

Title	Demonstrate knowledge of public finance		
Level	5	Credits	4

Purpose	People credited with this unit standard are able to: explain principles of public sector finance; analyse trends in the development of public sector finance conventions; identify current practice in public sector finance in the context of a public sector organisation; identify and discuss key elements of the Public Finance Act 1989; and explain the role of the Office of the Controller and Auditor-General and reporting responsibilities of a public sector organisation.
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Classification	Public Sector Services > Public Sector Core Skills
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Available grade	Achieved
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Guidance Information

- 1 This unit standard is intended for people who are, or seek to be, employed in the public sector.
- 2 Legislation relevant to this unit standard includes the State Sector Act 1988 and Public Finance Act 1989.
- 3 **Definitions**
GAAP refers to generally accepted accounting practice.
Public sector refers to the State sector (central Government), including the Public Service, crown entities, non-uniformed staffs of the services and forces, offices of Parliament; and all local authorities (local Government), including local authority trading enterprises (LATEs).
Public Service refers to the departments of State which carry out core government business and which are listed in the First Schedule to the State Sector Act 1988.
State sector refers to all organisations that are included in the 'Crown reporting entity' and are referred to in s27(3) of the Public Finance Act 1989, namely: Public Service departments; other organisations defined as departments for the purposes of the Public Finance Act 1989; Offices of Parliament (e.g. the Parliamentary Commissioner for the Environment); State owned enterprises; Crown entities; and the Reserve Bank of New Zealand.

Outcomes and performance criteria

Outcome 1

Explain principles of public sector finance.

Performance criteria

- 1.1 The explanation includes how revenue is sought for public sector financing.
- 1.2 The explanation includes the principle of funding the individual agencies within the public sector, including the system of priority setting.
- 1.3 The explanation of reporting outcomes and outputs includes why these inform organisational decision-making.
- 1.4 The explanation includes the fiscal links between operational management and performance obligations within public sector organisations.

Outcome 2

Analyse trends in the development of public sector finance conventions.

Range may include but is not limited to – fiscal responsibility, accountability, disclosure of policy intent, performance obligations and reporting.

Performance criteria

- 2.1 The analysis reviews current conventions in public sector finance.
- 2.2 The analysis, based on current conventions, includes developing trends in public sector finance.

Outcome 3

Identify current practice in public sector finance in the context of a public sector organisation.

Performance criteria

- 3.1 The identification provides an overview of current public finance practice in a public sector organisation.
- 3.2 A breakdown is given, in the context of a public sector organisation, of part of the current public finance practice.

Range may include but is not limited to – use of GAAP, balance sheet management, management of budget process, reporting performance, cash flow management, policy driven priorities spending and results, control philosophies and practice; evidence of three practices required.

Outcome 4

Identify and discuss key elements of the Public Finance Act 1989.

Performance criteria

4.1 The intent and main purpose(s) of the Public Finance Act are identified and discussed.

4.2 Key features and principles of the Public Finance Act are identified and discussed.

Range may include but is not limited to – appropriations; banking and investments; reporting obligations; reporting obligations; loans and securities; trust monies; evidence for four is required.

Outcome 5

Explain the role of the Office of the Controller and Auditor-General and reporting responsibilities of a public sector organisation.

Performance criteria

5.1 The explanation includes the role of the Controller and Auditor-General in relation to a public sector organisation and parliament.

5.2 The explanation identifies the reporting responsibilities of a public sector organisation to the Office of the Controller and Auditor-General.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	27 May 2003	31 December 2023
Review	2	20 May 2011	31 December 2023
Review	3	25 February 2021	31 December 2023

Consent and Moderation Requirements (CMR) reference	0121
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.