



Australian Government

Department of Education, Employment and Workplace Relations

LGAGENE401A Monitor council's internal controls

Release 2

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Modification History

LGAGENE401A Release 2: Layout adjusted.

LGAGENE401A Release 1: Primary release.

Unit Descriptor

This unit covers the importance, from a councillor's perspective, of creating and maintaining an adequate system of internal controls.

Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in remote and Indigenous communities and councils. Knowledge of the legislation and regulations within which councils must operate is essential. The role of elected members and senior management in leading and supporting their communities, and the identification of processes and solutions to meet the specific needs of 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 Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify council operations subject to controls	1.1 Council operations are reviewed and control systems are identified. 1.2 Existing control systems are researched and examined for effectiveness against known or perceived risks. 1.3 Examples of control from other sources are examined and assessed for applicability to the council/authority.
2 Follow optimum control standards	2.1 Organisational plans are monitored to ensure goals and objectives are adequately met by business practices. 2.2 Financial management systems and practices are researched to ensure that they comply with audit procedures, accounting standards and identified levels of risk. 2.3 Management practice emphasises accountability of staff and office bearers with regard to systems, procedures and transactions.
3 Maintain control over council's assets	3.1 Decisions about assets, purchases and disposals are made in accordance with current plans, budgets and guidelines. 3.2 The council or authority's assets are recorded in accordance with recognised accounting procedures. 3.3 Clear guidelines regarding the appropriate use of assets are documented and made known to employees and councillors. 3.4 Security of assets is supported by appropriate insurance and physical and systems controls. 3.5 All aspects of asset usage and recording are subject to audit control and are monitored by management.
4 Measure performance and compare with standards	4.1 Performance reporting is undertaken to establish progress against goals and objectives. 4.2 Tender and contract management is informed by specialist or legal advice and risk management analysis. 4.3 Work practices are monitored by routine reporting to establish whether current practices meet or exceed the demands of community stakeholders and ethical standards. 4.4 Opportunities for improvement are identified, documented, recommended for action and prioritised to ensure responsible and efficient usage of resources.
5 Account for discrepancies and recognise good performance	5.1 Theft, loss and damage are noted and reported to appropriate authority for investigation and prosecution. 5.2 Claims against insurance policies are undertaken as appropriate for theft, damage or loss. 5.3 Good performance resulting in savings or efficiencies is recognised and reinforced by management. 5.4 Repairs are effected and inoperable assets or facilities are removed from public access.

ELEMENT	PERFORMANCE CRITERIA
6 Implement risk management procedures	6.1 Operating liabilities are scrutinised through regular review, incident reporting and management scrutiny of contemporary standards of best practice. 6.2 Issues where shifting community, business, government or social standards may expose the council or authority to risk of litigation are identified for discussion, resolution and strategic response. 6.3 Risk management processes are supported and reinforced at all levels of council.

Required Skills and Knowledge

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

Required Skills

- strategic management skills
- ability to use control systems
- analysis and interpretation of data
- risk management skills

Required Knowledge

- understanding of financial management and accounting skills
- audit practices
- budget processes
- accrual accounting
- council's control systems
- issues of accountability and the separation of executive and managerial powers
- legislation affecting the local government sector
- insurance issues, including current insurance developments and impact on public facility usage
- contemporary liability issues
- implementation of control policies

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

Importance of establishing and maintaining a good system of internal control is identified.
Processes for recording and controlling transactions are monitored.
Councillor's roles in maintaining the internal control system are clarified.
Accounting and asset management policies are identified, developed and implemented.

Context of assessment

In the workplace or a simulated work environment, possibly supported by classroom delivery, including remote or online. Assessment may encompass multiple elements in the workplace and utilise:

- role-plays
- oral questioning
- case studies
- short exercises, including multiple choice, practical demonstrations and group activities in simulated environments.
- It is anticipated that a complete assessment would involve observation of performance in the role of councillor or a similar representative 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
- completion of self-paced learning materials including personal reflection and feedback from trainer, coach or supervisor.

Evidence required for

Evidence will need to be gathered over time across a range of

**demonstration of
consistent performance**

variables.

Resource implications

Access to a workplace, simulated environment or case studies including:

- legislation and standards of practice, including accounting standards
- protocols, policies and procedures
- representative issues and incidents reflecting council responsibility.
- Assessment and training may need to be conducted out of standard business hours

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.

Systems may include:

- financial management
- documentation
- cash management
- signatory powers
- contract management
- emergency and critical incident response
- community safety
- premises security
- asset security, asset register and depreciation schedule records
- data and document security
- privacy issues and policies
- road, footpath, access way and public facility security
- occupational health and safety systems, including recording and response strategies
- environmental and sustainability policies and practices
- insurances, including property, personnel and workers compensation
- quality controls, including management by exception

Guidelines may include:

Security of assets may include:

- relevant legislation
- physical and strategic control of premises, including:
 - equipment
 - parks
 - storage
 - fuel depots
 - workshops
 - maintenance facilities
 - vehicles
 - heavy equipment
 - bulk materials storage
 - tools of trade
 - plant nurseries
 - public facilities
 - child and aged care facilities
 - recreational facilities
 - computer equipment and databases

- street signage
- parking equipment and meters

Unit Sector(s)

General