



Australian Government

FNSACC608 Evaluate organisation's financial performance

Release: 3

FNSACC608 Evaluate organisation's financial performance

Modification History

Release	Comments
Release 3	This version first released with FNS Financial Services Training Package Release 8.1. Pre-requisite unit updated.
Release 2	This version first released with FNS Financial Services Training Package Version 3.1 Update to pre-requisite unit code

Application

This unit describes the skills and knowledge required to evaluate returns to operations, determine short-term and long-term needs, and evaluate an organisation's financial position and performance.

It applies to experienced individuals who use specialised knowledge and skills to evaluate complex financial information and make recommendations relevant to strategic organisational activity.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Pre-requisite Unit

FNSACC521	Provide financial and business performance information
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Unit Sector

Accounting

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
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ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Evaluate returns to operations	<p>1.1 Trend cash flow and profitability patterns to identify current position and expected returns from investments and projected operations</p> <p>1.2 Disaggregate averaged returns to assess strengths and weaknesses in organisational performance</p> <p>1.3 Evaluate investment returns against risk, profit and capital budget requirements</p>
2. Determine short-term and long-term needs	<p>2.1 Identify resources required by organisation to meet short-term and long-term obligations, and cost using standard financial analysis techniques</p> <p>2.2 Establish and review financial priorities based on reported performance and identified trends, organisational objectives and expected returns to operations and investments</p> <p>2.3 Review financial options and conduct analysis of range of possible assets and liabilities to optimise capital mix to support operations and trading need</p> <p>2.4 Evaluate and document organisational policy and procedures for expenditures and investments to ensure relevance to changing personnel profiles</p> <p>2.5 Analyse debt to equity targets in terms of organisation's expected performance and establish in line with organisational objectives using standard accounting techniques</p>
3. Review performance	<p>3.1 Ensure forecasts made are justifiable given observed trends, information, events and assumptions, with standard errors calculated to produce levels of accuracy suitable for planning purposes</p> <p>3.2 Regularly review forecasts in line with actual performance and alternative sources of information</p> <p>3.3 Assess risk strategies for long-term viability and harmonise with short-term goals and obligations</p>

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	2.2-2.4	<ul style="list-style-type: none"> Accesses, analyses and synthesises key information from complex sources to evaluate financial performance
Writing	2.2, 2.4, 3.1	<ul style="list-style-type: none"> Prepares forecasts, financial options and clear written advice using logical structure, correct terminology and writing style that matches the audience and intended purpose
Numeracy	1.1-1.3, 2.1-2.3, 2.5, 3.1, 3.2	<ul style="list-style-type: none"> Performs mathematical calculations and uses a range of mathematical problem-solving techniques to analyse trends and to estimate and forecast financial data
Navigate the world of work	2.1-2.5, 3.1	<ul style="list-style-type: none"> Takes a lead role in evaluating performance against the achievement of organisational goals and objectives, taking into account legal or regulatory obligations
Get the work done	1.1-1.3, 2.1- 2.5, 3.2-3.3	<ul style="list-style-type: none"> Takes responsibility for planning, sequencing, scheduling and monitoring complex tasks and own workload to achieve organisational goals and objectives Uses systematic analytical problem-solving processes in complex, routine and non-routine situations, gathering information and identifying and evaluating options against criteria Uses digital technologies to access, enter and extract relevant information to achieve required outcomes

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSACC608 Evaluate organisation's financial performance	FNSACC608A Evaluate organisation's financial performance	Updated to meet Standards for Training Packages Prerequisite updated	No equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

