



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **PSPFIN501A Apply public sector financial policies and processes**

**Revision Number: 3**

## PSPFIN501A Apply public sector financial policies and processes

### Modification History

| Release | TP Version | Comments                                |
|---------|------------|-----------------------------------------|
| 3       | PSP12V1    | Unit descriptor edited.                 |
| 2       | PSP04V4.2  | Layout adjusted. No changes to content. |
| 1       | PSP04V4.1  | Primary release.                        |

### Unit Descriptor

This unit covers detailed knowledge of the public sector financial framework, a working knowledge of external requirements and the application of these to work in a specialist finance role in the public sector. It includes identifying and implementing public sector requirements for financial services.

In practice, the application of public sector financial policies occurs in the context of other generalist or specialist work activities such as acting ethically, complying with legislation, developing client services, coordinating resources etc.

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

### Application of the Unit

Not applicable.

### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

Not applicable.

### Employability Skills Information

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency. Together, performance criteria specify the requirements for competent performance. Text in ***bold italics*** is explained in the Range Statement following.

## Elements and Performance Criteria

### ELEMENT

### PERFORMANCE CRITERIA

- |                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>1. Identify public sector requirements for financial management</b> | 1.1 The <b><i>elements of the public sector financial management compliance framework</i></b> as these relate to the organisation are identified, and requirements regarding the application of these are confirmed.<br>1.2 <b><i>Delegation</i></b> requirements relating to work functions throughout the organisation are identified in accordance with the organisation's delegation framework.<br>1.3 Internal financial control principles and operational mechanisms within the organisation are identified and clarified with senior finance staff.<br>1.4 <b><i>Public sector financial policies and procedures</i></b> relating to the work role and the organisation are located and the requirements of these are identified.                                                                                                                                                                                                            |
| <b>2. Implement public sector financial management requirements</b>    | 2.1 Financial services are provided in accordance with public sector financial policy and procedures, organisational requirements and industry benchmarks.<br>2.2 Advice regarding public sector financial policies and procedures and accounting standards is provided in accordance with organisational requirements and limits of responsibility.<br>2.3 Organisational procedures are developed/reviewed to reflect the requirements of public sector financial policy, guidelines and procedures in accordance with organisational requirements.<br>2.4 Different levels of delegation are differentiated, work situations are assessed and delegation requirements relating to functions are explained/implemented in accordance with organisational procedures.<br>2.5 <b><i>Internal control mechanisms</i></b> are applied within an organisational context in accordance with organisational policy and procedures and audit requirements. |

## Required Skills and Knowledge

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

### Skill requirements

Look for evidence that confirms skills in:

- reading complex and formal documents such as legislation, policies, procedures, and accounting standards, and providing advice on their interpretation and application
- adjusting communication to suit different audiences
- using financial applications for entering data and preparing reports requiring accuracy of expression
- applying delegations
- working in accordance with public sector industry benchmarks
- responding to diversity, including gender and disability
- accessing information and legislation electronically or in hard copy
- applying environmental and occupational health and safety procedures relating to working in the public sector
- numeracy skills relating to the ability to read and interpret financial information

### Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- legislation, policies and processes relating to public sector finance
- public sector financial management compliance framework (detailed knowledge) and the relationship of the elements of the framework
- documents that make up the financial management compliance framework
- delegations and why the public sector uses them
- internal controls, mechanisms for internal controls and why these are used
- separation of duties
- corporate governance requirements/relationship of financial management compliance framework to organisational structures
- service level agreements
- accrual accounting principles
- ethics/code of conduct
- legislation related to work in the public sector such as environmental and occupational health and safety requirements

## Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

### Units to be assessed together

- *Pre-requisite* units that must be achieved prior to this unit: *Nil*
- *Co-requisite* units that must be assessed with this unit: *Nil*
- *Co-assessed units* that may be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:
  - PSPETHC501B Promote the values and ethos of public service
  - PSPLEGN501B Promote compliance with legislation in the public sector
  - PSPGOV502B Develop client services
  - PSPGOV503B Coordinate resource allocation and usage

### Overview of evidence requirements

In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms:

- the knowledge requirements of this unit
- the skill requirements of this unit
- application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework)
- application of public sector financial policies or processes in a range of (3 or more) contexts (or occasions, over time)

### Resources required to carry out assessment

These resources include:

- public sector and organisational financial procedures and protocols
- legislation, policy, procedures and protocols relating to public sector financial management compliance framework
- delegation manual
- budget manual/instructions
- case studies and workplace scenarios to capture the range of situations likely to be encountered when applying public sector financial policies and processes

### Where and how to assess evidence

Valid assessment of this unit requires:

- a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when applying public sector financial policies and processes, including coping with difficulties, irregularities and breakdowns in routine
- application of public sector financial policies or processes in a

range of (3 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities
- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- portfolios
- projects
- questioning
- scenarios
- simulation or role plays
- authenticated evidence from the workplace and/or training courses

**For consistency of assessment**

Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments

## Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in ***bold italics*** in the Performance Criteria is explained here.

|                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><i>Elements of the public sector financial management compliance framework</i></b> may include:</p> | <ul style="list-style-type: none"> <li>• Generally Accepted Accounting Practices (GAAP)</li> <li>• financial management Acts and regulations</li> <li>• financial administration and audit Acts</li> <li>• central agency (such as Treasury) guidelines</li> <li>• requirements for:               <ul style="list-style-type: none"> <li>• internal controls</li> <li>• separation of duties</li> <li>• delegations</li> <li>• corporate governance</li> <li>• service level agreements</li> <li>• internal and external reporting</li> <li>• risk management</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                            |
| <p><b><i>Delegations</i></b> are:</p>                                                                     | <ul style="list-style-type: none"> <li>• functions or powers (under an Act) assigned to others</li> <li>• made to specified limits</li> <li>• made to specified positions and ex officio, i.e. not to specific people but to particular positions</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b><i>Public sector financial policies and procedures</i></b> may include:</p>                         | <ul style="list-style-type: none"> <li>• financial management Acts and regulations</li> <li>• financial administration and audit Acts</li> <li>• public sector finance standards</li> <li>• financial management benchmarking studies</li> <li>• the organisation's:               <ul style="list-style-type: none"> <li>• financial management</li> <li>• delegations</li> <li>• budget guidelines/instructions</li> <li>• style requirements</li> <li>• quality requirements</li> </ul> </li> <li>• government financial policy statements and guidelines</li> <li>• Australian Accounting Standards</li> <li>• Generally Accepted Accounting Practices (GAAP)</li> <li>• Australian Bureau of Statistics (ABS) requirements</li> <li>• Government Finance Statistics (GFS) requirements</li> <li>• corporate planning</li> <li>• whole-of-government/agency systems and reporting</li> </ul> |

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>Internal controls</b> should: | <ul style="list-style-type: none"><li>• identify, record and measure income, expenditure, assets, liabilities and equity</li><li>• ensure separation of duties</li><li>• ensure procedures are properly described</li><li>• incorporate other key organisations' guidelines such as banker's terms and conditions, guidelines for use of high risk equipment like EFTPOS and debit and credit transactions</li><li>• ensure all revenues are received</li><li>• ensure assets are safeguarded and efficiently and effectively used so as to avoid waste, extravagance, misuse and loss</li><li>• ensure liabilities are not incurred without proper authority</li><li>• ensure correct valuation, cut-off, presentation and disclosure of financial balances and transactions</li><li>• include contingency plans</li><li>• be linked to the organisation's risk management strategy</li><li>• be established to accord with the organisation's delegation framework</li><li>• be cost effective</li></ul> |
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## Unit Sector(s)

Not applicable.

## Competency field

Financial Services.