of operation and stewardship of public funds.

In untied states of America since 1789, the secretary of treasury has been required to prepare and report upon estimates of public revenue to and expenditure. The budget later became a mechanism whereby the president submits his programmes to the congress and this resulted in an effective mean through which (the president) could be hold responsible. The united State of American Budget Accountancy act 1921 formed the basis for a responsible and responsive government. Which provided the necessary framework with respect to government funds. Historically, the accounting system of government was based on cash made available for such purpose and the disbursement of such cash. With the gradual separation of power between the law making power and the executive as from the 17th century onwards. The pattern of accountability became that of executive and legislature the principle of legislative supremacy in finance then became firmly established.

In developing world- Nigeria for example, government accounting or budgeting has a slow development and was not fully visualized as a major instrument of planning incidentally, the system being practiced in Nigeria public service is fashioned along the line of former colonial master Britain and America. The USA constitution from which Nigeria adopted her constitutional set up for instance, specially stipulated that “No money shall be disbursed from the treasury but in consequence or appropriation made by law and a regular statement of account of receipt and expenditure of all public money shall be published from time to time” Consequently, in the constitution of Federal Republic of Nigeria 1978 section 79 similar provision is made. “NO money shall be withdrawn from consolidated revenue of the Federation except to meet expenditure that is charged up on the fund or where the issue of those money has been authorized by appropriation, act supplementary appropriation act or by an act passed in pursuance of section 75 of that constitution”. Paragraph 3 of section 74 stipulated the same “No money shall be withdrawn from the consolidated revenue fund or any other of public fund of the federation except in the manner prescribed by the National Assembly”.

In the case of state, the constitution under section 122 specifically stipulates the authority for issue of money from the consolidated revenue fund of the state; the clauses are the same after substituting state for federation, house of assembly for the national assembly.

The recognition of the need for forward planning for France at the national level gave birth to national budget. The emergency of budgeting influenced to a great extent the development of government accounting; also while government accounting was originally related to taxation and revenue control and subsequently to the recording of the accountability for receipts and expenditure, the development of budgeting and budget gave much scope to the development of government accounting. The budget essentially became a managerial and policy making instrument.

**2.3 Financial Information**

According to Living et al(1960, pg2) he says that “the purpose of government acconting is to produce financial information in a from that is readily useful to all the parties concerned”

As can be seen by another author, the importance of accouting system of a government unit is “concerned primarilywith adherence to legal provision rather than the financial positions and the income determination”

(Copeland et al (1971, pg.400), he further stated that “the primary purpose of government accounting is to exercise way in which government account for reporting what they have done “.

**2.4 Sources Of Cash And Recording Media**

The term cash is freely used in this paper to mean “public money” as defined by section 2 if the (financial control and management) act October (1985) which includes:

The public Revenue of the federation or state, any monies held in his official capacity whether subject to any trust or specific location or not. By any officer in the public service or the federation or by any agent of the government whether alone or jointly with other person”

The case include;- currency, coin chrqes postal order and express money orders, bank draft on habd or on deposit with an official or agent designed as custodian of cash and bank deposit.

In every financial year, government makes revenue estimated to be collected from various sources, the bulk, which will be derived from taxes.

THE SOURCE includes;

1. Direct taxes e.g income tax of an individual companys income tax and other taxes.
2. Licenses and internal revenue e.g motor vehicles license, stamp duties, wires and television licenses private radio licenses.
3. Fees eg those derived from courts, government schools and hospital etc.
4. Earnings and sales eg Toll from express way, publications and vacuums.
5. Rent of government properties, which includes land, offices and residential houses.
6. Interest on loan eg those from loan to statutory corporation, dividend from investment in public and state owned companies.
7. Interest on loan to other state.
8. Sales of stores.

**Media For Recording**

The media for the recording cash receipt will consist of duplicate copies of receipt book, stubs of licenses; the media may originate from the departments or in the office of the treasury. The receipt book or licencesebook must be numbered for control purpose, commonly used books in the public sector are treasury book 6 and 6A: the former for use within the headquarters of the ministry/ department while the letter is used outside the hand office. Some procedures may require formal permission by the chief accounting officer before the collection, many be presented to the treasurer, the permission may be in form of a deposit warrant or other financial circular which may show the classification of the fund.

The following duties were operated at different point of performance.

1. The revenue collector or receptor of money prepares pre-numbered general receipts in quadruplicate

* Payers copy
* Collector’s copy
* Treasurer’s copy
* Finance officer’s copy

2. prepare deposit report in duplicate, by source if more than one type of collection.

(3) Verified collectins against receipt issued.

(4) Hands in collections over to the treasurer with deposits receipts or pay-in-form slip and receipts copies attached plus adding machine tapes of collection, send one copy of pay-in- slip to the finance officer.

(5) Receives collector’s copy of deposit slip stamped “PAID” when the treasurer or cashier receives the money he will perform the following duties.

1. Payers
2. Treasurer’s and
3. Finance office’s copies.

Control over the financial affairs of the government unit. Such control is exercised to be sure that legal provisions and formally adopted budgets are conformed to and have not been violated.

The bureaucracy nature of government department or unit on adherence to formally adopted budget and keeping within cash target has not given room for explicit and comprehensive financial reporting.

Hence, operating within the legal framework prescribed does not show ant efficiency and effectiveness in their operations according to clynn (1987, pg 5-6) he say that “because a department or unit keeps within a perdertermined cash target or because a nationalized industry keep within borrowing limits – it cannot be assured that their programmers are both effective and efficient “many authors have called for a reform of the whole system that users of accounting of government units in order to ensure that users information needed are provided. As dye puts “its is time to focus on the for collection such as taxes, utilities where special receipts form is used. He will assemble all receipts copies and stamp them “PAID”. Receives money collected by others stamps “paid” keep one copy, verifies in cash collection against deposit slips and receipts copies. Enter receipts in cash book by funds and banks. Deposit cash in bank, obtains duplicate deposit slip.

Prepare monthly reports or receipts. The treasurer has passed all the information to the finance officer or sub account who then performs or cause the performance of the following duties.

1. Prepares journal voucher;
2. For anticiipatd revenue when budget is adopted.
3. For total revenue receivable when due.
4. For fund and account transfer, which he will post to general ledger. Post detail to revenuen ledger.
5. Receives treasurers summary cash receipt report and copies of receipts. Verifies and enter in cash receipts. Register credit individual account receivables.
6. He prepares monthly reports comparing collections and accruals with budget estimates.
7. Total cash receipts registered at the of the month, post to general ledger. Post details to revenue accounts not previously accrued.

Finally he prepares Banks reconciliation statements and records cash proof. Cash can be proved at any time by reference to the cash journals. Beginning cash for the cash periods just the footing of the cash , debit column in the cash receipts journal and minus footing of cash credit column in the cash payments journal should give figures which agree with cash account plus checking balances. When all journal total been posted, the cash account in ledger should also show the correct balance.

**2.5 Nature And Purpose Of Government Accounting**

The stewardship function inherent in government operation is in complete contrast to a corporation where shareholders contribute capital and elect a board of director to oversee activities. Board members with other shareaholders and any other interested members of the public have access to accounting data, such as net income and return on investment on which management’s decision are based.

To compensate for the lack of business style, oversight, government accounting has developed its own formalized control procedure, budget, for examples, must be adopted by government bodies to serve as an indication of anticipated revenue and expenditures.

To emphasize these projections, many of the budget figures are physically recorded into the government’s accounting record and presented as a component of the annual financial statements. Hence, comparism can be drawn between income and expenditure that were expected for specific programmer and the actual revenue and expenditure figures. By measuring both expected as well as committed funds. The ministry is less likely to overspend its resources. Beyond the goal of establishing fiscal control, the accountant also faces the challenges of reporting on the different kinds of activities that exist within most government units. Since no common profit motive exits to tie all of these functions and service together, consolidated balance have traditionally been omitted. Combing financial information isolated by function so that each activity can be assessed separately. Hence the accounting process is put together to accumulated separate dates describing the financial affairs of every activity. The diversification nature in the services of government that a single set of accounting records is simply insufficient and inadequate to monitor all the activities. Therefore the financial transaction are recorded in one or more quasi – independent book keeping system referred to or called funds. Each fund is a balancing set of accounts that is used to record the financial data generated by an identifiable government function. These entire funds taken together made up the governments financial reporting system. The actual number of fund being used will therefore depend on the extent of services and activities being rendered by the government and the grouping data a minimum number of funds consistent with rules and regulation (law) and operating requirement should be established, in inflexibility, undue complexity and inefficient financial administration” (NCGA statement No.1 Chicago 1 968 pg 8). If the government is only to account for services programmer or activities such as police and other protection, hence reporting problem would be reduced. Although separate fund would be established for the individual functions the accounting procedure used in each case would be similar if not identical within these funds emphasis would be placed on reporting revenues and expendiitures relating to the attempt to generate income rather than serve the populace. Because this goal is parallel to that of profit oriented enterprises, traditional non-profit accounting procedures are not considered applicable to those duties.

**2.6 Fund Accounting Classification**

Fund is an independent fiscal and accounting entity with a self balancing set of accounts recording cash or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining objectives in accordance with special regulations, restriction or limitations. Fund can in principle be classified into three categories. There is the category of funds used for accounting of resources derived from the general taxing and revenue process of government – government funds. There is the category of funds used to account for resources used and (if applicable accretions there to from business like operations of the government – proprietary funds). There is also the category of funds used to account for resources held and managed by the government in the capacity of custodian or truster-fiduciary funds. Examples of government fund in operation in Nigeria include; the consolidated Revenue Fund and the Development Fund. Proprietary funds are referred to as treasury funds and deposit funds”

**Consolidated Revenue Fund**

This is the fund into which all receipts accruing to the Federal/State government from the general taxing and revenue powers of government (except those exempted by specific laws) are credited. These are the main receipts from the Federation account and direct sources. All recurrent expenditures of government are debited to this funds. The credit and debit however takes a two stage from. The receipt denote revenue credited to various heads of federal/state government revenue accounts according to budget classification in the announce estimates. The payments (expenditures) are classified accoreding to the budget classification also the balance on the summary accounts (control or total) is then transferred monthly to the surplus and deficit account. The balance on this account is then transferred to the (consolidated Revenue Fund) thus represents the excess of receipts over recurrent expenditure for a particular year plus the balance brought forward from the pervious year. One of the major “payments” is the transfer to the development fund. A greater proportion, sometimes are as high as seventy-five percent and above of the receipt into the Development fund is derived from the consolidated Revenue Fund. Thus the part of the consolidated Revenue Fund balance which is transferred to the Development fund is continuous process throughout the appropriation.

**Development Fund**

Government’s capital projects are financed from the development fund. All recipt and transfer earmarked for capital project are credited to the fund, and all capital expenditure are debited to its. It is however not a fund into which times and government revenue are directly paid. They enter into this fund through contributions; however for a short period of time to the development fund is the contingency fund. This funds is used some time to accommodate expenditure on going project pending the release of additional or increased fund through legislative approval.

Although a greater proportion of what goes into the Development fund comes out of the consolidated Revenue Fund there are others and perhaps equality important sources of Revenue into this fund.

They are:-

1 Internal loan

2 External loans

1. External grants.

**Internal loans:**

These are monies borrowed by the government within the country from individuals, banks and financial institutions. In the borrowing process the government sell securities to the public or institutions, and pays interests on the borrowing funds. The different types of securities, which may be, issued ranges from short-term treasury bills (usually 91 days) to long-term bonds within a ministry date of twenty-five years or more, the short-term loans are usually referred to as “floating debt”

In particular, the proceeds from treasury bills issued do not go into the development fund. Rather they are paid into the consolidated Revenue Fund, which also financial their repayment.

**External Loan** – they are obtained from other countries. These loans are usually given for specific projects (as against internal loans and transfer from the consolidated Revenue fund which goes to swell the Development fund to make money available for capital projects in general). The lending countries usually indicate the conditions of lending via a loan agreement. Sometimes, the choice of contractor is at the discretion of the lender who also monitored the project to completion.

**External Grants**: Are aids usually given for specific project by other countries however, it should be stressed that in Nigeria, many agencies of government operate with single fund system. Such an organization therefore has a single accounting entity, which also gives the impression that it is an organizational entity, private sector.

The contrary however is the case with the federal and state Government each with a number of public funds. With each fund constituting an accounting entity, the account of these organizations are prepared on the basis of the multiple entity system.

**2.7 Basis Of Accounting**

The basis of accounting can be regarded as method employed in recording financial transaction and events and for the financial accounts. There are generally three different bases, which may be used; cash basis, Accrual basis and commitment or obligation basis. In government accounting, any of these may be used. It is possible thought to employ a hybrid of any two or all of the three. Hence we can basis which is modified accrual basis which in essence is a cash basis which is modified at the end of each period with adjustment to give it the same result as in accrual basis.

**Cash Basis:-** This basis records economic events according to the movement of cash. Therefore, revenue are recorded and accounted for when cash is received and expenditure when cash paid irrespective of accounting period in which the services are rendered or the benefit received. Budget appropriation are made under the assumption of cash receipt and disbursement and all unspent appropriation are expected to lapse into their respective funds at the end of each period. It has the following advantages.

1. It is simple; cheap to administer and likely to yield and year result relatively quickly.
2. Its promote accountability and control because of its ease of verification of financial authorities, ease of comparism of budgeted with actual expenditure and the ease of comparism of budgeted and actual cash flows.
3. It is unambiguous and stickly factual in the presentation of financial information and
4. It concentrates on the crucial important disbursement of money ad is consistent with the importance attached to cash movement in and out of government sector as an influence on the economy as a whole.

On the other hand, the cash basis of accounting also suffers from some serious deficiencies.

1. It makes on allowance for the usage of assets.
2. It make on allowance for the stock held at period ends.
3. It does not capture data on the various stages of financial transaction.
4. It proves a very infect measures of economic cost.
5. It does not reveal an accurate picture of the state of affairs at a period end and
6. Its often distorts the current year cost because of consumption paid for in previous or subsequent years.

Despite the heavy criticism leveled against the cash basis for compilation of accounts in government, many government, both in developed and developing counties to employ it. This seems to suggest that the fiscal relevance argument in favour of cash account ting has move weight than recognized. On the other hand, its may be an attestation to the fact that one accounting basis could not be expected to satisfy the reporting requirement which requires the cash basis of accounting while there are other which requires the commitment basis and or accrual basis.

Hence some advocate a modified accruals basis as a compromise with fully satisfy the cash inflow/outflow needs and with supplementary information which would for more accurate cost and revenue measurement while not disturbing the cash basis for control purpose.

**Accrual Basis**

Under the accrual basis of accounting revenue are recognized when earned or due for collection and cost when resources are consumed or delivered or benefits are received not withstanding that the receipt or payment of cash may take place wholly or partly in another accounting period. The accrual basis has three major benefits over and above the other two basis being discussed.

1. It measures input in term of resources consumed to provide an output and therefore enable comparisms between budgeted and actual results.
2. Its makes possible the identification of economic cost I,e the consumption of resources either paid for in prior years or to be paid for in the future and both considered in the annual result of operation in the relevant year.
3. It enable a more accurate version of the financial postion then that given by the cash basis of accounting.

If this premises is to held, it follows that financial statement should disclose.

1. The consumption of all in operation of the entity and the changes in the net equity balance’ pg 186.

He futher points out that “flxed assets are in effect, nothing but unexpired unit of services”. As this unit expires through usage they should be accounted for as part of the full cost of services rendered by the organization”

In an opposing view, the NCGA (1968) takes the position that depreciation on general fixed assets should not be recorded in the accounts unless cash is set aside for the replacement of these assets, if the cash is set aside the depreciation qualities as expenditure for which an appropriation can be budgeted. In commercial accounting, the primary purpose or aim of depreciation process is income determination. Since government unit are not interested in determining income (matching revenue and expenses or otherwise) the deprecialtion process service no useful purpose.

**Commitment/ Obligation Basis**

It is also known as the encumbrance basis. In government transaction, financial commitment occurs when an order is placed either by issue of a purchase order or an indent or when a contract is signed or an activity or asministrative action is embarked upon which has been formally authorized and which commits resources towards its discharge. In theory its records the expenditures side of obligation done. In pracitical however. It captures not only detail of commitment but also information on authorized budget or amount available as well as the detail of outlay or cash payment.

**2.9 Depreciation**

As laid down principle government does not recognize the existence of assets, especially fixed assets.

Therefore the arguments on whether depreciation should be included or not in financial statement then depends on new orientation because authors disagrees on this, while some supports the inclusion of depreciation in financial statements for example Henke (1980) “the basis premises for the argument in favour of recognized depreciation as an element of cost is the contention that the responsibility of operational stewardship in non-profit organization extends through the acquisition and use of all assets.

**2.10 Summary Of review of related literature**

Here we have examined the development of accounting from its earliest from as a recording activity to its present day importance which slams from its objective of providing social economic information for decision marking.

The history of accounting development reflects an ability to responed to changing social needs. Today changing social studies combine the development in information technology, quantitative methods and the behavioral sciences to affect radically, the environment in which accounting operates. These changes have created a number of problems for the accountant it is with these problems that book is conceded.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

* 1. **Research Design**

This research report explicitly deals with how the research would be executed. The type of date to be collected is specified. The sources of date location and methodology of date collecting are treated. In carrying out this research froms the plan of conceptual framework that would be effective for the entire research process. The primary purpose of the research is to maximize the accuracy of information generated at a minimum cost. It was pertinent for the researcher to identify and define the problems and purpose of the research work and the general nature of the problem and its variables that relate to it. This type of research is characterized by a high degree of probability. This created avenue for discovering ideas and insights into the problem. The application of this design was in survey of the attitude of accounting personal in various departments.

**3.2 The populations Of The Study**

Initially, the target population of this study covers all the staff of the board of Internal Revenue Enugu state. Those in the accounting section were of special interest of this study. Board being studied comprises of two major sections, the personnel department, and the accounting department .

Due to relevance sake, the population of 37 staff being staff of treasury (cash) and treasury (inspectorate/audit) department both being in the accounting section of the board of internal revenue of Enugu.

Therefore, the population of this study comprises of the thirty-seven (37) staff in the accounting department (that is treasury (cash/cheque and inspectorate audit department).

Below is a table showing the distribution of staff among the various departments that make up the ministry.

Table 1 Distribution of Staff Among Various department of the ministry

|  |  |  |
| --- | --- | --- |
|  | Department | No. of Staff |
| 1 | Personal | 189 |
| 2 | Headquarter Operation | 49 |
| 3 | Management of Financial Inspectorate | 15 |
| 4 | Treasury (cash/cheque) department | 24 |
| 5 | Treasury (Inspectorate/audit) department | 13 |
| 6 | Treasury Operations/outstation staff | 13 |
| 7 | Sub-treasuries/local Government (payment Of pension for retires) | 85 |
|  | Total | 388 |

As we can see from the table above, the relevant population chosen is made up of 24 staff of treasury (cash/cheque) department and 13 staff of the treasury inspectorate/audit department making the population up to 37 numbers of staff.

* 1. Determination of Sample Size

A sample size of 37) thirty-seven would be used to represent the population of the responsible staff in the sample Board

The sample size determines the sample size from a heterogeneous population.

N=n\_\_\_\_\_

1+n(e)2

Where

n= sample size to be used

N= population size

e= Error estimated level of significance

I = Constant.

For the purpose of this study, the level of significance (e) is given as 0.05 that is 95% confidence level/limit.

Given that N =37, e =0.05, n=?

= 37

1+37 (0.05)^

= 33.86

= 34

34 Sources of Date

The two sources of date used in this research work include:

1. primary source of date and
2. secondary source of date.

The method used in collecting the primary source of data include: questionnaires and interviews.

The method used for collecting the secondary sources of data include review of; textbooks, journals, unpublished work of other researchers, Newspapers and other related publication.

**3.5 Methods of Date Collection**

The researcher framed the questionnaires as a method/instrument of date collection. This questionnaire was basically designed to obtain information from members of the accounts staff of supervision. Finance and supplies department and the accounting operations of the board study.

The questions are grouped into section. There are six sections viz:

1. (personal Data)
2. (Cash)
3. (Cheque)
4. (Provisions and reconciliation)
5. (Stores)

Section A contains questions on personal date of respondents.

Section B to F contains question formulated to test the operation of the accounting system of the sample board. This is to make clear whether the system is adequate in design, effectiveness in operation and consistence in application. Instruction were given on how to complete the questionnaire in order to safeguard errors due to misunderstanding of the question.

**3.6 Procedures For Date Analysis**

The method used is frequency table and percentages based on the analyzed responses from questionnaires that were managed. The reasons for using percentage and frequency table were based on research questions in testing the variables in the research study used by the researcher. The date out the number of the respondents with similar answers to each particular question, the percentage of the numbers got were then worked out. The table was also provided to give the number of respondents with the percentage distribution. The likely outcome was also analyzed and narrated.

**CHAPTER FOUR**

**PERSENTATION AND DATE ANALYSIS**

* 1. **Introduction**

Date analysis and presentation of results of the work are offered in this chapter. With respect to the questionnaires, there are twenty (20) questions or items in these questionnaires; therefore the questionnaire is classified into section

Each of the section represent a preticular section transction or department which can be easily subjected to accounting act or treatment.

The question (items) is fundamentally designed to examine the accounting system of the sample board and the operating officers (operators) of the system. The questions are mainly designed for internal control purpose.

Thirty-four copirs of this questionnaire were distributed among the accounting personnel of the sample board and were all returned, this was made possible by the help rendered by a friend who is a staff of the sample board. We will now take a look at the responses proffered by the sample field.

**RESEARCH QUESTION 1**

what is your Educational Attainment

**TABLE 2**

|  |  |  |
| --- | --- | --- |
| Response | No Of Respondents | Percentage Respondents |
| F.S.L.C | 3 | 8.82 |
| G.C.E/S.S.C.E/WAEC | 5 | 14.71 |
| OND/HND | 21 | 14.71 |
| DEGREE HOLDER | 21 | 61.76 |
| TOTAL | 34 | 100% |

SOURCE: COMPUTATION of responses of accounts staff of Board of internal Revenue Enugu.

Table 3: show that (5) five respondent representing 14.71% of the entire population of the respondent are WASC/G.C.E. holders. Five (5) respondents respresenting 14.71 are OND/HND holders (diploma ), 21 respondent representing 61.76 hold degree while three (3) respondent representing 8.82 hold F.S.L.C. (first school Leaving Certificate)

**RESEARCH QUESTION**

What is your position in the board?

**TABLE 3**

|  |  |  |
| --- | --- | --- |
| RESPONSE | NO OF RESPONDENTS | PERCENTAGES |
| ACCOUNTANT 1 | 3 | 8.82 |
| PRINCIPAL ACCOUNTANT | 8 | 23.53 |
| ACCOUNTING ASSISTANT | 23 | 67.65 |
| TOTAL | 34 | 100% |

SOURCE: computation of responses of accounts personnel of Board of Internal Revenue E

As the abover table shows, that twenty-three (23) respondent are accounts assistants, Eight (8) prinicipal accountants and three (3) accountants (1)

**RESEARCH QUESTION 3:**

Do you have prior knowledge of Government accounting before you were employed in the board of Internal Revenue Enugu.

TABLE 4.3

|  |  |  |
| --- | --- | --- |
| RESPONSE | NO. OF RESPONDENTS | PERCENTAGE RESPONDENT |
| YES | 9 | 26.47 |
| NO | 25 | 73.53 |
| Total | 34 | 100% |

Source; computation of responses of accounts staff of Board of Internal Revenue Enugu.

The above table (4.3) has shows that out of a total of 34 respondent, only nine had prior knowledge of government accounting, the outstanding 25 (twenty-five) respondents learnt it’s after they were employed in the board.

**SECTION ‘B’ (Cash)**

The section contains questions that effects cash (public money) activities (transaction of the board the cash flow, inflow and outflow of cash) from the board ; this involves claims, receipts, authorities and control of public money.

Therefore, responses to question in this section of the questionnaires are presented in the table below.

**RESEARCH QUESTION 4**

Does person holding cash have access to ledger records?\

**TABLE 4.4**

|  |  |  |
| --- | --- | --- |
| RESPONSES | NO. OF RESPONDENT | PERCENTAGE RESPONDENTS |
| YES | 24 | 20.59 |
| NO | 10 | 29.41 |
| Total | 34 | 100% |

**SOURCE:** computation of responses of accounts personnel board of internal revenue enugu.

The above table shows that 24 of the staff agreed that personsholding cash also have access to ledger while Ten of the respondent denied that persons holding cash have accessed to the ledger.

**RESEARCH QUESTION 5**

How often are cash and cheque being ledged into the bank?

**TABLE 4,5**

|  |  |  |
| --- | --- | --- |
| RESPONSES | NO.OF RESPONDENTS | PERCENTAGE RESPONDENTS |
| Daily | 30 | 88.24 |
| When there is directive to do so | 4 | 11.76 |
| Total | 34 | 100% |

**SOURCE:** Computation of responses of accounts personnel of the board of internal Revenue enugu.

Thirty out of the entire population of thirty-four (34) said that cash and cheque are banked daily while four said it is done when there is a directive to do so that represents 88.24% as against 11.76%.

**RESEARCH QUESTION 6**

Is there any independent comparismof pay-in slop with collection records?

**TABLE 4.6**

|  |  |  |
| --- | --- | --- |
| RESPONSES | NO OF RESPONDENTS | PERCENTAGE RESPONDENTS |
| YES | 34 | 100 |
| NO | 0 | 0 |
| Total | 34 | 100% |

**SOURCE**: Computation of responses of accounts personnel board of internal Revenue Enugu.

In the above table, the respondent agreed that there comparisms of pay-in-slip with collection record that is the total number of the population which 34 agreed that there is an independent comperism of pay-in-slip with collection record of the board of internal Revenue Enugu.

**SECTION C (CHEQUE)**

All question fashioned out in this section is to test the powers over the custody and authority of the issue and the use of cheque: bank cheque booklet and other related issues.

The table below is the respondent responses of all the account personnel of the Board Of Internal Revenue Enugu.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/No | QUESTIONS | RESPONSES | NO OF RESPONDENT | PERCENTAGE OF RESPONSES |
| 1 | Who is responsible for the preparation fcheque? | 1. Cashier 2. Chief Accountant 3. Sub-treasury | 10  2  22 | 29.41  15.88  64.71 |
|  |  |  |  | 100 |
| 2 | Can bank cheque be signed in Advance? | Yes  No | 0  34 | 0  100 |
| 3 | How often is bank reconciliation prepared? | 1. Monthly 2. Daily 3. Quarterly 4. Annually | 34  0  0  0 | 100  0  0  0 |

**SOURCES**: Computation f responses of account staff of the Board of Internal Revenue Enugu.

The above table allows us to see at a glance the reaction r responses of the respondent to each question and the percentages responses as to the total number f respondents.

In the sub-table 1, the respondents signified those three accounts personnel, the cashier, chief accountants and the sbu-treasury has a duty to prepare cheque. However the degree of the responsibility, twenty-two (22) said sub-treasury has the responsibility, representing 64.71, ten affirmed cashier responsibility representing 29.41) while the remaining two (2) supported the idea of chief accountant as having the responsibility representing 5.88.

The possibility of signing blankcheque in advance was totally rejected by the whole thirty-four (34) respondents who said ‘NO’ meaning it can not be signed in advance.

Sub-table 3, gave a clear affirmative position as to when bank reconciliation can be prepared, by the responses of the respondents, the whole of tm saying “monthly” this shows 100% of the entire population.

**SECTION F (STORES/SUPPLIES)**

The store unit is a very important arm of any establishment; its roles as far as healthy existence of an organization is concerned can not be over emphasized. Therefore, this section of the stock units and its control of the stocks/supplies section of the Board of Internal Revenue Enugu.

The table below shows responses to questions as the respondent reacts to them.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/NO | QUESTIONS | RESPONSES | NO OF RESPONDENT | PERCENTAGE OF RESPONSES |
| 1 | How often is stock taking conducted | 1. Monthly 2. Quarterly 3. Annually 4. When need arise | 9  5  20  0 | 26.47  14.71  58.82  0 |
| 2 | What records are being kept of stock movement | 1. Ledger stall card 2. Store issue records/register 3. Stock and distribution register | 0  20  14 | 0  58.82  41.18 |
| 3 | Can stock item be issued out or received without being recorded? | Yes  No | 0  34 | 0  100 |
| 4 | What other measures are being used for proper safeguard of stock | 1. Constant check by internal Auditor 2. Return of used and unused document. 3. Stock movement | 10  10  14 | 29.41  29.41  41.17 |

**Sources:** Computation f responses of account staff of the Board of Internal Revenue, Enugu.

The table above allows us to see at a glance the reaction or responses of the respondent to each question.

In sub-table one, the respondent signified that, stock taking is usually conducted monthly, quarterly annually, and when the need arises but however the degree of the respondent , twenty (20) said that stock taking are done annually which represent a total percentage of 58.82%, five (5) said that stock taking are usually conducted on a quarterly basis which represent a percentage of 14.71% while the remaining nine (9) supported or signifies that stock taking are conducted on monthly basis by the Board of Internal Revenue Enugu.

In sub-table two, the respondent signified that “ledger stall cards, stock issue records/register and stock and distribution register” are records which are used for stock movement.

However, twenty (20) of the respondent signifies that stock issue record/register is mostly used for stock movement while fourteen (14) of the remaining respondent signifies that stock and distribution register is used for stock movement in the Board of Internal Revenue Enugu.

In sub-table 3 the chances of issuing out or recovery stock items without being recorded was totally rejected by respondent meaning that stock items can not be issued or received without being recorded.

In sub-table 4, signifies measures being used for proper safeguard of stock and such measures include the following, constant check by internal auditor return of used and unused document and strict movement of stock. But however, fourteen (14) of respondent signifies that for proper safeguard to stock t that strict movement of stock as a measure should be adopted, ten (10) of the respondent supported that the use of internal aduditor as a measure should be used while the remaining 10 (ten) supported the return of all used and unused item used in the stock section should be adopted by the board as a measure for proper safeguard of stock by the board of internal Revenue Enugu.

**CHAPTER FIVE**

**SUMMARY OF FINDINGS, CONCLUSION AND RECONMMENDATIONS**

**SUMMARY OF FINDINGS**

In view of the data collection, examined and presented above, the researcher came out with the following findings;

That out of the entire 34 account personnel of the Board of internalRevenue Enugu, twenty-five (25) of them representing 73.53% were employed without ant prior knowledge of government accounting.

That there was adequate stock records, hence stock movement (both receipt and issued ) of such stock were thoroughly recorded.

That cash and cheque collected by the Board of Internal Revenue Enugu were being lodged into the bank on a daily basis.

Those preparations of cheque of the Board of internal Revenue Enugu were done by the sub-treasury and also that bank reconciliation was also done on monthly basis.

**CONCLUSION**

Employment of staff who have prior knowledge of government accounting will no doubt help to ascertain the adequacy and effectiveness of the accounting system and also proper stock taking and safeguard of stock will also help to promote the accounting system of board of internal revenue of enugu state.

**RECOMMENDATION**

Below are the steps which the Board of Internal Revenue Enugu should take namely:

The Board of Internal Revenue Enugu should organize in service training programme for its staff in order to make them familiar with the accounting system or procedure of the board.

The accounting system must be developed in manner that will permit effective administrative control fund and operation, programmes management and internal audit appraisal.

**REFERENCES**

Ani, W. (1998). PUBLIC SECTOR ACCOUNTING: Enugu immaculate         publications.

Akpala, A.(1990). Management: An introduction And Nigeria perspective; Enugu;          providence press (Nig.)Ltd.

Constitution of The Federal Republic of Nigeria 1999.

Copeland R. Et Al (1971). The Economics of The public sector; New York: Holt R. and Winston Inc.

Dye K.M. (1983). The course of Exchquer.

Glynn, j.j (1988). Public sector of financial control and Accounting London

Millichamp, A.H (1990) Auditing 5th Edition London: Dp publication ltd.H

Premchnd, A. ( 1993). Government Budgeting and Expenditure control Theory and practice; Washington D.C., McGraw Hill.

Tennew, Et Al (1960). Government Accounting; 4th Edition, New York, prentice Hall International

OkoyeE and Ani (2004). Annals of Government and public sector Accounting Nimo Rex Charles and Patrick Ltd.

**APPENDIXES**

Department of Accounting Godfrey okoye University Ugwuomu-Nike Enugu.

Dear Respondent

**Research Questionnaires**

This dissertation questionnaire is design to elicit information, which will help the researcher to arrive at logical findings

The study ‘Appraisal of accounting system in the public sector” ( A study of Board of internal Revenue of Enugu State) is purely academic it is in fulfillment of the requirement for the award of a degree in accounting.

I therefore, assure you that all information given will be treated in strict confidence and will be used only for the purpose of this study.

Yours Faithfully

Nwagwu Sabastine c.

**QUESTIONNAIRES**

**INSTRUCTION**

You are required to tick the box in front of each

Correct option

SECTION ‘A: PERSONAL DATA

1. What is your educational attainment?
2. F.S.L.C ( )
3. Graduates ( )
4. Diploma, OND/HND ( )
5. G.C.E/S.S.C.E/WAEC( )
6. Do you have any prior knowledge of government accounting before you were employed in the Board of internal Revenue Enugu?
7. Yes ( ) B. NO ( )

SECTION B: (CASH)

1. Does person(s) holding cash have access to ledger records?

Yes( ) B. No ( )

1. How often are cash and cheque banked?
2. Daily ( ) B. Monthly ( )
3. Quarterly ( ) D. Annually ( )
4. How often is bank reconciliation prepared?
5. Daily ( ) B. Monthly ( )
6. Quarterly ( ) D. Annually ( )
7. Can blank cheque be signed in advance

Yes ( ) B. NO ( )

**SECTION F: (STORES/ SUPPLIES)**

1. How Often is stock taking conducted?

1. Daily ( ) B. Monthly ( )
2. Quarterly ( ) D. Annually ( )

2. What records are being kept of stock movement?

Specify …………………………………………………………………………..

3. Can stock items be issued out or received without being recorded?

A. Yes ( ) B. No ( )

4. What other measures being adopted to ensure proper safeguard of stock?

Specify …………………………………………………………………………..

Thanks for your co-operation.