

School of Accounting & Commercial Law

## **ACCY 307 GOVERNMENT ACCOUNTING & FINANCE**

Trimester One 2010

### **COURSE OUTLINE**

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#### **Contact Details**

<b>Lecturers:</b>	<b>Room</b>	<b>Phone</b>	<b>Email Address</b>
Prof. David Macdonald	RH 601	463 5938	<a href="mailto:David.Macdonald@vuw.ac.nz">David.Macdonald@vuw.ac.nz</a>
Prof Kevin Simpkins	RH 716	463 9651	<a href="mailto:Kevin.Simpkins@vuw.ac.nz">Kevin.Simpkins@vuw.ac.nz</a>

#### **Course Supervisors**

##### **Administrative:**

Danielle Van Resseghem	RH 708	463 7465	<a href="mailto:Danielle.VanResseghem@vuw.ac.nz">Danielle.VanResseghem@vuw.ac.nz</a>
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##### **Academic:**

Prof. David Macdonald	RH 601	463 5938	<a href="mailto:David.Macdonald@vuw.ac.nz">David.Macdonald@vuw.ac.nz</a>
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**Teaching Period: Monday 1<sup>st</sup> March – Friday 4<sup>th</sup> June 2010**

#### **Withdrawal from Courses:**

Information available via

**Withdrawal dates: Late withdrawals with Associate Dean (Students) permission**  
(See Section 8: Withdrawals - from the Personal Courses of Study Statute)

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~000000001743.pdf>

**Withdrawal dates: refunds:**

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawlsrefunds.aspx>

#### **Class Times and Room Numbers**

<b>Lecture Times:</b>	Monday	3.40pm – 4.30pm	in GB LT 4
	Tuesday	3.40pm – 4.30pm	in GB LT 4
	Wednesday	2.40pm – 3.30pm	in GB LT 4

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 before lectures):

<b>Tutorial Times:</b>	Monday	2.40pm – 3.30pm	in GBG04
	Tuesday	2.40pm – 3.30pm	in GBG04
	Wednesday	1.40pm – 3.30pm	in GBG04
	Wednesday	3.40pm – 4.30pm	in RWW312

## Course Learning Objectives

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

1. Understand 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. Understand 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 the following 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](http://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

<b>Project</b>	<b>30%</b>	<b>Part 1 - Due 5.00pm Thursday 1 April, 2010</b> <b>Part 2 – Due 5.00pm, Friday 30 April, 2010</b>
<b>Essay</b>	<b>30%</b>	<b>Due 5.00pm Friday, 21 May, 2010</b>
<b>Test [2hours]</b>	<b><u>40%</u></b>	<b>Wednesday, 2 June, 2010</b>
<b><i>Total</i></b>	<b><i>100%</i></b>	

## **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.

*Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course*

## **Mandatory Course Requirements**

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

- (i) Attend at least five tutorials and contribute to the discussion;
- (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.

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## **For the following important information follow the links provided:**

### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

### **General University Policies and Statutes**

<http://www.victoria.ac.nz/home/about/policy>

### **AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/>

### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)

## 2010 LECTURE AND TUTORIAL PROGRAMME:

[Lectures in GBLT4 - Monday, Tuesday: 3.40pm – 4.30pm, Wednesday: 2.40pm – 3.30pm]  
 [Tutorials in RWW 222 – Monday, Tuesday: 2.40pm – 3.30pm, Wednesday: 1.40pm – 2.30pm]

Week beginning	TOPIC	LECTURER
1 March, 2010	Course Introduction Introduction to the New Zealand Public Sector – Key differences between the Public and Private Sectors	David Macdonald
8 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
15 March	Budgets, Appropriations and the Public Finance Act	Kevin Simpkins
22 March	Financial Reporting in the Public Sector Current Issues in Financial Reporting <i>Tutorial 2: Budgets and Appropriations</i>	Kevin Simpkins
29 March	Financial Analysis and Monitoring <i>Tutorial 3: Financial Reporting</i> <b>(Project [Part 1] due 5.00pm, Thursday 1 April, 2010)</b>	Kevin Simpkins
<b>2-18 April</b>	<b><i>Easter break</i></b> <b><i>Mid-trimester break</i></b>	
19 April	Service Performance Reporting	David Macdonald
26 April	Service Performance Reporting <b>(Project [Part 2] due 5.00pm, Friday 30 April, 2010)</b> <i>Tutorial 4: Service Performance Reporting</i>	David Macdonald
3 May	Crown Financial Management/ Fiscal Responsibility/ Role of the Reserve Bank; Departmental Financial Management/ the Capital Charge	Kevin Simpkins
10 May	Local Government – Governance and Accountability	David Macdonald
17 May	Role of the Auditor-General <i>Tutorial 5: Local Government/ Role of Auditor-General</i> <b>(Essay due 5.00pm, Friday 21 May, 2010)</b>	David Macdonald
24 May	Topics to be advised <i>Tutorial 6: Financial Management/ Fiscal Responsibility</i>	Kevin Simpkins
31 May	Revision (There will be no lecture on Wednesday which is the date of the Final Test.) <b>(Final Test – Wednesday 2 June, 2010 - time and place to be advised)</b>	Kevin Simpkins David Macdonald
<b>5 June</b>	<b><i>Mid year study break [note: there is no final examination in this course]</i></b>	

## 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/](http://www.treasury.govt.nz/)
- State Services Commission [www.ssc.govt.nz/display/home.asp](http://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/](http://www.lgnz.co.nz/)
- Society of Local Government Managers [www.solgm.org.nz](http://www.solgm.org.nz)
- Department of Internal Affairs [www.dia.govt.nz/diawebsite.nsf](http://www.dia.govt.nz/diawebsite.nsf)

Internal public sector accounting and financial management:

- IFAC Public Sector Committee [www.ifac.org/PublicSector/](http://www.ifac.org/PublicSector/)
- OECD [www.oecd.org/departement/0,2688,en\\_2649\\_33735\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,2688,en_2649_33735_1_1_1_1_1,00.html)
- IMF [www.imf.org](http://www.imf.org)

Link site that provides access to government organisations: [www.govt.nz/](http://www.govt.nz/)

### *Relevant legislation*

Legislation can be viewed free of charge at: [www.legislation.govt.nz/](http://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](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 2009*  
<http://www.treasury.govt.nz/budget/2009/estimates/est09finan.pdf>
- Treasury Statement of Intent 2009-12  
<http://www.treasury.govt.nz/publications/abouttreasury/soi/2009-12/soi-treasury-2009-12.pdf>
- Treasury Annual Report 2008/09  
<http://www.treasury.govt.nz/publications/abouttreasury/annualreport/08-09/ar08-09.pdf>
- Crown Financial Statements  
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun09/fsgnz-year-jun09.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.