



Australian Government

FNSFMK525 Analyse clients' financial risk

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 5.0.

Application

This unit describes the skills and knowledge required to determine a client's financial risk profile, assess risk management options, produce detailed reports, and provide findings to authorised representatives and other stakeholders.

The unit applies to those with specialised knowledge who use analytical skills and systematic approaches to advise and make recommendations in their area of responsibility. Information relating to clients' financial risk may come from authorised representatives, including financial advisers, or from shareholders, financial organisations, stockbrokers, trustees, agents and intermediaries.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Financial markets

Elements and Performance Criteria

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. Determine client's financial situation and risk profile	1.1 Confirm client's financial needs, expectations and objectives according to organisational requirements 1.2 Obtain valid and relevant information to determine complexity of client needs and client's current asset and liability management framework 1.3 Assess risk based on understanding of client's personal situation, and operating environment or core business 1.4 Establish client's risk tolerance level and discuss with client to

ELEMENT	PERFORMANCE CRITERIA
	confirm risk profile
2. Assess product risk relative to client's risk profile	2.1 Develop assessment criteria for measuring level of potential and existing risk and for assessing associated consequences according to organisational policies and procedures 2.2 Identify range of products that meet client objectives 2.3 Access information on risks associated with these products and investment risk profile using appropriate analytical techniques 2.4 Assess and compare risk of financial products based on understanding of client's personal situation, operating environment and core business
3. Assess risk management options	3.1 Evaluate alternative products according to risk assessment and client requirements and estimate short-term and long-term effects 3.2 Identify, analyse and discuss incidents and factors affecting financial performance with authorised representative 3.3 Determine strategy recommendations based on product evaluation and confirm viability with authorised representative 3.4 Confirm with authorised representative client's understanding of risks relating to potential strategy recommendations
4. Report findings	4.1 Document risk management alternatives according to legislative and organisational requirements 4.2 Prepare retail client disclosure documents that outline client responsibilities 4.3 Update, modify and maintain client information according to legislative and organisational requirements 4.4 Prepare and file risk analysis documentation according to legislative and organisational requirements

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	<ul style="list-style-type: none"> Uses mathematical equations to perform calculations and comparative analysis techniques to determine trends and compare financial information
Oral communication	<ul style="list-style-type: none"> Participates in verbal exchanges using active listening and questioning techniques to confirm understanding
Reading	<ul style="list-style-type: none"> Analyses and evaluates complex information from a range of sources

SKILL	DESCRIPTION
	to determine requirements and complete necessary actions
Writing	<ul style="list-style-type: none"> Records and maintains written information using formats and protocols Prepares formal and informal documents using terminology, language and concepts relevant for the audience and purpose
Planning and organising	<ul style="list-style-type: none"> Applies systematic and analytical decision-making processes to make recommendations in complex and non-routine situations
Self-management	<ul style="list-style-type: none"> Takes responsibility for the provision of timely, accurate, secure and relevant information according to legal and organisational requirements Accepts responsibility for planning and sequencing complex tasks and workload
Teamwork	<ul style="list-style-type: none"> Selects and uses relevant conventions and protocols when liaising or sharing information with authorised representatives
Technology	<ul style="list-style-type: none"> Uses the main features and functions of digital tools to complete work tasks, store data and access information

Unit Mapping Information

Supersedes and is equivalent to FNSFMK503 Advise clients on financial risk.

Links

Companion Volume Implementation Guide is found on VETNet -

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