



Australian Government

Department of Education, Employment and Workplace Relations

PSPFIN603A Develop public sector financial strategies

Release 3

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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 the translation of organisational strategic objectives into program and resource terms by specialist finance officers in the public sector. It includes developing linkages between strategic planning and financial management, establishing and maintaining strategies to address risk management and taxation, determining resource requirements in financial terms, and developing financial bids and estimates.

In practice, development of financial strategies occurs in the context of other generalist or specialist work activities such as managing compliance with public sector legislation, managing resources, formulating business strategies 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

- | | |
|--|---|
| <p>1. Develop linkages between strategic planning outcomes and financial management processes</p> | <p>1.1 Financial management authority and autonomy are provided within organisational and program structures to enable outcomes to be achieved.</p> <p>1.2 Financial processes are structured to ensure manageable linkages to program outputs while retaining internal controls in accordance with organisational policy and procedures.</p> <p>1.3 Activities to be funded/managed are organised into programs and sub-programs to reflect logical groupings of organisational objectives that address current government policy and strategy.</p> <p>1.4 Linkages to outputs and outcomes are developed in accordance with the organisation's business and longer term plans.</p> |
| <p>2. Establish and maintain a financial risk management strategy</p> | <p>2.1 Current and potential risk exposures are identified and measured, including alternative profiles.</p> <p>2.2 Cost effective policies and procedures for minimising and managing exposures are implemented and monitored.</p> <p>2.3 Financial risk management policies and practices are documented and reviewed in accordance with organisational requirements.</p> <p>2.4 Learning, development and support needs are identified and resourced to assist staff to effectively manage risk.</p> |
| <p>3. Establish and maintain a taxation strategy</p> | <p>3.1 Exposure to applicable State/Territory and Federal taxes is determined and a strategy to increase taxation awareness within the organisation is developed in accordance with organisational requirements.</p> <p>3.2 Timely strategic taxation advice is sourced/provided and used in the development of the strategy.</p> <p>3.3 A cost effective strategy is established/maintained to capture, quantify, minimise and pay taxation liabilities in accordance with law.</p> |
| <p>4. Establish resource requirements in financial terms</p> | <p>4.1 Resource requirements are determined in terms of physical assets and human resources in accordance with program requirements.</p> <p>4.2 Financial analysis techniques are used to evaluate and approve alternative and new resource allocation proposals.</p> <p>4.3 Processes are established to allocate resources efficiently, effectively and economically in accordance with prioritised strategic and operational plans.</p> <p>4.4 Service delivery requirements are established in accordance with program requirements.</p> <p>4.5 A strategic asset plan is developed, submitted for approval and maintained in accordance with organisational requirements.</p> |
| <p>5. Develop financial bids and estimates</p> | <p>5.1 Organisational initiatives are costed and bids/estimates are prepared in accordance with budgetary processes and</p> |

ELEMENT**PERFORMANCE CRITERIA*****requirements.***

- 5.2 Bids/estimates are linked to organisational priorities, based on substantiated ***information*** and logical assumptions and take account of resource constraints and organisational needs.
- 5.3 Bids/estimates are developed to reflect outstanding liabilities and receipt collections and are prepared to meet critical submission dates.
- 5.4 ***Supporting documentation*** is prepared to justify bids/estimates in accordance with budget guidelines.

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:

- interpreting organisational information in financial terms
- adjusting communication to suit different audiences
- preparing strategies and reports requiring precision of expression
- undertaking financial analysis
- costing and preparing bids and estimates
- 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

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- legislation, policies and processes relating to public sector finance
- ethics/codes of conduct
- operational planning processes
- financial risk management
- applicable State/Territory and Commonwealth taxes
- government budget cycle including budget and additional estimates, budget processes and guidelines
- Senate committee hearings
- appropriation structure/funding mechanisms (for example, those including Commonwealth/State/Territory relationships)
- costing policies and procedures
- principles of accrual accounting
- 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:
 - PSPETHC601B Maintain and enhance confidence in public service
 - PSPLEGN601B Manage compliance with legislation in the public sector
 - PPMNGT602B Manage resources
 - PPMNGT608B Manage risk
 - PPMNGT609B Formulate business strategies

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)
- development of public sector financial strategies in a range of (2 or more) contexts (or occasions, over time)

Resources required to carry out assessment

These resources include:

- public sector and organisational financial policies procedures and protocols
- case studies and scenarios to capture the range of situations likely to be encountered when developing public sector financial strategies
- financial legislation and guidelines such as central agency guidelines
- budget process and guidelines

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 developing financial strategies, including coping with difficulties, irregularities and breakdowns in routine
- development of public sector financial strategies in a range of

(2 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
- 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.

<i>Policies and procedures</i> may include:	• financial management Acts and regulations • financial administration and audit Acts • public sector finance standards • financial management benchmarking studies • the organisation's: • financial management • delegations • budget guidelines/instructions • style requirements • quality requirements • government financial policy statements and guidelines • Australian Accounting Standards • Generally Accepted Accounting Practices (GAAP) • Australian Bureau of Statistics (ABS) requirements • Government Financial Statistics (GFS) requirements • corporate planning • whole-of-government/agency systems and reporting
<i>Linkages</i> may be:	• cross-government • inter-agency
<i>Financial risk management policies</i> should cover:	• insurable risks • non-insurable risks
<i>State/Territory and Federal taxes</i> may include:	• goods and services tax • fringe benefits tax • payroll tax • other taxes and duties and taxation equivalents
<i>Service delivery requirements</i> are established in terms of:	• outputs and outcomes • quantity • quality • timeliness • cost • location (point of delivery)
<i>Approvals of strategic</i>	• program or sub-program level or output/outcome

asset plan may include:	• business unit • organisational level: • chief executive • head office • board of management • director general • central agency such as Treasury • government level: • Cabinet Budget Committee • Minister • Parliamentary committees
Maintenance of strategic asset plan may be:	• annually • for future requirements projected 3-5 years
Bids may include:	• program discretionary bids • program, sub-program, section, business unit bids • portfolio managed bids
Estimates may include:	• budget estimates • additional estimates • forward estimates • long-term estimates • revised estimates, both current and forward
Budgetary requirements may include:	• zero-based budgeting • accrual budgeting • activity-based costing • output and outcome-based budgeting • top-down/bottom-up approach • base plus increment • cash flow management
Information may include:	• historical information • cost-benefit analyses • staff requirements • contractual information
Supporting documentation may include:	• phasing for liability and expenditure • impact statements • reasons for major variations • significant variations to financial guidance • staffing resources

Unit Sector(s)

Not applicable.

Competency field

Financial Services.