



Australian Government

Department of Education, Employment and Workplace Relations

BSBFIM601A Manage finances

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to undertake budgeting, financial forecasting and reporting requirements, and to allocate and manage resources to achieve the required outputs for the business unit. It includes contributing to financial bids and estimates, allocating funds, managing budgets and reporting on financial activity. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit applies to people who have managerial responsibilities which include overseeing the management of financial and other resources across a business unit, a series of business units or teams, or an organisation. It covers all areas of broad financial management. In a larger organisation this work would be supported by specialists in financial management.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

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. Plan for financial management	1.1. Review and analyse previous financial data to establish areas which have generated a profit or loss 1.2. Undertake research to review reasons for previous profit and loss 1.3. Review business plan to establish critical dates and initiatives that will require or generate resources in next financial cycle 1.4. Analyse cash flow trends 1.5. Review statutory requirements for compliance and liabilities for tax 1.6. Review existing software and its suitability for financial management
2. Establish budgets and allocate funds	2.1. Use previous financial data to determine allocations for resources 2.2. Make informed estimates of new items for inclusion in budget 2.3. Prepare budgets in accordance with organisational requirements and statutory requirements
3. Implement budgets	3.1. Circulate budgets and ensure managers and supervisors are clear about budgets, reporting requirements and financial delegations 3.2. Manage risks by checking there are no opportunities for misappropriation of funds and that systems are in place to properly record all financial transactions 3.3. Review profit and loss statements, cash flows and ageing summaries 3.4. Revise budgets, as required, to deal with contingencies 3.5. Maintain audit trails to ensure accurate tracking and to identify discrepancies between agreed and actual allocations 3.6. Ensure compliance with due diligence
4. Report on finances	4.1. Ensure structure and format of reports are clear and conform to organisational and statutory requirements 4.2. Identify and prioritise significant issues in statements, including comparative financial performances for review and decision making 4.3. Prepare recommendations to ensure financial viability of the organisation 4.4. Evaluate the effectiveness of financial management

ELEMENT	PERFORMANCE CRITERIA
	processes

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to explain budgets and reporting requirements, and to deal with questions
- mathematical skills to read and interpret budgets
- technology skills to work with financial software.

Required knowledge

- financial probity
- principles of accounting and financial systems
- relevant Australian, international and local legislation and conventions, such as:
 - bilateral or regional trade agreements
 - International Commercial Terms (INCOTERMS)
 - Trade Practices Act
 - Warsaw Convention
 - World Trade Organization determinations
- requirements of the Australian Tax Office, including Goods and Services Tax, Company Tax, PAYG.

Evidence Guide

EVIDENCE GUIDE

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.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- preparation of budgets which align with the business plan, use previous financial data and meet all compliance requirements
- analysis of the effectiveness of existing financial management approaches
- knowledge of the requirements of the Australian Tax Office.

Context of and specific resources for assessment

Assessment must ensure:

- access to appropriate documentation and resources normally used in the workplace.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- assessment of written reports on financial systems and financial management
- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of budgets prepared
- oral or written questioning to assess knowledge of legislative requirements or the tax system
- evaluation of documentation reviewing profit and loss statements, cash flows and ageing summaries
- analysis of maintenance of audit trails
- review of recommendations prepared to ensure the financial viability of the organisation.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- other units from the BSB60407 Advanced Diploma of Management.

Range Statement

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, 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.

<i>Financial data</i> may include:	• budgets, forecasts and variations • cash flow/profit reports • financial/operational statements and reports (e.g. expenditures and receipts, profit and loss statements) • market valuations
<i>Organisational requirements</i> may include:	• financial analysis assessments • financial management manuals • legal and organisational policies, guidelines and requirements • occupational health and safety policies, procedures and programs • price and exchange parameters • quality assurance and/or procedures manuals • recording and filing systems • reporting requirements • standard financial analysis techniques
<i>Statutory requirements</i> may include:	• delegated authorities • internal control procedures • limits on volumes and types of financial transactions • reporting of duty, excise and other overseas government charges • reporting periods • taxation and payment timings
<i>Discrepancies</i> may include:	• absence of auditable trail • expenditure report mismatches • inappropriate authorisations • incorrect payments • incorrect report formats • unreconciled cash flows and operating statements • variances from budget and phasings

RANGE STATEMENT	
Format may include:	• audits • balance sheets • cash flow statements • electronic forms • financial year reports • operating statements • spreadsheets • statutory forms
Issues may include:	• cost structures • internal controls • losses and returns • profitability • statutory obligations • suppliers and markets
Recommendations may refer to:	• cash flow • changes in business activity including markets, goods or services traded • consolidation • expenses and overheads • labour costs including decisions to move production to other locations or sites • loss • profit • write-offs

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Finance - Financial Management
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Co-requisite units

Co-requisite units		