

**MINISTRY OF EDUCATION AND TRAINING  
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**NGO THI THU TRANG**

**RESPONSIBILITY ACCOUNTING IN NORTHERN PUBLIC  
UNIVERSITIES**

**SPECIALIZED: ACCOUNTING  
CODE: 9.34.03.01**

**SUMMARY OF DOCTORAL THESIS**

*Scientific advisor:* 1. Assoc.Prof., Dr. Nguyen Ba Minh  
2. Assoc.Prof., Dr. Bui Thi Ngọc

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***Scientific advisor:* 1. Assoc.Prof., Dr. Nguyen Ba Minh**

**2. Assoc.Prof., Dr. Bui Thi Ngọc**

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**Reviewer 2:** .....

**Reviewer 3:** .....

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# INTRODUCTION

## 1. The necessity of research topic

Responsibility accounting (RA) has been extensively researched and applied by scientists around the world in many different types of organizations and fields. However, for Vietnam, RA is a relatively new field, especially in the field of education with the characteristics of multidisciplinary public universities with organizational structures associated with the responsibilities of many units and individuals. When the global competitive environment is fierce, the constant changes of science and technology lead to old control systems that cannot be met without updating and adjusting. The need to inform administrators in decision-making processes related to the survival of public universities requires an effective control tool that enables administrators to exercise governance control in today's globally competitive environment; in line with the trend of integration and sustainable development.

Stemming from the necessary and objective requirements mentioned above, the author has chosen the topic "**Responsibility Accounting in northern public universities**" as the research topic of the thesis.

## 2. Overview of studies related to the thesis topic

Through the process of research, the author realized that research works on Responsibility accounting are carried out from many different perspectives and scopes. RA is not only studied theoretically but also applied to some specific disciplines. Each country has a different business environment, cultural environment, legal system, management level, facilities, science and technology, so

the level of responsible accounting development is also different. In this section the author has made the following set of studies on RA: general studies on RA (1); studies of responsibility centers in public career units(2); studies on decentralization and the relationship with RA (3); Some studies of responsibility serve the functions of managers (4). But there has not been a comprehensive and complete study of RA in public career units in general and Northern public universities in particular. At the same time, no research has delved into the issue of RA for the function of department managers. Therefore, it is necessary to have a specific and comprehensive study to complete the theoretical basis of RA in public universities in the North, thereby proposing scientifically based solutions to apply effectively in practice.

### **3. Research Objectives**

The thesis researches, systematizes and elucidates the basic theoretical framework of the content of Responsibility accounting in terms of management accounting in public career units.

The thesis describes the implementation of Responsibility accounting in public universities in the Northern Region, assessing the advantages, existence and proposing solutions to improve Responsibility accounting at public universities.

### **4. Research question**

In order to meet the objectives and carry out the research tasks, the thesis focuses on analyzing and answering the following questions:

(1) What is the rationale for the content of Responsibility accounting in public career units? How is Responsibility accounting tied to the functions of managers?

(2) What is the current situation of Responsibility accounting at public universities in the North?

(3) What solutions and recommendations are needed to promote the implementation of Responsibility accounting at public universities in the North?

## **5. Object and scope of the study**

### ***5.1. Research object***

The thesis focuses on the problem of Responsibility accounting.

### ***5.2. Research scope***

- Regarding research content: The thesis focuses on the study of Responsibility accounting associated with the functions of managers.

- About the research space: In this study, the author will limit accountability research to public universities in the North (excluding public universities belonging to the security and armed forces because these universities are governed by the separate financial management of the Ministry of Public Security and the Ministry of Defense).

- About the research period: The actual research and survey at public universities in the North from 2018 to 2021

## **6. Research Methods**

On the basis of dialectical materialist methodology, historical materialism, to have course-based analyses and assessments. The topic uses research methods: Synthetic methods; Statistical and

comparative methods; Methods of analysis; Methods of survey, investigation.

## **7. Contributions of the topic**

- Firstly, in the world as well as in Vietnam, there is a lot of research on the content of Responsibility accounting. Each study will have a different approach according to the views and thinking of each scientist. The thesis further codifies the basic theoretical problems of responsibility accounting, an important tool in management accounting, roles, tasks, and content methods of responsibility accounting.

- Second, the issue of identifying and classifying responsibility centers in accountability has been studied but has many different perspectives. In particular, there are research that suggest that there are three types of responsibility centers: investment centers, profit centers, cost centers; Some studies show that there are four types of responsibility centers: investment centers, profit centers, revenue centers, cost centers. The thesis analyzes and selects the identification of the classification of responsibility centers in accordance with the characteristics of the operating organization and management requirements at career units in general and public universities in particular in the current conditions.

- Thirdly, the thesis has carried out the study of responsibility accounting content serving the functions of managers at responsibility centers, including the functions of planning, organizing implementation, control and decision-making.

- Fourth, the thesis studied the situation of responsibility accounting at public universities in the North and offered solutions to

improve responsibility accounting at public universities in Vietnam.

### **8. Structure of the topic**

In addition to the introduction, the list of abbreviations, the list of diagrams, tables, the list of references, the appendix, the thesis are structured into 3 chapters:

- Chapter 1: The rationale for responsibility accounting in public career units

- Chapter 2: The current situation of responsibility accounting in public universities in the North

- Chapter 3: The completing responsibility accounting in public universities in the North.

# CHAPTER 1

## THE RATIONALE FOR RESPONSIBILITY ACCOUNTING AT PUBLIC CAREER UNITS

### 1.1. Overview of public career units

#### *1.1.1. Concept, role and characteristics of public career units*

Through studying the above studies, the author found that there are many different approaches to the concept of public career units, but these concepts all have in common the nature of public career units. Thus, it can be understood that "Public career units are those that are established and operate not for profit; with the aim of providing public career services to maintain and ensure the normal needs of society".

#### *1.1.2. Classification of public career units*

Depending on the different criteria, public career units can be classified according to different groups. Each classification has different meanings and purposes, aimed at improving the management efficiency of the competent authority.

### 1.2. General issues of responsibility accounting

#### *1.2.1. The essence of responsibility accounting*

Responsibility accounting is a process of collecting, processing, analyzing, synthesizing and providing information systems (including controllable and uncontrollable information) according to the responsible departments and reporting the activities of these departments according to revenues, costs, financial and non-financial resources that the assigned administrator in this department



can control. Responsibility accounting is actually a tool aimed at serving managers performing the functions of planning, organizing implementation, control and decision-making.

### ***1.2.2. Roles and duties of responsibility accounting***

- *Responsibility accounting* helps determine the contribution of each unit to the interests of the entire organization

- Responsibility accounting provides a basis for quality assessment of the performance of department managers through the provision of a system of indicators, tools and reports as a basis for quality assessment of the performance of department managers.

- Responsibility accounting is used to measure the performance of managers so that it affects the way these managers behave.

- Responsibility accounting motivates department managers to run their own departments in a way that aligns with the overall goals of the entire organization.

### ***1.2.3 Classification of responsibility centers in Responsibility accounting***

In any organization for the implementation of responsibility accounting there is the existence of responsibility centers; Based on the operational characteristics and management mechanisms of organizations, the naming of centers may be relative and will depend quite a lot on subjective factors from the administrator of that organization.

- Cost center: is a center of responsibility for which the manager is only responsible, or only has control over costs with no control over revenue, profits or investments.

- A revenue center is a center of responsibility where the administrator at the center will be responsible for the revenues generated, not for surpluses or investments.

- Surplus center: is the center of responsibility for which the administrator at this center will be responsible for the revenues and expenditures to create the surplus in that department.

- Investment center: is the center responsible for controlling revenue, costs, profits according to the services that the unit creates, investment projects, ROI, EVA, RI,...

### **1.3. Fundamental elements for performing accountability accounting in public career units**

Stemming from the content of responsibility accounting is a tool of management accounting that has many fundamental elements to perform responsibility accounting such as management hierarchy, characteristics of financial activities; facilities of the organization; personnel system of the accounting apparatus; the organization's reward system... When studying accountability in the context of being performed in a public career unit, the author presents the special foundational elements that according to the author are the first foundations for the implementation of responsibility accounting in a public career unit.

### ***1.3.1. Decentralization of management in public career units***

Decentralization of management is the delimitation of the scope of responsibility and authority of managers at all levels of the organization to jointly perform the assigned functions to accomplish the common goals of the organization. The goal of management hierarchy is to clarify rights and responsibilities, promote the positivity, initiative and creativity of managers at all levels, contribute to improving the efficiency of resource use in the organization. Responsibility accounting is only applicable in organizations with management decentralization. At that time, new responsibility centers in accountability were formed according to the organizational structure scheme to implement responsibility accounting.

### ***1.3.2. Characteristics of financial management at public career units***

Financial management mechanism is a combination of the general management mechanism of the State with its own mechanism suitable for each type of public non-business unit, each activity associated with the existence and development of each public non-business unit such as: Mechanism for creating funding sources and mechanisms for using funds. The financial management mechanism for units will have a great influence on the implementation of responsibility accounting in public career units.

### ***1.3.3. Accounting information technology system***

In the booming era of science, technology and technology, information technology has a strong influence and impact on every aspect of social life. The impact of information technology on the

implementation of accounting in general and responsibility accounting in particular in public career units in general and public universities is not small. The element of accounting information technology systems is one of the dynamic elements, containing many opportunities that come with challenges for all types of organizations. Opportunities can come to accountants in organizations when they have access to modern, high-quality information technology to help make accounting work faster, shorten data entry time and report financial information more effectively.

#### ***1.3.4. Reward and discipline system***

Deciding to organize the reward and discipline system according to management responsibilities is an important content in organizing accounting. The organization of a good reward and discipline system will help the unit have the efforts and efforts of managers at all levels in realizing the common goals of the organization. The reward system is an important part of an organization's human resource strategy.

#### **1.4. Contents of accounting responsibilities for administrative functions in public career units**

In the organization is a public non-business unit placed under the management model according to the mechanism of the state. Basically the implementation of accountability and the formation of responsibility centers in the units will be influenced by the operating environment of the public career unit. Therefore, accountability accountants in accountability centers will be responsible for serving the functions of the administrator of planning, organizing implementation, control and decision-making.

### ***1.4.1. Responsibility accounting for planning functions***

#### ***1.4.1.1. Develop revenue and expenditure norms in each responsibility center.***

To accomplish this process, it will be necessary to identify and classify revenues and expenditures (1); methods of building costs and revenues (2); determination of reasonable expenses and revenues (3).

The thesis presents some basic ways of classifying business results, related to the research purpose of the thesis based on: (1) *Operation of the enterprise*; (2) *Relationship with financial statements*; (3) *According to details by product, product group*.

#### **1.4.1.2. Making estimates at responsibility centers**

- Types of estimates
- Estimation method
- Estimation model
- Estimation content at accountability centers
  - Balance indicators at the cost center
  - Balance indicators at the revenue center
  - Estimated indicators at the surplus center
  - Estimated indicators at the investment center

### **1.4.2. Responsibility accounting for performing organizational functions**

(1) Obtaining accountability information according to each responsibility center

(2) Handling accountability accounting information

Process accountability accounting information based on the performance targets at each center to find out the reasons for the implementation results.

- Indicators for implementation at the cost center
- Targets implemented at the revenue center
- Targets implemented at the surplus center
- Targets implemented at the investment center

Responsibility accounting will apply several methods to process the collected accounting information:

- Application of accounting account method
- Application of bookkeeping method
- (3) Provide accountability accounting information

#### ***1.4.3. Responsibility accounting for control functions***

(1) Principles of control implementation

(2) Control implementation process:

(3) Methods used to control accounting information in the responsibility center

- Comparative method
- Trend analysis method
- Analysis by density
- Indicator analysis method (score analysis method)
- Dupont financial modeling method

(4) Implement control in accountability centers

Accountability Accounting will help managers at the Responsibility Center evaluate management responsibilities at each Center based on the system of evaluation criteria and reporting differences as follows:

- Cost center evaluation indicator system
- Revenue center evaluation criteria system
- System of promotion center evaluation indicators

- Investment center evaluation criteria system

#### **1.4.4. Accounting responsibilities for decision-making functions**

In the process of running activities, administrators are always faced with having to make decisions in many different forms. In fact, the accountant will personalize the accounting information about revenues and expenses according to the personal responsibility of the manager. When there are financial problems in the organization, someone must be responsible for each expense, otherwise no one will be responsible and certainly that cost and revenue will not be controlled.

## CHAPTER 2

### THE CURRENT SITUATION OF RESPONSIBILITY ACCOUNTING IN PUBLIC UNIVERSITIES IN THE NORTH

#### **2.1. Overview of public universities**

*2.1.1. Development process of public universities*

*2.1.2. Characteristics of the public university in the North.*

*2.1.3 Classification of public universities in the North*

#### **2.2. The current situation of identification and classification of responsibility centers at public universities in the North**

Basically the separation of responsibility centers in public universities in the North has been there but not yet clear. The mechanism of financial management and the organization of the apparatus at public universities greatly influenced the formation of centers of responsibility. The management mechanism of universities in the North will be under the Ministry and state agencies in accordance with current regulations on revenue and expenditure according to the guidance from Decree 60/2021/ND-CP on financial autonomy. This will set the stage for accountability centers in schools to be properly formed.

#### **2.3. Foundational elements for implementing accountability accounting in public universities in the North**

*2.3.1. Decentralization of management and management apparatus of public universities*

Basically, the entire apparatus in public universities has met its



functions, departments, faculties and affiliated centers and enterprises have a close relationship with each other to realize common goals. The management structure is clearly decentralized and decentralized, this is one of the necessary conditions to be able to apply accountability at public universities in the North.

### ***2.3.2. Characteristics of financial management in public universities***

***Management of revenue sources and revenues:*** Management of revenue sources at public universities includes: Organization of exploitation of revenue sources - Revenue content; regulations on collection levels and revenue control. Sources of revenue will include: State budget sources; Revenues from career activities; Other sources of revenue.

***Management of the use of financial resources:*** Management of the use of financial resources at public universities includes: Regulations on expenditure contents; Public universities may use state funding, career revenues and other financial resources to pay for activities. Expenditures are divided into three categories: regular operating expenses, irregular expenses, and investment expenditures from career development funds, loans, and other legitimate sources of financing.

***Management of financial results for the year and use of funds:*** The appropriation of funds is based on the financial performance of the year. This is content related to the interests of departments in the school, affecting the development of the school in the future.

### ***2.3.3. Information technology system***

With the qualifications of accounting staff mainly from university level or higher, being sent to train and foster professional expertise every year, it is convenient for schools to apply information technology to accounting work. The survey showed that 100% of schools use computer software to perform accounting work, including tuition fee collection software, general accounting software, fixed asset management software, payroll software, etc. As a result, accounting reports and some accountability reports are prepared faster and more accurately.

### ***2.3.4. Reward system***

Regular management rewards include incentives tied to the managerial performance of the department manager. The survey found that 100% of public universities exercise autonomy in groups 1 and 2, and group 3 has clear regulations on the form of reward but is not attached to the performance of the departments.

## **2.4. The current situation of responsibility accounting to serve the functions of managers**

*2.4.1. The current situation of Responsibility accounting for planning functions*

*2.4.1.1. The current situation of building revenue and expenditure levels in public universities*

*2.4.1.2. The current situation of estimation at responsibility centers*

*2.4.2. The current situation of Responsibility accounting for organizational functions*

- The current status of organizations receiving accounting information

- The current situation of accounting information processing

- The current situation of providing accountability information

*2.4.3. The current situation of Responsibility accounting for control functions*

The content of the current state of accounting, which serves the control function of administrators in the departments that are responsibility centers, has been carried out by the author in the form of surveys and interviews for subjects who are managers at all levels in the public university system classified according to the degree of autonomy in group 1, group 2 and group 3.

*2.4.4. Current situation of Responsibility accounting for decision-making functions*

## **2.5. General assessment of the current situation of accountability in public universities in the North**

*2.5.1. Results achieved*

Firstly, public universities have a clear management hierarchy and are organized according to the online-functional model, work responsibilities are assigned directly by the school administration to specialized faculties and departments on the basis of guidance, controlled by higher-level functional departments.

Second: on the classification of responsibility centers in public universities in the North. In fact, public universities have not applied accountability in the process of managing the apparatus, so the formation of responsibility centers in schools is not clear. It can be said that at these public universities, although there is no

synchronization, it has preliminarily formed a system of responsibility centers with three basic forms: cost centers, surplus centers and investment centers.

Third: on the content of Responsibility accounting for serving the functions of administrators in public universities in the North has been initially formed.

### *2.5.2. Some limitations*

First: The decentralization of authority is already in place but not clear for each department in the school; Some tasks overlap, decision-making power is mainly focused on senior managers. That leads to the identification and classification of responsibility centers is difficult.

Secondly: on the content of IA serving the functions of administrators in universities in the North.

- On serving a planning function
- On the service of organizational functions
- On serving a control function
- On serving a decision-making function

### *2.5.3. Causes of restrictions*

- The first underlying cause of the restriction is that the implementation of accountability in public universities has not been taken care of. Management accounting in general and accountability accounting in particular still have gaps between reason and reality. The role of management accounting in general and accountability accounting in particular in schools is still very open, not true in nature, not useful for the management of public universities.

- With the mentality of public career unit administrators in general and public universities in particular that working for state agencies is not really focused on work, disregarding the responsibility of managing their departments, leading to ineffective school administration.

## CHAPTER 3

### THE COMPLETING RESPONSIBILITY ACCOUNTING IN PUBLIC UNIVERSITIES IN THE NORTH

**3.1. Development orientation of public universities in the North**

**3.2. Principles for building a responsible accounting system in public universities in the North**

**3.3. Proposal to complete responsibility centers in public universities in the North**

The situation reflected in chapter 2 has shown the asynchronous and unsystematic in the formation of responsibility centers at public universities in the North. Therefore, in order to have a responsible accounting system, first of all, public universities in the North need to divide the organizational structure into responsibility centers based on the characteristics of the financial management mechanism and the characteristics of the organizational management structure at the university, includes 3 types of responsibility centers: cost centers, surplus centers, and investment centers.

**3.4. Proposal to improve accounting responsibilities to serve the functions of administrators in public universities in the North**

***3.4.1. Complete accounting responsibilities for planning functions***

The situation shows that the public universities surveyed all believe that the estimate has not yet applied modern tools such as software in the construction process; the indicators included in the

estimate are still traditional in nature and there is no distinction between the criteria developed between different departments; there is no diversity in the inclusion of non-financial indicators in the estimates; through the estimation system also cannot be considered as the assignment of tasks, the results to be done for the departments that are mostly for the purpose of regulating the costs incurred in the departments. Therefore, it is necessary to have an estimation system for each department according to which public universities can implement goals, plans and operational strategies and can use them to compare and evaluate performance according to centers.

### ***3.4.2. Complete accounting responsibilities for organizational functions***

The information acquisition system at public universities in Vietnam in general and public universities in the North in particular has been able to record and process performance information that is both general and detailed, including financial and non-financial information related to revenues, costs, results and investments. However, information collection at public universities is not designed to be able to collect information implemented by each accountability center to assess management responsibilities according to the responsibilities at public universities.

- Organizations collecting information to perform accountability
- Organizations that collect data related to accountability accounting
- Design accountability systems in accountability centers

### **3.4.3. Complete accountability to serve the function of establishing control of managers at responsibility centers**

The situation has shown that at public universities, there has been an assessment of management responsibilities of some departments, but it is not synchronous and the evaluation criteria are not diverse, the process of analyzing and evaluating management performance has not been associated with the developed estimates, not yet associated with the management responsibilities of managers at cost centers, promotion centers, investment centers.

### **3.4.4. Complete accountability to serve the decision-making function of managers at responsibility centers**

Accountability will serve the decision-making function of the department manager by analyzing accountability reports. The difference between performance information and estimated goals will help managers evaluate the results and performance of department managers.

## **3.5. Conditions for applying accountability in public universities in the North**

### ***3.5.1. For the state and authorities***

Although accountants are responsible for providing information to the organization internally, it is highly flexible, depending on the needs and goals of the School Board to build accordingly. However, not all managers know about it, so the State needs to have guidelines on management accounting in general and accountability accounting in particular to encourage managers to see the benefits as well as the important role of accountability accounting in providing information for managers to control, evaluate the



performance of the departments in their schools towards common goals and have useful information for decision-making managers.

### ***3.5.2. For public universities***

#### ***3.5.2.1 Training and retraining of staff, lecturers and employees***

The school needs to have a policy of training and fostering management accountants who must have knowledge of analysis, statistics, academic administration..

#### ***3.5.2.2. Application of information technology for timely analysis and processing***

The school needs to apply information technology to handle arising economic operations to ensure that it can monitor the entire operation of the school.

### **3.5.3. Roadmap for applying accountability to units in public universities in the North**

First of all, establish a control system through a management hierarchy model

Second, establish management regulations through the reward and penalty regime:

Third, the organization of the accounting apparatus

## CONCLUSION

The thesis conducted an overview of domestic and foreign research works related to accounting, from which the author synthesized, inherited and developed as the theoretical basis for the thesis. To conduct research on the current state of accountability accounting at public universities in the Northern region, the thesis uses combined methods such as in-depth interviews, wide-ranging surveys, synthesis and statistics,... The methods are used flexibly for different audiences. From there, based on the assessment of the current situation, characteristics and development strategies of enterprises, the thesis proposes groups of solutions to improve accountability accounting at public universities in the North. successful and highly effective.

**LIST OF PUBLISHED SCIENTIFIC WORKS  
RELATED TO THE AUTHOR'S THESIS**

1. Ngo Thi Thu Trang (2017), "Building a responsible accounting system to control costs and evaluate performance in pharmaceutical enterprises", *Asia-Pacific Economic Review*, issue 01/2017.

2. Ngo Thi Thu Trang (2021), "Research on cost centers in public universities", *Journal of Accounting & Auditing*, issue 12/2021.

3. Ngo Thi Thu Trang (2022), "Building a responsible accounting system to serve the functions of administrators in public universities", *Journal of Accounting & Auditing*, issue 04/2012.