



Australian Government

FNSACC602 Audit and report on financial systems and records

Release: 3

FNSACC602 Audit and report on financial systems and records

Modification History

Release	Comments
Release 3	This version first released with FNS Financial Services Training Package Version 8.2. Update to prerequisite unit code.
Release 2	This version first released with FNS Financial Services Training Package Version 3.1. Updates to pre-requisite unit code

Application

This unit describes the skills and knowledge required to supervise an audit of financial systems and prepare the appropriate reports, including assessing options, identifying information sources, determining audit strategies, monitoring progress, reviewing data, verifying financial statements and determining appropriate reporting formats.

It applies to experienced individuals who use specialised knowledge and systematic approaches to analyse and evaluate financial information against specified criteria and compliance requirements.

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

FNSACC526	Implement and maintain internal control procedures
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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. Assess options	1.1 Identify statutory requirements from assessment of terms of reference, and client objectives and obligations 1.2 Review and analyse client activities and procedures to establish familiarity with systems and guide selection of appropriate audit methodologies 1.3 Develop financial audit methodologies to identify significant features of audit and establish criteria for conducting audit in accordance with professional auditing standards
2. Identify information sources	2.1 Identify audit financial data sources from evaluation of organisation's information systems 2.2 Create audit lines of enquiry to support audit objectives and reduce audit risk to acceptable level
3. Determine audit strategies	3.1 Establish client financial business characteristics from analysis of general economy, industry and client's provided information 3.2 Assess client's inherent financial risk through value chain risk analysis 3.3 Identify internal control procedures for financial transactions through discussion with client and established professional standards 3.4 Ensure audit methodologies use established sampling and selection techniques in manner consistent with internal control procedures and substantive testing
4. Schedule resources and timelines and monitor progress	4.1 Establish timeframes and allocate personnel to functions and tasks based on audit lines of enquiry 4.2 Review resource use regularly, and develop and monitor intermittent reports with resource allocation and timeframes adjusted through discussion and agreement with client and in accordance with professional accounting standards
5. Review data and verify statements	5.1 Identify significant strengths and weaknesses in controls and rank in accordance to audit objectives 5.2 Obtain and evaluate evidence on financial systems and controls under review using established testing procedures and in accordance with criteria identified in audit methodology 5.3 Test management assertions to achieve audit objectives 5.4 Gather sufficient appropriate audit evidence as basis for expert

ELEMENT	PERFORMANCE CRITERIA
	opinion 5.5 Verify financial statements as materially misstated or correct
6. Determine reporting formats	6.1 Identify and document financial operational functions, services and systems in accordance with standard formats 6.2 Ensure format is consistent with documentation requirements of auditor and professional auditing standards 6.3 Formulate and provide financial audit opinions, including recommendations, to client in established and acceptable format

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	1.1, 1.2, 2.1, 3.1, 3.3, 5.1- 5.3	Analyses and synthesises complex textual information to determine auditing requirements and parameters
Writing	1.3, 4.2, 5.1, 5.5, 6.1-6.3	- Prepares logically constructed reports, using appropriate formats, supported by relevant evidence and recommendations - Uses clear language, terminology and conventions to convey and clarify findings and recommendations
Oral Communication	3.3, 4.2, 6.3	- Uses critical questioning and active listening techniques to elicit, clarify and convey information - Uses tone, pace and concepts appropriate to the audience
Numeracy	2.1, 3.3, 3.4, 4.1, 5.1, 5.2, 5.4	Uses highly developed mathematical problem-solving strategies and techniques to analyse and evaluate financial data
Navigate the world of work	1.1, 1.3, 3.3, 5.1, 5.2, 6.1, 6.2	- Recognises and responds to relevant Acts, regulatory requirements and explicit and implicit protocols, policies and procedures, and meets expectations associated with own role - Ensures currency of knowledge relating to legislation, regulations and policies applicable to auditing legislation and professional requirements
Interact with	3.3, 4.2, 6.3	Collaborates with others to achieve mutually agreeable

others		outcomes while maintaining confidences and ethical practices
Get the work done	1.1-1.3, 2.1, 2.2, 3.2-3.4, 4.1, 4.2, 5.1-5.6, 6.3	• Takes responsibility for planning, sequencing and prioritising complex tasks and own workload for efficiency and effective outcomes • Plans and schedules work activities of others • Uses systematic analytical problem-solving processes in complex, routine and non-routine situations, gathering information and identifying and evaluating options against criteria • Evaluates the effectiveness of systems and processes to inform decisions on how to implement improvements • Recognises and anticipates a range of problems, implementing contingency plans when appropriate • Recognises opportunities to develop and apply new ideas • Uses digitally based technologies and systems to assist in achieving required outcomes

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSACC602 Audit and report on financial systems and records	FNSACC602A Audit and report on financial systems and records	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for FNSACC602 Audit and report on financial systems and records

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Performance Evidence

Evidence of the ability to:

- assess client risk and determine financial audit strategy and methodology
- schedule resources and timelines, and monitor progress
- review data, verify financial statements and determine reporting formats that comply with:
 - organisational financial internal control policy and procedures
 - relevant legislative requirements and professional standards.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and explain the key features of current financial legislation and statutory requirements relating to internal control, taxable transactions and reporting requirements
- identify and explain the key features of current, relevant professional accounting standards
- outline the duties and responsibilities of auditors
- discuss professional standards and ethical considerations for management and handling of files and records
- identify and explain the key principles of:
 - auditing
 - internal control
- compare and contrast testing procedures and methods of enquiry.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the accounting field of work and include access to:

- common office equipment, technology, software and consumables
- an integrated financial software system and data.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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