

## SCHOOL OF ACCOUNTING & COMMERCIAL LAW

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# ACCY 404: PUBLIC SECTOR ACCOUNTING & FINANCIAL MANAGEMENT

Trimester Two 2005

## COURSE OUTLINE

### Contact Details

<i>Course Co-ordinator</i>	<i>Office</i>	<i>Phone</i>	<i>Email</i>
Rose Anne MacLeod	Ministry of Education	463 8125	<a href="mailto:RoseAnne.MacLeod@minedu.govt.nz">RoseAnne.MacLeod@minedu.govt.nz</a>
<i>Lecturer</i>			
David Macdonald	RH 601	463 5938	<a href="mailto:David.Macdonald@vuw.ac.nz">David.Macdonald@vuw.ac.nz</a>
<i>Admin Assistant</i>			
Marina Dobrovolskaya	RH 708	463 5775	<a href="mailto:Marina.Dobrovolskaya@vuw.ac.nz">Marina.Dobrovolskaya@vuw.ac.nz</a>

### Class Times and Room Numbers

#### *Lectures*

Monday, 15.40-17.30, RLWY 224

#### *Tutorials*

None

### Course Objectives

The main objectives of this course are, in relation to public sector accounting and financial management, to develop students:

- ability to critically evaluate different positions on issues, and communicate their findings;
- knowledge of selected topical issues; and
- understanding of the range and diversity of research.

### Course Content

This course introduces students to key concepts, theories, research methods and research findings in topical areas of public sector accounting and financial management. The emphasis will be on critically evaluating the theoretical underpinnings and assumptions of accounting and financial management in the public sector.

## **Lecture Programme**

The first two weeks lectures will be provided by the lecturers and will represent an introduction to the course. From week 3 on lectures will be provided by students and assessed by the lecturers. A lecture programme will be agreed by the end of week 1.

## **Seminars**

The weekly two-hour class sessions will be primarily in the form of seminars, involving discussion and critique of assigned weekly readings to be presented by students on a rotational basis. For effective discussion on the material in the class, it is very important that students read and understand the assigned articles beforehand. Students lead two sessions with a presentation on a particular topic.

Students select a topic of interest in public sector – possible topics include: : *Accounting for infrastructure; service performance reporting; public sector auditing; public sector assets – accounting issues; government financial management issues; capital charge regimes; local government developments; analysing the government's performance, GFS and GAAP convergence; the public sector and financial reporting standard setting*

Students to advise the topics (2) of their choice by week two – 11 July 2005

Readings lists for topics will be provided to students a minimum of two weeks prior to their presentation date.

### *Seminars require:*

- (a) A two to three page précis of the main points (in own words). Articles must be appropriately referenced if quoted in précis. Three discussion questions must be posed for class discussion.
- (b) Emailing of the précis to all class members and lecturers by noon Friday prior to the presentation.
- (c) Individual presentation of key points for 30 to 40 minutes, and class discussion for 10 to 20 minutes. Total time allotted 50 minutes.

Failure to submit on time will lead to deductions from the overall grade.

Two seminars are required to be presented by each student.

Two topic presentations will be assessed at 25% of overall grade.

## **Readings**

The readings that will form the start of discussions for each session will be provided. However students are expected to develop their own reading programme to supplement that material. To aid this reading lists will be handed out during the course and students' attention is drawn to the attached list of relevant sources.

Most class sessions will be assigned readings. These are the **minimum** preparation required for each session. Reading in preparation for the research paper will need to be wider than the assigned readings. Students are encouraged to make full use of the library.

### *Legislation and authoritative pronouncements*

- Fiscal Responsibility Act 1994 (now incorporated in the Public Finance Act 1989)
- Local Government Act 2002
- Public Finance Act 1989 and Amendments

- State-Owned Enterprise Act 1986
- State Sector Act 1988
- Public Audit Act 2001
- ICANZ Statement of Concepts
- Crown Financial Statements
- Departmental Annual Reports
- Departmental Statements of Intent

*Journals available in hard copy in VUW library*

- Accounting, Auditing and Accountability Journal
- Accounting, Organisations and Society
- Financial Accountability and Management
- Governance
- Government Accountants Journal
- Journal of Accounting and Public Policy
- Public Administration Review
- Public Budgeting & Finance
- Public Finance and Accounting
- Public Sector
- Research in Governmental and Nonprofit Accounting
- The Chartered Accountants Journal of New Zealand

*Books*

**Boston J. et al**, *Public Management: The New Zealand Model*, Oxford University Press, Auckland, 1996

**The Treasury**, *Putting it Together - An Explanatory Guide to the New Zealand Public Sector Financial Management System*, Wellington, 1996

**Jones R. & Pendlebury M.**, *Public Sector Accounting* (3rd Edition), London: Pitman, 1992

**Norman R.**, *Obedient Servants? Management Freedoms and Accountabilities in the NZ Public Sector*, Victoria University Press, 2003

**Norman R.**, *Accounting for Government*, Victoria University of Wellington, 1997

**Premchand A.**, *Effective Government Accounting*, Washington: International Monetary Fund, 1995

**Schick A.**, *The Spirit of Reform: Managing the State Sector in a Time of Change*, State Services Commission, Wellington, 1996

**Scott G.C.**, *Public Management in New Zealand: Lessons and Challenges*, New Zealand Business Roundtable, 2001

*The Internet*

The following addresses contain information about aspects of the New Zealand public sector:

<a href="http://www.govt.nz/">http://www.govt.nz/</a>	NZ Government Home Page – includes links to departments
<a href="http://www.oag.govt.nz/">http://www.oag.govt.nz/</a>	Office of the Controller & Auditor-General
<a href="http://www.treasury.govt.nz/">http://www.treasury.govt.nz/</a>	The Treasury
<a href="http://www.ssc.govt.nz/">http://www.ssc.govt.nz/</a>	State Services Commission
<a href="http://www.wcc.govt.nz/">http://www.wcc.govt.nz/</a>	Wellington City Council
<a href="http://www.oecd.org/">http://www.oecd.org/</a>	OECD – Includes many papers on Public Management

There are many sites nationally and internationally that relate to the public sector and public sector accounting - you are encouraged to surf the Internet.

## **Materials and Equipment**

No fee will be charged for course materials.

## **Assessment Requirements**

Two topic presentations:	25%
Research Paper (around 7,000 words)	50%
Test: (100 minutes)	25%

The research paper is a major project, which can be a critical and comprehensive literature review, or a detailed research proposal, or an empirical study. Topics for the project must be discussed with and approved by the assigned supervisor.

To pass this course a student must:

- attend and satisfactorily contribute to 75% of sessions;
- complete and gain a satisfactory grade for the research paper and topic presentations; and
- gain an overall pass mark for the four assessed items (2 presentations, research paper, and test)

## **Terms Requirements**

None

## **Communication of Additional Information**

Additional information concerning this course will be posted on Blackboard.

## **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

## **Student Conduct and Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at: [www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct).

The policy on Staff Conduct can be found on the VUW website at:

[www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

## **Academic Grievances**

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal

grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:  
[www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances).

### **Academic Integrity and Plagiarism**

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

### ***Plagiarism is not worth the risk.***

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at:*  
[www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).

### **Students with Disabilities**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

## **Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

## APPENDIX 1: SESSIONS AND READINGS

*(Tentative timetable - assuming that there are approximately 4 to 8 students )*

<b>Session (week beginning)</b>	<b>Topic</b>	<b>Presenter(s)</b>
Week One	<i>1. Introduction (ACCY404, reading for Honours)</i>	Rose Anne
Week Two	<i>2. National governments' accounting</i>	Rose Anne
Week Three	<i>3. Research in public sector accounting and financial management</i>	TBA
Week Four	<i>4. New Zealand government's financial management</i>	Rose Anne
Week Five	<i>5. Factors that lead to adoption of accrual accounting - Carpenter</i>	Students
Week Six	<i>6. Reviews of NPFM change in New Zealand and Australia - Pallot, Newberry, Ryan</i>	Students
Week Seven	<i>7. Topic(s) to be advised*</i>	Students
Week Eight	<i>8. Topic(s) to be advised*</i>	Students
Week Nine	<i>9. Topic(s) to be advised*</i>	Students
Week Ten	<i>10. Empirical research</i>	TBA
Week Eleven	<i>11. Research project feedback</i>	Students
Week Twelve	<i>12. Test</i>	TBA

*\*Possible topics include: Accounting for infrastructure; service performance reporting; public sector auditing; public sector assets – accounting issues; government financial management issues; capital charge regimes; local government developments; analysing the government's performance, GFS and GAAP convergence; the public sector and financial reporting standard setting*

Session (week beginning)	<i>Topic and Readings</i>
Week One	<p><i>1. Introduction</i></p> <p>Discuss course outline (finalise next session); introduction to the course and its objectives; presentations; introduction to public sector research, provide readings for next six sessions; tips on reading research articles</p>
Week Two	<p><i>2. National governments' accounting</i></p> <p>Warren, Ken (1996) 'Implementing Accrual Accounting in Government: The New Zealand Experience' <i>International Federation of Accountants Public Sector Committee Occasional Paper 1</i>, December 1996</p> <p>Lundqvist, Kristina (2001) 'Accrual Accounting in Swedish Central Government' The Swedish Financial Management Authority, May 2001</p> <p>Wanna, John, Joanne Kelly and John Forster (2000) 'Chapter 10: The new business of budgeting: expenditure management under Howard' <i>Managing Public Expenditure in Australia</i>, 2000</p>
Week Three	<p><i>3. Research in public sector accounting and financial management - 1</i></p> <p>Lapsley, Irvine (1988) 'Research in Public Sector Accounting: An Appraisal' <i>Accounting, Auditing and Accountability 1,1</i></p> <p>Chan, James L., Rowan H. Jones, and Klaus G. Lüder (1996) 'Modeling Governmental Accounting Innovations: An Assessment and Future Research Directions' <i>Research in Governmental Nonprofit Accounting</i>, Volume 9, 1996</p> <p>Broadbent, Jane (1999) 'The State of Public Sector Accounting Research' <i>Accounting, Auditing and Accountability Journal</i> Vol.12 No.1 1999</p>
Week Four	<p><i>4. National governments' financial management</i></p> <p>'Organizational Alignment: The 7-S Model'</p>
Week Five	<p><i>5. Factors that lead to the adoption of accrual accounting</i></p> <p>Carpenter, Vivian L. and Ehsan H. Feroz (2001) 'Institutional Theory and Accounting Rule Choice: an analysis of four US state governments' decisions to adopt generally accepted accounting principles' <i>Accounting, Organisations and Society</i> 26 pp 565 - 596</p>
Week Six	<p><i>6. Reviews of NPFM change in New Zealand and Australia</i></p> <p>Pallot,, June (2001) 'A Decade in Review: New Zealand's Experience with Resource Accounting and Budgeting' <i>Financial Accountability &amp; Management</i> 17(4) November 2001</p>



	<p>Newberry, Susan (2003) 'Sector Neutrality' and NPM 'Incentives': Their use in eroding the public sector' <i>Australian Accounting Review</i> July 2003 Volume 13 Issue 2.</p> <p>Ryan, Christine (1998) 'The Introduction of Accrual Reporting Policy in the Australian Public Sector: An Agenda Setting Explanation' <i>Accounting, Auditing and Accountability Journal</i> Vol. 11 No.5 1998</p>
Week Seven	Topic(s) determined in consultation with student(s)
Week Eight	Topic(s) determined in consultation with student(s)
Week Nine	Topic(s) determined in consultation with student(s)
Week Ten	<p><i>Empirical studies of accounting change</i></p> <p>Van Helden, G, Jan (2000) 'Is Financial Stress An Incentive for the Adoption of Businesslike Planning and Control in Local Government? A Comparative Study of Eight Dutch Municipalities' <i>Financial Accountability &amp; Management</i> 16(1) February 2000</p> <p>Miah N. and L. Mia, (1996) 'Decentralisation and Accounting Controls: A New Zealand Empirical Study' <i>Financial Accountability &amp; Management</i> Vol.12, No.3 August 1996</p> <p>Jacobs, Kerry (1997) 'The Decentralisation Debate and Accounting Controls in the New Zealand Public Sector' <i>Financial Accountability &amp; Management</i> 13(4) November 1997</p>
Week Eleven	<i>Student feedback on their research (papers provided to lecturers by end of week 10)</i>
Week Twelve	<i>Test</i>