

School of Accounting & Commercial Law

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

Trimester One 2013

### **COURSE OUTLINE**

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#### **Names and Contact Details**

<i>Course Coordinator &amp; Lecturer:</i>	Dr Rodney Dormer <a href="mailto:Rodney.Dormer@vuw.ac.nz">Rodney.Dormer@vuw.ac.nz</a>	RH 727	463 5233 x7009
<i>Lecturer:</i>	Adj. Prof Kevin Simpkins <a href="mailto:Kevin.Simpkins@vuw.ac.nz">Kevin.Simpkins@vuw.ac.nz</a>	RH 716	463 9651
<i>Course Administrator</i>	Ms Lee Vassiliadis <a href="mailto:Lee.Vassiliadis@vuw.ac.nz">Lee.Vassiliadis@vuw.ac.nz</a> Office hours: Monday-Friday 8.30am-5pm Office is closed: 10.30-10.45am and 3.30-3.45pm	RH 708	463 5383

#### **Trimester Dates**

Teaching Period: Monday 4 March – Friday 7 June

Study Period: Monday 10 June – Thursday 13 June

Examination Period: Friday 14 June – Wednesday 3 July (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 15 March 2013.
2. The standard last date for withdrawal from this course is 17 May 2013. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

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

Lecture Times:	Tuesday	4.40 p.m. – 5.30 p.m.	in GBLT 3
	Thursday	11.30 a.m. – 12.20 p.m.	in GBLT 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.victoria.ac.nz> during the first week of classes. The instructions for signing up are attached as page 10 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.

Tutorials will be held at the following times:

Tuesday 9.30 a.m. – 10.20 a.m.

Friday 10.30 a.m. – 11.20 p.m.

## **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.

## **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 Delivery**

The formal instruction in this course consists of 24 lectures of 50 minutes each, plus 6 tutorials of 50 minutes each. It is expected that students will attend all of these classes and be adequately and appropriately prepared to participate in them.

## Expected Workload

The expected workload for this course is approximately 150 hours. This is comprised of 30 hours of lectures and tutorials; another 8 hours per week on preparatory and background reading, Project and Essay preparation and tutorial preparation; and 25 hours revising and preparing for the final exam.

## 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. Some suggested reading resources are set out in detail on pages 6 to 8.

The following are the required readings:

- **Course Materials Book parts 1 and 2.**  
This can be obtained from the VUW bookshop at the start of the trimester.
- **Course Texts:**  
*Putting it Together – An Explanatory Guide to the New Zealand Public Sector Financial Management System* (2011).  
*A Guide to the Public Finance Act* (2005)  
Also available from the VUW bookshop or can be downloaded from the Treasury website at:  
<http://www.treasury.govt.nz/downloads/pdfs/pit-2011.pdf> , and  
<http://www.treasury.govt.nz/publications/guidance/publicfinance/pfaguide/guide-pfa.pdf>

N.B. This is a very dynamic topic; new legislation is currently being debated in Parliament. These texts are not sufficient by themselves to understand the material covered in this course – you will need to attend all lectures and tutorials and read the readings included in the Course Materials Book together with any other material provided or referred to during the lectures.

## Assessment Requirements

Project	30%	Part 1 - Due 3.00 pm on Thursday 4 April 2013 Part 2 - Due 3.00 pm on Monday 6 May 2013
Essay	30%	Due 3.00 pm on Monday 27 May 2013
Final exam [2 hours]	40%	Date and time to be advised
<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 weeks 2 and 4 respectively. Place your project and essay in the **ACCY 307 Box** on the mezzanine floor of Rutherford House no later than the time designated above 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 combined word limit of 2,000 words for both parts.

The **Essay** requires description, discussion and evaluation of aspects of the system of financial management and reporting of government departments in New Zealand. The expected length is 2,000 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.*

## **Penalties**

Penalties for late submission will be advised with the requirements for each of these assessments.

## **Use of Turnitin**

Student work for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

## **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 final exam.

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 made 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.

## **Link to general information**

For general information about course-related matters, go to:

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

**2013 LECTURE AND TUTORIAL PROGRAMME:**

<b>Week beginning</b>	<b>TOPIC</b>	<b>LECTURER</b>
4 March	Course Introduction Introduction to the New Zealand Public Sector – Key differences between the Public and Private Sectors	Rodney Dormer
11 March	NZ's Public Sector Financial Management System: Concepts; Introduction to Planning and Reporting Documents; the Financial Management Cycle <i>Tutorial 1: The Public Sector and the Financial Management System – An Overview</i>	Rodney Dormer
18 March	Budgets, Appropriations and the Public Finance Act	Kevin Simpkins
25 March	Financial Reporting in the Public Sector <i>Tutorial 2: Budgets and Appropriations</i>	Kevin Simpkins
	<b><i>28 March – 3 April</i></b>	<b><i>Easter</i></b>
1 April	Financial Reporting in the Public Sector <i>Tutorial 2: Budgets and Appropriations (continue)</i> <b>(Project [Part 1] due 3.00 pm, Thursday 4 April, 2013)</b>	Kevin Simpkins
8 April	Service Performance Reporting <i>Tutorial 3: Financial Reporting</i>	Rodney Dormer
15 April	Current Issues in Service Performance Reporting	Rodney Dormer
	<b><i>20 April – 28 April</i></b>	<b><i>Mid-Trimester break</i></b>
29 April	Departmental Financial Management/ the Capital Charge <i>Tutorial 4: Service Performance Reporting</i>	Rodney Dormer
6 May	Crown Financial Management/ Fiscal Responsibility <b>(Project [Part 2] due 3.00 pm, Monday 6 May, 2013)</b>	Kevin Simpkins
13 May	Local Government – Governance and Accountability <i>Tutorial 5: Financial Management/ Fiscal Responsibility</i>	Kevin Simpkins
20 May	Monitoring and the Role of the Auditor-General	Kevin Simpkins
27 May	Guest lecture/Revision <i>Tutorial 6: Local Government/ Role of Auditor-General</i> <b>(Essay due 3.00 pm, Monday 27 May, 2013)</b>	Kevin Simpkins
3 June	Revision	Rodney Dormer / Kevin Simpkins
<b><i>10 June</i></b>	<b><i>Mid-year study break</i></b>	

## **Readings and resources on Public Sector Financial Management**

### ***Books on public sector financial management***

- Gill, D. ed. (2011). *The Iron Cage Recreated*. Wellington: Victoria University of Wellington, Institute of Policy Studies.
- Boston J., Martin J., Pallot J., & Walsh P. (1996) *Public Management: The New Zealand Model*. Auckland: Oxford University Press
- Norman R. (2003). *Obedient Servants? Management Freedom and Accountabilities in the New Zealand Future Sector*. Wellington: Victoria University Press.
- Scott, G. (2001). *Public Management in New Zealand*. Canberra: Centre for Law and Economics Australian National University.

### ***A selection of useful websites***

New Zealand's central government financial management:

- Treasury at: [www.treasury.govt.nz/](http://www.treasury.govt.nz/)
- State Services Commission at: [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 at: <http://www.oag.govt.nz/>

For information about New Zealand's local government:

- Local Government New Zealand at: [www.lgnz.co.nz/](http://www.lgnz.co.nz/)
- Society of Local Government Managers at: [www.solgm.org.nz](http://www.solgm.org.nz)
- Department of Internal Affairs at: [www.dia.govt.nz/diawebsite.nsf](http://www.dia.govt.nz/diawebsite.nsf)

International public sector accounting and financial management:

- IFAC International Public Sector Accounting Standards Board  
at: [www.ifac.org/PublicSector/](http://www.ifac.org/PublicSector/)
- OECD at: [www.oecd.org/department/0,2688,en\\_2649\\_33735\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,2688,en_2649_33735_1_1_1_1_1,00.html)
- IMF at: [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 four 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 other two major pieces of legislation:

- State Sector Act 1988 [major amendment in 2004]
- 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***

- SSC (2011). *Better Public Services Advisory Group Report*. Available at [http://www.ssc.govt.nz/sites/all/files/bps-report-nov2011\\_0.pdf](http://www.ssc.govt.nz/sites/all/files/bps-report-nov2011_0.pdf)
- Controller and Auditor-General (2011). *Local government: Improving the usefulness of annual reports*. Available at: <http://www.oag.govt.nz/2011/local-government-annual-reports/docs/improving-the-usefulness-of-annual-reports.pdf>
- Controller and Auditor-General (2011). *Central government case studies in improving forecast performance information*. Available at: <http://www.oag.govt.nz/2011/central-government>
- Chapman, J. & G. Duncan (2007), Is there now a new 'New Zealand Model'?, *Public Management Review*, Vol 9, issue 1, 2007 1-25 (ISSN 1471-9037)

## ***Selection of Examples of Government Budgets and Reports***

- Treasury Statement of Intent 2012-17  
<http://www.treasury.govt.nz/publications/abouttreasury/soi/2012-17>

- Treasury Annual Report for the year ended 30 June 2012  
<http://www.treasury.govt.nz/publications/abouttreasury/annualreport/11-12>
- Financial Statements of the New Zealand Government for the year ended 30 June 2012  
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun12>
- Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2013  
<http://www.treasury.govt.nz/budget/2012/estimates>
- Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2013  
<http://www.treasury.govt.nz/budget/2012/ise>

## **NZ Budget App**

Although you may access the following Information from the Treasury website, you might also like to use the Treasury's new app.

The Treasury launched the NZ Budget app for Android, iPhone and iPad to coincide with Budget 2012 and has updated it for the December release of the Budget Policy Statement 2013.

The app provides access to Budget-related videos, Ministers' media statements, the Minister of Finance's Budget speech, the Executive Summary, the Budget Policy Statement 2013, the Fiscal Strategy Report 2012 and Key Facts for Taxpayers.

Tablet versions of the app also provides access to the Budget Economic and Fiscal Update (BEFU) and Half Year Economic and Fiscal Update (HYEFU) 2012.

### **How to Get the App**

On your device you can go to the App Store or Google Play and search for **NZ Budget**. There is no charge for the NZ Budget app.

### **How the App Works**

The app is not loaded with Budget 2012 or Budget 2013 data but receives it from a Wellington-based server after the embargo on Budget documents ends.

Until the embargo is lifted the app will not show any information. When Budget 2012 was released on 24 May 2012, the app automatically updated and started to display Budget 2012 information.

The app does not contain all of the Budget 2012 information released on Budget day. For example, the largest Budget documents - the Estimates of Appropriations 2012/13, the ten sector volumes of the Information Supporting the Estimates 2012/13, and the Supplementary Estimates and Supporting Information 2011/12 - are not available on the app.

These Estimates documents and other Budget 2012-related material will be available on the Treasury website's Budget 2012 home page at: <http://www.treasury.govt.nz/budget/2012>.

### **December 2012 Update**

The December 2012 update of the App provides access to the Budget Policy Statement 2013, the Half Year Economic and Fiscal Update 2012, and the latest media releases.

The Budget Policy Statement sets out the Minister of Finance's strategic priorities for Budget 2013.

The Half Year Economic and Fiscal Update provides the Treasury's latest economic forecasts and the forecast financial statements of the Government, including the implications of Government financial decisions.

Only tablet users have direct access to the Half Year Economic and Fiscal Update 2012. Other users can access the Half Year Economic and Fiscal Update 2012 via the Treasury's website through the Budget Links section of the App.

Users can still access Budget 2012 information through the App, including the Executive Summary, Fiscal Strategy Report 2012, Key Facts for Taxpayers and media releases.



## Detailed Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.victoria.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.