



Australian Government

Department of Education, Employment and Workplace Relations

FNSACCT613B Prepare and analyse management accounting information

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers the competency to calculate, record and analyse the costs of products, services and other organisational activities.

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Application of the Unit

This unit requires the application of skills and knowledge required to prepare and analyse management accounting information. The unit encompasses gathering and recording operating costs and data, analysing data, preparing cost reports and budgets and analysing cost reports and budgets. The unit has application to those job positions such as accountants and analysts.

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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. 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.

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 Gather and record operating and cost data	1.1 Systems to generate cost and operating data are established
	1.2 Systems to determine cost and operating standards are established
	1.3 Data is systematically coded, classified and checked for accuracy and reliability in accordance with organisational policies and procedures
2 Analyse data	2.1 Costs are assigned to specified products, services, projects, organisational units, customers, distribution channel, market segments and other cost objects
	2.2 Data is reconciled to ensure calculations are accurate and comply with organisational procedures
	2.3 Variance analysis is used to review the effectiveness of the cost assignment process
	2.4 Interpretation of revenues and costs is supported by valid analysis and is consistent with the organisation's objectives
3 Prepare cost reports and budgets	3.1 Cost information and organisational activities advice is sought from all sections of the organization when formulating reports and budgets
	3.2 Structure and format of reports and budgets are clear and conform to routine and ad hoc

management information requirements

- 3.3 Comprehensive variances against budget and standards are identified, and prioritised for review and decision making
 - 3.4 **Reports** are error free, comprehensive and comply with routine and ad hoc management requirements and organisational practices
- 4 Analyse cost reports and budgets
- 4.1 Variances against budget are interpreted and discussed in consultation with relevant sections of the organisation
 - 4.2 Outcomes from variance reviews are assessed and recommendations made for further actions where required, including revisions to cost and activity standards
 - 4.3 Cost and process information is reviewed for value adding and non-value adding activities, and recommendations made for further actions
 - 4.4 Reports and budgets on specified products, services, projects, organisational units, customers, market segments and other cost objects are assessed against the organisation's objectives, and recommendations made for further actions

Required Skills and Knowledge

REQUIRED KNOWLEDGE&SKILLS

Knowledge requirements include:

principles of costing

organisational operating procedures

common routines for recording and storing data

principles of costing system integrity

methods of data protection including back ups and security

principles and practices of budgetary control (eg double entry bookkeeping and accrual accounting)

ethical considerations for the handling of financial and operating information (eg conflict of interests, confidentiality, disclosure requirements)

Skills requirements include:

interpersonal skills and communication skills (eg liaising, listening, consulting)

information technology used for the set up and analysis of spreadsheets

estimating, forecasting and analysis skills

reading and interpreting financial statements and reports

writing skills for reports and recommendations

numeracy for financial calculations and analysis

recording, gathering and classifying financial information

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 standards accounting techniques and principles
- ability to gather and record operating and cost data
- ability to analyse data
- ability to prepare cost reports and budgets
- ability to analyse cost reports and budgets

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:
FNSACCT507B Provide management accounting information.

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.

Systems may include:

- standard costing
- activity-based costing
- process costing
- direct and absorption costing
- operations costing
- joint and by-products costing

Data may include:

- inventory, materials and finished product records
- marketing, distribution and customer records
- consumables records
- records of purchases and associated costs
- sales information
- labour utilisation records
- materials used
- payroll records
- manufacturing and general overhead costs
- service charge out rates
- marketing, distribution, logistics and other support areas activity records
- standards for labour, materials and overheads usage and costs

Cost assignments may include:

- direct and indirect costs
- fixed and variable costs
- absorption costs
- labour, materials and overheads
- manufacturing costs

service costs
activity-based costs
project costs
product, service, market segment,
distribution channel and customer costs

Reports and budgets may include:

production reports and budgets
materials purchases
materials usage
labour usage
manufacturing overhead
costing budgets
relationship with master budgets
activity-based reports and budgets
project reports and budgets

Management information requirements
may include:

costs and profitability of products and
services and business units
costs and profitability of market segments,
distribution channels and customers
causes of and reasons for variances
identification of value adding and non-value
adding activities
improvement of cost and resource
management

Reports may include:

manufacturing statements
variance analysis reports
job, process and service profitability reports
cost volume profit report
manufacturing statements
job cost records
spreadsheets
service cost analysis
project cost analysis
market segment, distribution channel and
customer cost analysis

performance reports

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSACCT613A.

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