



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

Updated May 2023

Course Description

MAFP Unit 1 introduces the basics of accounting and financial reporting requirements for Ontario municipalities, and how they generate revenues and account for expenses. This includes an exploration of legislative requirements, Public Sector Accounting Standards, the property taxation system, tangible capital assets, and various types of financial reports. You will develop a broad understanding of how Ontario municipalities are held accountable, both internally and to the public, for their actions with respect to finance and accounting.

By the end of this unit you will be able to:

- Identify connections between municipal accounting and financial reporting practices, the Ontario municipal legislative framework, and Public Sector Accounting Standards
- Identify the key components and purposes of a municipality's financial statements and Financial Information Return
- Explain how municipalities generate revenues and account for expenses
- Read a municipality's financial reports to interpret, on a high level, its key revenues, expenses, assets, and liabilities
- Recognize how municipalities use internal controls and manage risk and why these practices are necessary

The MAFP certificate of completion will be issued upon completion of two units:

- Unit 1: Introduction to Municipal Accounting and Financial Reporting
- Unit 2: Integrated Financial Planning

MAFP can be taken on its own or as part of AMCTO's Diploma in Municipal Administration (DMA).

Course Delivery Formats

AMCTO offers MAFP in two formats: correspondence format and Zoom format.

- If you are taking the course in **correspondence format**, you will complete the assigned readings and submit assessments according to a given schedule. There are no classes to attend. Your work is graded by a marker.
- If you are taking the course in **Zoom format**, you will attend interactive online classes led by an instructor in addition to completing readings and assessments. Your work is graded by the instructor.

Peer-to-peer discussions are an important part of MAFP, regardless of the format. All course materials, assessments, and discussion forums are provided through AMCTO's online learning platform, AMCTO Connect.

A syllabus with assessment due dates is provided when the course opens each term.

Grading Scheme

Assessment	Weight
Reading Review Quizzes (6 quizzes total)	15%
Chapter 1 Assignment: Municipal Financial Management	15%
Chapter 3 Assignment: Revenues	15%
Chapter 4 Assignment: Expenses	15%
Chapter 2 and 5 Discussion Contributions	15%
Final Assignment	25%

To successfully complete the unit, students must earn a minimum grade of 51% on the final assignment and an overall average grade of 60% or higher for the entire unit.

Students who do not achieve 51% but score at least 35% on the final assignment will be given the opportunity for a re-write. This re-write must take place on the date(s) chosen by AMCTO.

Students who score less than 35% on the initial final assignment or under 51% on the re-write will be required to re-register to take the course in its entirety.

Assignment Expectations

The reading review quizzes are multiple-choice questions. All other assignments are written assignments in short-answer and essay format.

Please note that MAFP is an academic program that requires time commitment for reading, research, and writing. In general, the assignments will require you to read the textbook and connect the concepts to real-world examples and issues. In addition to using the textbook, you will need to do research on the web and review documents produced by Ontario municipalities to support your responses.

If you use a source (such as a website, article, report, video, or any other source) in your work, it must be properly cited.

Further guidelines and expectations will be provided with the course syllabus and assignment instructions.

Discussion Expectations

MAFP Unit 1 includes discussion forums that are designed for participants to share perspectives and observations related to the course topics. They are opportunities to learn from the experiences of different municipalities as well as professionals who work in a variety of roles in local government.

If you are taking the course in correspondence format, you will make discussion contributions with written posts in discussion forums. If you are taking the course in Zoom format, you will contribute to discussions both in class and in discussion forums. Further guidelines and expectations will be provided with the course syllabus.

Academic Integrity

Students in AMCTO's education programs are expected to abide by the association's policy on academic integrity (section 4 of the Education Programs Policy). Plagiarism is considered academic misconduct and will result in a zero on the assignment. Repeated offences will lead to more severe penalties such as expulsion. It is the student's responsibility to be informed about the definitions and consequences of academic misconduct. The full policy will be provided with the course syllabus.

MAFP Unit 1 Topic Outline

Chapter 1: Introduction to Municipal Financial Management

- The elements of an effective financial management framework in the public sector
- The legal framework for municipal finance
- The nature and significance of reporting entities with respect to public sector accounting

Chapter 2: Municipal Accounting and Financial Reporting

- The features of municipal accounting, including accounting standards and accounting principles

- Municipal financial reporting requirements
- Objectives of municipal financial reports
- Components of a municipality's annual financial statements
- The requirements of Financial Information Returns and how they are used

Chapter 3: Municipal Revenues

- The system of property tax assessment in Ontario
- How property taxes are calculated
- Methods of collecting and enforcing payment of taxes
- Non-tax revenue sources available to municipalities

Chapter 4: Municipal Expenses

- The differences between expenditures and expenses; operating expenses and capital expenses; and cash, accrual, and encumbrance accounting for expenses
- The classification of expenditures required of all Ontario municipalities and the reasons for classifying expenditures
- Public Sector Accounting Board (PSAB) requirements for reporting expenses and tangible capital assets (TCAs) on the annual financial statements and the associated FIR schedules required by the provincial government
- Key policy decisions required for TCAs and their impact on financial statements
- The different treatments used for assets under construction and their impact on financial statements
- How amortization and write-downs of assets affect TCA inventory and reporting
- The objectives and users of budget performance reports

Chapter 5: Accountability, Audit, and Risk Management

- The accountability framework and the four aspects of the concept of accountability
- The nature and scope of the municipal audit
- The auditor–municipality relationship through such aspects as the engagement letter, management letter, and use of an audit committee
- Elements of the internal audit, internal controls, and the framework and principles of enterprise risk management