

People's Conception about Revenue-Expenditures and Governmental Accounting Procedure in Bangladesh: A Strategic Way Forward and Philosophical Analysis

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Abstract

At Present governmental policy making emphasizes on what departments produce rather than on what they have available to spend. The main aim of this paper is to develop a theoretical framework of accrual based governmental accounting systems in Bangladesh. It also helps conceptualizing accounting information used by the politicians (users of information) and public financial managers/civil servants (producer of information). As the people of the country are the owners of public money, the governments as well as the civil servants have some responsibility to ensure welfare to the citizenry at all levels by effective utilizing of the money. For developing the theory exploratory research has been conducted. To reach the result descriptive statistical techniques have been used to analyze on thirty respondents who are directly/indirectly practitioner/service receivers of governmental accounting information systems operating in Bangladesh. In conducting this research twenty structured 'Yes'/'No' simple dichotomous questionnaires have been used to measure people's philosophy about taxation and accounting in Bangladesh to develop a strategic theory of the subject. This is done because, all of the laws and regulations in the parliament of Bangladesh has been passed through "yes"/"no" oral votes basis. The outcomes of the research will help the government and other stakeholders in setting services providing and revenues generation agenda, policy formulation, financial decision analysis, implementation and performance evaluation of the government functions by department, ministries, local self government and many other components units.

Keywords: Governmental Accounting, Shared Capital Assets, Budget Calendar, Resource Accounting, Civil Service Accounting.

1.0 Introduction

All organizations which are not privately owned or operated can be defined as government organization. Government's financial activity done by the civil servants is called civil service accounting. Governmental sector¹ organization can be classified into the departments of central government, nationalized industries/state owned enterprises², public corporations, local

¹ The term Government sector and public sector sometimes used as interchangeably. Government sector includes central government, state government as well as local government bodies. But public sectors means beyond the limit of government at different level. The public sector includes public companies, public interest entities (PIE), public enterprises and services. The public sector is usually composed of organizations that are owned and operated by the government. This includes federal, provincial, state, or municipal governments, depending on where you live (<https://www.toppr.com>).

² A state-owned enterprise (SOE) is a legal entity that is created by a government in order to partake in commercial activities on the government's behalf. It can be either wholly or partially owned by a government and is typically earmarked to participate in specific commercial activities (World Bank Group, Corporate governance of SOEs: A toolkit, 2014, p. 25). Currently there are 49 state owned enterprises (non financial) in Bangladesh. See Bangladesh economic review 2019, Chapter 9, p. 1.

authorities, bodies set up for a specific purpose: universities, the mint etc (Frank Wood's, 2008). These are the government enterprise not government. Hence, they don't have any power of taxation and using fund without the prior permission by the government raised from their services and other charges. The aim of the study is to give answer to the questions set by the people of Bangladesh for long time regarding Revenues-expenditures and government accounting procedures currently practicing. Main intellectual basis for governmental financial sector analysis and policy advice over the last five decades is the work of World Bank group and IMF reform strategy on public financial management³. In Bangladesh, govt. usages "Stop-go-Approach" for budgeting and accounting which means a way of controlling the economy by restricting government spending for a period of time and then not restricting it so severely for a time. Taxation is necessary by the government for public services and to manage whole economy. For collecting taxes government of Bangladesh has been announced "Kor Bahadur"⁴ Designation for higher tax payers from the fiscal budget 2017-2018. For enhancing the realization of unpaid tax the government has taken initiatives titled 'Rajawsha Halkhata'⁵ from the same fiscal year budget. The ministry of commerce has been announced another motivational designation 'Commercially Important Person'⁶ (CIP) to drive more taxation from the business giants and affluent persons. For grooming more taxes and attaching more people on taxpayer's net government also observe 30th November as 'Income tax day' and December 10-15 as 'VAT Day' and 'VAT Week' in every year. In Bangladesh government is providing services to the people with profit and without profit. But taxes are collected from the people who have taxable income. People who are not able to pay taxes get also government services. Taxation is less risky for government financing than taking loan from private sector by the government. Here exist 'Supranational taxation'⁷ between central government and local self-

³ The government of Bangladesh has taken several reforms strategy regarding public financial management and expenditure control for strengthening the public financial management process. These are (a) Public financial management action plan 2018-2023. (b) Public financial management reform strategy 2016-2021, (c) GoB Financial management Reform Program September 2003, (d) Reforms in budgeting and expenditure control (RIBEC) 1992, (e) Report of the committee on reforms of the budget and expenditure control (CORBEC), 1971/1980, Ministry of Finance Bangladesh.

⁴ Prestigious designation to the families where all members are paying taxes for long period of time. Budget speech 2017-2018, p.81.

⁵ Ibid. P.81

⁶ In Bangladesh a CIP is an individual who is allowed to receive a number of benefits and facilities for the period of one year after recognition for their contribution to their respective sector. Such a CIP receives a special id card from the Ministry of Commerce and from the Government of the People's Republic of Bangladesh. Such CIPs are invited to the Citizen's reception for various national ceremonies including entry to the Bangladesh Secretariat and the city corporation. CIP's have priority seating opportunities in most domestic public transport during business trips. To facilitate visas, the Ministry of Foreign Affairs offers a 'Letter of Introduction' to the Embassy concerned. CIP's get access to the Very important person (VIP) lounges at airports and their family members receive priority when booking cabins at government hospitals. Generally, CIP's are either those who export products or those regarding businesses. CIP's primary list is prepared based on the amount of export, income tax and value-added tax (VAT), the type of business, employment, etc. Afterward, the people who qualify are selected for the honor (https://en.wikipedia.org/wiki/Commercially_Important_Person).

⁷ A supranational organization is an international group or union in which the power and influence of member states transcend national boundaries or interests to share in decision making and vote on issues concerning the collective body. The European Union and the World Trade Organization are both supranational entities. In the EU, each member votes on policy that will affect each member nation. The benefits of this construct are the synergies derived from social and economic policies and a stronger presence on the international stage.

government for balanced economic development. But uniformity of accounting system is absence for reporting revenues and expenditure. Harmonization of accounting and reporting practices in all levels of government needs to adopt international public sector accounting standards.

Government accounting aims at preventing waste in government and establishing a balance between optimal expenditure and services by managing governmental assets and resources in the most efficient way. This balance can be established only by obtaining complete and accurate information from government accounting system. Government accounting used to monitor revenues and expenses, which were available only in the budget and excluded the payables, receivable and assets of the government as there was a limited area of operation for the government previously (Mihriban Coskun Arslan, 2017). In modern concept of government accounting goes far beyond being budget and considers the changes in assets and includes cash flow into the accounting systems. Government accounting is a process which enables recording, making decision, analysis, classification, summarization, notification, and interpretation of government financial knowledge as well as including and reflecting all transactions which includes purchasing, transferring and allocation of government property in general. In private organization, business ownership holds by the people. Ownership government's business like enterprises also holds by the people of the respective country. So it is important duty of the government to ensure transparency and accountability⁸ for the people benevolence. Government accounting, as an instrument of financial management, also aims are creating a basis for productivity analyses by suggesting the costs of government services, It determines whether government activities are rational or not (Financial reform project of Turkey, 2002). When political power had only a few duties in national economy in the past, there was not much need for information for economic administration. Now the whole world is directed by the economy rather than political power. So it is obliged to create an accounting method which can respond to changes arising out of lack of information on account of relationship among the nations. Budget and business accounting both are related with future, so no future decision will be taken effectively without originating proper government accounting systems. Government accounting is the safeguard of government assets, instrument of governmental financial decision analysis and better method of forecasting and generating revenues, recording and reporting expenses and measurement of performances.

2.0 Literature Review

The object of government is the welfare of the people (Roosevelt, 1910). To ensure welfare all economic policies are made for the people not for the nation. A nation may fall into decay through taxation in two ways: Firstly, when the amount of the taxes exceeds the power of the nation and is not proportioned to the general wealth. Secondly, when the amount of taxation, proportioned on the power of the nation, is viciously distributed (Pietro Verri 1728-1797). A wise collector-general shall conduct the work of revenues-collection, increasing the income and decreasing the expenditure (Kautilya). The superintendent shall furnish the accounts as to the forms of works in hand, of works accomplished, of parts of works in hand, of receipts of

⁸ Accountability requires government to answer to the citizenry-to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the belief that citizenry has a "right to know", a right to receive openly declared facts that may lead to public debate by the citizens and their elected representative. Financial reporting plays a major role in fulfilling government's duty to be publicly accountable in a democratic society. Government Accounting Standards Series, No.171-A. June 1999, p. 76.

expenditure, of net balance, and tasks to be undertaken in each of the several departments, There are four main purpose of taxation viz.; Revenue (collect a sum of money for government), redistribution (transfer from rich to poor, reprising (levied on harmful things e.g.; tobacco, carbon), representation (accountability to general public by the government). As per the American revolutionary slogan "no taxation without representation" implied this: rulers' tax citizens, and citizens demand accountability from their rulers as the other part of this bargain. Bongabondhu sheikh Mujibur Rahman (1966) proclaimed in a movement that, the power of taxation and revenue collection should be vested in the federating units and the federal centre would have no such power. The federation would be entitled to a share in the state taxes to meet its expenditures. Taxation is much of a political issue as an economic issue. Political leaders have used tax policy to promote their agendas by initiating tax reforms; decreasing or increasing tax rates, changing the definition of taxable income, creating new taxes on specific products etc. An efficient national revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management (Zhou Gideon, 2013).

Government accounting is essential to all economic thinking conducted from a factual basis, because it gives a factual record in an orderly manner (Bray, 1955, p.2). There are three types of accounting system e.g. national accounting, government budgeting and government accounting and they have different sets of policy makers, nationally and internationally, they have different conceptual frameworks, they have different accounting policies and they are implanted by different institutions of government in different ways (Jones, 2000). The role of accounting and financial reporting are key factor that determines many decisions that are taken on a daily or short term basis. The quality of government financial reporting is also reflected in the correctness of the decision of the managers (Zdravkoski, 2018). Most of the government plans for the future development of the public entity and not-for profit unit are prepared based on the data and information in the financial statement. For making these financial statements there are three basis of government accounting e.g.; the cash basis that record revenues only when cash is received, and expenditures recorded only when cash is paid, irrespective of the accounting period in which the services was rendered or the benefit received, the accrual basis and under this method revenues are recorded when earned and expenditure are recorded as the result in liabilities are known or when benefits are received notwithstanding the fact that the receipt or payment of cash could take place or partly in another period, and the commitment basis that records an anticipated expenditure evidence by contract or by a purchase order or determined by administration. Practicing accrual basis accounting system is almost absent in Bangladesh due to lack of knowledge. This study will minimize the gap of using accrual basis accounting in the government sector.

3.0 Rationale of the study

In government accounting, spending money does not generate more revenue, but business does. So, a strong accounting system is necessary. Government accounting is necessary for international comparison and making sustainable strong market economy. As the government takes loan from other government for running its activities, hence it is very much necessary to set up accounting standards, laws and regulation for recording and reporting of governmental financial activities. All government sector organizations must maintain systematic records so that (i) financial requirements can be estimated and (ii) the measurement of the use of these financial resources can be established and the relative efficiency and effectiveness of the organization in using them can be assessed. Value for money is the utmost importance, especially when taxation or charging levels are high or increasing rapidly. Accounting

procedures must be directed towards ensuring that the maximum benefit is obtained from the limited resources (Frank Wood's, 2008). The owner of the state is its citizens, whether they are poor or rich, elite or lower class. So the managers of the public money should inform the governmental financial and non-financial performance to its citizenry regularly on ward, union, upozila, district as well as secretariat zone in a manner as the people feels convenient. The necessity of applying accrual basis accounting in government/public sector enterprise is to prepare financial statements, reuse of assets and waste minimization at all levels of government using the equation of **Assets = Liabilities + Fund balance/Government Equity**⁹. Where, Assets represents current assets, Liabilities represent current liabilities and Fund balance represents reserve and unreserved fund and government equity means the capital provided by the government for running the enterprise. Accrual basis accounting helps in recording and reporting the state's financial activities and measuring the following resources, liabilities and capitals properly:

Table 1: Government assets, liabilities, revenues, expenses and their basis of reporting

| Assets¹⁰ | Liabilities | Revenues | Expenditures | Basis of accounting |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Capital assets:</u> Land, Improvement to land, easements, buildings, building improvements, vehicles, machinery, equipment, work of historical treasures.</p> <p><u>Infrastructure assets:</u> Satellite, Roads, bridges, tunnels, drainage systems, water and sewerage systems, dams and lighting systems.¹¹</p> <p><u>Shared capital assets:</u> City hall, state office building that serves different functions from a unit.</p> | <p><u>Current and noncurrent liabilities:</u> Accounts payable, Compensated absences, claims and judgments, due to other funds, compensated absences, claims and judgments, bonds, notes, and loans payable, payable to other governments, deferred revenue</p> | <p><u>General revenues:</u> All revenues are general revenues e.g.; sales tax, property tax, franchise tax, income tax, all other non-tax revenues including interest, grants and contribution.</p> <p><u>Program revenues:</u> Charges for services, utilities etc.</p> | <p><u>General government:</u> Public works, public safety. Education, health, engineering services, cemetery, community development, culture and recreation.</p> <p><u>Debt service:</u> Principal, interest and other changes, capital outlay, depreciation. etc.</p> | <p>For all the cases customized cash/accrual/ modified accrual basis of accounting procedures should be applied by the government for measuring performance and implementing governmental long term visionary plan of development.</p> |

⁹ Government Equity Accounts and Guidelines (Up to December 31, 2017), Ministry of Finance, Bangladesh

¹⁰ Financial assets are not considered as it is used cash basis accounting for reporting.

¹¹ Buildings except those are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets for purposes of this statement. These types of assets should not be depreciated.

4.0 Budget Review Calendar (Revenue generation point of view)

Budget calendar is the future plan of generating revenues and approving expenditures to the purposes for the government at different levels and many other institutions. This calendar has been prepared by considering the Adam Smith principles of taxation¹² as applicable for the citizens of Bangladesh.

Table 2: Budget Calendar

| Months ¹³ | Budget Calendar activities ¹⁴ |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 1-29 | NBR officers met with a regional revenue advisory team at national, local and village level of government for estimating projected revenues. |
| September 30-October 14 | Presentation a report to the commissioners ^a with comprehensive set of recommendations and first round of appropriation requests |
| October 15-30 | Commissioners will contact with central govt. with recommendations by the advisory council. |
| October 31-November-14 | Adoption of revised income tax and revenues accelerating policy, exemption or deduction where necessary. |
| November 15-29 | Arranging country wide tax fair. |
| November 30-December-14 | Country wide VAT fair. |
| December 15-31 | Upholding the preliminary fiscal plan for upcoming fiscal year budget to citizenry. Review of enterprise, special revenue, and other funds and take action when necessary. |
| January 1-14 | Forming VAT/Tax education forum in different educational institution and within the society across the country for consciousness and revenue generation. Approval of appropriation request for the balance of the general fund |
| January 15-March 31 | Public hearing on proposed budget (Dialogue should be held on between statesmans to farmers) |
| April 1-30 | Necessary amendment (draft) should be done on Fiscal Act for the upcoming budget, if necessary. |
| May 1-31 | Printing, binding and presenting budget document to stakeholders for month wide discussion in the parliament after opening for all. |
| June 1 | Presentation of budget in the parliament |

a. District Commissioner (DC). *All appropriation and approvals of fund, policy and necessary actions related with budget will be passed, taken and enforced by the decision of the cabinet and ECNEC meeting proceedings adjusting the calendar date/s.*

¹² In The Wealth of Nations (1776), Adam Smith argued that taxation should follow the four principles of fairness, certainty, convenience and efficiency. Fairness, in that taxation should be compatible with taxpayers' conditions, including their ability to pay in line with personal and family needs.

¹³ July- August months are reserved for innovation and idea generation for upcoming year budget.

¹⁴ Applicable for all levels of Government.

To ensure transparency in government sector Government Accounting Standard Board (GASB) Statement No 34. has recommended the following requirement for the general purpose external financial statements:

| | |
|----------------------------------------------------------|----------------------------|
| 1) Management Discussion and analysis | |
| 2) Government-wide financial statement | ↔ Fund financial statement |
| 3) Notes to the financial statements | |
| 4) Required supplementary information (other than MD &A) | |

Source: GASB No. 34, June 1999. p.5

Financial statements and measurement practices used in general governmental and fund accounting is given below:

Table 3: Fund name, Required financial statement and Basis of measurement

| Fund name and types | Required financial statements | Basis of measurement |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| (1) Government fund (a) The general fund (b) Special revenue funds (c) Capital project fund (d) Debt service fund (e) Permanent funds | (1) Balance Sheet (2) Statement of revenue, expenditures, and changes in fund balances. | ➤ Current Financial Resource Measurement Approach ➤ Modified accrual basis accounting method |
| (2) Proprietary funds: (b) enterprise fund (c) Internal service funds | (1) Statement of net assets or balance sheet ¹⁵ (2) Statement of revenue, expenses, and changes in fund net assets of fund equity ¹⁶ (3) Statement of cash flows | ➤ Economic resource measurement approach ➤ Accrual basis accounting |
| (3) Fiduciary funds and similar component unit (a) Pension (and other employee benefit) trust fund (b) Investment trust fund (c) private-purpose trust funds (d) Agency funds | (1) Statement of fiduciary net assets (2) Statement of changes of fiduciary net assets. | ➤ Economic resource measurement approach Accrual basis accounting |
| (4) Segment information¹⁷ | (1) Condensed Statement of net assets (2) Condensed Statement of revenue, expenses, and changes in fund net assets (3) Condensed Statement of cash flows | ➤ Measurement basis is not clearly stated at GASB statement no. 34. |

¹⁵ Either a balance sheet or a net assets format may be used. For convenience, only the statement of net assets is referred to in this Statement.

¹⁶ Either fund net assets of fund equity may be used as the label for the difference between proprietary fund assets and liabilities; for convenience, only the term net assets is used in this statement.

Table 3: Fund name, Required financial statement and Basis of measurement

| | | |
|--------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|
| (5) Reporting Component Units | (1) Condensed Statement of net assets (2) Condensed Statement of activities | ➤ Measurement basis is not clearly stated at GASB statement no. 34. |
|--------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|

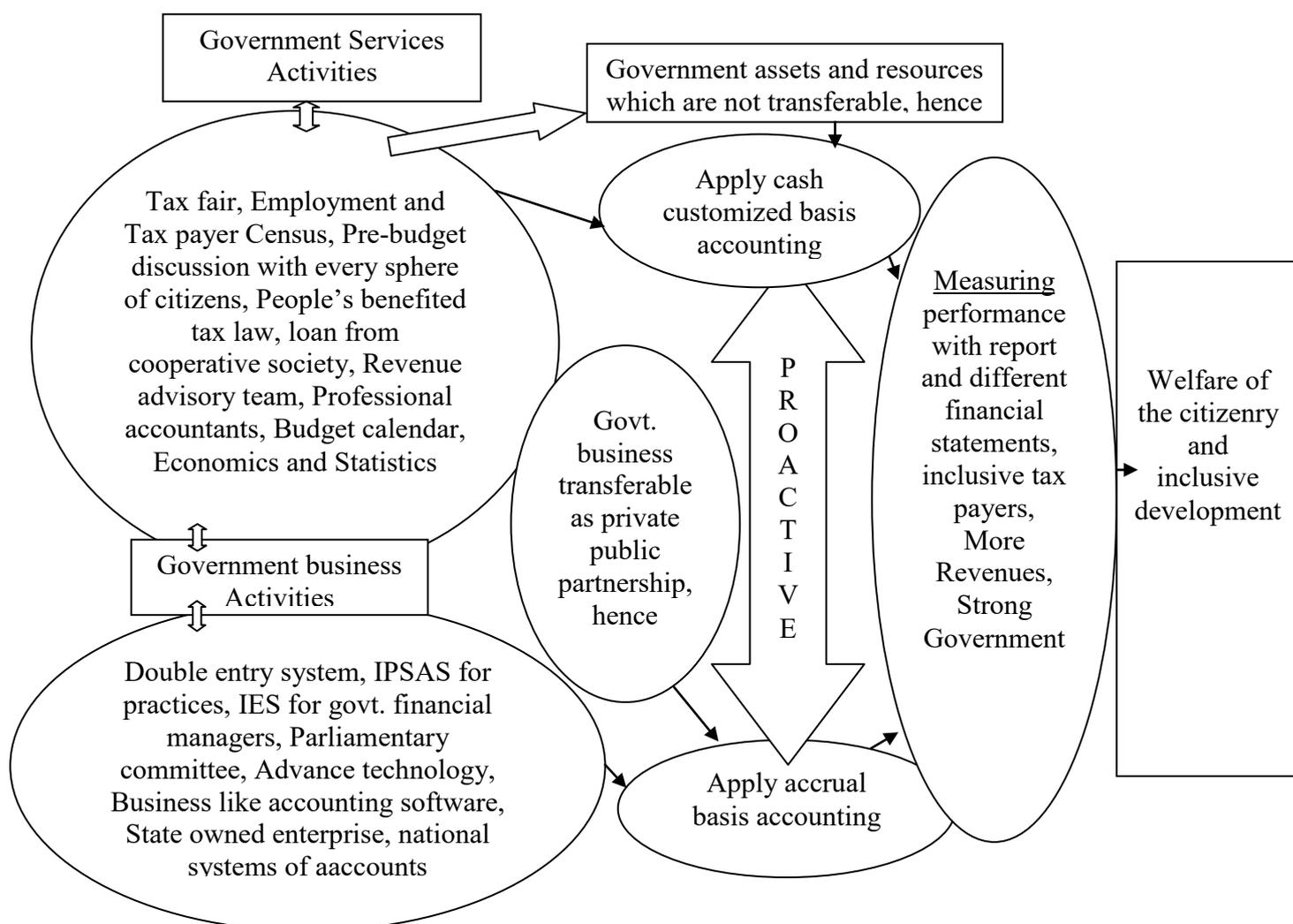
5.0 Concept of different elements regarding governmental accounting

| Terms | Explanation |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Primary government | A state government, To qualify as a primary government, one must have a separate elected governing body, separate from other primary governments and must be fiscally independent. Fiscal Independence = determine budget, tax, issue bonds. |
| General government | General purpose local government (e.g., a city, town, village, township, borough, county, etc.) |
| Special purpose government | Special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments |
| Sponsoring government | A government-sponsored enterprise (GSEs) is a quasi-governmental entity established to enhance the flow of credit to specific sectors of the economy. Created by acts of the parliament, these agencies provide public financial services. GSEs help to facilitate borrowing for all sorts of individuals, from students to farmers to homeowners. |
| Components unit | A component unit is a legally separate government for which the elected officials of the primary government are financially accountable or an organization whose exclusion would cause statements to be misleading. To be a component: The primary government is able to impose its will upon the component (Board member, budgets, decision overrules). Component is able to impose burden on the primary government (obligation of debt). |
| District component | An organizational unit that raises and holds economic resources for the direct benefit of a governmental unit (GASB Statement no 39). |
| Landfill unit | A landfill is a large area of land or an excavated site that is designed and built to receive wastes. (GASB Statement no 18). |

¹⁷ Segment disclosure are not required for an activity whose only outstanding debt is conduit debt for which the government has no obligation beyond the resources provided by related leases or loans In addition, segment reporting is not required when an individual fund both is a segment and is reported a major fund.

6.0 Theoretical model of the study

Figure: Theoretical model for government accounting and people's Benefit-adopted from researcher's experience.



PROACTIVE stands for: Professionalism, Reliability, Objectivity, Accountability, Credibility, Transparency, Integrity, Viability, Ethics (Adapted from core values of CAG, <http://www.cagbd.org/>)

The above model has been developed after critically review the literature of government accounting, laws and regulation, international public/government sector accounting and education standards, public financial management reports and reform strategy published by the different national and international authority for taxation and governmental accounting for meeting current demand and for future knowledge generation. In the above model government activities have been differentiated in two categories. viz.; governmental services activities that fix the variable for raising public money and ensuring operational and fiscal accountability. As per this assumption, government assets are not transferable. Hence, it has been suggested to use cash customized government accounting method for reporting and measuring services activities.

On the other hand, the governmental business type assets can be transferable to private ownership in the form of Public Private Partnership (PPP) at a certain percentage. In that case applying accrual basis/modified accrual basis accounting systems is strongly suggested. If the total systems are applied duly, then with the help of the different financial statements, clearly presented management discussion and analysis section, required supplementary information and notes to the financial statements, balance sheet and cash flow statements will ensure transparency in governmental financial management. It will be able to compare intra governmental operations and accounting within the international donor groups and lending agency. Ultimately general welfare to the citizenry of the country will be ensured and balanced development must be expedited systematically.

7.0 Objectives of the Study

The general objective of the study is to determine the strategic way forward for collecting taxes and evaluating government accounting procedure as a tool for ensuring operational and financial accountability of the government and effective policy making for corruption free balanced development in Bangladesh. To achieve the general objective some others specific objectives are as follows:

- 1) To establish suitable effectiveness criteria for recording and reporting of revenues, expenditure and government accounting system.
- 2) To determine the factors associated with the effectiveness criteria for budgeting and government accounting system.
- 3) To develop an explanatory theory that associates certain factors with the effectiveness of revenues, expenditure and government accounting systems.
- 4) To evaluate the government accounting procedure as a tool for policy formulation and effective taxation for the all levels of government in Bangladesh.

8.0 Methodology of the study

This is an exploratory study. In carrying out the present study, both quantitative and qualitative method is being followed. Social Constructionism research philosophy is used in conducting this research. Inductive research approach is applied to develop theory. Total sample has been 30. Of which some are business graduate (receiver of services) and some are employees (Practitioners of government accounting in different levels) working at the chief accounting officer of ministry of Science and Technology situated at Segunbagicha, Dhaka, Bangladesh. Telephone interview was conducted with the four professional accountants for taking their opinion. An upozila accounts officer and some academician's practical and research experience is placed to fill the gaps and short fall. Both primary and secondary data have been used to carry out the research. For collecting Primary data a structured mailed questionnaire was sent to the aforementioned office. For collecting secondary data Primary sources that is, reports, thesis e-mails, conference reports, company reports, some governmental publications, Budget speech, unpublished manuscript sources, some secondary sources i.e.; newspapers, books, journals, internet, some tertiary sources i.e.; indexes, abstracts, colleagues encyclopedias, dictionaries, bibliographies and citation indexes are studied and analysis. Questionnaire was designed based on the previous studies adopted for developing public sector accounting framework by , Financial Management Academy (FIMA), Institute of Public Finance, Bangladesh (IPF), Consortium of International Government Accounting Research (CIGAR) Network, International

9.0 Analysis of data

Table 4: Variable relating to revenues

| Key variables | Total respondents | Yes in % | No in % | No comment |
|------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|------------|
| a) Having ideas about recording and reporting govt. revenue in terms of taxation and financial transaction | 30 | 93.33 | 6.67 | nil |
| b) Employment and taxpayers census needed by NBR | 30 | 96.67 | 3.33 | nil |
| c) Pre-budget discussion needed with general people of the country. | 30 | 83.33 | 16.67 | nil |
| d) taking loan from farmers and cooperative society to meet deficit budget | 30 | 93.33 | 6.67 | nil |
| e) Taxation is less needed but making profit of govt. enterprise should enhance | 30 | 100 | 00 | nil |

From the above analysis it is seen that most of the people of the country having idea about reporting and recording of revenues through taxation and financial transaction. But when they asked to write down the ideas they didn't do that. The general citizens of the country have emphasized on the employment and taxpayers census for grooming tax revenues. For utilizing money from the people of the country they have been directed to the government to take loan from the cooperative society for meeting deficit budget. Majority respondents opine that pre-budget discussion should hold between government and public. 100% people are thinking that the profit by the government enterprises should maximize to reduce the tax burden of the people.

Table 5: Ensuring accountability and establishing just society

| Key variables | Total respondents | Yes in % | No in % | No comment |
|--------------------------------------------------------|-------------------|----------|---------|------------|
| a) Revenue collection advisory team | 30 | 86.67 | 13.33 | nil |
| b) Demonstrating collected revenues on digital devices | 30 | 90.00 | 10.00 | nil |
| c) Developing AIS for performance measurement | 30 | 83.33 | 13.33 | 3.34 |
| d) Tax payers oriented law and act | 30 | 86.67 | 13.33 | nil |

Above analysis showing that most of the people of Bangladesh suggested forming revenue advisory team across the country to generate more revenues on time. For measuring government performance Central Accounting Information Systems (CAIS), some taxpayers' benevolent laws must be introduced by the government. They also suggest that, as the collected revenues are the public money; hence, it should be displayed digitally regular basis at the convenient

place of the collector. Majority number of respondents thinks that Accounting Information Systems (AIS) should play central role in making governmental decision about resource management and expenditure control.

Table 6: Reforms and standard setting in public sector

| Key variables | Total respondents | Yes in % | No in % | No comment |
|----------------------------------------------------------------|-------------------|----------|---------|------------|
| a) CGA office replaced by professional accountant | 30 | 80.00 | 20.00 | nil |
| b) Applying double entry accounting system in public sector | 30 | 86.677 | 10.00 | 3.33 |
| c) Adopting IPSAS for worldwide comparison of govt. activities | 30 | 100 | 00 | nil |
| d) IES and FIMA, IPF for skill building by Pertaining training | 30 | 86.67 | 13.33 | nil |

With the expanding scope of the economy of Bangladesh the functions of the government financial managers has also been expanded. In line with expansion the government is placing 7th five year development plan, Delta Plan-2100, producing some medium term development budget before the citizenry. Hundred percent people think that, government should adopt International Public Sector Accounting Standards for international comparison and to recognize receivable and payable and for meeting the government guarantee. In that regard professional skill building needed for public financial managers through maintaining International Education Standards. Comptroller General of Accounts (CGA) office should replace by the professional accountant over civil servants. Double entry accounting system is needed for communicating economic events by the government. Newly appointed civil servants must undergo training pertaining by FIMA/IPF.

Table 7: Way of adopting GASB statement no.34 and IPSAS

| Key variables | Total respondents | Yes in % | No in % | No comment |
|--------------------------------------------------------------------------------------------|-------------------|----------|---------|------------|
| a) Reluctant of MPs | 30 | 76.67 | 20.00 | 3.33 |
| b) ICAB role over FIMA and IPF on strengthening public financial management | 30 | 43.33 | nil | 56.67 |
| c) Parliamentary committee should strongly oversight the public accounts of the republic's | 30 | 100 | 00 | nil |
| d) Needs of government financial managers council | 30 | 100 | 00 | nil |

More than seventy-five percent people of the country think that governmental accounting systems has yet updated as the economic sectors expanding rapidly due the reluctant of members of parliament. An important portion of the respondents argued that governmental business type activities should oversight by the Institute of Chartered Accountants of Bangladesh (ICAB). Hundred percent respondents gave their opinion to establish governmental financial manager's council for developing their professional skills. Most important things is

here that the parliamentary committee regarding Public Accounts of The Republic should take intensive care on allocating fund, ensuring accountability and stopping the extravagant expenditure.

10.0 Findings of the study

After carefully analysis of the data and documents following are the major findings have been discovered:

- Financial Reporting Council (FRC) is in sleeping mood after its conception. As a result, it has no contribution for developing any standards/systems for governmental financial reporting practices.
- Building, libraries, museum, highways, parks should be classified as public sector assets. These service facilities do not produce probable future cash flow for the government. Charging depreciation is not appropriate for service facilities. It is better expensed rather than capitalized.
- Only a budget management act 2009 is operating total government economy of Bangladesh. There is no governmental accounting standard for recording and reporting transactions. International Education Standards (IES) are not followed to enhancing the skills of public financial managers.
- Financial managers are of two types, (a) Government financial managers and (b) Public financial managers. Government financial managers are the executive body (civil servant) and appointed by the elected members of the Republic. Public financial managers are non-executive body (public servant) appointed by the executive body and work under the direct supervision of the executive body.
- In Bangladesh various reform strategies regarding public sector expenditure control/management have been implemented but no strategic project regarding government financial recording and reporting strategy yet to be done.
- A theoretical model has been recommended for future application of accrual and customized cash basis accounting in the governmental sector.
- A budget preparation calendar has been suggested to booming more revenue for strong policy.
- Using accrual based government accounting information systems will enhance the decision making skill of the government over the cash basis accounting.

11.0 Recommendation and conclusion of the study

Government sources of revenues are changing, people's perceptions and concepts about the definition of the government is changing, government budgeting systems changing, total GDP increasing, social safety net and other activities of the government also changing. So it is very important issue of developing a uniform governmental accounting system. Establishing strong accounting system in government sector is necessary because the current time emphasizes on what departments produce rather than on what they have available to spend. It is strongly recommended that the whole systems of government accounting should be digitalized by the 2025. With the dimensions of Industry 4.0, the "on demand" economy is being emerging across the world. In this economics system, corporate giant like 'face book' and 'Amazon' those do not have any content but are they are the richest company of the world. Revenue generation and taxation of the People's Republic of the Bangladesh will undergo through block chain method by 2020 as stated in budget speech 2019-2020. World largest GDP country's budget

management systems have changed. So redesigning of recording and reporting of Bangladeshi governmental/civil service accounting activities is necessary for ensuring accountability. Redesigning of skills is necessary for nursing public money. Proper nursing of public money may bring the sweetest fruit for the people of Bangladesh. In the pathway of development of Bangladesh accrual basis accounting is the next step to start finessing the intellectual infrastructure, making public services easier. Moreover, to reduce the tax burden from people government should give deep attention on profit making planning in the state owned enterprises which need accrual basis accounting.

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