

**FNSACCT604A****Monitor corporate governance activities****Unit Descriptor**

This unit covers the competency to develop and implement processes and procedures for meeting corporate governance obligations.

This unit replaces FNBACC11B.

**Application of the Unit**

This unit requires the application of skills and knowledge required to monitor corporate governance activities within an organisation. The unit encompasses researching corporate governance reporting trends, determining processes for corporate governance adherence, examining corporate governance standards and practices and reviewing corporate governance compliance.

**Unit Sector**

No sector assigned

**ELEMENT****PERFORMANCE CRITERIA**

- |   |   |
|---|---|
| 1. Research corporate governance reporting trends         | <ul style="list-style-type: none"> <li>1.1 Organisational practices are analysed to identify corporate governance <b>obligations</b> and performance</li> <li>1.2 Queries from statutory and other regulatory authorities for corporate governance failure are examined to assess the change effects on <b>internal control procedures</b></li> <li>1.3 Content and structure of reports, returns and processes for review are assessed to evaluate <b>policies</b> being followed by the organisation</li> </ul>   |
| 2. Determine processes for corporate governance adherence | <ul style="list-style-type: none"> <li>2.1 Internal control procedures are analysed and monitored to determine performance indicators for compliance with corporate governance requirements</li> <li>2.2 <b>Information technology systems</b> are evaluated to determine their use and suitability for recording data from operations and transactions for corporate governance obligations</li> <li>2.3 <b>Management processes</b> to support corporate governance are established</li> <li>2.4 Reporting plans are established to ensure completion of compliance requirements within scheduled timeframes</li> </ul> |
| 3. Examine corporate governance standards and practices   | <ul style="list-style-type: none"> <li>3.1 Application of, and adherence to, <b>professional and legal accounting standards</b> are monitored to identify emerging trends and interpretations of <b>statutory and other regulatory requirements</b></li> <li>3.2 Audit reports and practices are researched to assess methodologies and recommendations</li> </ul>  |
| 4. Review corporate governance compliance                 | <ul style="list-style-type: none"> <li>4.1 The achievement of <b>performance indicators</b> is assessed and reviewed against <b>key result areas</b></li> <li>4.2 Compliance preparation processes are monitored and reviewed in line with corporate governance requirements</li> <li>4.3 Failures in compliance are analysed to diagnose shortcomings and to remedy processes in line with corporate governance requirements</li> </ul>  |

## REQUIRED SKILLS AND KNOWLEDGE

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

Knowledge requirements include:

- principles of internal control (including statutory requirements)
- principles of valuation and common methods of depreciation
- detailed knowledge of formats required for submission of statutory returns
- forms and functions of employee records
- financial legislation (eg taxable transactions, reporting requirements)
- ethical considerations for compliance

Skills requirements include:

- planning skills for timetabling and scheduling reports and lodgements
- recording, gathering and consolidating financial information
- researching and identifying applicable accounting standards and decisions
- interpersonal skills and communication skills (eg liaising, listening, consulting)
- report writing and preparation
- numeracy skills for calculation of data

## KEY COMPETENCIES

The seven key competencies represent generic skills considered for effective work participation. The numbering against each of the key competencies indicates the performance level required in this unit.

Performance Level 1 - at this level, the candidate is required to undertake tasks effectively

Performance Level 2 - at this level, the candidate is required to manage tasks

Performance Level 3 - at this level, the candidate is required to use concepts for evaluating and reshaping tasks

Key Competency	Example of Application	Performance Level
Communicating ideas and information	Examining queries from statutory and other regulatory authorities will require the application of communication of ideas and information.	3
Collecting analysing and organising information	Organisational information will be analysed against corporate governance requirements to determine their compliance with corporate governance obligations.	3
Planning and organising activities	Activities will be planned and organised according to established reporting plans and scheduled times frames.	3
Working with others and in teams	Teamwork will be required when following up queries from statutory and other regulatory authorities.	3
Using mathematical ideas and techniques	Reviewing organisational documentation against professional accounting standards to ensure adherence with corporate governance requirements will require the application of mathematical ideas and techniques.	3
Solving problems	Problem solving skills will be applied when internal control procedures are analysed and monitored to determine their compliance with corporate governance requirements.	3
Using technology	Technology will be applied through the utilisation of computers, data research devices and telecommunication devices.	3

## 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.

Obligations may include:

- lodgement dates
- supporting documentation
- explanatory statements
- repayment schedules
- directors' duties, rights and responsibilities
- Australian Securities and Investments Commission (ASIC)
- regulatory influence of the Corporations Act

Internal control procedures may include:

- identification, measurement and recording of income, assets, expenditure, liabilities and equity
- safeguarding and insurance of assets
- decision making authorities
- accuracy in valuations
- transparency in financial reporting
- risk management strategies

Policies may include:

- expenditure authorities
- submission dates
- expenditure limits
- decision making authorities
- documenting and receipting requirements
- eligible expenditures
- financial analysis techniques

Information technology systems may include:

- databases
- spreadsheet software
- local area networks
- internet
- electronic master files

Management processes may include:

- internal reporting
- sign-off authorities
- program responsibilities
- lending approvals

Professional accounting standards may include:

- Australian Accounting Standards Board (AASB)
- Australian Accounting Standards
- ethical requirements

Statutory and other regulatory authorities may include:

- ASIC
- professional associations
- Australian Consumer and Competition Commission (ACCC)
- Australian Institute of Company Directors
- Australian Accounting Standards Board (AASB)
- Australian Stock Exchange (ASX)

Performance indicators may include:

- reports (quarterly, half yearly, annual)
- compliance with scheduled payment dates
- profits and losses
- debt reduction targets
- unqualified audits

Key result areas may include:

- accuracy of data
- consistency of application of procedures
- compliance with statutory requirements
- completion of documentation
- continuity of records
- administrative efficiency

## 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 of Variables applicable to the workplace.

Overview of assessment requirements

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

knowledge of statutory and regulatory authorities

knowledge of professional accounting standards

knowledge of organisational policies and procedures

ability to research corporate governance reporting trends

ability to determine processes for corporate governance adherence

ability to examine corporate governance standards and practices

ability to review corporate governance compliance

**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 of Variables 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.

**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.