

School of Accounting and Commercial Law

ACCY 307 GOVERNMENT ACCOUNTING & FINANCE

Trimester 1, 2014

COURSE OUTLINE

Names and Contact Details

Course Coordinator & Lecturer: Dr Rodney Dormer RH727 463 5233 x7009
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Office hours: Monday-Friday 8.30am-5pm
Office is closed: 10.30-10.45am and 3.30-3.45pm

Trimester Dates

Teaching Period: Monday 3rd March – Friday 6th June

Study Period: Monday 9th June – Thursday 12th June

Examination Period: Friday 13th June – Wednesday 2nd July (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 14th March 2014.
2. The standard last date for withdrawal from this course is Friday 16th May. 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: Wednesday 9.30 a.m. – 10.20 a.m. in GB LT 3
Friday 9.30 a.m. – 10.20 a.m. in GB LT 3

The lecture programme is set out in detail on page 6.

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 11 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.

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.

Group Work

Group work will not be required.

Collaboration on individual assignments is not allowed beyond general discussion as to the nature of the assignment question and general approach to answering it. On individual assignments students should not work together to produce any written work and should not loan out draft or completed assignments to other students.

Expected Workload

The expected workload for this course is approximately 150 hours. This is comprised of 29 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.

Prescription

The theoretical basis of government accounting; budgetary theory; the budgetary system of New Zealand government, accounting for local authorities and public enterprise.

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 as it applies to public sector organisations.
4. Analyse whether, and how, public sector 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 (outputs and outcomes) 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. 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>

Public Finance Amendment Act 2013
Also available on-line at the New Zealand Legislation website at:
http://www.legislation.govt.nz/act/public/2013/0050/latest/DLM5326005.html?search=ts_act%40bill%40regulation%40deemedreg_Public+Finance+amendment+Act+2013_25_a&p=1

N.B. This is a very dynamic topic; new legislation is regularly 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.

Materials and Equipment

Students are encouraged to bring the course texts to lectures and tutorials.

Assessment

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

Project	30%	Part 1 - Due 3.00 pm on Thursday 3 April 2014 Part 2 - Due 3.00 pm on Monday 5 May 2014
Essay	30%	Due 3.00 pm on Monday 26 May 2014
Final exam [2 hours]	<u>40%</u>	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 5 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.

Penalties

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

Use of Turnitin

Student work provided 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.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the following period:

Friday 13th June – Wednesday 2nd July (inclusive)

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.

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

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.

Communication of Additional Information

Additional information concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

Student feedback

Any feedback is considered and followed up on.

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Link to general information

For general information about course-related matters, go to

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

Note to Students

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

2014 LECTURE AND TUTORIAL PROGRAMME:

Week beginning	TOPIC	LECTURER
3 March, 2014	Course Introduction Introduction to the New Zealand Public Sector – Key differences between the Public and Private Sectors	Rodney Dormer
10 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
17 March	Budgets, Appropriations and the Public Finance Act	Kevin Simpkins
24 March	Financial Reporting in the Public Sector <i>Tutorial 2: Budgets and Appropriations</i>	Kevin Simpkins
31 March	Service Performance Reporting <i>Tutorial 3: Financial Reporting</i> (Project [Part 1] due 3.00 pm, Thursday 3 April, 2014)	Rodney Dormer
7 April	Current Issues in Service Performance Reporting	Rodney Dormer
14 April	Departmental Financial Management/ the Capital Charge Note: Friday 18 April is a public holiday	Rodney Dormer
	<i>18 April – 4 May</i>	<i>Mid-Trimester break</i>
5 May	Crown Financial Management/ Fiscal Responsibility <i>Tutorial 4: Service Performance Reporting</i> (Project [Part 2] due 3.00 pm, Monday 5 May, 2014)	Kevin Simpkins
12 May	Local Government – Governance and Accountability <i>Tutorial 5: Financial Management/ Fiscal Responsibility</i>	Kevin Simpkins
19 May	Monitoring and the Role of Audit and the Auditor-General	Kevin Simpkins
26 May	Special Topic / Guest Lecture <i>Tutorial 6: Local Government/ Role of Auditor-General</i> (Essay due 3.00 pm, Monday 26 May, 2014)	Kevin Simpkins
2 June	Revision	Rodney Dormer / Kevin Simpkins
<i>9 June</i>	<i>Mid-year study break</i>	

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.
- The Treasury (1996). *Putting it Together – An Explanatory Guide to the New Zealand Public Sector Financial Management System*. accessed at:
<http://www.treasury.govt.nz/publications/guidance/publicfinance/pit>

A selection of useful websites

New Zealand's central government financial management:

- Treasury at: www.treasury.govt.nz/
- State Services Commission at: 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/
- Society of Local Government Managers at: www.solgm.org.nz
- Department of Internal Affairs at: 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/
- OECD at: www.oecd.org/department/0,2688,en_2649_33735_1_1_1_1_1,00.html
- IMF at: 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 four major statutes that establish the legislative framework for the New Zealand government's public sector financial management system:

- Public Finance Act 1989 [major amendments in 2004 and 2013]
- 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 amendments in 2004 and 2013]
- Crown Entities Act 2004 [major amendment in 2013]

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

- SSC (2011). *Better Public Services Advisory Group Report*. Available at 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 2013-18
<http://www.treasury.govt.nz/publications/abouttreasury/soi/2013-18/soi-treasury-13-18.pdf>
- Treasury Annual Report for the year ended 30 June 2013

<http://www.treasury.govt.nz/publications/abouttreasury/annualreport/12-13/ar12-13.pdf>

- Financial Statements of the New Zealand Government for the year ended 30 June 2013
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun13>
- Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2014
<http://www.treasury.govt.nz/budget/2013/estimates>
- Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2014
<http://www.treasury.govt.nz/budget/2013/ise>

NZ Budget App

The Treasury launched the NZ Budget app for Android, iPhone and iPad in May 2012 and has updated it for Budget 2013 to include a new user interface and with new interactive features.

The app provides easy access to Budget-related videos, Ministers' media statements, the Minister of Finance's Budget Speech, the Executive Summary, the Fiscal Strategy Report 2013, the Treasury's forecasts in the Budget Economic and Fiscal Update 2013, and the latest Key Facts for Taxpayers.

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 2013 data until after the embargo on Budget documents ends at 2pm on Budget Day, 16 May 2013.

The app will link to the Estimates material that will be available from the Budget website, which has a responsive design that is optimised for small devices.

Budget 2013 Update

The Budget 2013 update includes a number of new features:

- A new user interface and design which allows users to more easily access Budget information.
- Interactive pie charts covering government expenditure and revenue. These allow users to drill down into the different areas of spending and different revenue sources so they can better understand the New Zealand Government's finances.
- An interactive tax calculator (My Tax Dollars) to help users better understand where their tax dollars are being spent.
- The Treasury's latest Monthly Economic Indicators reports are now included.

The data used in the interactive features will be published in Excel format on Budget Day shortly after the embargo has lifted.

The app does not collect data from users of the interactive features. It does collect statistics on which interactive features are being used when and on which types of devices, but does not record any user inputs into the interactive features.

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.
