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Municipal Accounting and Finance Program (MAFP)
Unit 1 – Introduction to Municipal Accounting and Financial Reporting
Outline

- The first few pages of this package includes an overview of the curriculum for both units of the Municipal Accounting and Finance Program (MAFP).
- Starting on Page 6 is the introduction and learning outcomes for each of the five lessons for MAFP Unit 1.

Overview of the Municipal Accounting and Finance Program (MAFP)

MAFP Unit 1 of the Municipal Accounting and Finance Program is designed to introduce the students to the basics of accounting and financial reporting requirements of Ontario municipalities as of the 2019 fiscal year. This will include an exploration of legislative requirements as well as public sector accounting standards and guidelines. It is important to note that each province have different legislation governing municipal finance. However, all municipalities are required to follow Public Sector Accounting Board Standards. Further, municipalities in Ontario vary in its services depending upon their type: upper-tier, lower-tier and single tier. When reading and comparing financial information and statements, this knowledge is important as no two municipalities are the same. Much of Unit 1 focuses on basic, mandatory financial accounting and reporting and are generally considered “minimum” requirements. Unit 1 Lessons are as follows:

Lesson 1: Municipal Financial Management and Accounting

Lesson 2: Program Financing: Property Tax Revenues

Lesson 3: Program Financing: Non-Tax Revenues

Lesson 4: Municipal Expenses

Lesson 5: Municipal Financial Statements, Financial Information Return and Audits

MAFP Unit 2 of the program will build on Unit 1 by exploring budgeting, financial planning and asset management. Most of this unit explores emerging best practice and will provide a basis for improvements in municipal financial management. Municipalities will each have their unique approach to financial planning and the unit will only provide a brief overview. Students are encouraged to research the approaches by several municipalities to gain an understanding of changing financial management practices. There is no right or wrong answer. Unit 2 Lessons are as follows:

Lesson 1: Introduction: Integrated Planning Framework

Lesson 2: Municipal Budgeting

Lesson 3: Tangible Capital Asset Accounting

Lesson 4: Asset Management Planning and Lifecycle Management

Lesson 5: Debt

For illustrative purposes only, the Municipality of Chatham-Kent’s (CK) financial information, reporting and planning approaches will be used in the two units. This will provide consistency across the lessons. The rationale for choosing CK’s information is that it is a single-tier municipality who provides the wide range of services provided by both upper and lower tiers. Further, CK has been progressive in terms of integrated strategic planning and therefore, provides a good example of municipal planning cycles. Other municipalities will also be referenced throughout the lessons to provide additional information and best practices.



Financial Management Disciplines

Course Delivery

AMCTO has moved to an online platform for the delivery method for this Education Program. You will have access to the MAFP course material prior to being connected to the online platform, through a secure AMCTO webpage. After registration closes, you will receive a welcome email from MyPlaceToLearn (MPTL), to set a login to access the online learning portal, where all course activity will be delivered, including, being connected to your marker, submitting/return of assignments/exam and communicating with others taking the same course. Markers are assigned by their expertise, therefore, you may have a different Marker for each unit. The course has a set schedule of due dates for the submission of assignments. Students must complete and submit their assignments by 11:59pm according to the due dates set out in the schedule.

This method of course delivery allows students to develop skills of autonomous, reflective and self-paced learning.

Evaluation of Learning/Grading

The evaluation of the assignment exercises for the lessons in each unit consist of the following:

- Five Exercises per Unit (10% each)
(to be returned to students with corrections and comments): **50%**
- End-of-Unit Exam (Open book)
(to be returned to students with corrections and comments): **50%**

The final grade for each unit will consist of a **combination** of marks received on Assignment Exercises and on the Final Examination. The weighting of marks is as follows:

Assignment 1	10 %
Assignment 2	10 %
Assignment 3	10 %
Assignment 4	10 %
Assignment 5	10 %
Final Examination	50 %
TOTAL	100%

- **In order to successfully complete the unit, you must score a mark of at least 51% on the Unit's Final Examination and an overall average grade of 60% or higher for the entire unit.** Refer to the End-of-Unit Exam details on page 4 for the exam process.

The table below is provided for your convenience and comparison.

Percentage	Descriptor	Equivalent Letter Grade
96% - 100%	Excellent	A+
91% - 95%	Very Good	A
86% - 90%		A- minimum grade required for the Diploma program Honour Roll
81% - 85%	Good	B+
76% - 80%	Average	B
72% - 75%		B-
68% - 71%	Satisfactory	C+
64% - 67%	Below Average	C
60% - 63%	Minimal Pass	C- minimum required grade for credit
59% and below	Failure	F

You will receive your exam grade and final mark via email from your marker. AMCTO will send official documentation via email no earlier than 8 weeks after writing the Course Exam. You may need to submit your registration for your next unit before receiving your official documentation. Any concerns or issues regarding your results will be addressed separately and will not prevent you from continuing with your next unit.

Assignment Exercises

Assignment Exercises will place emphasis on developing students' analytical, reflective and problem-solving skills. Students must complete and submit their Assignment Exercises within the set window of dates and times specified by AMCTO (to be decided).

Assignment Exercises will require students to analyze concepts or solve specific problems relating to municipal accounting and finance. These assignment exercises provide students the opportunity to demonstrate their understanding of the concepts and principles of accounting and finance in the course reading package.

Assignment exercise questions expect the students to demonstrate knowledge of the course materials, offer personal views and/or to draw upon examples from their experience. The assignment exercises are not merely to summarize a particular accounting or financial principle or procedure, but to do so analytically, highlighting the key concepts, relating these concepts to the relevant lesson in the course package and applying your analysis to practical issues/problems in your municipality. Assignment exercises must be submitted via email to your designated marker for this program by the scheduled due dates. Graded exercises will be returned to students with corrections and comments.

The Assignment Exercises based on an open-book model will help students:

1. Apply accounting and financial concepts and principles in the lesson to the current realities and problems of local government in Ontario
2. Develop analytical, interpretive and critical writing skills in addressing accounting and financial issues.
3. Cultivate skills in preparing accounting and financial documents to address policy problems

End-of-Unit Exam

This is a 24-hour "open-book" exam that will be scheduled at the end of the term. You will not need to secure a proctor for the unit exam, however, you will need to register for your exam to let AMCTO know the date that you will be writing. Registration for the exam will be emailed to you after the third assignment due date.

The choice of exam dates are located on the Assignment Schedule. The date you register for will be your exam date.

The aim of the exam questions is not merely to reproduce information in the course reading package. They have been designed to challenge students to analyze accounting and financial provisions and principles, synthesize information and think creatively about real-life situations and examples. AMCTO will email 6 exam questions to you by 8:00am on your scheduled exam date. From those 6 questions, you will choose only 4 to answer, however, number them as they appear on the exam question sheet. If you answer more than 4 questions, the marker will only grade your first four answers.

Once you complete your exam, you will be emailing your answers directly to the same marker who marked your assignments for this unit within 24-hours of receiving the exam questions. All four of your answers are required to be sent as one document and in word.

Specific instructions will be emailed to you on your exam day. Exam study questions are not available prior to your exam date. As long as you have read the required readings and submitted all assignments, you are prepared for the exam.

Lesson 1 of Unit One

Introduction

This lesson provides an overview of the financial management framework of a municipality which can be defined as the planning, directing, monitoring, organizing and controlling resources in order to meet the objectives of the municipality. Good financial management is one of the cornerstones of the success and sustainability of any municipality. It focuses on managing resources today through a combination of effective controls and accountability for results as well as ensuring that plans are in place to support long term strategic objectives over the long term.

Learning Objectives and Outcomes

By the end of this lesson, students should be able to:

1. Describe the elements of an effective financial management framework in the public sector.
2. Understand the nature and significance of reporting entities with respect to public sector accounting.
3. Describe the legal framework within which municipal accounting occurs.
4. Describe the features of municipal accounting, including the classification of revenues & expenses for reporting purposes & the use of municipal funds.
5. Explain the purpose, importance and utilization of a chart of accounts.
6. Distinguish local boards, their meaning, and their scope.
7. Explain and illustrate the financial relationships between municipal councils and boards.

Lesson 2 of Unit One

Introduction

This lesson addresses the largest of municipal revenues in Ontario: property taxes. It analyzes the property assessment and taxation system, the calculation of property taxes and other tax considerations. It also examines the issues relating to levying and collection. The lesson concludes with a discussion about the cancellations, adjustments and refunds of taxes.

Learning Objectives and Outcomes

By the end of this lesson, students should be able to:

1. Explain and evaluate the system of property assessment in Ontario.
2. Understand the system of property taxation in Ontario.
3. Explain and illustrate the calculation of property taxes.
4. Evaluate the methods of collecting, and enforcing payment of taxes.
5. Explain and illustrate accounting and financial reporting for property taxes.

Lesson 3 of Unit One

Introduction

The discussion in this lesson examines non-tax revenues such as transfers from other levels of government and user fees and charges. Reporting requirements are discussed at the end of the lesson.

Learning Objectives and Outcomes

By the end of this lesson, students should be able to:

1. Explain and distinguish the various types of transfer payments to Ontario municipalities.
2. Analyze and assess non-tax revenue sources available to municipalities.
3. Explain the requirements for reporting of government revenues on the financial statements and financial information return.

Lesson 4 of Unit One

Introduction

The lesson examines Municipal Expenses, elaborating on the meaning of expenditure and how it relates to other concepts like expenses, and disbursements. It also covers the classification of expenses, internal control over expenditures and the reporting of expenses. The lesson concludes with discussions surrounding the use of performance measures.

Learning Objectives and Outcomes

By the end of this lesson, students should be able to:

1. Understand the concepts of expenditure, disbursement, and expense, and cash versus accrual versus encumbrance accounting.
2. Explain the threefold classification of expenditures specified for all Ontario municipalities, and explain the reasons for classifying expenditures.
3. Analyze the use of account coding and analyze the chart of accounts as an example of such a coding system for expenditures.
4. Describe the nature and objectives of a system of internal controls over expenditures.
5. Explain requirements for the reporting of expenses in annual financial statements and in the annual financial information return.
6. Describe the nature and variety of internal financial reports and to examine and illustrate the varying levels of need for these reports.

Lesson 5 of Unit One

Introduction

This lesson continues the examination financial reporting and municipal audit. It discusses the appointment of the auditor as well as addresses the purpose, scope and conduct of the audit. The lesson also analyzes the relationship between the Municipality and the Auditor. The other theme explored in the lesson is the Municipal financial statements, including their objectives and various components.

Learning Objectives and Outcomes

By the end of this lesson, students should be able to:

1. Analyze the accounting and reporting requirements required by the Public Sector Accounting Board.
2. Demonstrate understanding of the nature and scope of the municipal audit.
3. Analyze the auditor-municipality relationship through such aspects as the engagement letter, management letter, and use of an audit committee.
4. Explain the objectives of the annual financial statements of a municipality, current and pending.
5. Demonstrate knowledge of the components of the annual financial statements of a municipality, current and pending.
6. Understand and differentiate between the financial information return and the annual financial statements.
7. Analyze the financial information return processes and requirements.
8. Know the information and guidelines for completing the financial information return.