



Australian Government

Department of Education, Employment and Workplace Relations

BSBATSIM505C Control organisational finances

Revision Number: 1

BSBATSIM505C Control organisational finances

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to establish and maintain effective financial management within the organisation to ensure board control of finances and external accountability to statutory authorities and funding bodies.</p> <p>Some aspects of governance activities may be subject to legislation, rules, regulations and codes of practice relevant to different job roles and jurisdictions.</p>
------------------------	--

Application of the Unit

Application of the unit	<p>This unit applies to individuals with a broad knowledge of the business or core functions of organisations who have responsibilities for controlling an organisation's finances.</p>
--------------------------------	---

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
-----------------------------	--

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
---	--

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish a financial management structure	1.1. Establish a structure to undertake regular <i>financial management responsibilities</i> on behalf of the board 1.2. Document respective responsibilities of the board and management 1.3. Determine financial information required by the board from management 1.4. Seek advice on suitable financial management systems for the organisation 1.5. Identify relevant statutory requirements
2. Establish financial management processes and systems	2.1. Ensure appropriate policies and procedures are in place to open and operate necessary bank accounts 2.2. Identify approved <i>signatories</i> for the bank accounts 2.3. Ensure authority and delegation between the board and management for the management of finances are documented 2.4. Ensure <i>statutory requirements</i> with regard to financial management are followed 2.5. Ensure duties of finance staff are documented 2.6. Ensure accepted procedures for receiving and expending funds are established and maintained by management 2.7. Ensure accepted <i>systems for financial reporting</i> are established and maintained
3. Sign contracts on behalf of the organisation	3.1. Ensure procedures for developing and documenting contracts are developed and followed 3.2. Identify people authorised to sign contracts on behalf of the organisation 3.3. Check that proposed contractual arrangements are realistic for the organisation and in the organisation's and community's interests 3.4. Ensure contracts are signed according to organisational policies and procedures
4. Follow finance procedures specified by funding bodies	4.1. Seek variations to financial agreements from relevant funding bodies if required 4.2. Identify and follow purchasing and disposal procedures specified by funding bodies 4.3. Check that requirements for finance documentation specified by funding bodies are met
5. Advise the	5.1. Identify the type and content of <i>financial</i>

ELEMENT	PERFORMANCE CRITERIA
community of the financial situation of the organisation	<i>information</i> that can be made publicly available 5.2.Ensure financial information is made available to members as specified in the constitution 5.3.Present financial information at meetings in a clear and simple manner
6. Meet reporting requirements of relevant corporate authorities and funding bodies	6.1.Identify reporting requirements by relevant corporate authorities and funding bodies 6.2.Establish timelines to ensure financial statements are completed within the timeframe required by <i>relevant corporate authorities and funding bodies</i> 6.3.Ensure an auditor is appointed at the annual general meeting 6.4.Review and evaluate financial statements to ensure they meet requirements 6.5.Check that financial reports are submitted to relevant corporate authorities and funding bodies within required timeframe

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication, teamwork and negotiation skills to work cooperatively with other board members, management and staff of the organisation, members, community and key stakeholders
- culturally appropriate communication skills to:
 - relate to people from diverse backgrounds and with diverse abilities
 - present financial information clearly and simply
- delegation skills to enable tasks to be completed within required timeframes
- evaluation and decision-making skills to monitor and review information presented to the board and enact decisions
- numeracy skills to interpret reports and undertake calculations
- problem-solving skills to identify and manage anomalies in financial reports

Required knowledge

- concept of community control of organisations and how it may impact on reporting to community
- cultural context in which Aboriginal and Torres Strait Islander boards operate, including their role in upholding traditional and cultural values, and how that might impact on financial reporting to the community
- financial responsibilities of board members and management
- financial support services available
- geographic, social, economic and political contexts in which particular organisations operate and how these may impact on financial management and reporting processes
- organisational policies and procedures in relation to finances
- provisions of federal, state or territory legislation and funding body requirements that impact on financial management and reporting
- purpose and meaning of components of financial reports
- statutory and funding body requirements in relation to finances
- systems and structures to effectively manage finances

Evidence Guide

EVIDENCE GUIDE	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • identify role of the board and management in the control of finances • read and interpret typical organisational financial reports • follow policies and procedures regarding the organisation's financial management • communicate financial information simply and clearly to others • ensure financial reporting requirements are met.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • participation on an actual or simulated board • access to examples of financial reports used by boards • access to examples of funding agreements and other relevant documents • knowledge and performance are assessed over time to confirm consistency in performance.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> • observation of performance on a board or simulated board • direct questioning combined with reflection of practical board performance by the candidate • analysis of responses to case studies and scenarios • demonstration of techniques • observation of presentations and group discussions • oral or written questioning to assess knowledge • analysis of feedback from other board members.
Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Financial management responsibilities</i> may include:	<ul style="list-style-type: none"> • approving expenditures • developing a budget • entering into funding agreements • reporting financial information • varying the agreed budget.
<i>Signatories</i> may include:	<ul style="list-style-type: none"> • a combination of board members and management • board members only • management only within limits.
<i>Statutory requirements</i> may include:	<ul style="list-style-type: none"> • acquittal of funds • audited reports • superannuation • taxation, including GST • workers' compensation.
<i>Systems for financial reporting</i> may include:	<ul style="list-style-type: none"> • computer-based systems • manual systems.
<i>Financial information</i> may include:	<ul style="list-style-type: none"> • annual audited reports • financial projections • monthly income and expenditure figures • project reports.
<i>Relevant corporate authorities and funding bodies</i> may include:	<ul style="list-style-type: none"> • government departments • other corporations • philanthropic trusts • project partners • Office of the Registrar of Indigenous Corporations • state and territory registration authorities.

Unit Sector(s)

Unit sector	
--------------------	--

Competency field

Competency field	Regulation, licensing and risk - ATSI governance
-------------------------	--

Co-requisite units

Co-requisite units		