



MASTER OF PUBLIC MANAGEMENT PROGRAMME

MMPM 504

FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR

(Second Trimester Course – 15 points)

2005 COURSE OUTLINE

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Module Dates, Times and Locations

Module Four:	Tuesday 23 August 2005	8.30am – 6.00pm
Module Five:	Tuesday 11 October 2005	8.30am – 6.00pm
Module Six:	Tuesday 15 November 2005	8.30am – 6.00pm

Locations:

Pipitea Campus.

Rooms will be advised prior to each module.

Course Objectives

The objectives of this course are:

- To consider whether, and how, financial management in New Zealand answers the four questions that citizens want answers to re the operations of the Government:
 - Is it managing its financial affairs prudently? [*the money thing*]
 - Is it achieving what it set out to achieve? And is it doing so in a cost efficient and effective manner? [*efficiency Vs effectiveness*]
 - Is it looking after its assets (people, infrastructure, intellectual capital) so it can deliver results (outcomes, outputs) in the future? [*capability and risk management*]
 - Are its activities being carried out in accordance with the law and expected standards of conduct and probity? [*authority and probity*]
- To introduce you to the elements of the integrated management cycle – strategic planning, budgeting and resource allocation, operations and budget implementation, and monitoring and reporting (this involves integrating finance, human resources and organisational resources into the overall planning structure).
- To make you familiar with the nature, rationale, and historical development of the system of financial management in the New Zealand public sector (including Central Government, Crown Entities, State-owned Enterprises, and Local Government) as a means of assessing:
 - Is public expenditure better managed?
 - Are resources more effectively allocated?
 - Is there too much or too little accountability? And is the accountability to the right stakeholders?
 - Does accountability (reporting, monitoring, auditing, and the front page of the Dominion Post) bring about useful change?
 - Does Parliamentary scrutiny serve a useful purpose?
- To consider whether significant current developments (such as the current focus on outcomes and the preparation of Statements of Intent, and capability) answer the issues raised by recent critiques of the New Zealand financial management system.
- To consider the implications of recent legislation affecting public sector financial management:
 - The Public Finance Act 1989 (as amended in 2004)
 - The Crown Entities Act 2004
 - The Local Government Act 2003

This course will not make you an accountant! It is intended for managers who wish to understand more about financial management, but who do not have a need for in-depth knowledge about, for example, alternative financial reporting treatments of a specific type of transaction.

Readings

The topic readings for the course are a mixture of official publications, text material and academic articles. They are intended to introduce basic material; give an understanding of the New Zealand Government's financial management system, as well as that of local government; and to provide an academic perspective on some of the issues addressed.

Specific readings are set out under the Course Content on pages 7 to 19 of this Course Outline. Where there is a website reference, a copy of the material has not been included in the Course Booklet.

There are no textbooks for the course, but the following four books will be referred to reasonably often:

- **Scott, Graham, *Public Management in New Zealand***, Centre for Law and Economics Australian National University Canberra, Melbourne, Wellington, April 2001 (Textbook for MMPM 501 - copies of relevant chapters will be provided to those students that are not doing MMPM 501)
- **Norman, Richard, *Obedient Servants? Management Freedoms and Accountabilities in the New Zealand Public Sector***, Victoria University Press, 2003
- **Boston, Jonathan et al, *Public Management – The New Zealand Model***, Oxford University Press, 1996
- **The Treasury, *Putting it Together - An Explanatory Guide to the New Zealand Public Sector Financial Management System***, Wellington 1996 (Available from the VUW bookshop (approx. price \$20) or can be downloaded from www.treasury.govt.nz/publicsector/pit/)
[Please note that some of this book is out-of-date or different terminology is now used – reference will be made in lectures to these differences.]

In addition, throughout the course reference will be made to the following accountability documents for the Department of Corrections:

- *Estimates for Vote Corrections in the New Zealand Government's The Estimates of Appropriations for the year ended 30 June 2004*. Available from the Treasury website at: www.treasury.govt.nz/budget2003/estimates/est03corr.pdf
- **Department of Corrections, *Strategic Business Plan 2003 – 2008***. Available from the Corrections website at: www.corrections.govt.nz/public/pdf/publications/stratbusplan.pdf
- **Department of Corrections, *Statement of Intent 2003/04***. Available from the Corrections website at: www.corrections.govt.nz/public/pdf/statementofintent/2003completesoi.pdf
- **Department of Corrections, *Annual Report 2003/04***. Available from the Corrections website at: www.corrections.govt.nz/public/pdf/annualreports/annual-report-2004.pdf

Course Method

The course comprises readings, discussion, small group work, an essay, and assignment work. Prior to each module you are expected to:

- complete the readings;
- give some thought to the discussion questions; and
- be prepared to report on (and evaluate) the content of the readings.

Assessment

The purpose of assessment is three-fold:

- to ensure that you have met the standard of work required for the course;
- to give you feedback on your performance to assist you with your future study; and
- to provide the teaching staff with feedback on the progress of the class.

Formal assessment for the course will be as follows:

1. An *Essay*, to be submitted by 19 September 2005, worth **60%**
2. An *Assignment*, to be submitted by 24 October 2005, worth **40%**

(The topics for these assessed items are provided on the following page.)

Please send / hand-in all essays and assignments to:

Francine McGee,
School of Government,
Victoria University of Wellington,
Level 8 Reception,
Rutherford House,
23 Lambton Quay,
P.O. Box 600,
Wellington.

Students should keep a copy of all submitted work.

Deadlines:

The ability to plan for and meet deadlines is a core competency of both advanced study and public management. Failure to meet deadlines disrupts course planning and is unfair on students who do submit their work on time. It is expected therefore that you will complete and hand in the essay and assignment by the due date. ***Marks will be deducted at the rate of five for every working day by***

which the assignment or essay is late (weekends and public holidays excluded) and neither will be accepted after five working days beyond the date they are due.

If ill-health, family bereavement, or other personal emergencies prevent you from meeting the deadline for submitting a piece of written work, you can apply for and may be granted an extension to the due date. You should let your course coordinator, **David Macdonald**, know as soon as possible in advance of the deadline if you are seeking an extension.

Essay: Financial management and reporting in government departments

Due Date: 19 September 2005 Max length – 2,500 words Worth 60%

Over the last 15 years there have been significant changes to the financial management and financial reporting of government departments in New Zealand. Some commentators (including central agencies and the Auditor-General) argue that these ‘new public management’ changes are improvements, while other commentators identify problems and concerns (your readings and resources list includes key articles evaluating the NZ financial management reforms).

Required:

Discuss the changes in financial management and financial reporting since 2000 and **evaluate** whether these changes address the issues that commentators have raised. Wherever possible you should utilize your own experience and that of the organisation you work for.

Assignment: Achieving reprioritisation in the budget process

Due Date: 24 October 2005 Max length - 1,500 words Worth 40%

Frequently government organisations face fiscal pressures that do not allow significant new spending. This creates pressure on the organisation to reprioritise their spending, and seek to achieve greater effectiveness through the reallocation of resources to outputs that better achieve the organisation’s outcomes.

Required:

In the context of a public sector organisation that you know well:

- **outline** the budget process, including key deadlines;
- **give examples** of areas where reprioritisation is possible;
- **describe** the main barriers to reprioritisation (either aspects of the budget process or wider issues such as management culture, organisational context, etc); and
- **suggest** ways to improve the organisation’s ability to reprioritise.

Course Structure

Lecture Programme

Module No.	Topic	Lecturer
Module 1 23 August	1. <i>Setting the scene</i> : the NZ public sector financial management system <ul style="list-style-type: none"> • concepts and the reform process; • the integrated management cycle. 	David Macdonald
	2. <i>Are we on the right track</i> : public sector financial management in New Zealand <ul style="list-style-type: none"> • is it providing the ‘right’ answers? • what could we do better ? 	David Macdonald
	3. Accounting concepts, including: <ul style="list-style-type: none"> • cash Vs accrual accounting • capital Vs operating expenditure, including the capital charge 	Tim Fairhall
	4. The NZ Government’s budget process	Tim Fairhall Guest speaker
Module 2 11 October	5. Financial reporting: <ul style="list-style-type: none"> • Accountability to external parties • Financial reporting standards 	Tim Fairhall
	6. What is the best governance model for public sector entities?	Tim Fairhall
	7. Service performance reporting	David Macdonald
	8. Financial management in local government	David Macdonald
Module 3 15 November	9. Financial analysis – a look at the Crown Financial Statements [CFS], and the Wellington City Council’s annual report	Tim Fairhall
	10. Role of audit and the Auditor-General	David Macdonald
	11. A CFO’s view of relationships with, and information needs of, stakeholders	Guest lecturer
	12. Group discussion: <ul style="list-style-type: none"> • Key issues arising during the course • Current ‘wicked’ issues 	David Macdonald Tim Fairhall

COURSE CONTENT

1. *Setting the scene: the NZ public sector financial management system*

- **concepts and the reform process**
- **the integrated management cycle**

Topic Description

This section will examine the ideas that underlie the financial management system operated by the New Zealand Government. The matters covered in this session include:

- The problems the system was seeking to address.
- The view taken of accountability relationships.
- The concepts of performance (including the output/outcome distinction, ownership and purchase, and the control distinction between the accountabilities of chief executives and of the Government as a whole).
- The Integrated Management Cycle (planning, budgeting, operating, reporting, audit and review) across the different reporting entities within government.

Readings

- PowerPoint presentation – *Concepts & Reforms, the Integrated Management Cycle*, **David Macdonald**
- PowerPoint presentation – *Processes, documents & terminology [jargon] used in the Integrated Management Cycle*, **David Macdonald**
- **The Treasury (1996), *Putting it Together - An Explanatory Guide to the New Zealand Public Sector Financial Management System*** (Chapters 1 and 2) - available from the Treasury website: www.treasury.govt.nz/publicsector/pit/

Discussion Questions

- What are the key concepts underlying the New Zealand Government's financial management system?
- What evaluative framework(s) could be used to judge the success (or lack of success) of NZ's public sector financial reforms?
- Managing public expenditure and democratic government – who is accountable to whom and for what?

2. *Are we on the right track: public sector financial management in New Zealand – is it providing the ‘right answers’? What could we do better?*

Topic Description

Drawing on Session 1, this session will discuss the reform process and whether it is achieving what reformers set out to achieve. *This session will be an important resource for your essay.*

Readings

- Chapters 1, and 2 of **Scott, Graham** (2001) *Public Management in New Zealand: Lessons & Challenges*, Centre for Law and Economics Australian National University Canberra, Melbourne, Wellington, April 2001 (Textbook for MMPM501 - copies of relevant chapters will be provided to students not doing MMPM501)
- *Report of the Advisory Group on the Review of the Centre – the Executive Summary*, November 2001
- Treasury Working Paper 01/06, *Review of Evidence on Broad Outcome of Public Sector Management Regime*, **Murray Petrie & David Webber**, 2001
- Lecture at the Treasury, *Reflections on the New Zealand Model*, **Professor Allen Schick**, August 2001

Additional readings

- *Modernising Government: The Synthesis*, **Alex Matheson** (2004)
- ‘Sector Neutrality’ and NPM ‘Incentives’: their use in Eroding the Public Sector, **Susan Newberry**, Australian Accounting Review, Vol 13, No 2, 2003)
- *The Challenge of Evaluating Systemic Change: The Case of Public Management Reform*, **Jonathan Boston** (December 2000)
- *Obedient Servants? Management Freedoms and Accountabilities in the New Zealand Public Sector*, **Richard Norman**, Victoria University Press, 2003
- Chapters 1 and 2 of *Public Management – The New Zealand Model*, **Boston et al**, Oxford University Press 1996

Discussion Questions

- What are the results of new public management as practiced in New Zealand:
 - Are public expenditures better managed?
 - Are resources more effectively managed?
 - Is there too little or too much accountability?

- Does accountability [reporting and monitoring] bring about change?
- Does parliamentary scrutiny [select committee reviews] serve a useful purpose?
- Is it possible to find a balance between freedom to manage, accountability, and the interests of stakeholders?
- Efficiency Vs effectiveness – trade-off or fundamental difference in approach?
- The *Review of the Centre* identified fragmentation, problems with providing integrated service delivery, and lack of innovation, as areas where central government needed to improve.
 - To what extent does the financial management system contribute to these problems?
 - Has the system changed to help address these problems?
- Has the social impact of the reforms been adequately evaluated?

3. Accounting Concepts

Topic Description

One of the distinguishing features of NZ's public sector financial management system is the use of accrual accounting concepts for appropriations, budgeting, and financial reporting.

This session discusses cash accounting, accrual accounting, capital expenditure, operating expenditure, and the capital charge.

Readings

- **Norman, Richard**, *Accounting for Government*, published by Victoria University of Wellington through Victoria Link Ltd, (1997)
- **Department of Corrections**, *Annual Report 2003/04*. Available from the Corrections website at: www.corrections.govt.nz/public/pdf/annualreports/annual-report-2004.pdf
- *NZ Framework*, **Institute of Chartered Accountants of New Zealand [ICANZ]** (2004)
- *Fooling the People*, **David Farrar** (March 2005)
- *ABCs of Finance*, **National Association for the Self-employed** (2005)
- *Words to live by*, **National Federation of International Business** (2003)
- *Australian treasurer explaining health budget in accrual terms*, **Burke** (2002)
- *Australian budget 2000 – summary in accrual & cash terms* (2000)
- *Introduction to accrual accounting & IFRSs in Australia* (2005)
- **Scott, J**, *The Impact of the Capital Charge on Government Departments*, Nelson Polytechnic, 1997

Discussion Questions

- Is accrual accounting more useful than cash accounting?
 - Are there any drawbacks?
 - Why is it important to distinguish capital expenditure from operating expenditure?
- How often does your organisation monitor its Statement of Financial Position (Balance Sheet) against its budget?
- How well is the capital charge working in your organisation in determining whether to purchase or lease equipment?

4. The NZ Government's Budget Process

Topic Description

This session examines the rationale for, and behavioural aspects of, budgeting - and the nature of the budget process of the NZ Government. It also examines the documentation that is produced in the budget decision-making process.

Readings

- PowerPoint presentation – *Budgets, Appropriations and the Public Finance Act*
- **Jensen, Gwenda**, 'Zen and the Art of Budget Management: The New Zealand Treasury', publication in *Controlling Public Expenditure The Changing Roles of Central Budget Agencies – Better Guardians?* (Edward Elgar Publications)
- **Hansen & Mowen**, *Management Accounting (2 ed.)*, South Western College Publishing, Cincinnati, Ohio (1997), Chapter 8 (Budgeting for Planning and Control)
- **The Treasury** (2005), *Budget Process Guide* (December 2003). Available from the Treasury website at: www.treasury.govt.nz/budgetprocessguide/
- **The Treasury** (2000), *Guide to Appropriations*. Available from the Treasury website at: www.treasury.govt.nz/publicsector/appropriations/
- **The New Zealand Government**, *2004 Budget Policy Statement*, which includes government goals for 2005. Available from the Treasury website at: www.treasury.govt.nz/budgetpolicy/2004/
- *Treasury Working Paper 01/24, Budget Management That Counts: Recent Approaches to Budget and Fiscal Management in New Zealand*, **Angela Barnes & Steve Leith**

Discussion Questions

- What constitutes a good budget process?
- How good is the New Zealand Government's budget process in allocating resources efficiently and effectively? And how good is the budget process within your own organisation?
- Does the budget system make cooperation between departments more difficult?
- Are Supplementary Estimates and Imprest Supply subject to adequate review by Parliament?

5. Financial Reporting – Accountability to External Parties and IFRSs

Topic Description

A key component of the financial management system is the use of accrual accounting. This session will address the process for establishing rules for external reporting, as well as some current issues in financial reporting that are relevant to the public sector.

Readings

- Mindmap, *Financial Reporting to Stakeholders*, **David Macdonald**
- PowerPoint presentation – *Financial reporting: New Zealand Government*
- *NZ Equivalents to International Financial Reporting Standards [IFRSs]*
- **Wellington City Council** 2003/04 financial statements. Available on the WCC website: www.wellington.govt.nz/plans/annual0304/pdfs/annual0304.pdf
- **Jensen, Gwenda** (2002), *Financial Reporting Developments and Their Impact on Central Government Entities*, IIR Master Course

Further Reading

- Chapter 7 in **The Treasury**, *Putting it Together - An Explanatory Guide to the New Zealand Public Sector Financial Management System*. Available on the Treasury website: www.treasury.govt.nz/publicsector/pit/
- **Institute of Chartered Accountants of New Zealand (ICANZ)**, *Framework for Differential Reporting* (1997)

Discussion Questions

- What government-specific activities or powers present challenges for government financial reporting?
- Describe two current financial reporting issues for government entities and the GAAP applicable to those issues.
- Does financial reporting give adequate emphasis to inter-generational equity issues?
- Why have accounting standards in the public sector? Who should set them – Treasury, an independent standard setter in NZ, or a world body [the IASC]?
- What are the arguments for and against applying exactly the same accounting and financial reporting rules (so called, sector neutral standards) to public sector entities as those applied to private sector entities?

6. What is the best governance model for public sector entities?

Topic Description

This session will focus on what governance model (the processes by which organisations are directed, controlled and held to account) works best for New Zealand public sector entities. Comparisons will be made with governance models in overseas public sector entities, and with private sector governance models.

Readings

- *Governance models elsewhere*, paper prepared for **NSW government** (1998)
- *Overview of governance models*, **Institute on Governance** (2005)
 - Operational
 - Collective
 - Management
 - Traditional
 - Policy governance
 - Results-oriented board
 - Advisory
 - Representational
- *Governance models: what's right for your board*, **Nathan Garber & Associates** (1997)
- *The Business Risk Radar*, **Marsh** (insurance brokers)

Discussion Topics

- Has the introduction of private sector governance institutions – e.g. internal audit, audit committees, advisory boards, etc – been useful, or has it just provided another level of compliance costs?
- What use can be made of private sector financial management techniques?
 - Risk management
 - Asset management
 - Public finance initiatives
 - Benchmarking
- What aspects of public sector governance would not be appropriate in the private sector?
- Does your organisation have policies for:
 - Controlling sensitive expenditure?
 - Minimizing the likelihood of fraud?
- Do you contract with NGOs on the same basis as other organisations

7. Service Performance Reporting

Topic Description

In this session we will discuss service performance reporting, focusing on a number of documents that address this issue.

You should be prepared to discuss the issues raised in the documents, but also how the thinking contained in the documents fits with developments in the public sector management system. In particular, you should consider the implications for service performance reporting of the trend to place more emphasis on outcomes in the public sector.

Readings

- PowerPoint presentation – *Service Performance Reporting in NZ Public Sector*, **David Macdonald**
- PowerPoint presentation – *Current Issues in Service Performance Reporting*, **David Macdonald**
- **Scott, Graham (2001)** - 'Chapter 7 Setting and Monitoring Performance Specifications: Outputs and Outcomes', *Public Management in New Zealand* pp 169-204
- *Reporting Public Sector Performance* [Summary Report], **Controller and Auditor-General**, 2001
- **Neale, Ann & Pallot, June (2001)**, '*Frontiers of Non-financial Performance Reporting in New Zealand*', *Australian Accounting Review* Vol.11 No.3 2001
- **Neale, Ann & Anderson, Bruce (March 2000)**, '*Performance Reporting for Accountability Purposes – Lessons, Issues, Future*', International Public Management Workshop
- **Olson, Jim**, '*Reporting Public Sector Financial Performance*', 7th Annual Public Sector Finance Forum
- Worksheet entitled, '*Constraints on the current reporting of non-financial performance*'
- Worksheet entitled, '*Where should the public sector go with the reporting of non-financial performance?*'

Additional readings

- **Review of the Centre Advisory Group (2001)**, *Executive Summary, Report of the Advisory Group on the Review of the Centre*, November 2001
- **Steering Group Managing for Outcomes Roll-out 2003/04 (2002)**, *Managing for Outcomes Output Plans Guidance for Departments*, December 2002

- *Key Government Goals to guide the public sector in achieving sustainable development, DPMC*

Discussion Questions

- Why does your organisation capture information and report in the way that it does?
 - Who is the information useful to?
 - Is it appropriate? [i.e. Does it provide a good basis for judging the ‘success’ of your organization?]
 - Does this information help you to manage your organization?
- Has the increased focus on outcomes caused any problems for your organisation?
 - Are you happy to be judged on your achievement of outcomes rather than outputs?
 - Are you able to find a satisfactory link between outputs and outcomes?
 - Are the Government’s ‘Key Goals’ useful in providing a strategic direction for your organisation?
- Is your organisation reporting on risk management and capability? Is this useful information for stakeholders?
- How is your organisation going to measure, and get audited, the ‘triple bottom line’?

8. Financial Management in Local Government

Topic Description

This session will provide an introduction to local government financial management - it highlights the similarities and differences with central government financial management.

Readings

- PowerPoint presentation, *Financial Management in Local Government [Governance & Accountability]*, **David Macdonald**
- PowerPoint presentation, *Financial Management in Local Government [Local Government Amendment Act (No. 3) 1996]*, **David Macdonald**
- *The Local Government Act 2002: An Overview*, **Local Government New Zealand**
- Mindmap, 'What's different about local government?', **David Macdonald**
- *Local Government – Looking Back and Looking Forward*, **Auditor-General**, May 2002. Available on the **Office of the Auditor-General** website:
www.oag.govt.nz/HomePageFolders/Publications/Looking-Back/Looking-Back.pdf
- *Local government – stakeholder “wicked issues”*
- **Rosson, Louise**, *Local Government @ the Millennium Local Government Reform in New Zealand - A Decade of Change* NSW Conference 2000 Australia Local Government, February 2000
- **Pallot, June** (2001), 'Transparency in local government: antipodean initiatives', *The European Accounting Review* 2001 10:3. pp 645-660

Discussion Questions

- Describe the main ways in which the local government reforms resemble the central government reforms.
- Should/ could central government adopt the “power of general competence”?
- Compared to central government organisations, how free are local authorities to borrow, tax, spend and invest?
- What factors act to ensure that local authorities manage their finances well?
- Local Government Act 2002
 - Has the Act moved too far on outcomes?
 - Much of the effectiveness of the Act depends on consultation – what are the pitfalls?
 - How are TLAs going to prepare, and how is the Auditor-General going to audit, a “quadruple bottom line” SSP?

9. Financial analysis, with reference to the Crown Financial Statements [CFS] and the annual report of the Wellington City Council

Topic Description

Introduces the basic techniques of financial analysis and its relevance to government organisations.

Readings

- PowerPoint presentation – *Financial Analysis*
- Tutorial 3 – *Analysing the Crown's level of debt*
- **NZ Government**, *Crown Financial Statements 2004*,
www.treasury.govt.nz/financialstatements/year/jun04/cfsyj04.pdf
- **Wellington City Council**, *Annual Report 2004*
www.wellington.govt.nz/plans/annual0304/pdfs/annual0304.pdf
- **The Treasury** (1999), *Monthly Financial Monitoring of Departments*
- **The Treasury** (1999), *Introduction to Financial Analysis*
- **The Treasury** (1999), *Example of Financial Ratio Analysis – Ministry of Justice*
- **Standard & Poor's** (1998) *Sovereign Credit Rating: A Primer* December 1998

Discussion Questions

- How do you know whether your organisation is doing well or not?
- What aspects of your organisation's financial performance can you control? How and by whom is the financial performance of your organization monitored?
- What does a vote analyst look at when analysing a department's finances?
- What are the main differences between the financial analysis of public sector entities and financial analysis of private sector for-profit entities?
- How is success measured in the Crown Financial Statements? Is Michael Cullen's OBERAC a valid/ useful measure?

10. The Role of Audit and the Auditor-General

Topic Description

This section of the course will examine the role of the Auditor-General, both as an integral part of the integrated financial management cycle and as a reporter to parliament on *accountability* and *improvement* issues.

Readings

- PowerPoint presentation, *The Role of Audit & the Auditor-General*, **David Macdonald**
- **Buchanan, Robert and Simpkins, Kevin** (2001) 'A New Age for Public Auditing', *Chartered Accountants Journal of New Zealand* July 2001, pp 8-11
- **Auditor-General's**, *Auditing Standards* (May 2005) – pages 6-23
www.oag.govt.nz/HomePageFolders/Publications/auditing-standards/audit-standards.htm
- **Auditor General's**, *Annual Plan 2005-06*
www.oag.govt.nz/HomePageFolders/CorporateDocs/annual-plan/2005-06/default.htm
- **Report of the Auditor General**, *Central Government: Results of the 2003-04 Audits*
www.oag.govt.nz/HomePageFolders/Publications/central-govt-2003-04/default.htm
- You may also wish to review the *Public Audit Act 2001* and a number of accompanying policy papers, which are available on the *OAG* website:
www.oag.govt.nz/HomePageFolders/PublicAuditAct/PAA_Home.htm
- **Boston, Jonathan et al**, *Public Management: The New Zealand Model*, Oxford University Press, (1996), Chapter 15

Discussion Questions

- What gives an audit value?
- How does the Auditor-General's 'legislative audit model' vary from a private sector audit?
- How does a performance audit vary from a financial audit?
- Given that the Auditor-General performs a mini performance audit (i.e. the audit of SSPs) on most public sector entities, is there any value in him carrying out discretionary performance audits?
- Critically discuss the following statement –

“The new legislation [the Public Audit Act 2002] has increased the Auditor-General's independence, but his accountability to Parliament has remained weak!”

12. Group discussion of Key Issues that have Emerged During the Course

This discussion session will be a “wrap-up”, identifying and discussing issues that have emerged during the course, and trying to reach some conclusions about the New Zealand public sector management system and, in particular, the financial management arrangements.

We intend to:

- consolidate the material covered during the course; and
- consider some of the issues relating to the 2004 amendments to the Public Finance Act 1989 and the Crown Entities Act 2004
- consider any other “wicked issues” currently facing public sector managers

Readings

- Address to the 7th Annual Public Sector Finance Forum by **John Whitehead**, Secretary to The Treasury, August 2003
- Speech to 7th Annual Public Sector Finance Forum by **Hon Dr Michael Cullen**, Minister of Finance, August 2003
- Worksheet entitled ‘4 Broad Aims of Public Finance Bill’
- PowerPoint presentation – *Public Finance Act Changes*, **Ken Warren** (Treasury)
- PowerPoint presentation – *The Crown Entities Act 2004*, **Jonathan Ayto** (Treasury) & **Ann Neale** (SSC)
- Article ‘*The Public Finance (State Sector Management) Bill: attacking democracy and the public purse*’ by **Sue Newberry & Alan Robb**
- Article in the Independent entitled ‘*Finance Bill erodes parliamentary sovereignty*’ by **June Pallot & Sue Newberry**

Additional readings

- Cabinet Minute – CAB (03) 26/2A
- Consolidated Cabinet Paper on PFA Changes [Refer Treasury website: www.treasury.govt.nz/pfssm/]

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA 005) and offices 125a to 131 (Level 1). The office, will be open from 9:00am to 5:00pm during Trimester 2, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Please note:

There will be a Student Administration Adviser, from the RWW office, based in EA 005 from Monday 27 June to Friday 1 July (9:00am to 5:00pm) and from Monday 4 July to Friday 22 July (11:00am to 1:00pm).

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

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, telephone 463-6070 or email 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/ or email 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, telephone (04) 463 - 6983 or (04) 463 – 6984 or email education@vuwsa.org.nz.

Maori and Pacific Mentoring programme (Manaaki Pihipihinga)

This is a free programme of mentoring for Maori and Pacific students doing first year courses within the Faculty of Commerce and Administration. Weekly one hour mentoring sessions: drafting and editing assignments/discussing any questions that you might have from tutorials or lectures and going over every aspect of essay writing, either in small group sessions or on a one-to-one basis.

This includes:

- A computer suite hooked up to cyber commons for students to use to produce their assignments.
- Regular skill-based workshops with a learning adviser from Student Learning Support Services.
- Networking with other Maori and Pacific support groups throughout the university.

For more information please contact:

Melissa Dunlop, Programme Coordinator

Telephone (04) 463 - 6015 or email Maori-Pacific-Mentoring@vuw.ac.nz