

School of Accounting & Commercial Law

ACCY 307 GOVERNMENT ACCOUNTING & FINANCE

Trimester One 2009

COURSE OUTLINE

Contact Details

Lecturers:	Room	Phone	Email Address
Prof. David Macdonald	RH 601	463 5938	David.Macdonald@vuw.ac.nz
Kevin Simpkins	RH 716	463 9651	Kevin.Simpkins@vuw.ac.nz

Course Supervisors

Administrative:

Marina Dobrovolskaya	RH 708	463 5775	marina.dobrovolskaya@vuw.ac.nz
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Academic:

Prof. David Macdonald	RH 601	463 5938	David.Macdonald@vuw.ac.nz
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Class Times and Room Numbers

Lecture Times:	Monday	10.30am – 11.20am	in GB LT 3
	Tuesday	10.30am – 11.20am	in GB LT 3
	Wednesday	10.30am – 11.20am	in GB LT 3

The Lecture Programme is set out in detail on Page 5.

Tutorials

You are required to attend tutorials, which begin in the second week of the course. You must sign up using the website <https://signups.vuw.ac.nz> during the first week of classes. The instructions for signing up are attached as page 8 of this Course Outline and will also be posted on Blackboard. The final lists will be displayed on Blackboard at the end of the first week.

Tutorial times are as follows (they are immediately after lectures):

Tutorial Times:	Monday	11.30am – 12.20pm	in RWW 222
	Tuesday	11.30am – 12.20pm	in RWW 222
	Wednesday	11.30am – 12.20pm	in RWW 222

Course Objectives

By the end of this course, students should be able to:

1. describe the public sector environment in New Zealand and how the country is governed;
2. understand accounting, financial management and auditing in the public sector;
3. describe the integrated management cycle – strategic planning; budgeting & resource allocation; operations and budget implementation; and monitoring and reporting;
4. analyse whether, and how, financial management in New Zealand addresses these four questions regarding the operations of the Government:
 - Is it managing its financial affairs prudently? [the money thing]
 - Is it achieving what it set out to achieve? [efficiency vs effectiveness]
 - Is it looking after its assets (people, infrastructure, intellectual capital); so it can deliver results (outcomes and outputs) in the future? [capability & risk management]
 - Is it carrying out its activities in accordance with the law and expected standards of conduct and probity? [authority & probity]
5. analyse particular public sector accounting and reporting issues and practices.

Course Content

This course examines accounting and financial management in the context of the New Zealand public sector. The role and nature of public sector accounting, and the theories that underpin current accounting practices, will be discussed. Literature will be drawn from a range of disciplines, including economics and public management as well as accounting and finance.

Readings

For most class sessions there will be assigned readings. These are the **minimum** preparation required for each session. Reading in preparation for the essay and the project will need to be wider than the assigned readings. Suggested reading resources are set out in detail on pages 6-7.

Materials and Equipment

- **Course Material Book** – in 2 parts
- **A Guide to the Public Finance Act – The Treasury**
- **Course Text: *The Treasury Putting it Together – An Explanatory Guide to the New Zealand Public Sector Financial Management System*** Wellington 1996. (Available from the VUW bookshop or can be downloaded from the Treasury website – www.treasury.govt.nz/publications/guidance/publicfinance/pit)

[N.B. “Putting it Together” is not sufficient by itself to understand the material covered in this course – you need to attend all lectures and tutorials and read the readings included in the Course Book. In addition, some of Putting it Together’s contents are now out-of-date.]

Assessment Requirements

Project	30%	Due 5.00pm Thursday, 9 April, 2009
Essay	30%	Due 5.00pm Friday, 15 May, 2009
Test [2hours]	<u>40%</u>	Wednesday, 3 June, 2009
<i>Total</i>	<i>100%</i>	

Project and Essay

The requirements for the Project and Essay will be placed on Blackboard by the end of Week 2. Place your project and essay in the **ACCY 307 Box** on the mezzanine floor of Rutherford House no later than 5.00 pm on the due date. Penalties for late submission will be advised with the requirements for each of these assessments.

The **Project** involves preparation of a Report of specified aspects of accountability and reporting based on students’ analysis of actual accountability documents of a public sector entity. The Report has a word limit of 2000 words.

The **Essay** requires description, discussion and evaluation of the system of financial management and reporting of government departments in New Zealand. The expected length is 2000 to 2500 words.

Mandatory Course Requirements

In addition to obtaining an overall course mark of 50% or more, students must:

- (i) Attend at least five tutorials;
- (ii) Complete all assessment items; and
- (iii) Achieve a mark of 40% or more in the test.

Failure to meet the mandatory course requirements will mean that you will receive a K, D, or E grade depending on whether your overall mark for the course is higher or lower than 50% of the total marks available.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services 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. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

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

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to www.victoria.ac.nz/home/about/policy/students.aspx.

For information on the following topics, go to the Faculty's website www.vuw.ac.nz/fca under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.

2009 LECTURE AND TUTORIAL PROGRAMME:

[Lectures - Monday, Tuesday, Wednesday: 10.30am – 11.20am – GB LT3]
 [Tutorials – Monday, Tuesday, Wednesday: 11.30am – 12.20pm – RWW 222]

Week beginning	TOPIC	LECTURER
2 March, 2009	Course Introduction Introduction to the New Zealand Public Sector – Key differences between the Public and Private Sectors	David Macdonald
9 March	NZ's System of Public Sector Financial Management: Concepts Financial Management Cycle, Processes and Documents <i>Tutorial 1: Concepts and Systems</i>	David Macdonald
16 March	Budgets, Appropriations and the Public Finance Act	Kevin Simpkins
23 March	Financial Reporting in the Public Sector Current Issues in Financial Reporting <i>Tutorial 2: Budgets and Appropriations</i>	Kevin Simpkins
30 March	Service Performance Reporting <i>Tutorial 3: Financial Reporting</i>	David Macdonald
6 April	Service Performance Reporting (Project due 5.00 pm, Thursday 9 April, 2009)	David Macdonald
10-24 April	<i>Easter break Mid-trimester break</i>	
27 April	Auditing in the Public Sector <i>Tutorial 4: Service Performance Reporting</i>	David Macdonald
4 May	Local Government – Governance and Accountability	TO BE ADVISED
11 May	Financial Analysis and Monitoring Essay due 5.00pm, Friday 15 May, 2009)	Kevin Simpkins
18 May	Crown Financial Management/ Fiscal Responsibility/ Role of the Reserve Bank; Departmental Financial Management/ the Capital Charge <i>Tutorial 5: Local Government/Public Sector Auditing</i>	Kevin Simpkins
25 May	Topics to be advised <i>Tutorial 6: Financial Management/ Fiscal Responsibility</i>	Kevin Simpkins
1 June	A Revision lecture will be offered on Tuesday 2 June. (There will be no lecture on Monday which is a public holiday or on Wednesday which is the date of the Final Test.) (Final Test – Wednesday 3 June, 2009 - time and place to be advised)	Kevin Simpkins
8 June	<i>Mid year study break [note: there is no final examination in this course]</i>	

Readings and resources on Public Sector Financial Management

Books on public sector financial management

- **Boston J., Martin J., Pallot J., & Walsh P.** (1996) *Public Management: The New Zealand Model*, Oxford University Press, Auckland 1996
- **Richard Norman**, *Obedient Servants? Management Freedom and Accountabilities in the New Zealand Future Sector*, Victoria University Press, 2003
- **Dr. Graham Scott** (2001), *Public Management in New Zealand*, Centre for Law and Economics Australian National University Canberra, Melbourne, Wellington, 2001
- **The Treasury** (1996), *Putting it Together – An Explanatory Guide to the New Zealand Public Sector Financial Management System*
<http://www.treasury.govt.nz/publications/guidance/publicfinance/pit>

A selection of useful websites

New Zealand's central government financial management:

- Treasury www.treasury.govt.nz/
- State Services Commission www.ssc.govt.nz/display/home.asp

Public sector auditing in New Zealand:

- Office of the Controller and Auditor-General <http://www.oag.govt.nz/>

For information about New Zealand's local government:

- Local Government New Zealand www.lgnz.co.nz/
- Society of Local Government Managers www.solgm.org.nz
- Department of Internal Affairs www.dia.govt.nz/diawebsite.nsf

Internal public sector accounting and financial management:

- IFAC Public Sector Committee www.ifac.org/PublicSector/
- OECD www.oecd.org/department/0,2688,en_2649_33735_1_1_1_1_1,00.html
- IMF www.imf.org

Link site that provides access to government organisations: www.govt.nz/

Relevant legislation

Legislation can be viewed free of charge at: www.legislation.govt.nz/

The Treasury administers two of the three major statutes that establish the legislative framework for the New Zealand government's public sector financial management system:

- Public Finance Act 1989 [major amendment in 2004]
- State-owned Enterprises Act 1986 [major amendment in 2004]

Information about these two Acts can be found on the Treasury website, starting from: <http://www.treasury.govt.nz>

The State Services Commission (SSC) administers the third piece of legislation:

- State Sector Act 1988 [major amendment in 2004]

and the new legislation relating to Crown Entities:

- Crown Entities Act 2004

Information about these Acts can be found on the SSC website at: <http://www.ssc.govt.nz/>

The Department of Internal Affairs administers the Local Government Act 2002. Information about the Act can be found at

http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Legislative-Reviews-Local-Government-Act-Review-Index?OpenDocument

Many public sector organisations operate under specific legislation that is likely to determine the responsibilities, functions, and specific financial management and accounting requirements for the organisation. An example of such legislation is the Education Act 1989, which applies to schools and universities.

Recent evaluations of NZ Government's financial management reforms

- **Jeff Chapman & Grant Duncan** (2007), *Is there now a 'New Zealand Model'?*, Public Management Review, Vol 9, issue 1, 2007 1-25 (ISSN 1471-9037)
- **Murray Petrie & David Webber** (2001), *Review of Evidence on Broad Outcome of Public Sector Management Regime* Treasury Working Paper 01/06
- **Schick, A** (2001), *Reflections on the New Zealand Model*
- **Schick, A** (1996), *The Spirit of Reform: Managing the State Sector in a Time of Change* State Services Commission Wellington 1996
<http://www.ssc.govt.nz/display/document.asp?docid=2845>

Selection of Examples of Government Budgets and Reports

- Estimates for Vote Finance in the New Zealand Government's *The Estimates of Appropriations for the year ended 30 June 2008*
<http://www.treasury.govt.nz/budget/2008/estimates/est08finan.pdf>
- Treasury Statement of Intent 2008-13
<http://www.treasury.govt.nz/publications/abouttreasury/soi/2008-13/soi-treasury-2008-13.pdf>
- Treasury Annual Report 2007/08
<http://www.treasury.govt.nz/publications/abouttreasury/annualreport/07-08/ar07-08.pdf>
- Crown Financial Statements
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun08/fsgnz-year-jun08.pdf>

Detailed Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.vuw.ac.nz>
2. Enter your SCS username and password to login the system.
3. The “Signup Home” page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A “key” is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the “Key” section at the bottom of the signup page.
12. You should “ENROL” in only ONE tutorial session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on “My Signups” on the left hand menu.
15. Click on “Support” on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.