

ICAG BUSINESS LESSONS (WEEK 23)

Good morning

This is week 23 of the year 2022 in the Gregorian calendar. 29 weeks remain until the end of the year.

MONDAY MOTIVATION

The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.

- *Winston Churchill*

ACCOUNTING QUOTE OF THE WEEK

Capital isn't this pile of money sitting somewhere; it's an accounting construct.

- *Bethany McLean*

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ACCOUNTING CONCEPT OF THE WEEK: PUBLIC FUNDS OF GHANA – PART 1

Article 175 of the 1992 Constitution of Ghana provides that the public funds of Ghana shall be made up of the

1. Consolidated fund,
2. Contingency fund and
3. Other funds established by or under an Act of Parliament (such as GET Fund, Road Fund, DACF, Petroleum Funds, etc)

Consolidated Fund

This fund has its existence from the 1992 Constitution (Article 175, 176 and 178). It is a general fund of government into which all receipts are paid and out of which all withdrawals, except those charged on other funds, are made according to the Constitution.

The consolidated fund thus is the main fund of government out of which other splitter funds can be created.

Sources of Moneys into Consolidated Fund

Article 176 provides two main sources:

- i. All revenues and other moneys received for or on behalf of government.
- ii. Trust moneys received for or on behalf of government.

Exclusion of revenues from Consolidated Fund

The Constitution provides to grounds for exclusion of revenues from the Consolidated Fund and are:

- i. When an Act of parliament directs that a specific revenue should be paid into any other funds.
- ii. When a government department is allowed by an Act of Parliament to retain part or whole of revenues collected (IGF) on behalf of government to defray its expenses.

Withdrawal from the Consolidated Fund

This is governed by Article 178. There exists strict restriction on withdrawal from the consolidated fund. There are two conditions for withdrawal from the consolidated fund:

- i. Where the withdrawal is made to meet expenditure that is charged fund by the Constitution or by an Act of Parliament (statutory expenditure)
- ii. Where withdrawal of those moneys has been authorized (discretionary expenses)

Benefits of Operating the Consolidated Fund

- i. It provides information on the available cash resources of government at all times.
- ii. It helps government to plan its borrowing and lending requirements.
- iii. It also provides flexibility in government spending since the use of the fund is unrestricted.
- iv. It provides strict control and accountability of public resources.

THIS WEEK IN HISTORY- TOP 15 EVENTS

06/06/ 2012 - Transit of Venus (between Earth & Sun) occurs - last transit of 21st century

06/06/ 1972 - Gold hits record \$60 an ounce in London

06/06/ 1934 – U.S. President Franklin D. Roosevelt signs the Securities Exchange Act of 1934 into law, establishing the U.S. Securities and Exchange Commission.

07/06/ 2021 - UN International Labor Director says global impact of the pandemic four times worse than 2008 Economic Crisis, pushed 100 million workers into poverty

07/06/ 2019 - More than four million Venezuelans have left their country since 2015 due to its economic crisis according to the UN

07/06/ 1946 – The United Kingdom's BBC returns to broadcasting its television service, which has been off air for seven years because of World War II.

08/06/2020 - World Bank says the COVID-19 pandemic will shrink the global economy by 5.2% in 2020

08/06/2018 - World's most powerful supercomputer, Summit, can process 200,000 trillion calculations per second, launched at Oak Ridge National Laboratory, Tennessee, by IBM and Nvidia

08/06/2018 - IMF agrees to lend Argentina up to 50 billion dollars

09/06/2012 - It is announced that up to \$125 million dollars in loans will be given to aid Spain's struggling banks

09/06/2010 - Finland falls back into a state of recession after GDP contracted 0.4% in Q1 2010 and 0.2% in Q4 2009

10/06/2002 - The first direct electronic communication experiment between the nervous systems of two humans is carried out by Kevin Warwick in the United Kingdom

10/06/1996 - Intel releases 200 mhz pentium chip

10/06/1977 - International Labour Organisation and United Nations meet to discuss apartheid in South Africa and potential actions to prevent further violence and state repression.

10/06/1977 -Apple Computer ships its first Apple II computers

DID YOU KNOW?

This year's Tertiary Business Sense Challenge (TBSC) version 4.0 is here!

This year's edition is on the theme: *The Role of Business Students in Shaping National Economic Discourse*

The TBSC is aimed at developing the minds of business students to be abreast of issues around business and the economy as a whole to help build successful business careers in the future.

Who lifts this year's trophy?

Have a fruitful week!

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Please send all comments and suggestions to **Alhassan Trawule** on **0242 732976**.

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