



Australian Government

BSBGOV504 Monitor organisational finances

Release: 1

BSBGOV504 Monitor organisational finances

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 2.0.

Application

This unit describes the skills and knowledge required for board or committee members to maintain effective organisational financial accountability systems in order to monitor organisational finances.

It applies to members of committees or boards of governance.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Regulation, Licensing and Risk – Governance

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Review organisational financial management processes	1.1 Document respective financial management responsibilities of the board or committee, and management 1.2 Explain legal responsibilities of individual board members and the board as a whole to the committee or board 1.3 Determine financial information required by the board or committee from management 1.4 Identify the statutory requirements of the board or the committee 1.5 Seek advice on suitable financial management systems that will enable reporting against the organisation's overall financial health.

ELEMENT	PERFORMANCE CRITERIA
2. Apply financial management processes and systems	2.1 Access appropriate policies and procedures to open and/or operate necessary bank accounts 2.2 Identify approved signatories for the bank accounts 2.3 Access finance procedures and reporting requirements specified by organisational stakeholders or funding bodies, and check that requirements for finance documentation are met 2.4 Review timelines to ensure financial statements are completed within the timeframe required by relevant corporate authorities, organisational stakeholders and/or funding bodies 2.5 Review documentation for authority and delegation between the board or committee and management for the management of finances 2.6 Ensure statutory requirements with regard to financial management are followed 2.7 Review policies and procedures to ensure they provide checks and balances to prevent, identify and deal with fraud 2.8 Review organisational procedures and documentation for receiving and expending funds 2.9 Review process for financial reporting against organisational budget and ensure established procedures and maintained by management
3. Meet financial reporting requirements	3.1 Ensure financial information is made available to members as specified in the constitution 3.2 Facilitate the clear presentation of financial information at meetings 3.3 Identify the type and content of financial information that can be made publicly available
4. Monitor organisational expenditure	4.1 Review and evaluate organisational budget and financial statements to ensure they meet requirements 4.2 Compare income and expenditure to budget and previous periods and identify and investigate discrepancies 4.3 Discuss achievement and variances to the budget in committee or board meetings 4.4 Discuss the danger of being insolvent with board or committee members to ensure they understand their legal obligation not to trade while insolvent 4.5 Document recommendations for action or variances

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.2, 1.3, 2.1, 2.3-2.7, 3.3, 4.1, 4.2	Evaluates and integrates facts to construct meaning from a range of organisational documents
Numeracy	1.4, 2.8, 3.1-3.3, 4.1-4.3	Works in a group to assess organisational financial issues
Writing	1.1, 4.4	Uses clear, specific and industry-related terminology to update finance-related policy and procedures
Oral Communication	1.4, 2.8, 3.2, 4.3	- Uses active listening and questioning skills to confirm understanding for requirements - Refers to or presents information relating to organisational finances
Navigate the world of work	1.1, 1.2, 2.1-2.8, 3.1, 3.3, 4.1-4.4	Understands the nature and purpose of own role and associated responsibilities and recognises and follows implicit and explicit organisational policies and procedures
Interact with others	1.4, 2.8, 3.1,3.2, 4.3	Recognises importance of taking audience, purpose and contextual factors into account when making decisions about what to communicate with whom, why and how
Get the work done	1.1, 1.2, 2.1-2.8, 4.1-4.3	- Takes responsibility for planning and organising own workload, identifying ways of sequencing and combining elements for greater efficiency and considering how to respond to input of others - Actively contributes to group decision-making when required

Range of Conditions

This section specifies different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Suitable financial management systems must include:	the use of financial ratios as a heuristic for financial health resilience solvency
Suitable financial reports must include:	balance sheet cash flow profit and loss statement written report

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBGOV504 Monitor organisational finances	Not applicable	New unit	No equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>

Assessment Requirements for BSBGOV504 Monitor organisational finances

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Performance Evidence

Evidence of the ability to:

- review the following organisational financial management systems:
 - use of financial ratios as a heuristic for financial health
 - resilience
 - solvency
- review the following organisational financial management reports:
 - balance sheet
 - cash flow
 - profit and loss statement
 - written report
- apply financial management processes and systems that accurately measure organisational performance against:
 - the organisation's budget
 - the organisation's overall financial health
 - long term organisational financial planning
- communicate effectively with board or committee members, and stakeholders on financial issues
- put processes in place to ensure that:
 - finance procedures and reporting requirements specified by organisational stakeholders or funding bodies are met
 - fraud is identified, managed and prevented
- ensure adherence to the following organisational financial systems:
 - financial statement timelines
 - procedures for receiving and expending funds
 - statutory and delegation requirements
 - the budget process
- examine and identify variances in budget and investigate discrepancies

- identify the risk associated with an organisation heading towards insolvency and the action required:
 - cease trading
 - seek assistance
- document financial information.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- outline the following financial responsibilities of management and board or committee members:
 - statutory and delegation authority
 - delegation and information requirements
- explain the statutory requirements of the board or committee
- discuss suitable financial management systems that enable the organisation to report against:
 - the organisation's budget
 - the organisation's overall financial health
 - long term organisational financial planning
- outline documentation requirements with regard to finance reporting requirements and finance procedures
- list board or committee financial reporting requirements

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical committee or board of governance activities and include access to:

- examples of financial statements and budgets discussed by committees or boards of governance
- examples of issues boards or committees of governance have worked on, including community feedback and strategic decisions.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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