



Australian Government

Department of Education, Employment and Workplace Relations

FNSORG602A Develop and manage financial systems

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to strategically manage finances in a small organisation or a business unit of a large organisation directly linked to organisation performance as defined in a strategic plan. It includes designing systems to accommodate accounting, budgeting, cash flow analysis and financial planning.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit may apply to job roles with financial systems responsibility in any sector in the financial services industry.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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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.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish financial system requirements	<p>1.1. Financial system requirements for efficient financial administration are determined from consultation with relevant stakeholders and an analysis of existing financial plans</p> <p>1.2. Reporting and procedural requirements impacting on the organisation are identified and recorded for future reference</p> <p>1.3. Internal financial audit controls included in the system specification provide a satisfactory security mechanism</p> <p>1.4. Risks to financial viability and contingency strategies to manage risk are identified and costed</p>
2. Design financial management systems	<p>2.1. Sources of competent assistance and advice are accessed and used to secure financial records and assets</p> <p>2.2. Financial management system design ensures accurate and timely provision of information about the organisation's transactions, working capital and cash flow</p> <p>2.3. Equipment and software needed for the operation of the system are identified, acquired and installed to support the organisation's transactions</p> <p>2.4. Financial reporting requirements are known and used by relevant personnel</p> <p>2.5. Established financial reports ensure accurate and timely provision of data required for financial decision making</p> <p>2.6. Agreed schedules of account recording and reconciliation systems are produced at regular intervals and support the organisation's service provision and business decisions</p> <p>2.7. Mechanisms for the review of terms of trade and fee structures are suited to the organisation's needs and meet industry standards</p> <p>2.8. Financial reports are prepared at regular intervals in the required format meet external audit requirements</p>
3. Prepare and review financial plans	<p>3.1. Financial plans are linked to reviews of the organisation's strategic business plan to enable timely financial adjustments to be made</p> <p>3.2. Planning and implementation of financial management activities enable probity to be</p>

ELEMENT	PERFORMANCE CRITERIA
	maintained 3.3. Financial plans provide a reasonable basis for budgeting and ongoing financial management of the organisation
4. Monitor and review financial reporting systems	4.1. Financial reporting systems evaluated through an assessment of organisation performance against agreed performance indicators enable timely adjustments to be made to business investments 4.2. Financial reports and systems are able to be used by authorised staff to manage the organisation's finances

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication skills to:
 - gather information and data by consulting with stakeholders, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- highly developed research and analysis skills for accessing and managing complex information and assessing application of management accounting and governance requirements
- well-developed literacy skills for interpreting and analysing complex documentation and producing management reports
- well-developed numeracy skills to accurately analyse, record and store data in accordance with organisational requirements
- IT skills for accessing and using appropriate integrated financial system software, spreadsheets and databases and using internet information
- problem solving skills to identify any issues that have the potential to impact on organisational management and financial systems and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work

Required knowledge

- auditing and reporting requirements
- legislation and regulations relating to:
 - finance
 - taxation
 - trust accounts
 - trade practices
 - security requirements
 - ethical requirements
- accounting and bookkeeping for financial control
- financial systems design
- administrative systems and practices
- cost-benefit analysis
- reporting and auditing requirements for small business
- types and characteristics of systems, technology and software to manage functions of an organisation
- quality principles and practice

REQUIRED SKILLS AND KNOWLEDGE

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| <ul style="list-style-type: none">• ethical concerns relating to the management of third party monies |
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Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
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"> • undertake risk assessment, evaluation and management of financial reporting • interpret and comply with relevant statutory, regulatory, professional and practice requirements • apply costing and budgeting techniques and tools.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to an integrated financial software system and data.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • setting and reviewing business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p>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.</p>	
<p><i>Financial system</i> may include:</p>	<ul style="list-style-type: none"> • manual or computerised • software which is industry specific or proprietary • those capable of at least providing timely, accurate and easily understood information.
<p><i>Efficient financial administration</i> must take into account the following factors:</p>	<ul style="list-style-type: none"> • Accounting Standards • Australian Standards • bookkeeping • codes of practice • compliance with relevant statutory and regulatory requirements • ethical principles and practices • office routines • security requirements.
<p><i>Reporting and procedural requirements</i> may include:</p>	<ul style="list-style-type: none"> • consideration of legislation and codes of practice relating to: <ul style="list-style-type: none"> • financial record keeping • trust accounting • taxation • auditing.
<p><i>Risk management</i> may include:</p>	<ul style="list-style-type: none"> • need for insurance, including: <ul style="list-style-type: none"> • public liability • property • personal indemnity • personal accident • sickness assets.

Unit Sector(s)

Unit sector	Organisational skills
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		