



DESCRIPTION OF THE STUDY SUBJECT (MODULE)

| Subject (module) name | Code |
|--------------------------|------|
| Public sector accounting | |

| Lecturer(s) | Department(s) |
|--|---|
| Coordinating: j. assistant Asta Šalienė Other(s): | Faculty of Economics and Business Administration Department of Accounting and Auditing |

| Degree of study | Subject (module) type |
|-----------------|-----------------------|
| The first | Mandatory |

| Implementation form | Period of execution | Execution language(s) |
|---------------------|---------------------|-----------------------|
| Auditorium | Spring (6) semester | Lithuanian English |

| Requirements for the student | |
|--|--|
| Pre-requisites: Basics of accounting | Co-requisites (if any): None |

| Scope of the subject (module) in credits | Full student workload | Contact hours | Hours of independent work |
|--|-----------------------|---------------|---------------------------|
| 5 | 130 | 48 | 82 |

Purpose of the subject (module): competences developed in the study program

The aim of the course is to provide students with systematic knowledge of accounting for public sector entities, from the recording of economic events and transactions to the principles of preparing the entity's financial statement set and data consolidation to the creation of a national set of financial statements in different countries. The principles of organizing accounting in public sector entities, ongoing public sector reform, and international standards will be consistently presented. The imparted knowledge should help understand the flow and methods of recording economic events and transactions in public sector accounting.

Upon reviewing the history, progress, and results of public sector accounting modernization in other countries and the EU, further directions of modernization will be analysed.

General competencies:

- Ability to communicate effectively in writing and orally, conveying accounting and financial knowledge to both specialists and non-specialists, guided by professional ethics and civic responsibility.
- Ability to learn independently and take responsibility for continuous learning and professional development in their field of professional activity.
- Demonstrate creative thinking skills and the ability to make innovative decisions.

Subject-specific competencies:

- Acquire the latest fundamental and applied knowledge in the fields of economics, management, finance, accounting, and auditing. Understand classical and modern accounting theories, apply them in interdisciplinary studies and professional fields, managing the accounting of national and international organizations.
- Analyse and evaluate various economic and social processes, organizational behaviour, and their environment. Interpret legal acts and apply them to the preparation of various reports, organization management, and problem-solving in professional activities.
- Plan, organize, control, and evaluate organizational activities, accounting processes, manage various types of accounting, applying the provisions of the accounting professionals' code of ethics. Lead in compliance with accounting regulations, participate in the formation of organizations' accounting policies to ensure the effectiveness of the accounting system and audit, as well as the reliability of information.

| The aspirations | Study aspirations of the subject (module) | Study methods | Evaluation methods |
|------------------|---|--|---|
| 1.1. 3.3. | Will be able to effectively, comprehensibly, ethically and tolerantly cooperate with specialists in their own and other fields, will understand their mutual relations. | Lectures, seminars Independent studying of mandatory and | Participation and activity: evaluation of individual task performance |

| | | | |
|--------------------------|---|---|---|
| | Will be able to efficiently collect and process and analyse data by identifying problems of accounting and financial (consolidated) reporting of public sector entities, groups of entities, critically evaluate collected data and make creative suggestions. | additional literature Solving tasks Homework preparation and defense Group discussions | Homework and assessment of the ability to critique and express a critical viewpoint. Evaluation of oral question responses. |
| 3.1. 4.2. 2.1. | Will acquire the latest fundamental and applied knowledge of accounting in the public sector and practical abilities to correctly group, systematize, account and evaluate the financial accounting of public sector entities and groups of entities and the information of the national set of financial reports. Will be able to learn independently and continuously, update theoretical knowledge and practical information by independently choosing accounting and financial reporting methods and tools for public sector entities and their groups, compiling sets of consolidated financial statements and a set of national financial statements on the basis of public sector accounting and financial reporting standards. | Lectures, seminars Independent studying of mandatory and additional literature Solving tasks Homework preparation and defense Group discussions | Participation and activity: evaluation of individual task performance Homework and assessment of the ability to critique and express a critical viewpoint. Evaluation of oral question responses. |
| 4.2. | Will be able to assess the behaviour of public sector organizations and their environment, Understand the differences in the application of accounting theories and practices of different entities (public sector entities and profit-seeking entities) and identify similarities caused by different legal acts and national and international accounting standards. Will acquire theoretical knowledge and practical abilities to independently compile financial and reporting sets of various levels and types. | Lectures, seminars Independent studying of mandatory and additional literature Solving tasks Homework preparation and defense Group discussions | Participation and activity: evaluation of individual task performance Homework and assessment of the ability to critique and express a critical viewpoint. Evaluation of oral question responses. |
| 3.1. | Students will acquire knowledge about the reasons, directions, and concepts of classical and modern public sector financial accounting development. They will also gain an understanding of innovations in the financial accounting and preparation of consolidated financial statements for public sector entities and groups in the world and other EU countries. Moreover, they will explore the directions of modernization and further developments in public sector accounting. Furthermore, students will be able to analyse the reasons behind the evolution of financial accounting in the public sector, from classical to modern concepts. They will also be introduced to innovations in financial accounting and the preparation of consolidated financial statements for public sector entities and groups in the world and other EU countries. Additionally, students will explore the directions of modernization and future developments in public sector accounting. Most importantly, students will be capable of formulating proposals to enhance the efficiency of the accounting system and the reliability of information. | Lectures, seminars Independent studying of mandatory and additional literature Solving tasks Homework preparation and defense Group discussions | Participation and activity: evaluation of individual task performance Homework and assessment of the ability to critique and express a critical viewpoint. Evaluation of oral question responses. The exam: open-ended and closed-ended questions. |

| Topics | Contact hours | | | | | | All contact work | Independent study | Self-study time and tasks |
|--|---------------|---------------|----------|-----------|-----------|----------|------------------|-------------------|---|
| | Lectures | Consultations | Seminars | Workshops | Lab works | Practice | | | |
| 1. Public sector system in different countries. Approaches to public sector accounting and reporting in Europe: scope of reporting units; sources of PSA information; accounting systems and techniques; geographic focus; PSA standards in the EU; reporting units. | 2 | | | | | | 2 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. |
| 2. Specificities of Public Sector Accounting: insights for governmental accounting from history and theory: origins of public sector accounting; specificities of public sector accounting. | 2 | | 1 | | | | 2 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 3. Budgets and budgetary accounting: budgetary accounting in the family of PSA systems; link between budgeting and accounting; the functions and principles of budgets; traditional annual budgets and modern variants; budget appropriations; accrual budgeting; performance-based budgeting. | 2 | | 1 | | | | 4 | 7 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 4. Theoretical approaches to financial accounting purposes and principles: accounting theories; accounting conventions and principles; conceptual frameworks. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 5. Different Perspectives in Public Sector Accounting Harmonisation (IFRS, IPSAS and GFS): harmonisation of the private sector accounting system; harmonisation of the public sector accounting system; harmonisation of Government Finance Statistics; the link between accruals accounting/IPSAS and statistics. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |

| Topics | Contact hours | | | | | | All contact work | Independent study | Self-study time and tasks |
|---|---------------|---------------|----------|-----------|-----------|----------|------------------|-------------------|---|
| | Lectures | Consultations | Seminars | Workshops | Lab works | Practice | | | |
| 6. IPSAS: History, spread and use: transnational regulation; stages of the IPSASB evolution; advancing our understanding of the spread of IPSAS; challenges in IPSAS adoption. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 7. The IPSASB's conceptual framework and views on selected national frameworks: the role of the conceptual framework versus the public sector accounting standards; the IPSASB's conceptual framework; comparative analysis of different conceptual frameworks; developments in the IPSASB's conceptual framework – work in progress. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 8. Reporting components and reliability issues: The context of GPFRR; GPFRR components; comparative analysis; Statement of financial performance; Statement of changes in Net Assets; Cash Flow Statement; GPFRR reliability issues: the importance of auditing. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 9. Overview of IPSAS on public sector specific topics: introduction and background; selected Public Sector Specific IPSASs; accounting for property, plant and equipment; accounting for revenue from non-exchange transactions; accounting for non-exchange expenses; accounting for service concession arrangements: grantor. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 10.1. Transactions of property, plant and equipment: purchase of assets; self-construction; subsequent measurement; provisions; impairment of non-cash generating assets; depreciated replacement cost approach; restoration cost approach; service units' approach. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. To prepare for participating in discussions on the topic during the lectures. To prepare a homework and its presentation within a student group. |
| 10.2. Transactions of non-exchange transactions: taxation of citizens; donation of an asset with obligation. | 2 | | 1 | | | | 3 | 5 | To independently study and examine literature. |

| Topics | Contact hours | | | | | | All contact work | Independent study | Self-study time and tasks Tasks |
|---|---------------|---------------|-----------|-----------|-----------|----------|------------------|-------------------|--|
| | Lectures | Consultations | Seminars | Workshops | Lab works | Practice | | | |
| | | | | | | | | | <p>To prepare for participating in discussions on the topic during the lectures.</p> <p>To prepare a homework and its presentation within a student group.</p> |
| 10.3. Transactions of non-exchange expenses: expenses; payments; cash transfer; grants; pensions. | 2 | | 1 | | | | 3 | 5 | <p>To independently study and examine literature.</p> <p>To prepare for participating in discussions on the topic during the lectures.</p> <p>To prepare a homework and its presentation within a student group.</p> |
| 11. Consolidated financial statements: the group as an accounting phenomenon; the objectives of consolidated financial reporting; the group as a fictional entity and the area of consolidation; consolidation methods and theories of consolidated accounts; procedures for full consolidation; organizational challenges. | 2 | | 1 | | | | 3 | 5 | <p>To independently study and examine literature.</p> <p>To prepare for participating in discussions on the topic during the lectures.</p> <p>To prepare a homework and its presentation within a student group.</p> |
| 12. Consolidation methods: Definitions and background; Overview about relevant IPSAS; Process of consolidated financial reporting; Full consolidation (initial and subsequent consolidations); Equity method (initial and subsequent consolidations). | 2 | | 1 | | | | 3 | 5 | <p>To independently study and examine literature.</p> <p>To prepare for participating in discussions on the topic during the lectures.</p> <p>To prepare a homework and its presentation within a student group.</p> |
| 13. The accounting harmonization challenge in the European Union and the EPSAS: introduction to the EU harmonization challenge and EPSAS; the process; challenging issues. | 2 | | 1 | | | | 3 | 4 | <p>To independently study and examine literature.</p> <p>To prepare for participating in discussions on the topic during the lectures.</p> <p>To prepare a homework and its presentation within a student group.</p> |
| 14. Alternative reporting and non-financial accounting formats: the role of alternative and non-financial reporting; the main formats of alternative and non-financial reporting; evaluation of alternative and non-financial reporting formats. | 2 | | 2 | | | | 4 | 6 | <p>To independently study and examine literature.</p> <p>To prepare for participating in discussions on the topic during the lectures.</p> |
| | 32 | | 16 | | | | 48 | 82 | |

| Composition of the final assessment | Weight in percent | Time | Evaluation criteria |
|--|-------------------|-----------------|---|
| Student group home work No. 1 | 10 | During the term | <p>75-100 percent: The topic is fully explored; the required professional and scientific literature is effectively utilized; the presentation is clear, cohesive, and well-visualized; the student accurately answers all questions (volume in 5 pages and PPT presentation).</p> <p>50-75 percent: The topic is adequately addressed, but with minor flaws; the professional and scientific literature used is partially appropriate; the presentation is clear, cohesive, and well-visualized; the student correctly answers some of the questions.</p> <p>25-50 percent: The topic is poorly addressed; there is either no bibliography or it is inadequate; the presentation is weak and lacks coherence; the student struggles to answer the questions.</p> <p>0-25 percent: The homework is either incomplete or minimally completed.</p> |
| Student group home work No. 2 | 10 | During the term | |
| Student group home work No. 3 | 10 | During the term | |
| Student group home work No. 4 | 10 | During the term | |
| Student group home work No. 5 | 10 | During the term | |
| Participation and activity during lectures | 20 | During the term | <p>75-100 percent: initiating and maintaining discussions, participating in hypothetical tasks, being able to argue and defend one's point of view, participating in practical activities organized during the lecture year (short home works, case studies, etc.);</p> <p>50-75 percent: independently solves the presented tasks, argues the solutions; answers most of the questions correctly. Participates in seminars, speaks in some discussions, uses material from the literature read; attends most classes;</p> <p>25-50 percent: independently solves the given tasks, answers part of the given questions; passively uses literary sources; missed a significant part of classes;</p> <p>0-25 percent: missed more than half of the lectures, does not show activity in the ones they participated in; and/or did not solve independent tasks or solved them only minimally.</p> |
| The exam | 30 | May/June | <p>Test: closed-type questions and open-type questions-tasks.</p> <p>Assessment of exam assessment results, if answered correctly:</p> <p>95-100 percent - excellent, 10</p> <p>85-94 percent - very good, 9</p> <p>75-84 percent - good, 8</p> <p>65-74 percent - on average, 7</p> <p>55-64 percent - satisfactory, 6</p> <p>45-54 percent - weakly, 5</p> <p>less than 45percent - unsatisfactory</p> <p>The final grade is calculated using the weighted average method.</p> |

| Author | Year | Title | Edition | Publisher | Access |
|---|------|---|---------|--------------------------|---|
| Mandatory reading | | | | | |
| International Public Sector Accounting Standards Board (IPSASB) | 2022 | Handbook of International Public Sector Accounting Pronouncements | | IPSASB | https://www.ipsasb.org/publications/2022-handbook-international-public-sector-accounting-pronouncements |
| Lorson P., Jorge S., Hausteine E. | 2023 | European Public Sector Accounting | II ed | Coimbra University Press | |
| Additional reading | | | | | |
| Vašiček V., Roje G. | 2019 | Public Sector Accounting, Auditing and Control in South Eastern Europe (Public Sector Financial Management) | I ed. | Palgrave Macmillan | |
| Caruana J., Brusca I., Caperchione E., Cohen S., Rossi F.M. | 2019 | Financial Sustainability of Public Sector Entities: The Relevance of Accounting Frameworks | | Palgrave Macmillan | |
| Berger T. | 2018 | IPSAS Explained: A Summary of International Public Sector Accounting Standards | | Wiley | |
| Robyn Pilcher, David Gilchrist | 2018 | Public Sector Accounting, Accountability and Governance: Globalising the Experiences of Australia and New Zealand | | Routledge | |
| Brusca I., Caperchione E., Cohen S., Manes Rossi F. | 2015 | Public Sector Accounting and Auditing in Europe | | Palgrave | |