

The Role and Tasks of the Bursar on Controlling in Non-Public Higher Education Institutions (HEIS) in Poland

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Abstract

The article is a presentation of empirical research carried out among non-public HEI (hereinafter Higher Education Institutions) in Poland in respect of the bursar's influence on the researched HEI controlling. It also shows the theoretical investigations about the role of accounting as a source of controlling information.

Keywords: accounting, controlling, bursar, management, non-public HEI

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Introduction

Higher Education Institutions in Poland nowadays operate in a dynamically changing conditions, which makes a great hindrance in their efficient management. As a result, they should be run in such a way so as not only to overcome the obstacles they encounter in their usual activities, but also to meet the challenges of their surroundings. Finance Department / Bursar's office in its essence supports management as regards information and methodology, which helps the managers to make proper decisions. The aim of the present paper is to present the tasks which the Bursar undertakes in non-public HEI controlling with special attention paid to the bursar's impact on the researched units controlling. To achieve this goal, the author resorts to the relevant literature and to her survey research¹.

Accounting as a source of information for controlling

Accounting is seen as one of the most important elements of a unit's information system. From the point of view of information receivers, accounting can be divided into [Nowak, 2001, p.15]:

- financial accounting,
- management accounting.

Financial accounting, also called transactional, is of obligatory character and subject to legal regulations. It provides historical pieces of information (those which refer to the past) in the form of financial reports mainly for external users [Jaruga, Kabalski, Szychta, 2010, p. 36]. According to Wędzki's classification [Wędzki, 2009, p.16] the users are capital stakeholders (financing the business activity – banks, lenders, suppliers, individual investors and other capital donors) and information stakeholders (*i.e.* those in need of information about the business, *e.g.* for carrying out their own business activity or for self-government administration).

Controlling is supplied with information generated from financial accounting [Nowak, 2013, p.21]. Controlling (management accounting)² is individualized and subject to internal regulations of a given business unit. It concentrates on delivering information mainly of planning character to external users (managerial board, management, employees). For Nowosielski, the main aim of controlling is to ensure 'pieces of information at all stages of events taking place in a company, namely at the stage of planning, managing and controlling them so that the general purpose of the company and of controlling is realized. The purpose is complemented by integrative and coordinative functions [Nowosielski, 2002, p. 7].

Information generated by financial accounting should be properly transformed and adjusted to the needs of controlling. Especially important is the fact that they are current, reliable, properly aggregated and first and foremost, delivered on time.

Higher Education in Poland

¹ The results contained in the article are collected as based on the research carried out among a few dozen of non-public HEI in Poland and are a part of a more complex study.

² In spite of the fact that management accounting and controlling are commonly seen (mainly by managers) as two different conceptions, it should be noted that they have the same purposes and make use of the same instruments. In German-speaking countries the term 'controlling' is preferred, while 'management accounting' in English-speaking ones. For more on the relations between controlling and management accounting see Janczyk-Strzała E., 2013, pp. 83-84.

Within the last few years there has been a rapid growth in the educational services sector in Poland. By 1990, they were the only state universities, with one exception - the Catholic University of Lublin (Catholic University of Lublin is a non-public university, which is the founding body the Church). Adopted on 12 September 1990. by the Polish Parliament The Act of the Higher Education created a legal basis for the development of non-public education in Poland. Since then, the number of non-public HEIs is growing rapidly. This is shown in Figure 1.

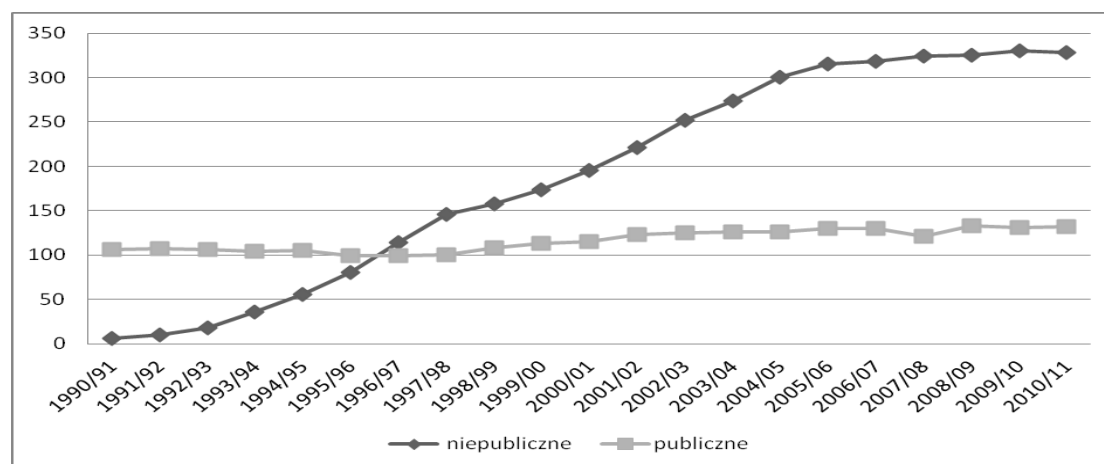


Figure 1. Number of public and private universities in Poland in 1990-2010.

Source: own study based on: HSAY, 1993; HSAY, 1995; HSAY, 1997; HSF, 1998; HSF, 1999; HSF, 2000; HSF, 2001; HSF, 2002; HSF, 2003; HSF, 2004; HSF, 2005; HSF, 2006; HSF, 2007; HSF, 2008; HSF, 2009; HSF, 2010; HSF, 2011.

Forecasts statistics also show that over the next 10 years the number of students dropped by about one-third.

The place of bursar's office in the non-public HEI structural organization

Majority of HEI in Poland is of a slender structural organization with many levels on which decisions are taken. It is normally divided into two fields:

- scientific-didactic,
- administrative-financial.

The President (Rector) administers the scientific-didactic field, while the Chancellor the administrative-financial one.

A sample scheme of such structure with respect to non-public HEI, based on Acts on Schools of Higher Education, is presented below (fig. 2).

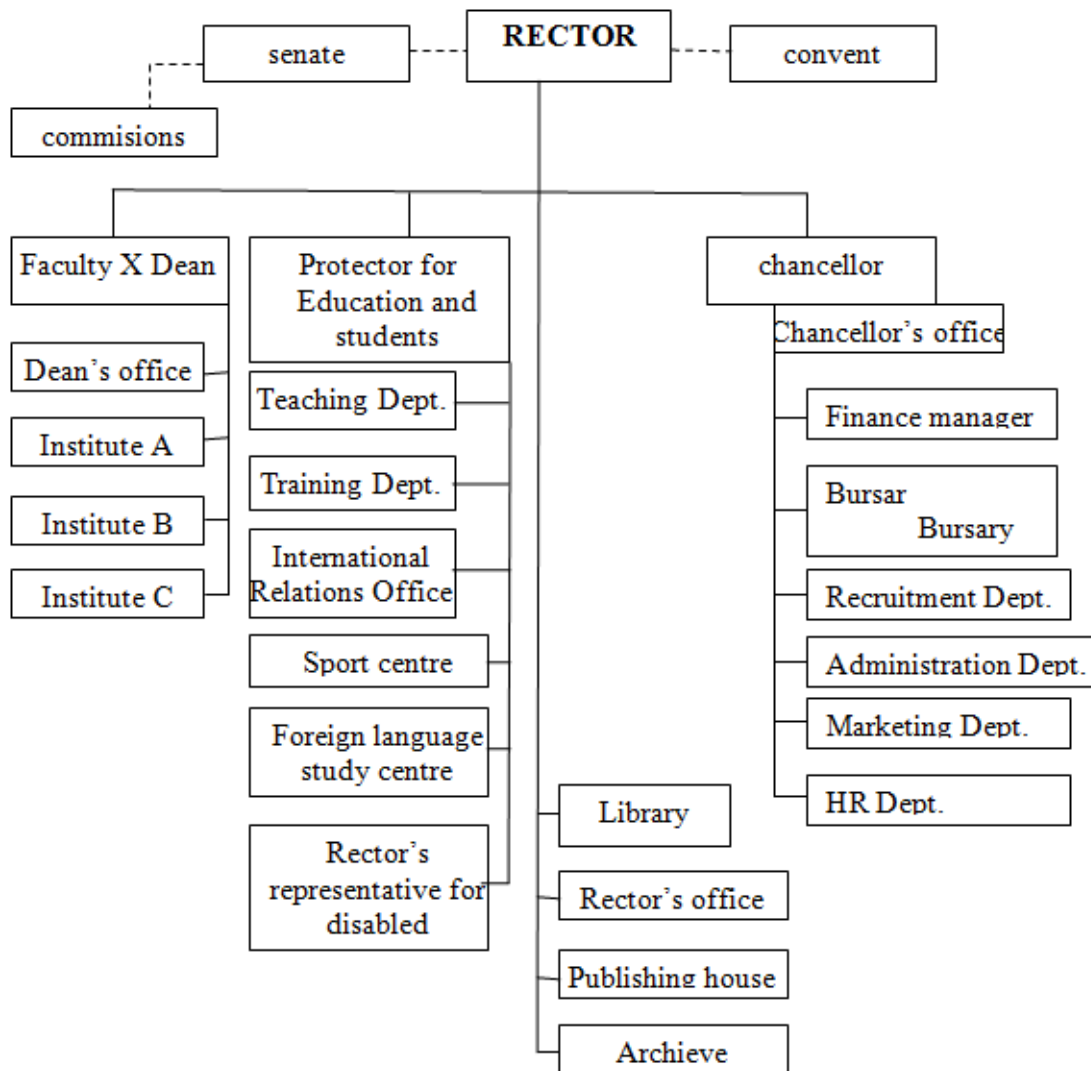


Figure 2: A sample structure of a non-public HEI.

Source: Janczyk-Strzała E., 2013, p. 49.

Bursar's office, an equivalent to finance-accounting department, is normally in non-public HEI placed in the chancellor's division. It services the HEI's financial management but primarily it conducts accounting and financial records, collects financial incomes, realizes expenses, cash service and prepares finance-accounting reports. The Bursar is in charge of it, and he bears responsibility for the HEI overall finance management and controls its compliance with the law [Janczyk-Strzała, 2013, p.116].

Bursar and HEI controlling - empirical research results

The research covered 54 non-public HEIs examined from June to November 2012, used face to face / paper and pencil interviews and a carefully designed questionnaire.

All of them (HEIs) were allowed to have bachelor studies, 62% master studies, and 15% doctoral studies. 88% of them offer postgraduate studies and 15% the prestigious MBA program. 2 of the researched HEIs grant a postdoctoral degree, and 29% additionally offer specialized trainings.

The collected data allow to conclude that the situation, in which responsibility for property and financial liability, and also the sum total of controlling activities are given

not only to the bursar but to the chancellor or finance director, is not rare (fig. 3). Then, though unofficially, the chancellor is responsible for the given performance, while its actual realization is watched over by the finance director or the bursar. To add, their activities intermingle and support: the chancellor is in charge of the field of strategic controlling, while the bursar and finance director of operative activities.

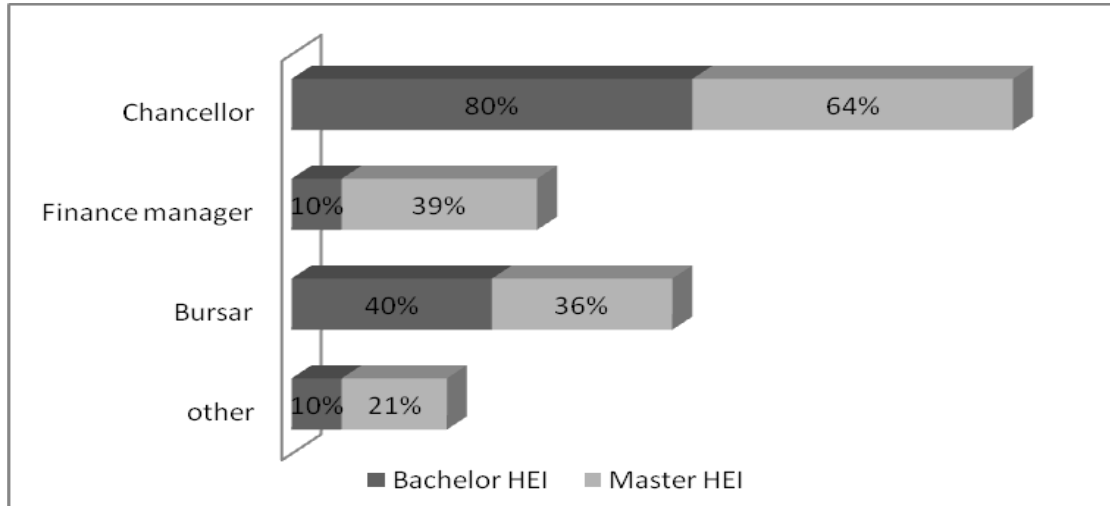


Figure 3: The persons responsible for HEI controlling activities.
Source: Janczyk-Strzała E., 2013, p.135.

The results of research also show that most often the responsibility for controlling is borne not by one but two persons (table 1.) In Bachelor HEIs³ the bursar works in the field of finance and accounting and is seen as a main 'controller' (individually or with the chancellor). In Master HEIs the chancellor, as a coordinator and supervisor, integrates the introduced controlling activities. The co-responsibility of the chancellor and the finance manager for controlling activities is observed only in Master HEIs.

Table 1. Persons responsible for HEI controlling activities.

	Bachelor HEI	Master HEI
Chancellor and finance director	0%	26%
Chancellor and bursar	5%	13%
Chancellor and others	3%	16%
Finance manager and bursar	3%	3%
Finance manager/ bursar	8%	13%
Others	3%	8%

Source: Janczyk-Strzała E., 2013, p. 136.

The results of the research allow to settle the bursar's role and the tasks which he fulfills when implementing controlling activities and in their later functioning. They primarily refer to:

- indication of possibilities and conditions of obtaining and analyzing finance accounting information (namely accounting books or given financial reports) for controlling, *e.g.* for the analysis of budget realization, measurement of results achieved by respective responsibility centers, planning the demand for financial resources or suggesting the use of financial surplus, optimalisation of costs/results in given ventures/products,
- adjustment of accounting policy to controlling, *e.g.* unification of business year and budget year, matching of chart of accounts to the information need of particular controlling reports, adjustment of analytics to the needs of responsibility centers,
- verification of to date documents and their circulation from the point of view of controlling with respect to making decisions concerning the introduction of possible changes (*e.g.* making additional instruments, information procedures).

The bursar should possess an advisory role both at the stage of implementation controlling ideas and solutions to HEI management process as well as the further functioning of controlling. He proves to be the figure that actively influences the HEI future acting as a 'transmitter' of information and also as a figure actively influencing the HEI future.

³ For the purpose of research results presentation, in the present paper a simplification was used, namely colleges (three-year studies) are referred to as Bachelor HEI and universities (five-year studies) as Master HEI.

Conclusion

Considerations and research results presented in the article reveal that the bursar plays an important role in HEI controlling and actively supports the process of its management. The bursar's tasks in this respect are most clearly visible in the sphere of accounting system modeling / shaping which is information basis for controlling. It should also be indicated that the bursar in the finance and accounting sphere does not act on his own but cooperates with others (*e.g.* with the chancellor). In response to pursuing a better use of resources and to still growing need for information, the bursar as a controller supports the process of adjusting the HEI to the changing environment conditions.

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