Solutions to Improve Financial Management Efficiency for Public Colleges

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Abstract:
The financial management mechanism for public non-business units is understood as a mechanism whereby public administrative units are empowered to decide and be responsible for their own revenues and expenditures, but not exceeding the frame rate prescribed by the State. In Vietnam, the financial management still has many shortcomings that have not met the development goals. Therefore, this article offers perspectives and solutions to help improve the efficiency of financial management at public non-business units in general and at public universities and colleges in particular.

Keywords: Financial management, public universities

1. Introduction

Financial resources are monetary resources or property values that entities can exploit and use to achieve certain purposes. According to the provider, financial resources for public colleges include resources invested by the State and resources from the socialization of higher education.

The quality college is a non-business unit with income operating in the field of education and training, is a level 3 estimating unit, receiving state budget benefits through a level 1 estimating unit. Quality colleges are the management of the process of mobilizing, distributing and using financial resources through planning, organizing the implementation of the plan, and checking and controlling the financial activities of the school according to the management mechanism. financial management of the State to ensure funding for the implementation of activities.

Management of financial resources in quality colleges has the following main characteristics: (1) Management of financial resources of a quality college is not for the sake of profit but towards the main goal of harmonizing the interests of learners, the interests of the State, the society and the overall interests of the school; (2) The funding source for the operation of a quality college depends on the quality of the output products as students are evaluated on such aspects as: brand of the school, training program, quality of training; (3) Financial resource management in quality colleges is decentralized.

The State has determined that university and college autonomy is an inevitable trend and quality colleges are forced to adapt to the new operating environment in order to meet training requirements associated with social needs. The financial autonomy mechanism allows quality colleges to develop their own internal spending regulations, this is the legal basis for operating, finalizing and controlling expenditures in quality colleges, but at the same time, universities also subject to many inherent competitive pressures of the market economy.

Besides the achieved results, the management of financial resources in schools (quality colleges) still has some problems as follows: First, about mobilizing financial resources. The quality colleges themselves have not accurately and fully determined the goals of financial autonomy, have not properly mobilized revenue sources and have not made the most of financial resources for their units. Many quality colleges collect excess fees, wrongly collect regulations, and collect unregulated revenues. According to the State Audit, in 2019, quality colleges collected tuition fees in excess of regulations, collecting more than VND 14,567 billion outside regulations. Financial resources have not been fully utilized by quality colleges, for example, revenue from scientific research activities has not been given adequate attention; lack of quantitative assessment of the factors affecting tuition policy. Therefore, the method of developing financial resources from tuition fees is still mainly increasing tuition fees and expanding the training scale. endogenous factors. Second, financial resources are not really used rationally. Inefficient management and use of assets. Currently, there are still departments/individuals assigned to manage and use property with the idea that it is "common property".
leading to waste and loss of property. On the other hand, due to budget constraints, poor physical infrastructure increases maintenance and repair costs and reduces the efficiency of asset use. In addition, the State and quality colleges still lack sanctions for handling, attaching the accountability of schools and functional agencies, leading to the preparation and assignment of estimates to schools that are inaccurate and inconsistent with reality. economic.

2. VIEWPOINTS AND PRINCIPLES FOR FINANCIAL MANAGEMENT OF THE NORTH REGION PUBLIC COLLEGES

About the point of view

Firstly, educational development is the "top national policy" and "investment in education is investment in development", therefore, perfecting the financial management of public colleges in the North must ensure the leadership of the Party, the management of the State, the responsibility of the head and the supervisory role of the people and society, in order to promote the realization of social progress and justice.

Second, as an inevitable and objective trend, the improvement of financial management for public colleges in the North must (i) be associated with the process of perfecting the public financial management mechanism of Vietnam in general, and (ii) in line with the socialist-oriented market economy, international integration and the trend of the fourth industrial revolution.

Third, ensure to increase the efficiency and effectiveness of the State's management; promoting decentralization, assigning autonomy and self-responsibility to public colleges in the North (in terms of task performance, organizational structure, human resources and finance), in association with strengthening capacity of internal governance and state inspection, supervision of the people and society (in other words, ensuring autonomy, strengthening social responsibility, transparency of public colleges) establishing the Northern region, in which the right to autonomy and self-responsibility for finance must be fully accounted for.

Fourth, consistently promote the socialization of training and scientific research services on the basis of appropriate application of market economic relations, ensuring effective promotion of the core role of public colleges. (including the Northern Regional Public Colleges); develop the market for training and scientific research services, and consider this an important breakthrough to promote socialization and attract investment resources to develop public colleges in the North.

In principle

Firstly, timely arouse and mobilize financial resources in the society (including resources from the state budget and outside the state budget), ensuring to meet the investment needs for development of the national education system in general and other sectors. Public colleges in the North in particular are strictly in accordance with the objectives, requirements and orientations of the State in each period.

Second, regulate the relationship with public colleges in the North through financial relationships, thereby creating a favorable environment to accelerate the implementation process and expand the autonomy of universities. in all aspects (financial; academic; organization, management, human resources; enrollment and training; scientific research; international cooperation).

Third, create a legal corridor to inspect and supervise the financial activities of public colleges in the Northern region, ensuring compliance and efficiency in the management and use of public financial resources, making an important contribution to maintaining and improving the operational efficiency of the state apparatus. Timely handling and adjusting for mistakes and inadequacies in financial management of schools (if any).

Fourth, encourage and promote the autonomy and self-responsibility of public colleges in the Northern region in creating, distributing and using economically and efficiently invested financial resources, directly from the state budget and from outside the state budget in a sustainable way. High autonomy will also help universities to
move (allocate) resources flexibly between faculties, disciplines, majors, training programs, scientific research, consulting services..., to quickly adapt to the changing environment. changing needs of learners and society, thereby improving the competitiveness of public colleges in the North.

Fifth, ensure financial resources to improve the quality of training and scientific research of public colleges in the North through reforming training programs, improving the quality of lecturers, strengthening facilities, invest in a diverse and rich system of learning materials to meet the needs of specialized/in-depth training and scientific research, strongly apply IT in management activities, and expand international cooperation relations.

Sixth, improve the compliance, publicity and transparency of the Northern Public Colleges in the observance of the state's public financial management regimes and policies, as well as accountability for the public sector. with society (internal governance capacity).

3. SOLUTIONS FOR FINANCIAL MANAGEMENT OF PUBLIC COLLEGES IN THE NORTH AREA

3.1. Group of solutions on management of mobilizing financial resources

First, persevere and continue to accelerate the process of renovating the financial management mechanism for public colleges in the North.

Facing the increasing demand of society for basic and essential public non-business services, especially education and training, while the condition of resources from the state budget is limited, it has set an urgent need to continue to persevere and further accelerate the process of reforming the financial management mechanism for public colleges in order to: on the one hand improve the quality and efficiency of using state budget resources; on the other hand, making the most of society's resources to jointly promote the development of education and training is an inevitable trend in the current context of our country. In addition, the development of this non-business sector must be carried out in close relationship with other socio-economic reforms, such as: development of economic sectors; market development; international economic integration; strengthening democracy; promote people's participation; protecting the ecological environment,... aiming to accelerate the comprehensive and sustainable development of the country. On that basis, the development trend of the public career sector in general and public colleges in particular must really become a strong reform, ensuring conformity with the market economy institution, associated with the process of transforming the role and functions of the state in ensuring the provision of public non-business services, ensuring the autonomy and self-responsibility for public non-business units. And therefore, it is necessary to continue to accelerate and accelerate the process of giving autonomy and self-responsibility to public service providers in general and public colleges in the Northern region in particular, in association with the needs of the public. social demand and according to the state mechanism of ordering and assigning tasks.

To implement this solution, first of all, it is necessary to study and concretize the application of the method of making and allocating budget estimates according to output results, associated with the results and effectiveness of training, scientific research, etc. school. This is essentially the transformation of the state budget allocation mechanism from the state budget to the state-order mechanism, assigning tasks, associated with the quantity and quality of services, or shifting the mechanism of direct funding for schools to the state budget. direct support to beneficiaries. Establish and apply a mechanism to purchase training and scientific research services from public colleges in the North, and gradually transform schools into an autonomous enterprise model, providing services under purchase/purchase contracts. sold (full cost accounting). Promote the implementation of the mechanism of bidding to provide services from schools, to ensure effective use of existing resources, and at the same time enhance competitiveness, thereby continuously improving service quality, especially are basic and essential services such as education and training.
Investment from the state budget for public colleges in the North should continue to be increased on the basis of suitability with the state budget's capacity, and the restructuring of state budget expenditure in the field of education and training should be implemented, in which the state budget should prioritize investment/support for schools with low income, which cannot guarantee to cover operating costs. At the same time, the state also needs to pay more attention to social policy beneficiaries, the poor through the implementation of direct financial support, so that they have the opportunity to participate in public services from the market, gradually limiting the exemption or reduction of contribution obligations through public non-business units, especially services with high socialization capacity such as higher education.

At the same time, continue to perfect the system of budget allocation norms and state budget expenditure norms, regimes and standards applied to public colleges on the basis of: limiting the number of hard norms/applying uniformly throughout the country, increase the number of normative frameworks and ceiling norms for ministries, branches and schools to apply to suit the actual situation and budgetary capacity of the ministries and branches (the governing body); ensure conformity with the method of making and allocating estimates according to output results and medium-term spending plans of the sector or field.

Second, the governing body needs to create an environment/encourage schools to provide adequate information on their school's income (including setting aside funds), to avoid creating a situation where schools have high incomes (especially when this source of income is obtained from the thrift implementation of expenditures for urban activities) and receives low-level state budget funding, this paradox should be overcome (especially when appraising, classifying or assessing the degree of financial autonomy), main of schools). Accordingly, schools must have enough grounds to believe that a high or low income does not affect the state budget allocated to the school. Therefore, the state budget allocation in the immediate period needs to continue to combine effectively the allocation according to the estimates (autonomy plan, norm standards...), with the signing of contracts with schools according to the application. order through bidding, competition, but first of all, scientific research tasks; training and fostering staff according to schemes and projects; training Lao students...

Third, continue to strengthen and improve trust between businesses and schools through improving the quality of teaching, scientific research and in-depth consulting services on the strengths of each school, industry, and major. train. Accordingly, schools should soon study and establish a PR department - Public Relations (a "soft" department with the participation of representatives of departments/departments/faculties under the direct direction of school leaders, or additional tasks for a specific unit of the university such as: International Cooperation Department/Department; Scientific Management Department/Department ...) to act as the focal point to mobilize organizations and individuals to finance the implementation of the projects. Scientific research topic has been appraised by the Scientific Council, submitted to the school leadership for approval, and included in the list of sponsors. In general, businesses do not believe in the ability to solve practical problems. This is partly due to the weakness of the general research and consulting capacity of the universities.

Besides organizing communication channels where the PR department plays an essential role, lecturers and professors of public colleges in the North need to be more proactive in communicating with businesses, Create personal communication channels, create trust between specific people and specific jobs. For example, most of the world's leading conferences or journals place great importance on solutions to real-world problems, with factual data. Studies with real data are often rated very high compared to studies that use “synthesized” or self-generated data. Therefore, the motivation of lecturers and researchers is to find real problems with real data, while the motivation of businesses is to have a specific problem solved. And such a collaborative research program can start with a few students doing internships at businesses. This suggests that schools need to pay attention to the initiative of both students and instructors so that this student develops confidence, proving to businesses that a research project will have a direct impact to the profit of the company/enterprise. Trust built through specific people, with specific jobs, will be able to develop sustainably.
By doing this, universities will be more creative in designing operating models, building training programs closer to the community, creating research products more suitable for their business environment, operate like a business.

Fourth, actively participate and effectively participate in scientific research programs, projects and topics... from domestic and foreign funding and aid sources, thereby constantly improving the teaching staff's qualifications. members, as well as contribute to increasing revenue and affirming the university's research brand, which is first of all/and in current practice to strengthen the effective exploitation of revenue from scientific research activities through real contracts. carrying out the task of researching ministerial-level scientific topics of the governing ministry, with the managing agency of the task being the Institute of Strategy and Financial Policy.

Fifth, complete the set of regulations on revenue management. Regulations on revenue management need to be implemented on the principle of transparency, on the basis of making the most of the school's existing resources and conditions and joint ventures and associations. Diversifying resources, channels and methods of mobilization, especially focusing on mobilizing financial resources from training and scientific research activities, to offset the decrease in revenue from the state budget. In order to achieve this goal, in the coming time, public colleges in the North must pay attention to implementing: (i) orientation to focus on expanding enrollment of graduate students, high-quality classes, and related courses. international training links; (ii) expand and improve the quality of training and scientific research services; (iii) diversifying services, consulting, training support... to increase revenue; (iv) strengthen the mobilization of financial resources from foreign investment.

Sixth, actively develop projects on exploitation and use of existing assets from funds and mobilized sources for approval or submit to competent authorities for approval as a basis for organizing implementation according to regulations.

Approving the recommendation of synchronously implementing solutions to improve the management of mobilization of financial resources mentioned above, combined with the allocation, rational and effective use of available funds as presented at point 2. 3.3.2 Below, the author believes that in the period of 2018-2020, the level of self-sufficiency in recurrent expenditures of public colleges in the North (besides the University of Finance - Marketing has self-financed regular expenses. and investment spending) will be achieved at: Academy of Finance 97%; University of Finance - Business Administration 63%; University of Finance - Accounting 63%, and it is expected that by 2025, it will reach the level: The Academy of Finance covers all recurrent expenses by itself (and initially accumulates to support investment spending); University of Finance - Business Administration 75%; University of Finance - Accounting 70%.

3.2. Group of solutions on management of allocation and use of financial resources

Firstly, the annual and medium-term (03-05 years) annual and medium-term financial - state budget planning of public colleges in the Northern region should be used as an important management tool, in order to coordinate, control and evaluate, analyze the current situation, as well as make appropriate and feasible plans in the next period. The development of a medium-term plan is an indispensable requirement for schools, and is considered as one of the ways to systematize the development of schools, which sets out financial and expenditure sources, costs. investment plan forecast. The preparation of a budget represents the optimal allocation to the objectives, presented through performance indicators, by emphasizing the relationship between resources and the intended results achieved and different solutions, there needs to be a clear framework for thinking systematically about resource management. And to achieve the above requirements, strengthening the entire machine, strengthening the capacity of staff working in planning, finance and accounting work of the schools, increasing training and retraining to improve the qualifications of the staff. Planning, finance and accounting is an important factor determining the effective implementation of the management and use of financial resources in public colleges in the North.
Second, reforming the method of allocating funds to increase the efficiency of management and use of funds through the restructuring of TX expenditures (personal payment and administrative management, spending on quality assurance elements), in order for finance to perform well the function of director (monitoring management activities) in the direction of:

- Allocating and assigning estimates is the budget settlement step 1, and the adjustment of the annual estimate is the step 2 budget settlement; at the same time, adjust regulations on adjusting annual state budget revenue and expenditure estimates as currently (twice a year in June and October), down to one time in September every year in order to: (i) place requirements and require step-by-step improvement in the quality of estimation work; (ii) ensure compliance with actual implementation (because: the adjustment of the estimate at the time of June every year is not really necessary, because of the reality of the state budget revenue and expenditure estimates of the schools at that time. This point has not had much change compared to the estimate assigned at the beginning of the year; the adjustment in October has put pressure on the units about the progress because they have to complete the appraisal, submit for approval for adjustment and check, approve the estimate in Tabmis before November 15 according to the provisions of the State Budget Law).

- Regularly review and adjust the structure between expenditure items in the TX expenditure, because this is the expenditure that still accounts for the largest proportion at public colleges, and also the most easily lead to negative expenditure. Therefore, the urban expenditure structure of public colleges in the North in the coming time needs to be reviewed and arranged in the following direction:

  + Gradually reduce the proportion of individual payment group in total urban spending to about 40% by 2020 (average in 2018 is 51.6%), and about 35% by 2025.

  + Gradually reduce the proportion of other expenditure groups in the total urban expenditure to about 8% by 2020 (average in 2018 is 11.5%), and less than 5% by 2025.

  + Maintain the proportion of administrative expenditure group (including asset repair and professional expenses) in total urban expenditure at 25-30% in the period of 2020-2025 (average of 2013 period). -2018 is 27.2%.

  + Gradually increase the proportion of expenditure on renovation and repair of collaterals serving teaching, learning and scientific research activities of the school at 15-20% in the period of 2020-2025 (average of the period 2013-2018 is 15-20%). 10.2%).

Third, remove unnecessary controls in the spending of public colleges in the North, which is a compact form of contracting, creating a flexible and flexible mechanism for schools (setting up, allocating, assign cost estimates according to standards and norms; expenditures are decided by the unit to ensure publicity, transparency, and enhanced accountability).

Fourth, develop and complete a number of contracting policies and assign financial autonomy to large-scale Northern Regional Public Colleges (Academy of Finance, University of Finance - Marketing). Accordingly, it is necessary to study the financial decentralization of faculties as soon as possible based on the number of students and trainees of each faculty. On that basis, faculties are able to spend independently and be responsible for their own expenses according to the financial plan approved by the university leadership, thereby promoting the faculty to actively perform its responsibilities. assigned services and raise awareness of saving, managing and using assets and equipment effectively. Along with that, the school needs to strengthen and perfect the regulations on financial accountability among all levels in the school, organize internal control activities and financial disclosure. This is an important basis to ensure improved efficiency, as well as transparency in the financial management of the school.

Fifth, perfecting the Regulation on internal expenditure of public colleges in the North to suit the new operating mechanism, associated with the medium and long-term financial plan of the school, ensuring the ability to self-
examine the factors affecting the costs of the schools themselves, as well as the ability to reallocate revenue sources within the school, avoiding the construction of subjective regulations, leading to many practical problems. Content spending is done according to the "reverse process", in which:

- It should be implemented on the principle of payment according to capacity and work efficiency to encourage and motivate officials and employees.

- Centralize input control through mandatory spending items and norms. Knowing how to effectively apply and use autonomy in decisions about expenditure levels, spending contents, budget allocation, management and use of school assets, will increase non-business revenues and expenditures. TX fees are used more economically (this is the goal of financial management in our country's public colleges today).

- To handle financial results, it is necessary to calculate the balance between additional expenditures on additional income and reinvestment in development of non-business activities through the Non-business Development Fund; at the same time, it is also necessary to have a plan to mobilize and use this Fund in the medium and long term in association with the goals and orientation of strengthening the school's facilities in each specific period.

REFERENCES


