



Australian Government

Department of Education, Employment and Workplace Relations

FNSACCT610B Develop and implement financial strategies

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers the competency to develop and implement long term plans for the optimisation of financial outcomes for an organisation.

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Application of the Unit

This unit requires the application of skills and knowledge required to develop and implement financial strategies. The unit encompasses reviewing data, determining options, implementing strategies and evaluating outcomes.

The unit has application to all sectors of the financial services industry.

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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

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Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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Elements and Performance Criteria

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Element	Performance Criteria
1 Review data	<p>1.1 Costs of, and returns from, assets and liabilities are analysed using standard accounting techniques to identify extent of debt and equity financing</p> <p>1.2 Data identifies costs of different forms of capital to the organisation</p> <p>1.3 Asset and liability estimates and valuation criteria are standardised and regularly adjusted in line with changes to environmental factors</p>
2 Determine options	<p>2.1 Long and short term periods are established for the organisation by reference to strategic goals, cash flow requirements and operational objectives</p> <p>2.2 Long term financing requirements are identified and costed in line with the organisation's expected revenue returns, cash flows and asset base</p> <p>2.3 Sources of financing are researched and evaluated to determine compatibility with the organisation's finance strategy</p> <p>2.4 Investment analysis and financial planning requirements are identified and analysed</p>
3 Implement strategies	<p>3.1 Financial plans are structured to meet strategic goals and provide returns within long and short term operational objectives</p> <p>3.2 Short and long term objectives for organisation's capital structure are developed in line with</p>

- operational and strategic plans
- 3.3 **Internal control procedures** are established in consultation with stakeholders to support implementation and to meet possible emergencies
- 3.4 Portfolio management techniques are applied
- 4 Evaluate outcomes
 - 4.1 Interrelationships between long and short term objectives are monitored to ensure consistency of returns between operational and investment plans
 - 4.2 Costs and returns are assessed to determine ongoing viability of strategy
 - 4.3 Tax efficiency of financial strategy is regularly reviewed to maintain optimal returns from assets

Required Skills and Knowledge

REQUIRED KNOWLEDGE&SKILLS

Knowledge requirements include:

principles of risk management and budgetary control
methods of storing, recording and updating financial information
financial legislation (eg taxable transactions, reporting requirements)
ethical considerations for compliance
understanding of organisational structures and lines of management authority
principles of cost-benefit analysis and use of forecasting techniques
principles of internal control (including statutory requirements)
methods of financial evaluation

Skills requirements include:

interpersonal skills and communication skills (eg liaising, listening, consulting)
report writing, preparation and formatting
reading and interpreting financial statements and reports
planning skills for timetabling and scheduling reports and lodgements
research skills to identify valuations and applicable professional standards

Evidence Guide

EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

knowledge of standard accounting techniques

knowledge of internal control procedures

knowledge of organisation's strategic goals

knowledge of environmental factors

ability to review data

ability to determine options

ability to implement strategic strategies

ability to evaluate outcomes

Critical aspects of evidence

Evidence required for demonstration of consistent performance:

Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range Statement and contexts applicable to the work environment.

Delivery/assessment relationship to other units:

Prerequisite units:

FNSACCT503B Manage budgets and forecasts.

Assessment requirements

Method of assessment:

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and

other methods as required.

Context of assessment:

Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

Resources required for assessment:

Assessment of this unit of competence requires access to suitable resources to demonstrate competence.

Assessment instruments, including personal planner and assessment record book.

Access to registered provider of assessment services.

Range Statement

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables 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. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

Standard accounting techniques may include:

discounted cash flows
Internal Rate of Return, Net Present Value
deprival asset valuations
rates of return
pay back break even periods
impact statements
pro-rata and percentage apportionment
direct and indirect allocation

Data may include:

budgets and forecasts
financial statements and reports
market valuations
Australian Bureau of Statistics (ABS)
economic data
financial markets monitoring services (eg Reuters)
credit ratings
reserve bank of Australia long term bond rates

Assets and liabilities may include:

property investments
shares, debentures, securities
loans, leases, debts
plant and equipment
employee liabilities (eg long service leave)
cash
computer software
stock and account receivable

Valuation criteria may include:

- depreciation rate
- market estimates
- purchase prices
- repayment costs
- director's valuation
- asset backing
- earning capacity
- past profits
- expected future profits
- receiver's valuation

Environmental factors may include:	economic conditions and trends external risks competitors' behaviour market share consumer demand cost of capital skills shortages government financial policies factor markets
Long and short term periods may include:	monthly accounting quarterly reports half yearly budgets annual reporting tri-annual funding five year plans
Strategic goals may include:	survival short term profit long term profit liquidity solvency growth market share
Sources of financing may include:	'plough back' money market asset sales bank borrowing (long and short term) franchising venture capital new share releases government equity injections debentures
Short and long term objectives may	debt retirement

include:

- salaries and other employee obligations
- periodic payments (eg leases, loans)
- taxation payments
- superannuation
- dividends

Internal control procedures may include:

- identification, measurement and recording of revenue, assets, expenditure, liabilities and equity
- safeguarding and insurance of assets
- decision making authorities
- accuracy in valuations
- transparency in financial reporting
- risk management strategies
- corporate governance requirements
- control of cash

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSACCT610B.

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