



Australian Government

Department of Education, Employment and Workplace Relations

BSBGOV403A Analyse financial reports and budgets

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 analyse financial reports and budgets as a member of a Board of governance of an organisation. Some aspects of governance activities may be subject to legislation, rules, regulations and/or codes of practice relevant to different job roles and jurisdictions.
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Application of the Unit

Application of the unit	This unit applies to individuals with a broad knowledge of the business or core functions of organisations who contribute their skills and knowledge to monitoring and guiding the activities of the organisation, specifically in relation to working to ensure organisational finances are appropriately allocated and accounted for.
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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. Review financial reports and budgets	1.1. Obtain revenue/expenditure/requests/predictions from appropriate person 1.2. Consider and assess future organisational operations, with reference to all available plans 1.3. Consider previous financial statements to provide baseline information 1.4. Review budgets and cash flows using all available information
2. Monitor revenue and expenditure against budget	2.1. Discuss and agree upon appropriate monitoring and reporting systems, and establish procedures 2.2. Compare income and expenditure to budget and previous periods, and identify and investigate discrepancies 2.3. Identify and examine achievement and variances to the budget, in liaison with appropriate person 2.4. Document recommendations for action on variances 2.5. Request regular reports of operations to indicate fluctuations 2.6. Provide financial statements and accompanying report of operations to appropriate person for discussion
3. Finalise budget	3.1. Ensure expenditure commitments are brought into line with final income figures 3.2. Finalise, document and approve final budget in line with operational program 3.3. Present the final budget to appropriate person and stakeholders 3.4. Ensure reporting requirements of relevant corporate authority and funding bodies are met

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- culturally appropriate communication skills to relate to people from diverse backgrounds and to people with diverse abilities
- communication and negotiation skills to work cooperatively with other Board members, management and staff of the organisation, key stakeholders and members of the community
- literacy skills to read and interpret rules, regulations, policies and other workplace documentation
- numeracy skills to evaluate and make decisions based on financial data
- technology skills to understand management and accounting systems.

Required knowledge

- cultural context relevant to the community and location: as boards of governance oversee a wide variety of organisations, they must therefore ensure that they operate within the traditional and cultural values of the relevant context/s
- key provisions of relevant legislation from all levels of government that affects business operations, codes of practice and national standards, such as:
 - anti-discrimination legislation
 - consumer and corporations laws including appropriate state/territory legislation
 - ethical principles
 - privacy laws
 - Australian Accounting and Auditing Standards
 - banking institutions guidelines
 - Australian Taxation Office regulations
- organisational constitution, codes of conduct functions, policies and procedures.

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:

- monitoring income and expenditure against designated budgets
- ensuring the budget considers existing and planned activities of the organisation
- ensuring appropriate monitoring systems are in place to provide an accurate picture of each event/activity/program/service of the organisation's operations
- documenting recommendations for action on any variances to the budget in order to keep it within acceptable budgeting limits
- knowledge of key provisions of relevant legislation.

Context of and specific resources for assessment

Assessment must ensure:

- participation on an actual or simulated Board
- access to office equipment and resources
- examples of budgets, cash flows and other financial data and statements
- examples of relevant documents.

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:

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of comparison of income and expenditure to budget and previous periods, and identification and investigation of discrepancies
- analysis of responses to case studies and scenarios
- demonstration of techniques
- observation of presentations
- oral or written questioning to assess knowledge of financial requirements of organisations
- observation of performance in role plays

EVIDENCE GUIDE	
	• assessment of final budget documentation.
Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example: • other governance units.

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>Appropriate person</i> may include:	• auditor/s • chief executive officer • deputy executive officer • finance manager/officer • section manager/s
<i>Plans</i> may include:	• building/equipment/maintenance plan • business plan • cash flow • event/activity/program/section budget • financial management plan • human resources management plan • strategic plan
<i>Reporting systems</i> may include:	• balance sheet • cash flow • profit and loss statement • written report
<i>Financial statements</i> may include:	• balance sheet • cash flow • general ledger report • profit and loss statement
<i>Expenditure</i> may include:	• administration • capital requirements • consultants • contracts for goods/services • repair and maintenance • salaries • vehicle costs
<i>Stakeholders</i> may include:	• community groups and organisations • consumers • members • shareholders • staff

RANGE STATEMENT

	• trusts held by the organisation
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Unit Sector(s)

Unit sector	
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Competency field

Competency field	Regulation, Licensing and Risk - Governance
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Co-requisite units

Co-requisite units		