ACCOUNTING AND MANAGEMENT CONTROL IN LOCAL GOVERNMENT

MSc Degree in Municipal Management

Code: 24901

Main Scientific Area: Accounting and Financial Reporting

Lecturer: Agostinha Patrícia da Silva Gomes

Language of Instruction: Portuguese

Regime: S2

Contact Hours: 30h Total Workload: 110h

ECTS: 5,0

Objectives

The central aim of this course is to provide skills in the field of Management Accounting and Control (MAC), with a focus on the development of models and instruments that are on the rise in the public sector, particularly in local government, following the New Public Management paradigm. The implementation of management planning and control practices, including strategic management and the development of performance measurement and reporting systems from a multidimensional perspective (through models such as the Balanced Scorecard or QUAR), are objectives of the course. The development of cost and management accounting systems in line with Public Accounting Standard 27 of the SNC-AP will also be studied.

Learning Outcomes

Understand the importance of CCG in improving the performance of organisations (general framework), and specifically in the context of Local Authorities;

Understand the need to adapt management planning and control instruments of a business nature to the reality and environment of local government;

Study public accounting standard 27 of the SNC-AP on management accounting: concepts, objectives, models, costing systems, disclosures;

Develop a critical spirit in the various subjects analysed, leading to a perception of the best practices to adopt.

Course Contents

In order to achieve the objectives set, the following programme contents have been defined;

Chapter I: The role of management accounting in the public sector

1.1 Fundamental concepts

1.2 Analytical and Management Accounting versus Financial Accounting and Budgetary Accounting1.3 Management Accounting and New Public Management

1.4 Limitations of management accounting in the public sector

1.5. Objectives and scope of NCP 27 - Management Accounting of the SNC-AP

Chapter II: Planning and management control in the public sector

2.1 Central planning and accountability documents: Strategic Plan, Activity Plan, Budget, Activity Report

2.2 Main strategic management concepts: mission, vision, values, objectives, indicators, targets and strategic initiatives

2.3 Strategic diagnosis models: PEST(A) analysis; stakeholder analysis; SWOT analysis

2.4 Performance measurement systems

2.4.1 Definitions, purposes and characteristics

2.4.2 Performance measures and indicators from a multidimensional perspective

2.4.3 The usefulness of non-financial measures as a complement to financial measures

2.4.4 Examples of performance measures and indicators (KPIs)

2.5 Indicator visualisation models

2.5.1 Tableau de bord

2.5.2 Balanced Scorecard

2.5.3 Assessment and Accountability Framework (QUAR)

2.5.4 Dashboard

2.5.5 Application examples

Chapter III: Cost and management accounting systems in the public sector

3.1 Cost and management accounting systems since the POCP

3.2 Management accounting in the light of Public Accounting Standard 27

3.3 Reclassification of expenses/costs3.4 Product/service cost components

3.5 Costing and cost accumulation systems

3.6 Criteria and methods for allocating indirect costs

3.7 Disclosures in accordance with NCP27

Recommended Bibliography

Associación Española de Contabilidad y Administración de Empresas (2000). Indicadores de Gestión para las Entidades Públicas. Documento nº 16 da Asociación Española de Contabilidad y Administración de Empresas (AECA).

Associación Española de Contabilidad y Administración de Empresas (2001). Princípios de Contabilidad de Gestión en las Entidades Públicas. Documento nº 15 da Asociación Española de Contabilidad y Administración de Empresas

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Burns, John; Quinn, Martin; Warren, LZ Oliveira, João (2013). Management Accounting.Maidenhead: McGraw-Hill.

Caldeira, Jorge (2009). Implementação do Balanced Scorecard no Estado. Coimbra: Edições Almedina.

Caldeira, Jorge (2012). 100 Indicadores da Gestão – Key Performance Indicators. Coimbra: Conjuntura Actual Editora.

Caldeira, Jorge (2015). Guidelines para a elaboração do plano estratégico – Boas práticas no setor público. Estratégica Elementar, Lda.

Comissão de Normalização Contabilística (2017). Sistema de Normalização Contabilística para as Administrações Públicas (SNC-AP) – Manual de implementação (Versão 2, junho). Lisboa: CNC.

Cruz, Isabel; Coimbra, Claúdia; Abrantes, Luís; Alves, Maria do Céu, Quesado, Patrícia (2023). Contabilidade de gestão avançada – Gestão estratégica de custos e avaliação do desempenho.Coimbra: Almedina.

Drury, Colin (2007). Managing and cost accounting (7th ed.).London: Cengage Learning.

Gomes, A. Patrícia; Carvalho, João B.; Ribeiro, Nuno e Nogueira, Sónia. (2008). O Balanced Scorecard na Administração Pública. Lisboa: Publisher Team.

Gomes, P. (2011). “A relação entre o contexto, o uso de práticas de medida e gestão de desempenho e o desempenho organizacional: evidência empírica no setor público”. Tese de Doutoramento em Contabilidade, disponível emhttp://repositorium.sdum.uminho.pt/bitstream/1822/12485/1/Agostinha%20Patricia%20Silva%20Gomes.pdf

Kaplan, Robert (2001). Strategic performance measurement and management in nonprofit organizations.Non-profit Management and Leadership, 11 (3): 353-70.

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Manual de Implementação do SNC-AP (2ª versão). (2017). Disponível emhttp://www.cnc.min-financas.pt/pdf/SNC_AP/MANUAL%20DE%20IMPLEMENTACAO_SNC_AP_Versao2_HomologadoSEO.pdf

Martins, Ana. (2017). Contabilidade de gestão nas administrações públicas.Editora Rei dos Livros.

Niven, Paul. (2003). Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies.John Wiley Sons.

Pinto, Francisco. (2009). BSC: Alinhar Mudanças Estratégicas e Performance nos serviços públicos.Edições Sílabo.

Poister, T. (2003). Measuring Performance in Public and non-profit organizations. São Francisco:JohnWiley Sons, Inc.

Learning and Teaching Methods

The syllabus was defined on the basis of the objectives to be achieved for this course, as well as the competences to be acquired by the students. The coherence between these two parameters is illustrated below.

In order to understand the importance of Accounting and Management Control in improving performance and the role of these practices in the current context of reform of Local Authorities in Portugal, the first syllabus was introduced. These contents aim to show how the new public management model has led to the need to introduce a new accounting information system in the public sector in general, and in local government in particular, which emphasises the development of accounting and management control practices with a view to improving organisational performance.

The objective of studying the planning and management control practices that are on the rise in the public sector is set out in the syllabus of Chapter II, which will cover the importance of strategic planning, the concepts of mission and organisational strategy, performance measurement from a multidimensional perspective and the use of multidimensional practices such as the Balanced Scorecard, Activity-Based Costing, Dashboards and the QUAR. A perspective should always be given to adapting these practices to the local authority context.The analysis of practical cases should be favoured in this component so that students are better able to acquire the skills required. On the other hand, understanding the adaptations needed to implement these practices in the political-administrative context of local authorities will be addressed in the third chapter, particularly in view of the approval of public accounting standard 27 as part of the approval of the SNC-AP.

Finally, the objective of developing a critical spirit in the various subjects analysed is provided for in all the syllabuses, since the aim is to have a continuous discussion, if possible based on practical cases, as the various topics are presented. Discussion groups, videoconferences and face-to-face seminars will make it possible to better fulfill this objective.

Assessment Methods

A continuous assessment model is adopted.

Students will be assessed according to the following components and their respective weighting in the final grade:

a) Individual work to be presented at the end of the course (deadline to be set) - 60%;

b) Presentation of the work (prior to submission of the final report) - 20%.

c) Participation in defined activities (forums, videoconferences, face-to-face seminars) - 20%.

The final grade will be the one resulting from the weighted average of the grades obtained in the aforementioned assessment system, by applying the following formula:

Final grade = a*60% + b*20% + c*20%

The minimum pass mark for the course is ten marks (10).

To pass the course unit, the student must have at least 9 marks in the final grade of the individual work.

The same method applies to students who take the assessment in the exams or special exams period, with the only difference being the date on the exams calendar when the final assignment is due.