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Cost Management Accounting Organization in Non-public Universities in Hanoi City

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Abstract

Non-public universities operate as service business units, related to the business of training services. To control and manage costs effectively, lower service costs and provide administrators with complete and timely information to make decisions, cost management accounting work must be organized in accordance with the needs of the organization. Characteristics of training service activities. Using qualitative research methods, specifically in-depth interviews and field surveys at 15 non-public universities in Hanoi city to learn about the current state of cost management accounting organizations on the basis of the survey form. The author has studied the organization of cost management accounting in three aspects: (1) organization of the cost management

accounting apparatus; (2) organize cost management accounting content; (3) Organizations use cost management accounting information to measure and evaluate performance. On that basis, the author makes a number of recommendations to improve the organization of cost management accounting at non-public universities such as: universities should organize the cost management accounting apparatus according to the model mixed, identify costs according to the relationship between costs and cost objects and identify costs according to the level of activity, determine costs according to the operating process, prepare a report to evaluate financial results each field of activity.

Keywords: Cost Management, Non-Public University, Management Accounting Organization

1. Introduction

Higher education in the world is changing very quickly and deeply in all aspects due to structural changes in the economy and the rapid development of science and technology, requiring us to promptly recognize Re-awakening current university education methods. In Vietnam over the past two decades, non-public higher education has faced many difficulties. The proportion of students studying at non-public schools has not only not increased, but has also decreased, to the point where some sectors were forced to close. Looking at the whole non-public education system, training results are not very bright, investment in quality is limited. However, there are many non-public universities that are considered successful such as FPT University, Thang Long University, these universities show their differences from both public and non-public universities and these differences meet the urgent needs of society that less dynamic public universities cannot meet. One of the factors that help non-public universities succeed is their professional management; they have a strategy to build an international model management system with good and clear cost management.

Facing common difficulties in the quality of non-public university education today, the urgent task of higher education administrators is to improve quality, considering this a strategic task that determines the existence and development of current and future non-public universities. To contribute to improving the quality of university training and good cost management experience from universities in developed countries, it is necessary to consider cost management accounting as one of the effective management tools to improve training quality.

Through research at a number of non-public universities in Hanoi, the author found that cost management accounting organizations have not been given due attention, and have not exploited and used accounting information effectively. Cost management in enrollment and training decisions with the goal of meeting society's needs for training quality. Originating from the role of the cost management accounting organization and the shortcomings of the University as well as to provide information for management to make the right and appropriate decisions for each training activity. Specifically, non-public universities must build for themselves a cost management accounting system suitable to the characteristics of each school and region. That is why the author chose the issue "Organization of cost management accounting in non-public universities in Hanoi city" for research. This is a topical issue, with both theoretical and practical significance today.

2. Research Overview and Theoretical Basis

2.1 Study Overview

Research on cost management accounting organization and accounting-related issues at schools has been researched by many domestic and foreign authors, specifically:

Author Hoang Dinh Huong (2015) ^[3] "Organizing cost management accounting in non-public universities in Vietnam". The author has proven that applying a model combining modern cost management accounting (ABC) with the traditional cost management accounting system will help enhance management efficiency. From the results of research and surveys, the author has made a number of proposals to organize cost management accounting to strengthen the governance of non-public universities in Vietnam.

Author Trinh Dinh Uyen (2018) ^[6], "Governance of non-public universities: Current situation and solutions". In his research article, the author mentions the current situation of non-public higher education in Vietnam through the process of formation and development of the non-public university type, thereby offering solutions to Improving the management capacity of non-public universities includes: improving training quality, expanding international cooperation in undergraduate and postgraduate training and improving the effectiveness of international cooperation activities.

Author Doan Thi Quynh Anh (2019) ^[1], "Cost management accounting work at universities under the Ministry of Labor, War Invalids and Social Affairs meets the requirement of financial autonomy". In this study, the author has clarified the nature and role of cost management accounting in public service units.

Author Michael W Maher (2000) ^[4], "Management accounting education at the Millennium" pointed out the necessity of educating cost management accounting organizations in the current era. According to the author, three different cost classification methods can be used for cost control purposes, including: Differential costs; total cost; liability costs. From there, the author identifies cost information analysis processes through cost analysis reports and cost management responsibility reports.

Author Wim A. Van der Stede, (2011) ^[9], "Management Accounting Research in the Wake of the Crisis" has given reflections on opportunities and challenges for management accounting after the world economic crisis and its challenges. Management accounting information not only serves managers inside businesses, but is increasingly open to external audiences (investors, state management agencies, etc.).

The author group Michele Pomberg, Mamid Pourjalali, Shirley Daniel and Marinilka Barros (2012) ^[5], "Management accounting information systems: a case of a developing country: Vietnam" researched the conditions for applying modern cost management methods such as Activity Based Cost (ABC) method, Just in time (JIT) method in Vietnamese hospitals.

2.2 Some Related Concepts

* Non-Public University

Non-public universities are schools established and operated by domestic individuals and organizations that are allowed to establish and invest themselves by competent authorities. Currently, besides the public university sector invested by the state, ensuring operating conditions and representing the

owner, Vietnam has two types of non-public universities: private for-profit universities, not-for-profit universities. These private universities can be invested by domestic or foreign investors, ensuring operating conditions. The university system is constantly developing, both in quantity and quality of training (table 1).

Table 1: Statistics on the number of universities across the country

School Year	Total University	Public	Out of Public	Ratio Out of Public
2005 - 2006	125	100	25	20.00%
.....
2015 - 2016	223	163	60	26.91%
2016 - 2017	235	170	65	27.66%
2017 - 2018	236	171	65	27.54%
2018 - 2019	237	172	65	27.42%
2019 - 2020	237	172	65	27.42%
2020 - 2021	241	175	66	27.38%
2021 - 2022	242	175	67	27.68%

Source: Compiled by author

According to the list of higher education institutions registering 2020 university admission information to the Ministry of Education for training, in Hanoi City there are 13 non-public universities, all of which are private for-profit universities. In fact, according to the research team's survey, by the end of 2019, Hanoi City had a total of 18 non-public universities (including RMIT University, British University Vietnam, Academy of Design and London Fashion are foreign-invested higher education institutions. Bac Ha International University, East Asia University of Technology have their registered headquarters in Bac Ninh but have training facilities in Hanoi).

* Management Accounting

Currently, there are many definitions of management accounting, specifically: According to Clause 10, Article 3 of the Vietnamese Accounting Law ^[8], "Management accounting is the collection, processing, analysis and provision of economic and financial information according to management requirements and economic and financial decisions within accounting unit." According to Prof. Dr. Truong Ba Thanh (2008) ^[7], management accounting is "the process of formatting, measuring, synthesizing, analyzing, preparing reports, explaining and communicating financial and non-financial data to management board to plan and monitor the implementation of plans within an enterprise, ensuring the effective use of assets and strict management of these assets." According to Garrison and Noreen (2003) ^[2] "Management accounting involves providing information to managers inside the enterprise - those who have the role of controlling the enterprise's operations. Management accounting can be contrasted with financial accounting- which is concerned with providing information to shareholders, creditors and others outside the business.

* Cost Accounting Management

According to the American Institute of Management Accountants, cost management accounting is a technique or method for determining costs for a project, process or product. These costs are determined by direct measurement, arbitrary transfer or systematic and reasonable allocation. Cost management accounting is a formal accounting system

established to record costs. It is a systematic process for determining the unit cost of a product produced or service provided.

* Organize Cost Management Accounting

Organizing cost management accounting in units is the subjective activity of the unit in arranging and arranging

personnel and applying general methods and specific technical methods of management accounting to collect, process and provide cost information to administrators performing unit administration functions. The organization of cost management accounting is a combination of objects, methods of use and people to achieve useful information for managers to make business decisions (Diagram 1).

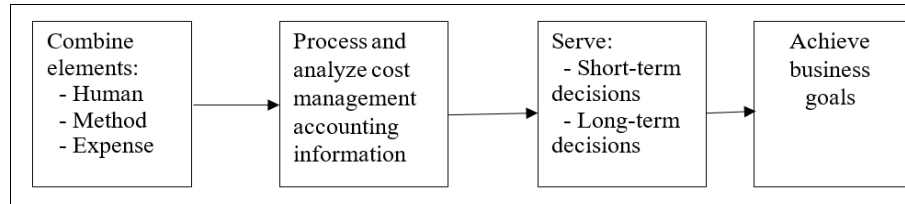


Diagram 1: Cost management accounting organizational chart

2.3 Contents of Cost Management Accounting Organization

Cost management accounting organizations include:

1. Organizing the cost management accounting apparatus: is the organization and construction of a cost management accounting model combined with equipment used to record, calculate and process information on costs to meet the information needs of managers at all levels. Based on the specific conditions of the unit, organize the management accounting apparatus according to one of the following models: Management accounting apparatus organization model combined with financial accounting, ministry organization model management machine independent of financial accounting, organizational model of financial accounting and management accounting in a mixed style

2. Organize accounting content:

Organizations identify costs according to: level of activity, according to the relationship between costs and cost objects, according to operational functions, according to the relationship of costs with management decisions, according to the relationship with the level of administrator control

Organizing to build cost norms and estimates: Organizing to build a cost norm system is the process of calculating the costs of living labor and materialized labor related to the production and business of a unit. products and services under certain conditions. To build cost norms, units can use methods such as: technical methods, historical data analysis methods, and adjustment methods. Organizing to develop a cost estimate is an estimate of costs for the unit's production and business activities in the future, clearly indicating the work that needs to be done, taking into account the impact of subjective and objective factors.

Organizing cost determination methods within units: Cost determination methods can be identified and grouped into two groups of methods, traditional cost determination methods include: cost according to order, method of determining product cost according to process. The group of modern cost determination methods includes: activity-based cost accounting methods; Target costing method, Kaizen costing method.

Organize cost information analysis for decision making: Organize information analysis for short-term decision making. Units use cost fluctuation analysis to control costs and analyze the relationship between costs, output and profit (CVP) to make appropriate decisions. To organize the analysis of cost management accounting information to make long-term decisions, administrators need to use the

following main methods to evaluate options and make long-term decisions in the organization: Methods net present value, internal rate of return method, payback period method.

Organizing cost management accounting reports: This is the final result of the cost management accounting process. If a cost management accounting report is prepared according to the function of a management accounting report, the cost management accounting report includes the following reports: Report serving the planning function of the administrator, assessment report. Evaluate the implementation of control standards and quantitative reports on activities. If reporting according to the scope of reporting, cost management accounting reports include department reports and general reports. If a cost management accounting report is prepared according to the reporting period, the cost management accounting report includes periodic reports and irregular reports as required by the administrator.

3. Organizations use cost management accounting information to measure and evaluate performance. Units use the balanced scorecard method to translate an organization's vision and strategy into specific goals, measurements and clear targets by establishing an effective measurement system in work management.

3. Research Methods

+ Data collection method:

Secondary data collection: Data is collected through studying legal documents of relevant ministries and agencies, the General Statistics Office on data collected in recent times and general reports. Conclusion and report on the activities of universities in Vietnam and the world

Primary data collection: primary data is collected through surveying relevant subjects (questionnaire)

+ Data processing and analysis method: After being collected, the data will be checked for reliability during the recording process, missing data will be supplemented, then synthesized and calculated according to goal of the article. Statistical disaggregation method will be used to process the data. To analyze the processed data above, the authors used descriptive statistical methods (using absolute numbers, relative numbers) to describe the entire phenomenon.

+ Case study method: The authors used in-depth interview techniques, phone calls, and direct observation of the book system and facilities serving the collection, processing and

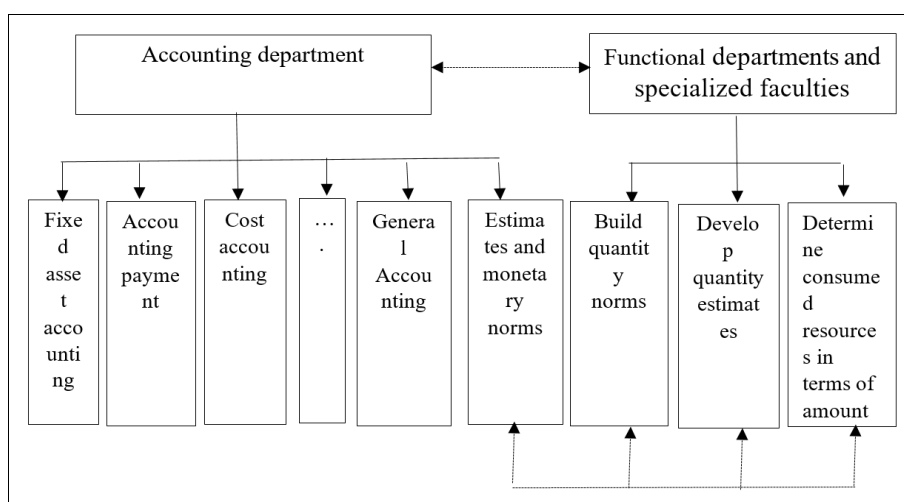
provision of information. Accounting information at some typical non-public universities related to research content.
 + Expert opinion method: Consult with experts with deep theoretical expertise (experts are researchers with deep understanding of cost management accounting) to form Theoretical system of cost management accounting organization for service business units and especially in non-public universities.

4. Current Status of Cost Management Accounting Organization at Non-Public Universities in Hanoi City

Universities following the non-public model operate on the principle of financial autonomy, collecting all costs of the unit and preserving and developing financial resources. The state budget only funds the implementation of programs, topics, and projects that are separately accounted for and managed according to state regulations. To be consistent with the financial mechanism and type of operation, non-

public universities are currently applying the small and medium-sized enterprise accounting regime issued under Circular No. 133/2016/TT-BTC dated November 26. /August 2016 of the Minister of Finance. All non-public universities surveyed are currently applying a centralized accounting model to suit the scale and operating characteristics of their units. According to the author's survey, the current situation of cost management accounting organization in non-public universities in Hanoi city is shown in the following aspects:

Regarding the organization of cost management accounting apparatus: all of these non-public universities do not organize their own cost management accounting apparatus, but the accounting apparatus of local non-public universities Hanoi city desk performs both functions of financial accounting information and management accounting information.



Source: Compiled by author

Diagram 2: Diagram of cost management accounting apparatus in non-public universities

Regarding the organization of cost identification: Universities mainly only classify and account for costs to meet the requirements of the financial accounting regime. All universities identify costs based on the economic content of the costs. In addition, to determine the price of training products, there were a number of surveyed schools that are large-scale and have long-term operating experience such as Thang Long University, Hanoi University of Business and Technology, and Hanoi University of Business and Technology. FPT University has implemented cost identification according to cost collection objects. In addition to the above forms of cost identification, some non-public universities in Hanoi city have also identified costs according to the level of activity. (Table 2).

Table 2: Cost classification table according to level of activity at non-public universities in Hanoi city

Targets	Activity level		
	Fixed Cost	Variable Cost	Cost mixture
1. Spending on humans			
1.1. Salary and salary deductions		X	
1.2. Allowances and benefits		X	
2. Professional expenses			
2.1. Expenses for textbooks,		X	

documents, books and newspapers			
2.2. Expenses for purchasing supplies and equipment for professional services		X	
2.3. Payment for re-study and re-take exams		X	
2.4. Expenses for training and retraining of civil servants	X		
2.5. Other training and fostering	X		
2.6. Expenses to support training and movement activities		X	
2.7. Expenditure on international cooperation			X
2.8. Expenditure on scholarships and rewards		X	
3. Expenses for purchasing and repairing			
3.1. Expenses for purchasing assets	X		
3.2. Expenses for property repairs			X
4. Administrative management expenses			
4.1. Business fee			X
4.2. Payment for public services			
Electricity	X		
Water			X
Environmental sanitation	X		
Petroleum		X	
4.3. Payment for information and			

communication services			
Internet and postage fees			X
Phone			X
Books, newspapers, magazines	X		
4.4. Expenditure on enrollment work			X
4.5. Conference expense			
Expenses for delegates to attend	X		
Expenses for decoration, celebration, and drinking water			X
4.6. Other expenses			X

Source: Compiled by author

Regarding the organization of building the system of norms and cost estimates: All universities have organized the construction of norms and are regulated in internal spending regulations and approved by the General Meeting of Shareholders, then that is approved by the Chairman of the Board of Directors. In addition, all schools have developed cost estimates, including 2 steps: creating quantity estimates, then building expenditure estimates. Organizing the construction of quantity estimates is often done in functional departments such as training, science and technology, staff organization, equipment management, specialized departments... Estimates of overall expenditure of the entire the university is built on the basis of balancing the total revenue and expenditure of the entire school and then distributing it to each task. Expenditure estimates are made by a specialized department in the financial planning department of the schools.

Regarding the organization of determining costs for fee-bearers: The main activities in universities are training and research. Training activities are carried out using the process costing method. Determining training costs for each major, course and each student has not been done by many schools. For costs of scientific research activities and short-term training courses, universities determine costs for each job, but the allocation of indirect costs for each specific job and project is not accurate because the criteria used for allocation are not reasonable (common criteria used by universities are number of students, number of hours spent,...). The activity-based cost determination method has not been applied by schools to calculate fees for a course or a student

Regarding the organization of cost information analysis for decision making: For short-term decisions, non-public universities have analyzed cost fluctuations by year and are carried out at the ministry. Financial planning department with the purpose of evaluating the implementation situation compared to the estimate and compared to the previous year in general. The results of the analysis are shown through reports on the implementation of cost estimates and a summary report on revenue and expenditure this year compared to previous years (Table 3). For long-term decisions, non-public universities in Hanoi city do not organize financial information and analytical techniques to choose long-term decisions.

Table 3: Report on final settlement of costs for German language classes at level A1 for international university and vocational college students in Germany January 2019

Unit: 1,000 VND

S. No.	Content	Unit	Estimates			Perform			Compare	
			Quantity	Unit price	Amount of money (VND)	Quantity	Unit price	Amount of money (VND)	Value	Ratio (%)
I	Revenue amount	Student	15	7.500	112.500	17	7.500	127.500	15.000	113,3
II	Number of limbs				79.750			80.350	600	100,75
1	Documentation costs	Student	15	500	7.500	17	500	8.500	1.000	113,3
2	Advertising costs	Course	1	3.500	3.500	1	3.500	3.500	-	100
3	Spending time teaching native speakers	Lesson	75	400	30.000	75	400	30.000	-	100
4	Spending hours teaching Vietnamese people	Lesson	60	250	15.000	60	250	15.000	-	100
5	Facility costs, electricity and water costs	Cours	1	18.000	18.000	1	18.000	18.000	-	100
6	Cost of certification	Student	15	50	750	17	50	850	100	113,3
7	Other costs	Cours	1	5.000	5.000	1	4.500	4.500	(500)	90%
III	Result				33.000			47.150	14.150	142,87

Source: Thang Long University

Regarding the organization of the cost management accounting reporting system: The cost management reporting system at non-public universities has not been scientifically and synchronously designed, and is mainly spontaneous according to the administrator's information request, so the information to the administrator is not timely. Information is mainly provided through management reports such as; Report on the implementation of estimates, reports on business performance evaluation, and cost reports

In addition, to evaluate the level of completion of the cost center and to evaluate the factors affecting the indicators in the cost analysis process, non-public universities in Hanoi city Only some methods such as comparison method have been used; exclusion method. Regarding the cost center assessment reporting system, most non-public universities in Hanoi prepare reports mainly to serve financial accounting,

including: Detailed reports on research project costs Scientific research, reporting expenses according to each content of personal payments, professional expenses, procurement and repair expenses

5. Some Solutions to Improve Cost Management Accounting Organization at Non-Public Universities in Hanoi City

The development of non-public universities in Vietnam in the coming time must comply with the general development guidelines of the Party and State of Vietnam, in accordance with the conditions of international integration and innovation trends of the country, at the same time, we should move from a state monopoly model to a model of diversifying ownership types. Therefore, organizing cost management accounting in financial management for non-

public universities in Hanoi city is inevitable, it helps the financial management unit effectively more effectively, fulfilling its mission in training. Non-public universities should implement the following solutions to improve their cost management accounting organization:

- First, perfect the organization of the management accounting apparatus: To meet the requirements of providing cost management accounting information, schools should organize the cost management accounting apparatus according to a mixed model. However, the management accounting department does not perform all functions and work from beginning to end but will combine with other departments (Science and Technology, staff organization, training,...) to perform some job functions (establish norms, estimates...).
- Second, perfect the cost identification organization: To serve the requirements of planning, cost control, and decision making to achieve efficiency in the process of training and research activities, schools should use Using two cost identification criteria: identifying costs according to the relationship between costs and cost objects and identifying costs according to the level of activity.

+ Identify costs according to the relationship between costs and cost objects: including direct costs and indirect costs. With direct costs, accountants use the direct collection method to record for each specific object, while indirect costs will be collected by accountants, then select a reasonable criterion such as the level facility usage, number of staff - lecturers,... to allocate to subjects.

+ Identify costs according to activity level: including variable costs, fixed costs and mixed costs to serve the analysis of the relationship between costs and workload and the results obtained (difference in the revenue and expenditure) to serve the decision to continue or eliminate a training major, determine the necessary class size, calculate the cost of training services based on variable costs... To have accurate information Depending on the level of activity, managers need to separate mixed costs into variable and fixed costs, using one of four mixed cost analysis methods: the maximum - minimum method, least squares method, scatterplot method and multiple regression method. To achieve high accuracy, the research team recommends that non-public universities should use the least squares method to separate mixed costs into variable costs and fixed costs.

- Third, improve the organization and construction of the cost estimation system: To help schools be proactive in their operations, when building cost estimates, non-public universities need to allocate them in real time. Perform and prepare estimates for each level of activity (flexible budgeting for activity levels).

+ When developing cost estimates allocated over time, schools need to prepare cost estimates allocated over time such as months and quarters to help the school be proactive in the spending process, thereby make timely adjustments to expenses exceeding estimates in the following period (month, quarter), avoiding the situation where the first months (quarters) of the year are spent a lot and the last months (quarters) of the year run out of funding and vice versa. again.

+ When developing flexible cost estimates, schools need to develop flexible estimates for short-term training classes,

joint training classes, German language training courses for international students, etc. According to each scope of activities (number of students), schools need to determine costs corresponding to different levels of activity in difficult enrollment conditions to ensure proactive spending and achieve efficiency.

- Fourth, perfect the organization of determining fees: To determine costs for subjects depends on the characteristics of universities, so schools should determine costs according to the operating process. With this method, schools will determine training costs for all students at all levels and existing training systems of the school.
- Fifth, complete the organization and analysis of cost management accounting information to serve decision making: To make the right decision, the administrator must choose one of many different options, in which each The plan under consideration includes a lot of information from management accounting and managers need to know which information is appropriate and which information is inappropriate and needs to be eliminated. To have a basis for making decisions about whether to continue or stop training for a certain profession, it is necessary to classify training costs into variable costs, direct fixed costs, and indirect fixed costs.

- Sixth, perfect the organization of cost management accounting reporting system: Management accounting reports in management work at non-public universities are shown through the following cases:

+ Identify variable cost centers that are not responsible for revenue. The indicator to evaluate the effectiveness of a cost center is the difference between actual cost items and the estimated costs that have been established according to norms.

+ Identify profit centers: non-public universities need to compare profits between actual and estimated profits. By preparing business results reports of profit centers according to the contribution margin model.

+ For the fields of operation of the school, non-public universities need to prepare a report evaluating the financial results of each field of operation. Specifically, for training activities, it is necessary to prepare a summary report on revenue and expenditure of training activities, and for scientific research activities, it is necessary to prepare a report summarizing the costs of scientific research activities. To implement the above solutions to well organize cost management accounting work in non-public universities in Hanoi city, it is necessary to have certain conditions from the state and from the government. the non-public universities themselves.

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