

# **DiEPSAm:**

An EU funded ERASMUS+ Project on University Modules for

## **Public Sector Accounting in Europe**

Sample of online curriculum, learning materials and examination  
Prof. Dr. Peter C. Lorson / Dr. Ellen Haustein

23 June 2021

Presentation held at the PULSAR EduCoP SMART INTERACTIVE TALK

Accountancy Education in the Public Sector: Good examples of curricula, online courses and learning tools

# ACRONYM

**DiEPSAm** means

<b>D</b> eveloping and <b>i</b> mplementing	To do's
<b>E</b> uropean	Regional reference
<b>P</b> ublic <b>S</b> ector <b>A</b> ccounting	Object
<b>m</b> odules [ <b>videos</b> and a complementary <b>textbook</b> ]	Intellectual outputs

*State of the Art and Recent Developments*

# 5 Partners

## Different PSA traditions



Andy **WYNNE**  
University of Leicester

Lasse **OULASVIRTA**  
University of Tampere



Ellen Haustein / Peter **LORSON**  
University of Rostock



Susana **JORGE**  
University of Coimbra

Dennis **HILGERS** / Lisa **SCHMIDTHUBER**  
Johannes Kepler University of Linz



# Outline

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- Details on the modules

2

- Lecture materials

# 1 Details on the modules: Structure

Topic Public Sector Accounting	No.	Lecture title
<b>Motivation</b>	1	Approaches to public sector accounting and reporting in Europe
<b>Development of PSA</b>	2	History of public sector accounting and alternatives
	3	Differences between private and public sector accounting
<b>Accounting theory</b>	4	Budgets and budgetary accounting in the public sector
	5	Accounting principles and alternative frameworks in the public sector
<b>Harmonisation challenges</b>	6	Different perspectives in PSA harmonization: IFRSs, GFSs and IPSASs
<b>IPSAS</b>	7	IPSAS: History, spread and use
	8	IPSAS CF and views on selected national frameworks
	9	Reporting components and reliability issues
	10	Overview of IPSAS on public sector specific topics
	11	IPSAS: Case study
<b>Consolidated accounts</b>	12	Consolidated financial statements
	13	Consolidation methods (mainly <b>IPSAS</b> -based)
<b>Harmonisation perspectives</b>	14	PSA future challenges: EPSAS Outlook

## Scalable

- **Scope**  
(video sections; book chapters)
- **Bachelor vs Master**

# 1 Details on the modules: Rostock Example

**BACHELOR** → video-based

**MASTER** → inverted classroom

since WINTER TERM 2017 (6 ECTS): University of Rostock: Learning and Qualification Objectives (Competences) –

## PROFESSIONAL COMPETENCES

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• <b>Characteristics</b> of Public Sector and PSA</li><li>• Understanding and assessment of <b>different regimes</b> (Cash- vs. Accrual; MSs vs. IPSAS; ...)</li><li>• Reasons/need for <b>PSA harmonisation</b></li><li>• Knowledge on <b>EPSAS</b> (status quo)</li></ul> | <ul style="list-style-type: none"><li>• Need for <b>specific PSA regimes</b></li><li>• <b>Specific regimes' basics</b>: understanding, application, PROs/CONs</li><li>• <b>Critical reflections</b> on<ul style="list-style-type: none"><li>• Selected regimes, standards, issue papers</li><li>• EPSAS<br/>(e.g. from EC's or MS's perspective)</li></ul></li></ul> |
|---|--|

## SOFT SKILLS

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Digital, media, language</li><li>• Presentation</li></ul> | <ul style="list-style-type: none"><li>• Digital, media, language</li><li>• Presentation, moderation</li><li>• Scientific discourse</li></ul> |
|---|--|

# Outline

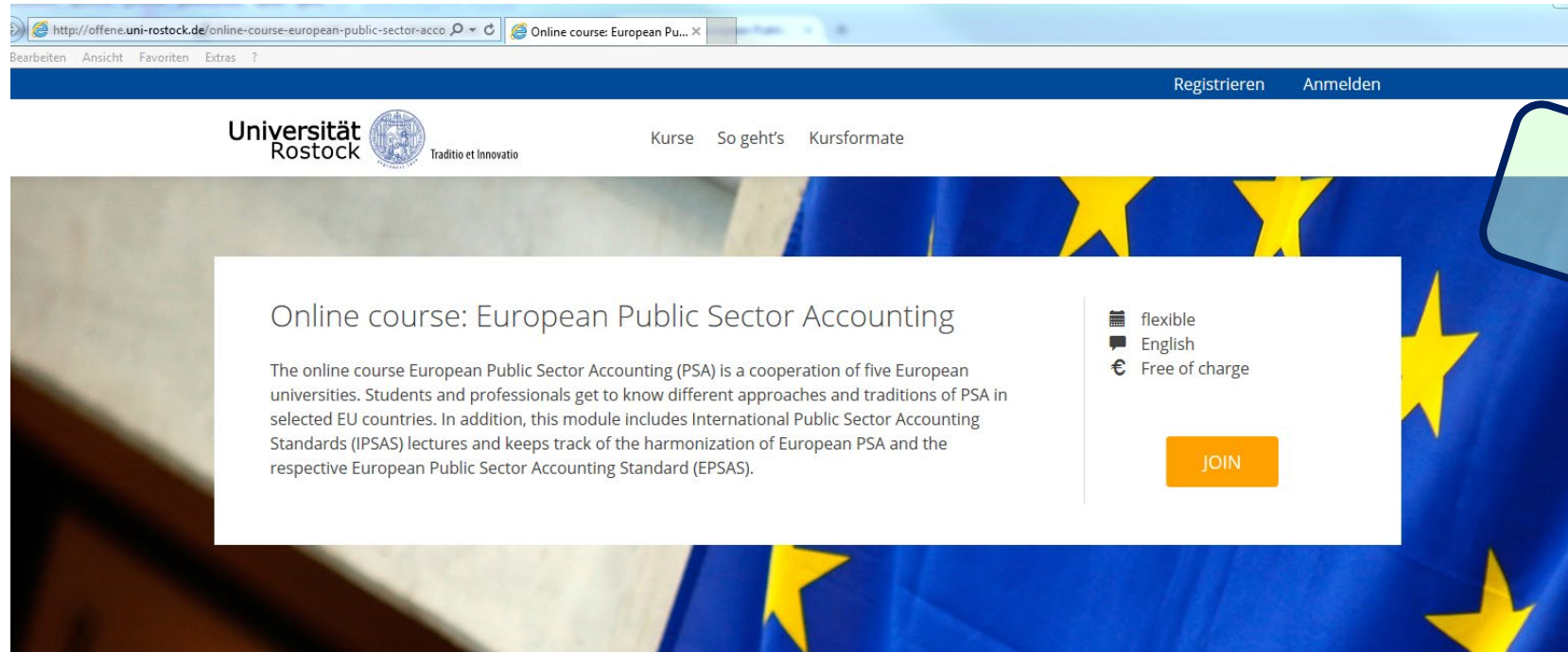
1

- Details on the modules

2

- Lecture materials

# 2 Lecture materials: Online platform



The screenshot shows a web browser window with the URL <http://offene.uni-rostock.de/online-course-european-public-sector-acco>. The page features the University of Rostock logo and navigation links for 'Kurse', 'So geht's', and 'Kursformate'. The main content area is titled 'Online course: European Public Sector Accounting' and includes a description: 'The online course European Public Sector Accounting (PSA) is a cooperation of five European universities. Students and professionals get to know different approaches and traditions of PSA in selected EU countries. In addition, this module includes International Public Sector Accounting Standards (IPSAS) lectures and keeps track of the harmonization of European PSA and the respective European Public Sector Accounting Standard (EPSAS)'. To the right of the description, there are three icons with labels: a calendar icon for 'flexible', a speech bubble icon for 'English', and a Euro symbol for 'Free of charge'. Below these icons is an orange 'JOIN' button. A green callout box with a blue border and the text 'Open access' is overlaid on the right side of the screenshot.

<http://offene.uni-rostock.de/online-course-european-public-sector-accounting/>

## Module contents

This online course has a broad target audience of students and professionals who want to gain an understanding of: main terms and overview of PSA; historical perspectives on approaches to PSA; characteristics of PSA in comparison to private sector accounting; theory and purposes of PSA; Challenges of harmonizing PSA in the EU und synoptical comparison of conceptual frameworks; in-depth views of International Public Sector Accounting Standards (IPSAS) as a reference model the development of EPSAS (framework, standards for separate financial statements and consolidated financial statements); accounting cycle and the status quo of EPSAS development. This module is a component of the EU Erasmus+ project DiEPSAm.

## Learning objectives





# 2 Lecture materials: Lecture handouts (PDF)

## Module roadmap

**Download possible**

<b>Scope</b>	Public sector			Private sector			
	General government		Public corporations				
<b>Sources of PSA information</b>	Budgeting	Budgetary accounting and reporting	Financial accounting and reporting	Management accounting	Sustainability / Integrated reporting	Government financial statistics	
	Bookkeeping system			Timing of recognition			
<b>Types of accounting</b>	Single entry		Double entry		Cash accounting	Accrual accounting	
	<b>Geographic focus</b>	International	Europe	EU	Selected EU countries		
			Austria	Finland	Germany	Portugal	UK
<b>Accounting regime</b>	International standards		EU standards EPSAS	National standards			
	IFRS	IPSAS		IFRS-based	IPSAS-based	Own regime	
<b>Reporting unit</b>	Separate financial statements			Consolidated financial statements			

# 2 Lecture materials: Lecture videos

European Public Sector Accounting - Lecture number 4

Erasmus+ Funded by the Erasmus+ Programme of the European Union

European Public Sector Accounting

Lecture 4  
Budgets and budgetary accounting  
Lasse Oulasvirta/University of Tampere

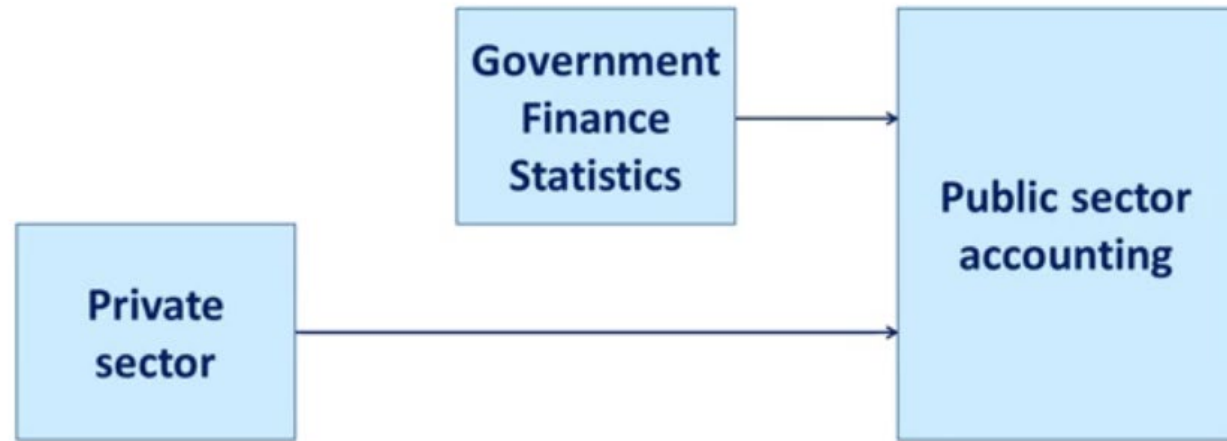
Universität Rostock FEUC LEICESTER JYU UNIVERSITY OF TAMPERE

0:00 / 1:17:04 YouTube

No download option

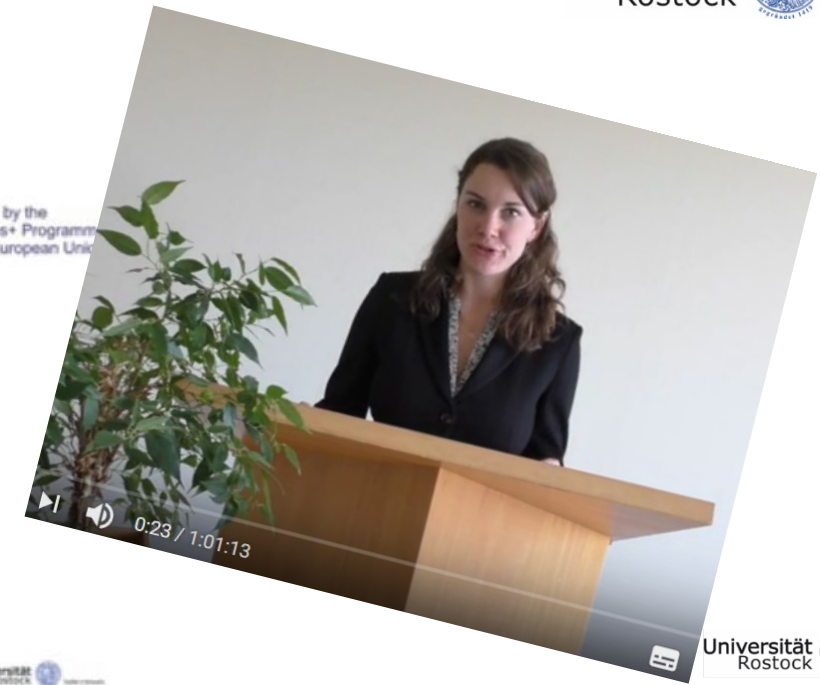
# 2 Lecture materials: Lecture videos

## Structure Lecture 6



Part 1      Part 2      Part 3

**JYU**  2017    Linz 2:09 / 1:01:13 Schmidhuber Challenge for Harmonisation Lecture number    3 

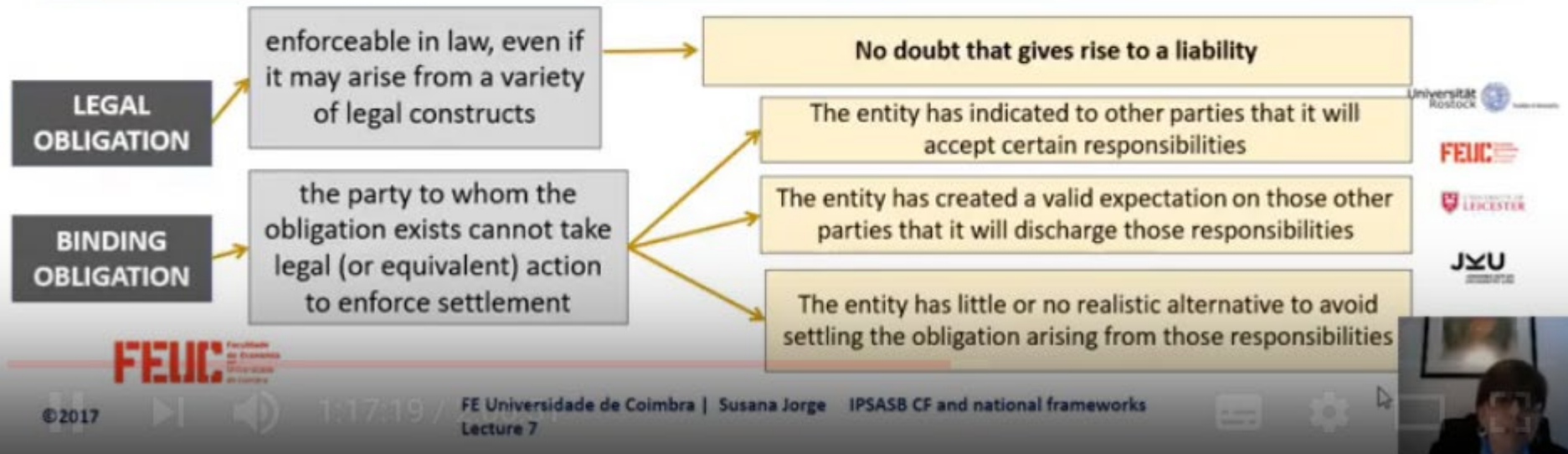


# 2 Lecture materials: Lecture videos

## Liabilities (II) (IPSASB, 2014, CF 5.14-5.26)

### *Legally and non-legally binding obligations*

- A present obligation is a legally binding obligation (legal obligation) or non-legally binding obligation and might be originated by an exchange or a non-exchange transaction
- To recognise a liability, the obligation is always towards an external party
- Identification of an external party is an indication of the existence of an obligation giving rise to a liability

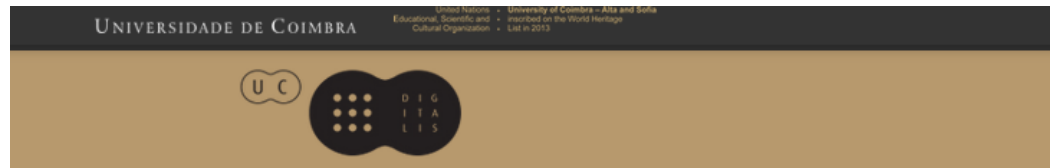


# 2 Lecture materials: IPSAS case study

- **Lecture 11 offers a case study:**

- Aim: Resolving public sector specific real life accounting cases
- Specific accounting issues are explained using the standards and other pronouncements of the IPSASB
- Focus on IPSAS:
  - 16 Property, Plant & Equipment
  - 23 Non-Exchange Transactions
  - 32 Service Concession arrangements
- Respective accounting entries are booked and a final balance sheet, statement of surplus and deficit and cash flow statement are derived

# 2 Lecture materials: Textbook



HOME SEARCH BROWSE MY ACCOUNT

European public sector accounting



Preview  
Download | PDF



**Download options**

- Book or
- Chapters

**Authors** Lorson, Peter C. (ed.)  
Jorge, Susana (ed.)  
Haustein, Ellen (ed.)

**Summary** List of Contents

**Publisher** Imprensa da Universidade de Coimbra

**Year of Publ.** 2019

**ISBN** 978-989-26-1856-2

**DOI** <https://doi.org/10.14195/978-989-26-1856-2>

**Language** English

**Type of Access** Full

**Citation**

## Download options:

- **Whole book** <https://doi.org/10.14195/978-989-26-1861-6>
- **Per chapter (add „\_No“ of the chapter)**

LORSON, Peter (ed.) C; JORGE, Susana (ed.); HAUSTEIN, Ellen (ed.) - European public sector accounting. Coimbra: [s.n.], 435 p. ISBN 978-989-26-1856-2

DOI Google Scholar BibTex RTF Tagged XML RIS

3528

# 2 Lecture materials: Textbook

- 14 chapters – one per lecture

Including:

Discussion topics, assessment and solutions for each chapter

**PLUS**

- Introduction
- Conclusion and
- Glossary with most important definitions of terms used

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<b>Harmonisation perspectives</b>	14	PSA future challenges: EPSAS Outlook

**Download option per chapter:**

[https://doi.org/10.14195/978-989-26-1861-6\\_0](https://doi.org/10.14195/978-989-26-1861-6_0) (“\_0”) Introduction

[https://doi.org/10.14195/978-989-26-1861-6\\_1](https://doi.org/10.14195/978-989-26-1861-6_1)

...

[https://doi.org/10.14195/978-989-26-1861-6\\_15](https://doi.org/10.14195/978-989-26-1861-6_15) (“\_15”) Conclusion

# 2 Lecture materials: Textbook example

## CHAPTER 11

### IPSAS: CASE STUDY

1. Introduction . . . . .	276
2. Description of the case study . . . . .	277
3. Selected transactions of property, plant and equipment . . . . .	279
4. Selected transactions of non-exchange transactions . . . . .	294
5. Selected transactions of service concession arrangements . . . . .	297
6. Conclusion . . . . .	301

## CHAPTER 12

### CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction: A group as an accounting phenomenon . . . . .	308
2. The group as a fictional entity and the consolidation area . . . . .	310
3. Theories and objectives of consolidated accounts . . . . .	313
4. Organisational challenges . . . . .	317
5. Scope and boundaries of consolidated accounts . . . . .	320
6. Methods and procedures of consolidation . . . . .	325
7. Conclusion . . . . .	330



# 2 Lecture materials: Self assessment

- To date, examination is not offered in the course
- A self assessment can be completed, see
  - Questions and answers at the end of each lecture (slides)
  - Assessment questions and solutions in the book

## Case study question

A local government has the following transactions, events and decisions during the one-year accounting period. Money units are in 1,000 units. In its accounting, the local government obeys precisely all the accounting rules valid in the country. The example is simplified from real life: for instance, value-added-taxes are not taken into consideration. However, all obligatory financial statements (the budget statement reports excluded) are presented in the Case Appendix.

1. The opening balance includes real estate, a school, a health care centre, bank money, own capital and long- and short-term debts.
- 2a. The local government collects own tax incomes in its bank account of 10,000.
- 2b. It received a state grant into its bank account of 10,000.
3. It pays the special health care hospital 1,000 as compensation for services consumed by its inhabitants.
4. It orders materials for use in street construction and recognises a liability of 1 000

## Appendix to case study questions

	Opening balance		
Bank money	1,000	6,000	Own capital
Real estate	2,000	3,000	Loan (long-term)
School	3,000	1,000	Short-term liabilities
Health care centre	4,000		
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>Total</b>

# Contact



Project coordination

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**Thank you very much  
for the opportunity to  
present our work here!**

**Your questions, critique  
and remarks are very  
welcome.**

# Selection of relevant publications

- *Mann, B./Lorson, P. C. (2021):* New development: The first-time adoption of **uniform public sector accounting standards—a German case study**, in: Public Money & Management (PMM), Vol. 41 No. 2, pp. 176-180, <https://doi.org/10.1080/09540962.2019.1672931>
- *Mann, B./Lorson, P./Oulasvirta, L./Haustein, E. (2019):* **The Quest for a Primary EPSAS Purpose** – Insights from Literature and Conceptual Frameworks, in: Accounting in Europe, Vol. 16 No. 2, pp. 195-218, <https://doi.org/10.1080/17449480.2019.1632467>
- *Lorson, P./Haustein, E. (2019) Debate:* **On the role of prudence in public sector accounting**, in: Public Money & Management, Vol. 39, Issue 6, pp. 389–390 <https://doi.org/10.1080/09540962.2019.1583907>

# Selection of relevant publications

- *Haustein, E./Lorson, P.C./Oulasvirta, L.O./Sinervo, L.-M. (2021): **Perceived usability of local government (LG) financial statements by local councillors: comparative study of Finland and Germany**, in: International Journal of Public Sector Management, Vol. ahead-of-print No. ahead-of-print, <https://doi.org/10.1108/IJPSM-09-2020-0227>*
- *Lorson, P.C./Haustein, E. (2020): **Public Sector Reporting: Lessons Learnt from Participatory Budgeting**, in: Manes-Rossi, F./Levy Orelli, R. (Hrsg.): New Trends in Public Sector Reporting: Integrated Reporting and Beyond, Cham 2020, S. 57-79. [https://link.springer.com/chapter/10.1007/978-3-030-40056-9\\_4](https://link.springer.com/chapter/10.1007/978-3-030-40056-9_4)*
- *Haustein, E./Lorson, P.C./Caperchione, E./Brusca, I. (2019): **The quest for users' needs in public sector budgeting and reporting**, in: Journal of Public Budgeting, Accounting & Financial Management, Vol. 31 No. 4, pp. 473-477 <https://doi.org/10.1108/JPBAFM-08-2019-0131>*

# Selection of relevant publications

- *Lorson, P./Jorge, S./Haustein, E. (2019, eds.): **European Public Sector Accounting**, Coimbra (ISBN: 978-989-26-1856-2), <https://doi.org/10.14195/978-989-26-1861-6>*
  - Therein: Haustein, E./Lorson, P.:
    - Chapter 1: Approaches to public sector accounting and reporting in Europe, p. 25-46;
    - Chapter 10: Overview of IPSAS on public sector specific topics, p. 251-274;
    - Chapter 11: IPSAS: Case study, p. 275-305;
    - Chapter 12: Consolidated financial statements, p. 307-334;
    - Chapter 13: Consolidation methods, p. 335-371.

# Backup

# Key facts: Funding

- Funding body: **EU Erasmus+**
- Project duration: **35 months** (ended in August 2019)
- Maximum grant: **375,430 EUR**
- Project coordination: University of Rostock / Germany
- Consortium of **Five European universities**

# Key facts: Support letters



EUROPEAN COMMISSION  
EUROSTAT

Directorate C: National accounts, prices  
and key indicators

Task Force EPSAS

**EGPA/IIAS**  
European Group  
for Public Administration



**GEAP/IISA**  
Groupe Européen  
pour l'Administration Publique



STÄDTE- UND GEMEINDETAG  
MECKLENBURG-VORPOMMERN e.V.  
KOMMUNALER SPITZENVERBAND ALLER STÄDTE UND GEMEINDEN





# Key facts: Advisory Board

EU Improvement Goals	Advisory Board Members
<b>Foreign language</b> competences	<b>Jürgen HANDKE</b> Philipps University Marburg, Germany <div data-bbox="1832 382 2430 461" style="float: right; border: 1px solid black; padding: 2px;">e.g. <b>Anglistics &amp; Digital Learning</b></div>
<b>Digital</b> competences	<b>Rui LOURENÇO</b> University Coimbra, Portugal <div data-bbox="1832 548 2430 626" style="float: right; border: 1px solid black; padding: 2px;">e.g. <b>E-Government</b></div>
Understanding and responsiveness to social, political, <b>cultural diversity</b> within the EU	<b>Eugenio CAPERCHIONE</b> University of Modena, Italy; CIGAR <div data-bbox="1760 704 2430 818" style="float: right; border: 1px solid black; padding: 2px;">e.g. <b>Comparative International Governmental Accounting Research</b></div>
Positive attitude towards the <b>EU</b> and its <b>values</b>	<b>Hanna SILVOLA</b> Aalto University, Finland; EAA <div data-bbox="1646 876 2275 955" style="float: right; border: 1px solid black; padding: 2px;">e.g. <b>European Accounting Association</b></div>
Opportunities for <b>professional development</b>	<b>Thomas MÜLLER MARQUES-BERGER</b> E&Y, Germany; ACE <div data-bbox="1646 1093 2275 1158" style="float: right; border: 1px solid black; padding: 2px;">e.g. <b>Accountancy Europe</b></div>

