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Cost Management Accounting at Public Universities in Conditions of Financial Autonomy

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Abstract
University autonomy poses many challenges for higher education institutions in university governance. In particular, financial autonomy is seen as an opportunity as well as a challenge for higher education institutions in financial management, cost management and cost management accounting as a management tool. Effective way to improve the quality of school training. In order to well organize the cost management accounting system in public universities and make correct and appropriate decisions for each training activity in the school, public universities need to operate Use the active role of cost management accounting in your management activities, especially in conditions of autonomy. The article has systematized the theoretical basis for cost management accounting at public universities under conditions of financial autonomy. The article presents general issues of cost management accounting, the role of cost management accounting, financial autonomy and the contents of cost management accounting in public universities. from which there is a basis for measuring and evaluating operational results.

Keywords: Cost Management Accounting, Public Universities, Financial Autonomy

1. Introduction

In the trend of integration and development in all areas of the social economy, units entering the market always want to affirm the value of the organization and create a certain position in the market in the future. country and the world. That helps units learn from management to improve operational efficiency and optimize benefits for the unit. One of the issues that units focus on is cost management. Well-controlled costs are a big factor for units to maximize profits. Education and training are one of the specific fields, but they are not outside the general trend of society. Today, not only in Vietnam but in all other countries in the world, education and training are always considered top priorities in their development. The fact that domestic and international universities exchange and learn while competing to establish each university's position is increasingly strong. Implementing the roadmap towards university autonomy helps universities maximize resources, increase initiative, and also poses challenges for higher education institutions in university governance. To assert ourselves with society and learners about the quality of training, this can be considered an urgent task that determines the existence and development of each higher education institution.

In order to help educational institutions improve the quality of training and good cost management, universities around the world consider cost management accounting as an effective management tool to improve the quality of teacher training in universities. To be able to well organize the cost management accounting system in public universities and consider it a management tool to provide information for management to make correct and appropriate decisions. In accordance with each training activity in the university, universities need to apply the active role of cost management accounting in their management activities, especially in conditions of autonomy.

2. Cost Accounting Management

Pham Thi Thuy (2007) [8] says that cost management accounting is a part of management accounting to provide cost information to support organizations in performing the function of managing resource factors. Consumed for activities, to plan, control, evaluate, and make appropriate decisions. Sharing the same opinion as above, Nguyen Thi Mai Anh (2014) [7] stated that cost management accounting is a part of management accounting that processes and provides cost information for administrators to perform their functions. Ho My Hanh (2013) [5] believes that cost management accounting is the collection of cost data and processing this data in a sequence to provide cost information to build cost plans, control costs, and thereby evaluate activities and make management decisions. Dao Thuy Ha (2015) [2] says that cost management accounting information is a tool for planning, and cost data is the basis for making strategic decisions, including pricing policies. selling, structuring products, purchasing machinery and equipment, and eliminating activities that do not create added value. Drury (2004) [3], cost accounting provides information to determine the value of inventory, determine the cost of goods sold, and prepare financial reports. It also provides information for administrators to plan, control, and evaluate business performance.

Thus, in the opinion of the authors, cost management accounting is a part of management accounting or the intersection between management accounting and cost accounting. Cost management accounting provides cost information for the purpose of serving business management. Therefore, cost management accounting uses the professional technical methods of cost accounting combined with management techniques to ensure the provision of cost information that satisfies the needs of administrators without regard to compliance with general accounting principles and standards (GAAP). Transactions reflected in cost management accounting are not only transactions measured in money but also non-monetary transactions, reflecting not only the quantity aspect but also the quality aspect (quantity, time, and satisfaction). Using multiple metrics to measure costs makes cost information reflect comprehensively and multi-dimensionally, which is suitable for the diverse information needs of administrators. With the above analysis, the authors believe that cost management accounting is a part of management accounting to provide cost information to serve the needs of business management.

The Role of Cost Management Accounting

According to Drury (2004) [3], cost accounting provides cost information to serve corporate management needs. According to Garrison *et al*. (2010) [4], the role of management accounting is to support the decision-making, planning, and control processes in the organization.

From the above perspectives, according to the authors, the role of cost management accounting includes providing cost information to help administrators make business decisions and providing cost information related to planning. Plan, control, and measure business performance. The role of "providing cost information to help managers make business decisions" involves decision-making. Accurate cost information is necessary for decision-making because inaccurate costs can lead to wrong decisions. Therefore, cost information must be accurate, timely, classified, and used appropriately.

The second role of cost management accounting is to provide cost information related to planning, control, and performance measurement. Ho My Hanh (2013) [5] defines cost management accounting as the collection of cost data and processing this data in a sequence to provide cost information to build cost plans, control costs, and thereby evaluate activities and make management decisions. Cost management accounting information is a planning tool, and cost data is the basis for strategic decision-making, which includes pricing policies, product structure, procurement of machinery and equipment, and eliminating activities that do not create added value. Depending on the purpose of using information, cost management accountants will design and provide different types of information.

Cost management accounting is the main source of cost information to help administrators comprehensively perform administrative functions. The information provided by cost management accounting informs decisions. With the above analysis, the authors believe that cost management accounting provides cost information for corporate management, and cost management accounting plays an important role in cost control and measurement. efficiency. Cost management accounting provides appropriate information for managers to make short-term and long-term decisions that affect the organization's operating strategy. Very diverse management decisions are made at different times.

3. Financial Autonomy Mechanisms in Public Universities in Vietnam

The promulgation of the 2018 Higher Education Law marked the completion of the legal regulations on the university autonomy model, which is systematic and normative on the autonomy of higher education institutions in general and public higher education institutions in particular. According to the Law on Higher Education 2018, public higher education institutions are established by the state, ensuring operating conditions and representing the owner. Public universities have the following characteristics:

- Established by a competent state agency, has legal status, has an account, has a seal, performs management functions, or provides public products and services in the field of education and training according to the law. provisions of law.
- Have autonomy in performing tasks, organizational structure, personnel, and finances. However, this autonomy cannot be separated from the supervision of state management agencies, ensuring requirements, and being responsible to society and the country.
- The state gradually changes the method of budget support through public universities to direct support for policy beneficiaries using education and training services in accordance with the law and the roadmap. Fee calculation and training services.
- The state amends and promulgates legal documents gradually in accordance with reality, ensuring that public universities well implement the mechanisms of autonomy and self-responsibility.

Classified by level of financial autonomy: According to Decree No. 60/2021/ND-CP dated June 21, 2021, of the Cost regulating the autonomy mechanism of public universities, universities have been divided into Publicly divided into 4 groups:

Public universities cover their own recurrent and investment expenditures.

Public universities cover their own recurrent expenses.

Public universities self-guarantee part of their regular expenses.

Public universities have regular expenses covered by the state budget.

Depending on the high or low level of financial autonomy, the university will be given autonomy in implementing tasks, organization and personnel, and academic autonomy.

As stated in Article 3, Section 1 of Decree 60/2021/ND-CP, "The financial autonomy mechanism of public service units is the regulation on the right to autonomy and self-responsibility in implementing regulations on the list of public services, prices, fees, the roadmap for pricing public services, the classification of financial autonomy level, autonomy in using financial resources, autonomy in joint venture activities, partnerships, management, use of public assets, and other related regulations."

For public universities, autonomy means they have control over their professional activities (they have the right to decide on their educational and scientific research operations, develop strategic development plans in a modern direction, and compete to fulfill the university's functions), organizational structure (they have the right to arrange their staff, hire or dismiss university personnel), and financial matters (they have the right to decide on the university's financial activities). Financial autonomy relates to autonomy in managing revenue activities, expenditure management and distribution of financial results, fund management, asset management, etc. Among these, managing sources of income and managing financial expenditures are the most important.

4. The Content of Cost Management Accounting at Public Universities Under Financial Autonomy Conditions

4.1 Cost Management Accounting Apparatus

Organizing the cost management accounting apparatus in a public university is the arrangement, arrangement, and assignment of work to people doing management accounting work in the unit, so that the management accounting apparatus The costs are appropriate to the scale of operations and management requirements of that unit. To suit each organizational model of the cost management accounting apparatus of public universities, based on the specific conditions of the number of personnel, standards, and personnel assignment within the school's apparatus to choose an organizational model, including: Management accounting organizational model combined with financial accounting, management accounting organizational model independent of financial accounting and financial accounting model. Organize a mixed financial accounting and management accounting apparatus.

4.2 Content of Cost Management Accounting

Classification of Costs

For managers, cost is a top concern, so the question is how to control costs. Identifying and classifying costs is a crucial core task to manage costs and make the right decisions in the process of organizing and operating business activities. There are many ways to classify costs, each providing cost information from different perspectives for the unit's managers.

Table 1: Cost Classification Table

Purpose	Classification basis	Type of cost
Costing and financial reporting	According to functional activities	Production costs and non-production costs
Costing and budgeting	According to economic content	Raw material costs, labor costs, tool costs, depreciation costs...
Budgeting and cost control	In relation to the level of activity	Variable costs, fixed costs, and mixed costs
Planning, evaluating, and decision-making		
Pricing inventory and preparing financial reports	In relation to business outcomes	Product costs and period costs
Making business decisions	For control and decision-making purposes	Controllable costs, uncontrollable costs, sunk costs, opportunity costs, and differential costs
Determine the cost. Make business decisions.	According to the cost source	Actual costs and standard costs
Determine the cost, analyze profits, and control expenses.	According to the ability to allocate costs to the cost object	Direct costs and indirect costs

Source: Compiled by the author

Organization of Cost Standards and Cost Estimation System Construction

Establishing cost standards is a process that involves calculating the expenses related to both living labor and materialized labor associated with the production and operation of a specific product or service under certain conditions. Cost standards are understood as the estimated unit costs used to account for various cost factors. The process of setting up cost standards within an entity is a task that demands high levels of expertise and responsibility from those who establish these standards. To develop cost standards, entities can employ various methods, such as technical methods, historical data analysis methods, adjustment methods, and task analysis methods.

The organization of cost estimation is the prediction of expenses for the future business operations of a company, specifying the tasks to be performed and taking into account the impact of subjective and objective factors (Pham Quang, 2002). The organization of cost estimation is a coordinated activity of various departments to create a unified plan for the entire company. Cost estimation ensures that the operations of each department align with the overall activities of the company. The business operation cost estimation for a company anticipates the resources needed for the next period and how to mobilize and utilize these resources to achieve the highest efficiency.

Organize various Cost Determination Methods

It's possible to identify and group cost determination methods into two categories: traditional cost determination, which includes methods such as order-based cost determination, and process-based product pricing. The modern cost determination category includes methods such as activity-based cost accounting, target costing (TC), and Kaizen costing (KC). Determining the cost of cost objects in units operating in the service sector is carried out using methods such as the method of determining costs based on orders (work), the method of determining costs based on process, and the method of determining costs based on activity basis.

The Organization Analyzes Cost Information to Aid in Decision-Making

Analyzing cost fluctuations to control expenses: Costs directly affect the profits of services; when costs decrease, profits increase, and vice versa. Moreover, costs also impact the competitiveness of units. Therefore, controlling costs is a crucial issue, contributing to enhancing operational efficiency. In controlling costs, managers use the method of analyzing cost fluctuations. Analyzing the relationship between cost, volume, and profit (CVP) to make appropriate decisions: Through CVP analysis, managers can identify factors that impact the organization's profit, such as selling price, volume, product mix, and especially the influence of cost structure on profit. By analyzing CVP, managers can forecast future plans and implement measures to manage current operations effectively.

The Organization Analyzes Managerial Accounting Information to Make Long-Term Decisions

Long-term decisions are those that usually span over a year or multiple business cycles for an entity. Such decisions often involve infrastructure investment capital and long recovery times for investments, and due to the extended duration of the project, they are hard to alter and are influenced by factors such as the business environment, political elements, and international relations of the overall economy. They also relate to the income from many business cycles. Therefore, analyzing and evaluating to provide information for the cost management accountant is crucial.

To make appropriate decisions for the organization, managers need to use the following primary methods to evaluate options and make long-term decisions: the net present value method, the internal rate of return method, and the payback period method. Projects in non-profit universities often last for a long time, so the net present value method, which uses discounted cash flows, would be more reasonable than methods that do not use discounted cash flows, such as the payback period and the accounting rate of return.

The Organization Prepares Management Cost Accounting Reports Within Its Units.

Cost management accounting reports are detailed information collected according to criteria consistent with the information needs of administrators in the management process. Therefore, the content and structure of cost management accounting reports need to fully ensure the indicators required by administrators to analyze, evaluate, and monitor costs. However, the construction of cost management accounting reports also needs to be more scientific, reasonable, and cost-effective.

Due to differences in industry characteristics, organizational scale, qualifications, and awareness of administrators as well as employees performing management accounting work, the cost management accounting reporting system is also different. There are differences between organizations. In addition, changes in the management process lead to constantly changing needs for management information, so the content and requirements for cost management accounting information also change continuously according to the needs of management. Management information in each period. Thus, it can be seen that cost management accounting reports in particular and management accounting reports in general have unique characteristics compared to financial accounting reports, such as flexibility, diversity, and timeliness. Cost management accounting reports provide information for administrators to see what is going on in the unit, including specific details of each department and each function in the organization.

Utilizing Cost Management Accounting Information

Measuring and evaluating the performance of cost centers is one of the basic functions of cost management accounting. In modern cost management accounting, measuring and evaluating performance not only uses financial measures but also non-financial measures. The balanced scorecard is a method aimed at transforming an organization's vision and strategy into specific objectives, clear metrics, and targets by establishing an effective measurement system in work management. The combination of financial and non-financial measures creates a necessity for performance evaluation. The four aspects of the Balanced Scorecard include financial, customer, internal process, and learning and development aspects, allowing comprehensive management balance across all areas, between short-term and long-term objectives, internal and external objectives, and between desired outcomes and reality. Financial success is not the fundamental goal of universities, so they cannot use the standard design of the Balanced Scorecard's strategic map. The mission of a university also reflects its social responsibility. The customer aspect for universities includes students, taxpayers, sponsors, companies ordering research, etc. To evaluate the achievements of individuals in universities, commonly used measures are the quality and quantity of research projects, the teaching quality of lecturers, the task completion level of service staff and management staff, etc. Research work evaluation often uses measures such as the number of reports published in journals and the number of completed scientific projects at all levels. Student evaluation forms are an important basis, alongside peer reviews, to evaluate a lecturer's teaching work. Individual achievement evaluation is the basis for promotion, appointment, and rewards for each lecturer and management staff.

5. Conclusion

Autonomy is an inevitable trend, meeting the demands of developmental laws. Therefore, universities must adapt, and if they wish to survive and grow in this new environment, the application of cost management accounting is absolutely necessary. It contributes to enhancing the competitiveness of the institution by addressing issues of waste and ineffective activities in the public environment and helping the institution develop stronger and more sustainably. This paper has systematized the theoretical basis of cost management accounting at public universities under autonomous conditions. The paper has presented issues on cost management accounting, the role of cost management accounting, content on cost management accounting, and financial autonomy in public universities in Vietnam.

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