



ORDINARY UNIVERSITY EXAMINATIONS 2015/2016  
EXAMINATION FOR Y3S2  
PROGRAMME : BACHELOR OF COMMERCE

COURSE CODE: **HBF 2305**

COURSE TITLE: **FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR**

DATE:

TIME: 2 HOURS

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**INSTRUCTION TO CANDIDATES**

Answer Question one and any other two

## QUESTION ONE

Outline the role played the following in Government accounting by:

**(5 Marks each)**

- (a) The Public Accounts Committee
- (b) The government Ministries Accounting Officers.
- (c) Write short notes on Sources of Government Revenue
- (d) Reasons for the growth in Public Expenditure in Kenya in the last 10 years.
- (e) Controller of Budget

## QUESTION TWO

“The independence of Internal Audit in Financial management in the public sector is considered to be essential to its effectiveness”.

### Required

- a) Explain what is meant by independence in this context and give examples of circumstances which might impair independence. **(8 Marks)**
- b)
- c) Explain the role and objectives of internal audit in a public sector organisation. **(6 marks)**
- d) Discuss factors influence the size and organisation of an internal audit section in a Public Sector organisation? **(6 marks)**

## QUESTION THREE

- a) Discuss the role of the Controller and Auditor General. **(10 Marks)**
- b) Explain the role and functions of the Treasury in Financial management in the Public Sector and its relationship with other Government department, in planning and controlling government expenditure. **(10 marks)**

## QUESTION FOUR

- a. Explain the administrative and accounting controls used to achieve the budgeted level of expenditure by Government Ministries. **(10 Marks)**
- b. Describe the functions of annual budgets **(10 Marks)**