Australian Government

Department of Education, Employment and Workplace Relations

CHCDHA504A Manage complex funding arrangements in development and/or humanitarian assistance

Release: 1

ISC INDUSTRY SKILLS COUNCILS
Creating Australia's Future

CHCDHA504A Manage complex funding arrangements in development and/or humanitarian assistance

Modification History

Not Applicable

Unit Descriptor

Descriptor	This unit of competency describes the skills and knowledge required to manage budgets and track financial income and expenditure while satisfying multiple donor requirements and local legislative demands

Application of the Unit

Application	This unit may be applied in a range of development and/or humanitarian assistance work contexts and should reflect the concepts and principles of aid effectiveness and community development (i.e. ownership, alignment, harmonisation, managing for results and mutual accountability) as embodied in the Paris Declaration and Accra Agenda for Action (AAA)
	Managing complex funding arrangements may primarily apply in work environments with program or project funding to multiple projects from multiple donors
	These skills and knowledge are to be applied within the scope of the person's job and authority

Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Not Applicable

Employability Skills Information

Employability skills	This unit contains employability skills

Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

The Performance Criteria specify the level of performance required to demonstrate achievement of the Element. Terms in italics are elaborated in the Range Statement.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Clarify financial environment	1.1 Determine *local legislative requirements*, including taxation, labour laws, *currency transaction restrictions* and regulations and other liabilities
	1.2 Ensure financial context reflects the *concepts and principles of aid effectiveness and community development*
	1.2 Negotiate *donor requirements*, in cooperation with organisation offices, both local, regional and off-shore
	1.3 Determine *local financial environmental constraints*
	1.4 Anticipate funding requirements, including cash requirements, and ensure they are projected by fiscal year and life of project

ELEMENT	PERFORMANCE CRITERIA
2. Communicate donor requirements to staff	2.1 Communicate multiple donor requirements to field, national office and other organisation staff, including initial briefings and ongoing communication to ensure compliance 2.2 Where project is operating in a country with existing national office, specifically outline **major differences** between donor requirements and existing financial requirements 2.3 Explain major differences between various **donors** to field and national office staff, as required
3. Comply with donor requirements	3.1 Meet donor reporting requirements consistently and in a timely manner, and include appropriate data in required format 3.2 Ensure variances to budget are within approved ranges 3.3 Outline **circumstances** where an amendment to a grant might be possible, and discuss options for grant amendments, including formal and informal, verbal and written amendments and required supporting documentation
4. Manage expenditure within complex funding arrangements	4.1 Develop budgets which facilitate the clear tracking of funds from different donors to their specifically funded projects 4.2 Manage program funding to multiple projects from multiple donors 4.3 Ensure **core costs** are covered from grants 4.4 **Monitor** and **control expenditure** to ensure that it does not exceed **available funding**

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level required for this unit.

Essential knowledge:
The candidate must be able to demonstrate essential knowledge required to effectively do the task outlined in elements and performance criteria of this unit, manage the task and manage contingencies in the context of the identified work role
This includes:

- Social, cultural and political context of relief environment
- Organisation structure, including formal lines of reporting and responsibility
- Organisation internal politics and informal influence or power relationships
- Generally accepted accounting principles
- Organisation's financial software
- Donor organisation's structure and key staff
- Grant documents including contracts and standard attachments
- Industry standard finance practices
- Non-government organisation benchmarks in related areas
- Cross cultural awareness and sensitivity
- Team dynamics
- Problem solving strategies
- Organisation policies and procedures relating to issues such as:
  - banking
  - budget preparation and monitoring
  - calculation of gift in-kind values and balances
  - cash management
  - cash management
  - closeout under emergency conditions
  - currency transactions
  - document security
  - document storage
  - document storage and security
  - donor relations
  - emergency evacuation of personnel, records and assets

REQUIRED SKILLS AND KNOWLEDGE

- end of financial year closeout
- end of funding cycle closeout
- end of project closeout
- evaluation methodologies
- financial standards
- personal security

REQUIRED SKILLS AND KNOWLEDGE

Essential skills:
It is critical that the candidate demonstrate the ability to:

- Manage funding arrangements at a number of levels of complexity from a small scale intervention in a region with stable government and good financial and other infrastructure, through to a range of multi-sectoral interventions involving diverse donors during a complex humanitarian emergency
- Effectively interpret key donor requirements of a major external donor and a major internal donor, and communicate and interpret these requirements (including major differences) to relevant staff
- Comply with organisation and donor policies and requirements of varying levels of complexity, including monitoring activities of other staff and negotiation with donors over grant amendments
- Effectively determine legal requirements, restrictions, donor requirements, financial environment constraints, and prepare report with recommendations
- Effectively determine or anticipate funding requirements for the fiscal year and life of project/s, and negotiate donor requirements
- Ensure that donor requirements are met or renegotiated and communicated effectively with donors, staff, other finance staff and other colleagues
- Effectively develop budgets and ensure core costs are covered
- Effectively monitor and control expenditure and prepare reports, and manage funding arrangements from multiple donors and multiple projects
- Effectively communicate with key stakeholders including project partners, relevant staff, donors and other colleagues

In addition, the candidate must be able to effectively do the task outlined in elements and performance criteria of this unit, manage the task and manage contingencies in the context of the identified work role
These include the ability to:

- Use appropriate communication and interpersonal techniques with colleagues and others
- Work as part of a team environment to complete tasks
- Identify and clearly define problems and demonstrate appropriate response procedures
- Initiate new ideas or work methodologies
- Accurately plan and organise work activities
- Efficiently manage own responsibilities and timelines for completion of work
- Demonstrate personal management, including initiative, self motivation and direction
- Apply project management and evaluation skills
- Work with people from culturally and linguistically diverse backgrounds, showing sensitivity to cultural differences, including:
    - awareness and understanding of cultural differences

REQUIRED SKILLS AND KNOWLEDGE

- ability to express that awareness and understanding clearly and concisely
- Communicate effectively with a wide range of different audiences
- Interpret and explain complex formal documents and systems and assist others to apply them in the workplace
- Prepare written advice and reports requiring reasoning and precision of expression
- Use communications equipment, including telephone, radio, satellite phone, fax and email
- Demonstrate adaptability and the ability to deal with ambiguous situations
- Select and use appropriate technology
- Apply skills in:
    - investigation, including analysis and deduction
    - working as part of a team
    - mediation and negotiation
    - coaching
    - presentation
    - directing and supervising others
    - administration
    - listening
    - negotiation

REQUIRED SKILLS AND KNOWLEDGE

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, the Range Statement and the Assessment Guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate this unit of competency:	• The individual being assessed must provide evidence of specified essential knowledge as well as skills • The application of competency is to be assessed in the workplace or realistically simulated workplace • Assessment is to occur under standard and authorised work practices, safety requirements and environmental constraints • Consistency of performance should be demonstrated over the required range of situations relevant to the workplace • The circumstantial or unsolicited testimony of project participants, governments or other non-government organisations regarding ethical behaviour should be considered as significant evidence in relation to this unit • Assessors need to be aware of potential complexities and note that complying with donor requirements in a straightforward, small scale grant situation may not provide evidence against all performance criteria within this unit • Assessors unable to assess through observation in a relief environment should particularly ensure the validity of evidence and determine with care the level of complexity at which management was undertaken • Assessment must confirm a reasonable inference that competency is able not only to be satisfied under the particular circumstance, but is able to be transferred to other circumstances

EVIDENCE GUIDE

Access and equity considerations:	• All workers in development and humanitarian assistance should be aware of access, equity and human rights issues in their own area of work
	• All workers should develop their ability to work in a culturally diverse environment
	• In particular workers should be aware of cultural, historical and current issues facing the people and culture in which they are working
	• Assessors and trainers must take into account relevant access and equity issues relating to the culture in which they are working
Context of and specific resources for assessment:	• This unit may be assessed independently, however, holistic assessment practice with other related units of competency is encouraged
	• Assessment of essential underpinning knowledge, other than confirmatory questions, will usually be conducted in an off-site context
	• Assessment must comply with relevant regulatory requirements and/or standards
	• Resources required for assessment include access to:
	• workplace location or simulated workplace
	• specifications and work instructions
	• policy manuals and procedure manuals (international and local, including sector specific finance manuals)
	• relevant documents (such as contracts, records of communications with donors, staff briefing notes and records)
	• relevant equipment (such as office equipment and communications equipment)
	• managers, co-workers and other finance staff

EVIDENCE GUIDE

Method of assessment:	• Assessment needs to take into consideration the practical difficulties associated with attempting on-job assessment in the field • Assessment may be applied under project related conditions (real or simulated) and require evidence of process • Given the nature of this unit, assessment should be supported by supplementary evidence from a wide range of sources, preferably including evidence from one or more field situations

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. Add any 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.

Local legislative requirements may include:	• Requirements unique to the local context • Requirements which are common to many countries and/or areas • Taxation requirements • Customs and excise requirements • Currency taxation requirements • Labour and industrial relations requirements
Currency transaction restrictions may include:	• Limits on the amount of foreign currency able to be imported into or transported within the country • Requirements that only certain banks or entities carry out currency transactions

RANGE STATEMENT

Concepts and principles of aid effectiveness and community development include:

- Ownership, including:
  - using delivery processes that support partner countries to exercise effective leadership over their development policies and strategies
  - coordinating development actions
  - involving communities and local government in decision making, implementation, monitoring and evaluation
  - encouraging community's and local government's contribution to problem solving
- Alignment, involving maintaining a comprehensive understanding of partner countries' national development strategies, institutions and procedures to guide program delivery
- Harmonisation:
  - actively seeking to collaborate with other Official Development Assistance (ODA) partners to create added value and greater development effectiveness
- Managing for results, including continuous improvement of systems to:
  - manage for development results
  - support evidence-based decision making
- Mutual accountability, involving demonstration of:
  - full transparency and accountability for the use of development resources in program delivery

RANGE STATEMENT

Key donor requirements may include:

- Reporting data and information requirements
- Reporting timeframes and frequency
- Reporting formats
- Project flexibility
- Purchasing standards
- Use of funds for overhead costs
- Restriction on purchase from certain countries
- Level of back-up documentation required to support reports
- Tracking of staff time
- Utilities
- Rentals etc
- Need to expend funds or percentage of funds within donor country of origin
- Budget variance allowances

Local financial environmental constraints refer to:

- The sum of issues impacting on financial operations, including but going beyond local legislative restrictions to aspects such as:
  - currency and banking laws
  - financial infrastructure
  - economic health
  - inflation
  - price volatility
- Other factors may include:
  - scarcity of goods and/or services
  - local monopolies
  - inflation rate
  - transportation difficulties
  - criminal activity
  - numbers of traders
  - scarcity of currency
  - black market or barter systems

RANGE STATEMENT

Major differences may include:	• Financial information required • Reporting formats • Operation to different financial year ends or funding and reporting cycles • Audit requirements

Donors may include:	• Government:
	    • Australian Agency for International Development (AusAID)
	    • Canadian International Development Agency (CIDA)
	    • European Union (EU)
	    • Japan International Cooperation Agency (JICA)
	    • U.S. Agency for International Development (USAID)
	• Multilateral:
	    • World Food Program (WFP)
	    • United Nations Children's Fund (UNICEF)
	    • United Nations High Commissioner for Refugees (UNHCR)
	• Private donor:
	    • internal
	    • external
	• Corporate donor
	• Local representatives of all of the above
	• Local host government

Circumstances may include:	• The number of beneficiaries has changed significantly • The price of material and supplies has changed significantly • Emergency circumstance prevented completion of the project • Insufficient funding in some line items due to inflation • Currency exchange rate

    Community Services and Health Industry Skills Council

RANGE STATEMENT

Core costs may include:	• Some operational costs • Travel • Capital expenses • Staff training • Cost of maintaining local or regional office
Monitor expenditure may include:	• Collation of financial information to enable production of monthly reports • Working closely with field staff or managers where expenditure levels are of concern
Control expenditure involves:	• Feeding information about remaining funds back to field managers prior to expenditure of funds and then not processing requisitions once all funds have been expended
Available funding may include:	• The unspent portion of funds which have been promised by donors, funds which are actually currently available (which may include both more and less than the level of funding originally committed to by the donor)
Options for negotiation may include:	• Reporting deadlines • Country of origin restrictions on purchase of goods • Overhead rates • Disposition of assets • Carry-forwards/project extensions (cost or no cost) • Pre-approvals/pre-authorisations • Amendments to budgets • Changes in interventions

Unit Sector(s)

Not Applicable