



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSACCT506B Implement and maintain internal control procedures**

**Release: 1**

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### **Modification History**

Not applicable.

### **Unit Descriptor**

This unit covers the implementation and maintenance of internal control procedures for corporate governance.

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### **Application of the Unit**

This unit requires the application of skills and knowledge required to implement and maintain internal control procedures for corporate governance. The unit encompasses reviewing corporate governance requirements, implementing operating procedures and monitoring policy.

The unit has application across all sectors of the financial services sector.

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### **Licensing/Regulatory Information**

Not applicable.

### **Pre-Requisites**

Not applicable.

### **Employability Skills Information**

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements. The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

## Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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## Elements and Performance Criteria

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Element	Performance Criteria
1 Review corporate governance requirements	1.1 <b>Corporate governance requirements</b> are identified and analysed to determine application to operations
	1.2 Clarifications on application of corporate governance requirements are accessed from <b>authoritative and recognised sources</b>
	1.3 <b>Internal control procedures</b> are reviewed and developed reflecting the application of corporate governance requirements to internal operations
2 Implement operating procedures	2.1 <b>Financial delegations and accountabilities</b> are maintained and reviewed to ensure consistency and compliance with internal control procedures
	2.2 <b>Required reports</b> are produced, reviewed and distributed within agreed timelines
	2.3 Timetables for the implementation of corporate governance requirements are developed in consultation with <b>stakeholders</b>
	2.4 Internal control procedures are detailed and documented in standardised formats to promote consistency of use

- 3 Monitor policy
  - 3.1 Applications of corporate governance requirements are developed from published sources or recognised practices
  - 3.2 **Performance indicators** are developed and reported on to evaluate compliance with internal control procedures
  - 3.3 Variations in adoption of corporate governance requirements in operations are identified and evaluated to determine causes
  - 3.4 Modifications to procedures are developed and implemented to facilitate compliance with internal control

## Required Skills and Knowledge

### REQUIRED KNOWLEDGE&SKILLS

#### **Knowledge requirements include:**

financial legislation (eg taxable transactions, reporting requirements)

methods of work practices and routines

principles of internal control and auditing

organisational guidelines and procedures

ethical considerations for management and handling of files and records (eg confidentiality)

#### **Skills requirements include:**

writing skills for preparation of reports and documenting procedures

setting up and maintaining records and files

research skills for assessing application of corporate governance requirements

consulting staff on internal control procedures

administrative procedures for timetabling and scheduling

interpretation of legislation

information technology skills for set up and use of spreadsheets

## Evidence Guide

### EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

#### Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

knowledge of corporate governance requirements

knowledge of organisational financial delegations and accountabilities

ability to review corporate governance requirements

ability to implement operating procedures

ability to monitor policy

knowledge of relevant financial legislation

knowledge of organisational policies and procedures

#### Critical aspects of evidence

##### **Evidence required for demonstration of consistent performance:**

Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range Statement and contexts applicable to the work environment.

##### **Delivery/assessment relationship to other units:**

This unit may be assessed on its own or it may be assessed with other units that cover related skills and knowledge.

Evidence is most relevant when provided through an integrated activity, which combines the elements of competency for the unit, or a cluster of units of competency.

#### Assessment requirements

##### **Method of assessment:**

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and

procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

**Context of assessment:**

Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

**Resources required for assessment:**

Assessment of this unit of competence requires access to suitable resources to demonstrate competence.

Assessment instruments, including personal planner and assessment record book.

Access to registered provider of assessment services.

## Range Statement

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables 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. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

**Corporate governance requirements** may include:

- reporting periods
- taxation payment timings
- delegated authorities
- legislation (eg corporation's and tax law)
- common law

**Authoritative and recognised sources** may include:

- Australian Securities and Investments Commission (ASIC)
- Australian Tax Office (ATO)
- professional associations
- financial information systems
- personnel information systems
- asset registers
- laws and regulations
- pronouncements
- ethical considerations

<b>Internal control procedures</b> may include:	identification, measurement and recording of income, assets, expenditure, liabilities and equity safeguarding and insurance of assets decision making authorities accuracy in valuations adequate disclosure in financial reporting risk management strategies electronic commerce security
<b>Financial delegations and accountabilities</b> may include:	loan and lending approvals expenditure and investment approvals sign off authorities employment delegations corporate governance requirements
<b>Required reports</b> may include:	balance sheets operating statements cash flow statements capital statements internal management reports transaction and auditable trails
<b>Stakeholders</b> may include:	employees clients managers and company officers (eg company directors and board of management) financial institutions suppliers
<b>Performance indicators</b> may include:	reporting deadlines (monthly, quarterly, half yearly, annual) accuracy in costings profits and losses auditable trails use of formats recurrence of errors



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## **Unit Sector(s)**

Not applicable.

## **Relationship to other units**

This unit replaces FNSACCT506A.

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