

Western University
Department of Political Science
Financial Management in Local Government
PA 9912b Winter 2022

Instructor: Nandini Syed; email: nsyed29@uwo.ca

Office Hours: After class and by appointment

Course Times: Friday 3 – 7 p.m., Saturdays 9 a.m. – 4 p.m.

Course Dates: January 13-14; February 3-4; March 24-25

Format: In class learning with additional activities through OWL

Course Objectives

The Financial Management in Local Government course will help you to understand not only the fundamentals of finance but also the changing legislation that impacts accounting and financial management in the municipal environment. The subject matter surrounds the objectives of accounting in the public sector and the specific nature and features of municipal accounting. The municipal budgeting process is examined, followed by a description and analysis of municipal expenditures and revenues, and associated accounting and reporting requirements. This course also dedicates attention to the capital funds where the financing of capital expenditures, the control and record keeping relating to specific capital projects, and the administration of long-term debt, asset management are examined. The varied financial relationships between municipalities and local boards and the accounting and reporting procedures in relation to such boards are reviewed in addition to a full discussion on the audited financial statements and the Financial Information Returns (FIRs).

Course Organization

The course will consist of a combination of lectures, readings, group work, course discussions, written assignments, and the end of the term Mock Council presentation.

Learning Outcomes

Upon successful completion of this subject the student will be able to:

- Understand the nature and significance of reporting entities with respect to public sector accounting and the legal framework.
- Define and illustrate municipal current and capital expenditures, and to distinguish between capital expenditures, a capital budget, capital budget supervision and reporting, a current budget, and a long-term capital program.
- Define and illustrate lifecycle asset management and its significance to municipal service delivery models.
- Describe and assess the potential of the various miscellaneous local revenue sources available to municipalities and transfer payments to Ontario municipalities.

- Describe and illustrate accounting and financial reporting for property taxes and the property assessment system in Ontario.
- Describe the factors relevant to the measurement of a municipality's debt capacity and long-term borrowing.
- Distinguish local boards, their meaning, and their scope and financial relationships between councils and boards
- Describe the nature and scope of the municipal audit, and the auditor-municipality relationship with respect to the engagement letter, management letter, and use of an audit committee.
- Describe the objectives of the annual financial statements of a municipality, current and pending.
- Differentiate between the financial information return and the annual financial statements, their return process, and requirements.

Required Textbooks and Relevant Reading Materials

This course follows the text (Graham) but will be supplemented with current materials dealing with government financial management including scholarly and other articles and reports. All reading materials will be posted on OWL. Students are expected to read these materials in advance of the class in which the respective subjects will be covered.

Graham, Andrew. Canadian Public Sector Financial Management, 3rd Edition. (Kingston, Canada, Queen's University, School of Policy Studies, 2019)

Course Requirements and Evaluation

1. **Class Participation (20%):** I highly encourage you to attend all classes. It facilitates active participation in discussions and debates, which in turn, increases retention of core concepts. It allows for you to develop skills such as presenting opposing viewpoints and arguments. It also fosters lifelong relationships and friendships which are hard to develop through online learning. If you are unable to attend a class, please advise the instructor in advance. Your participation and discussion will be evaluated primarily on the basis of advancing the discussion at hand. All viewpoints are welcomed.

Municipality of Everything is Fine Assignment (30%): Students will draft a report to the Treasurer of the municipality (approximately 1000-1200 words) identifying key areas of focus of the internal audit for the year. The assignment is due on **February 10th, 2023**. And must be submitted as a word document through OWL.

2. **Mock Council Presentation (50%):** The final assignment is a Mock Council presentation. The case takes place in the City of Gotham, where the current Mayor would like to build a multi-use facility in the middle of the downtown core as a rehabilitation center for individuals exiting prisons. Students will have the opportunity to play various municipal characters including the Mayor, Council, Staff, etc. The main assignment is a 10-minute presentation arguing for or against the feasibility of this Mayoral initiative. A written submission of the assignment should be submitted alongside the presentation. These presentations will take place on March 25th, 2023. More detailed instructions about this assignment will be provided on OWL and through discussions in class.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_grad.pdf

All required papers may be subject to submission for textual similarity review to the commercial plagiarism-detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Health/Wellness Services

Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Accessible Education Western (AEW)

Western is committed to achieving barrier-free accessibility for all its members, including graduate students. As part of this commitment, Western provides a variety of services devoted to promoting, advocating, and accommodating persons with disabilities in their respective graduate program.

Graduate students with disabilities (for example, chronic illnesses, mental health conditions, mobility impairments) are strongly encouraged to register with Accessible Education Western (AEW), a confidential service designed to support graduate and undergraduate students through their academic program. With the appropriate documentation, the student will work with both AEW and their graduate programs (normally their Graduate Chair and/or Course instructor) to ensure that appropriate academic accommodations to program requirements are arranged. These accommodations include individual counselling, alternative formatted literature, accessible campus transportation, learning strategy instruction, writing exams and assistive technology instruction.

Enrollment Restrictions: Enrollment in this course is restricted to graduate students in the Local Government Program's Master of Public Administration stream, as well as any student that has obtained special permission to enroll in this course from the course instructor as well as the Graduate Chair (or equivalent) from the student's home program.

Class Schedule, Readings and Lectures

Students are expected to have completed the following Readings (either in the hyperlinks provided or posted to OWL where referenced) in advance of the class in which each Subject will be discussed.

Weekend 1	Subject	Readings
Friday	Integrated Financial Planning Framework. Legislative reporting requirements	Lecture Slides are available on OWL Graham, Andrew. Canadian Public-Sector Financial Management Chapter 1,2,3, 11, 13 Links to various legislative acts are available on OWL.
Saturday	Key Sources of municipal revenues: Taxation, User Fees, and Non-Tax Revenues	Lecture Slides are available on OWL Town of Orangeville Development Charges Study, Town of Orangeville Water and Wastewater Studies are available on OWL
	Municipal Expenses (Operating)	Lecture Slides are available on OWL. Town of Orangeville Operating Budget is available on OWL
	Operating Budget	Lecture Slides are available on OWL. Graham, Andrew. Canadian Public-Sector Financial Management Chapter 4,5

Weekend 2		
Friday	Capital Budget	Lecture Slides are available on OWL. Graham, Andrew. Canadian Public-Sector Financial Management Chapter 6

	Capital Budget Funding Sources including Debt, Reserves, Grants, Taxation	Lecture Slides are available on OWL. Town of Orangeville Capital Budget is available on OWL. Links to various legislative acts are available on OWL.
Saturday	Asset Management	Lecture Slides are available on OWL. Town of Orangeville Asset Management Plan is available on OWL. Links to various legislative acts are available on OWL.
	Enterprise Risk Management (ERM)	Lecture Slides are available on OWL.
Weekend 3		
Friday	Changing Landscape of Municipal Financial Management	Lecture Slides are available on OWL. O. Reg 588/17 Asset Management Climate Change Impact on Municipal Asset Management Bill 23 More Homes Built Faster Act Bill 3 Strong Mayors Municipalities are facing record inflation, supply chain disruption, housing affordability issues, and other economic consequences of the pandemic

Saturday	MOCK Council City of Gotham Debate	Not Applicable
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