

Accounting in Planning and Control of a Government Department

N Ramachandran
Indian Institute of Management Calcutta
1983

Thesis Advisory Committee:

Prof. K.K. Bhattacharya (thesis supervisor), Indian Institute of Management Calcutta

Prof. Syamal K. Ghosh, Indian Institute of Management Calcutta

Prof. Asit K. Bose, Indian Institute of Management Calcutta

Thesis Summary

The role of accounting in the planning and control of business enterprises is well acknowledged. However, the same is not so in case of a Government Department

This research aims at extending accounting principles to planning and control of a government department. It aims to present an integrated planning and control system backed up by an effective internal accounting system. The suggested system, it is hoped, should provide the different levels of management with the necessary information for better planning and control effort.

This research covers the different functions of the Department of Agriculture. The emphasis is on planning and controlling the operations at different responsibility centres of the Department of Agriculture.

The suggested planning and control system and the supporting internal accounting system comprises of

- an internal accounting system covering cost accounting records;
- delineation of activities carried out by the department into various programs and responsibility centres and a budgetary control system for them, as also a purchases budget;
- reporting system to ensure provision of relevant and timely information to different responsibility centres and
- a system for providing performance measures and variance reports to different responsibility centres of the department.

Main focus is on the operations of the department and on effective and feasible planning and control system for efficient use of resources and better internal control. It will also enable the Department of Agriculture to develop a set of performance indicators for monitoring progress towards the objectives of various programmes. The suggested system will also assist the process of deciding on policy alternatives, as well as making rational cut-back decisions.