

## CHAPTER ONE

### INTRODUCTION

#### 1.0 BACKGROUND OF THE STUDY

Universally, it is well known fact that the management and control of public fund determine the success of all governmental activities and it is also at the heart of government administration hence the need for an acceptable accounting system that will comprehensively offer solution to the accounting problem of the government and society.

The management and control of public fund are governed by the finance (control and management) act of 1988. This was as a result of the constitutional amendment of 1957 which in section 154A to E into section 154 which deals with the operation of the consolidated revenues fund. The principles of this act forms the base of finance act which had a slight change in the 1976 and 1989 constitution.

Furthermore government accounting is regulated by section 129, 148 of the constitution laws enacted by government. In power, the finance (control and management) act of 1958 and by decrees and acts which were promulgated into laws.

The federal ministry of finance performs the duty of management and control of public fund, which is directly the peculiar responsibility of the treasury now referred to as the office of the Accountant General. The treasury functions and duties are streamlined to assist of guide where expenditure and receipts for the year hence, no receipt or expenditure are transferred to the next accounting period.

The rules and regulation governing the accounting practices (management and control public funds) are contained in the financial regulation treasury accounting manual and treasury circulars

According to this financial regulation (FR 519) the provision stated that "Before making any payment at sub accounting office will satisfy immensely so far as he is in a position to do so that.

- a. The expenditure has been authorized by warrant and the voucher correctly classified in accordance with the estimates.
- b. The information furnished on the voucher is correct in all particulars, the certificates on the voucher signed by the proper officer.
- c. All proper deductions from salaries or pension accounting of contribution repayment of advances or other liabilities have been duly made. These basic functions are services rendered by the treasury.

#### 1.1 STATEMENT OF THE PROBLEM

The treasury as a custodian of public fund is responsible for providing a detailed of all public and that federal ministry/Department being part of the treasury is also vested with same responsibility.

However, the treasury is faced with number of problems that tend to under the

effectiveness of accounting system.

The following problems are therefore identified with a view to finding this solution so that credible accounting system will re-sure.

- a. Inadequate staying
- b. Inadequate method of revenue collection and control
- c. Delay in the preparation of final account monthly transcript
- d. Delay in the preparation of bank reconciliation statement
- e. Late remittance cash transfers

Consequently, this research work is intend to find solution to these problems that militate against the efficient and effective implementation of accounting systems in the government treasury.

## **1.2 OBJECTIVE OF THE STUDY**

Reference to the numerous problems facing the treasury in the quest to have an effective accounting system in pursuance of nations building this work is aimed at ascertaining the importance and significance of this government accounting system an identify causes of this ineffectiveness.

More so, this study is aimed at analyzing the following

- a. The role and responsibility of the accountant general office in ensuring this, an effective accounting system and proper accountability for public funds
- b. The importance of accounting principles on the government and the public in general with regards to its effectiveness.
- c. The extent of compliance with financial regularities and treasury circulars on disbursement of fund by persons or authorities entrusted with such responsibility determining the extent and damage which fraud misappropriation and embezzlement of such public fund have caused and persisted in the organization.
- d. Funding solution by not any minimizing but eliminating such bad practices completely.
- e. The cause of delay or absolute neglect in the implementation of the accounting principles, rules and regulation.
- f. Investigate to what extent under staying or inexperience and unskilled stay have contributed to poor output of the treasury.

## **1.3 SCOPE OF STUDY**

This study covers the responsibilities and duties of federal ministry/department and implementation of the accounting principles rules and regulation for effective and efficient performance . the duties includes the compliance to the treasury requirement, the enforcement of the rules and regulation. In the financial regulation so as to always produce proper and credible account of public fund. The importance and effectiveness of this accounting system to the organization and finally the shortcoming of the accounting system on organization of any.

## **THE IMPORTANCE OF ACCOUNTING ON ORGANIZATION'S EFFECTIVENESS**

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