



Australian Government

Department of Education, Employment and Workplace Relations

LGADMIN529A Manage finances

Release 2

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Modification History

LGADMIN529A Release 2: Layout adjusted.

LGADMIN529A Release 1: Primary release.

Unit Descriptor

This unit covers understanding the financial management and reporting processes for non-financial managers. The unit looks at the day-to-day financial management of a unit within the organisation and outlines the knowledge and skills required to interpret data and reports. It is suitable for team leaders and managers within the organisation who have responsibility for financial management and monitoring.

Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations within which councils must operate is essential. The unique nature of councils, as a tier of government directed by elected members and reflecting the needs of local communities, must be appropriately reflected.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

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 required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

1. Interpret financial reports	<p>1.1 Statistical financial reports are identified and analysed and the best methods of interpreting the data are determined.</p> <p>1.2 Financial reports are received and income shortfalls and expenditure runs are identified, documented and discussed.</p> <p>1.3 Financial reports are evaluated and financial impacts and implications are considered and documented.</p>
2. Implement systems for financial management and reporting	<p>2.1 Financial management and reporting procedures are developed in accordance with organisational and <i>legal requirements</i>.</p> <p>2.2 Appropriate <i>financial reports</i> are prepared as required by the organisation.</p> <p>2.3 Bookkeeping and accounting systems are implemented to ensure that accurate and comprehensive records of income and expenditure are appropriately maintained for the business unit.</p> <p>2.4 Regular reconciliation against operational budgets is undertaken and any deviations are acted upon as appropriate.</p>
3. Manage the use of funds	<p>3.1 Actual income and expenditure is checked against budgets at regular, identified intervals.</p> <p>3.2 Expenditure is assessed as being within agreed limits, does not compromise future spending requirements and conforms to the organisation's policies and procedures.</p> <p>3.3 Actual or potential deviations from budget are reported to <i>appropriate personnel</i> and proposals for corrective action are developed and implemented.</p>
4. Monitor financial performance	<p>4.1 Financial budgets and projections are produced as required for each forward period and distributed to relevant personnel in accordance with legal and organisational requirements.</p> <p>4.2 Financial performance targets are regularly monitored and reported and data is gathered to establish the extent to which the financial plan has been met.</p> <p>4.3 Operational strategies are monitored for their effects on the financial plan.</p> <p>4.4 <i>Financial ratios</i> are calculated and evaluated according to organisational benchmarks.</p> <p>4.5 Financial plan is assessed to determine whether variations or alternative plans are indicated and changed as required.</p> <p>4.6 Appropriate action is taken to ensure the achievement of profit or designated target and return to the business unit in accordance with the business plan and legal requirements.</p>

Required Skills and Knowledge

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

Required Skills

- literacy skills to interpret legal requirements and company policies and procedures
- written and oral communication
- numeracy skills to undertake financial calculations
- evaluation and decision making
- computerised and manual accounting
- budgeting
- reconciliation
- financial management
- information technology application

Required Knowledge

- awards and agreements
- organisational guidelines
- taxation requirements
- insurance requirements
- auditing procedures and requirements
- organisational procedures and practices
- principles and practices of effective resource management
- budgeting and planning processes and procedures
- financial management models and practices
- financial reporting procedures
- legal obligations for record keeping
- processing financial transactions
- basic accounting principles
- purpose of financial reports
- financial ratios
- interpretation of comparative profit and loss statements
- interpretation of comparative balance sheets
- preparation and interpretation of budget and actual reports
- benchmarking

Evidence Guide

Overview of assessment requirements

A person who demonstrates competency in this unit will be able to perform the outcomes described in the Elements to the required performance level detailed in the Performance Criteria. The knowledge and skill requirements described in the Range Statement must also be demonstrated. For example, knowledge of the legislative framework and safe work practices that underpin the performance of the unit are also required to be demonstrated.

Critical aspects of evidence to be considered

The demonstrated ability to:

- interpret and evaluate financial reports to ensure financial management and budget are rigorously monitored
- implement systems of financial management and reporting to ensure that accurate and comprehensive records of income and expenditure are appropriately maintained
- manage the use of funds to ensure that actual income and expenditure are checked against budgets
- monitor financial performance to establish the extent to which the financial plan has been met

Context of assessment

Competency is demonstrated by performance of all stated criteria, with particular attention to the critical aspects and the knowledge and skills elaborated in the Evidence Guide, and within the scope of the Range Statement.

Assessment must take account of the endorsed Assessment Guidelines in the Local Government Training Package.

Assessment of the performance requirements in this unit should be undertaken in an actual workplace or simulated environment.

Assessment should reinforce the integration of the key competencies for the particular AQF level. Refer to the key competency levels at the end of this unit.

Relationship to other units(prerequisite or co-requisite units)

To enable holistic assessment this unit may be assessed with other units that form part of the job role.

Method of assessment

The following assessment methods are suggested:

- observation of the learner performing a range of workplace tasks over sufficient time to demonstrate handling of a range of contingencies
- written and/or oral questioning to assess knowledge and understanding
- completion of workplace documentation
- third-party reports from experienced practitioners

Evidence required for demonstration of consistent performance

- completion of self-paced learning materials including personal reflection and feedback from trainer, coach or supervisor

Evidence should be collected over a set period of time that is sufficient to include dealings with an appropriate range and variety of situations

Resource implications

The learner and trainer should have access to appropriate documentation and resources normally used in the workplace.

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 in the Performance Criteria is detailed below.

<i>Legal requirements</i> may include those relating to:	<ul style="list-style-type: none"> • annual and other reports • audit processes • insurance • relevant awards • taxation and superannuation • acquittal of funds
<i>Financial reports</i> may include:	<ul style="list-style-type: none"> • income • expenditure • loans • assets • bank accounts
<i>Appropriate personnel</i> may include:	<ul style="list-style-type: none"> • management • other staff • government • regulatory bodies • funding providers • clients
<i>Financial ratios</i> may include:	<ul style="list-style-type: none"> • gross profit percentage • net profit percentage • expenses percentage • staff productivity measures • return on investment and return on total assets • current ratio • liquid ratio • days debts are outstanding

Unit Sector(s)

Administration