



**Australian Government**

# **FNSFPL402 Prepare financial plans to set strategies and guidelines**

**Release: 1**

# FNSFPL402 Prepare financial plans to set strategies and guidelines

## Modification History

| Release   | Comments                                                                              |
|-----------|---------------------------------------------------------------------------------------|
| Release 1 | This version first released with FNS Financial Services Training Package Version 1.0. |

## Application

This unit describes the skills and knowledge required to determine and prepare a financial plan according to organisational guidelines, where a client's preferred strategies and key parameters have already been established by a qualified financial planner. It encompasses confirming financial plan objectives and scope, testing strategic assumptions, reviewing and settling a draft strategy and options according to organisational guidelines, and developing preliminary financial plans.

It applies to individuals who work within a team and use specialised knowledge and systematic approaches to recommend customised solutions for a diverse range of clients.

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.

## Unit Sector

Financial planning

## 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. Confirm plan objectives and scope             | 1.1 Check plan strategy and key parameters with qualified financial planner and client<br>1.2 Establish research topics and review and compare research results to client requirements and expectations, as set out in strategy and key parameters<br>1.3 Analyse current client situation to determine opportunities and |

| ELEMENT                                         | PERFORMANCE CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | constraints within strategy boundaries<br><br>1.4 Develop plan objectives for asset growth, income, risk, taxation and any other objectives set out in plan strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2. Test strategic assumptions                   | 2.1 Test client related key assumptions against draft strategy<br>2.2 Test and review economic key assumptions in strategy as required<br>2.3 Test legislative and regulatory assumptions, including taxation assumptions, against strategy<br>2.4 Obtain clarification from strategy author on any identified discrepancies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3. Develop financial plan to set strategy       | 3.1 Analyse and model strategic options set by financial planner<br>3.2 Identify and discuss inconsistencies in strategic options with strategy author<br>3.3 Develop financial plan according to established organisational guidelines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4. Review and settle draft strategy and options | 4.1 Select strategic options for review and mode of presentation according to organisational guidelines<br>4.2 Review each strategic option with strategy author, including positives, negatives and risks for each option<br>4.3 Establish broad agreement on strategies with strategy author                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5. Develop preliminary financial plan           | 5.1 Select specific products and options that meet given strategy and key parameters<br>5.2 Incorporate cash flow and liquidity, and set capital preservation and/or estate planning requirements consistent with given strategy and key parameters<br>5.3 Develop recommendations for financial asset allocation structure according to organisational guidelines<br>5.4 Develop recommendations for changes to income and taxation arrangements, including referral advice to accountants and/or lawyers as appropriate<br>5.5 Develop recommendations on risk management strategies and products, and incorporate according to organisational guidelines<br>5.6 Check all recommendations to ensure consistency with given strategy and key parameters, and that they meet specific objectives with high dependability of outcome<br>5.7 Incorporate description of anticipated fees and charges, and |

| ELEMENT | PERFORMANCE CRITERIA                                                                                                                                                                                               |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <p>information on internal and external complaints resolution procedures into the plan, where appropriate</p> <p>5.8 Document preliminary financial plan according to organisational guidelines and procedures</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                    | 1.1-1.3, 4.2, 5.6                                  | <ul style="list-style-type: none"> <li>Interprets and analyses information from a range of sources and records and consolidates information relevant to requirements</li> </ul>                                                                                                   |
| Writing                    | 1.1, 1.4, 2.4, 3.2, 3.3, 4.1-4.3, 5.2-5.8          | <ul style="list-style-type: none"> <li>Prepares reports using format, terminology and conventions specific to requirements, audience and purpose</li> <li>Writes, edits and proofreads documents to ensure clarity of meaning, accuracy and consistency of information</li> </ul> |
| Oral Communication         | 1.1, 2.4, 3.2, 4.2, 4.3                            | <ul style="list-style-type: none"> <li>Participates in verbal exchanges using active listening and questioning techniques to share, convey and clarify information</li> <li>Uses language, terminology and concepts appropriate to the audience and purpose</li> </ul>            |
| Numeracy                   | 1.1-1.3, 2.2, 2.3, 3.1-3.3, 4.2, 5.2-5.7           | <ul style="list-style-type: none"> <li>Uses mathematical equations to perform calculations and comparative analysis techniques to compare financial information</li> </ul>                                                                                                        |
| Navigate the world of work | 2.3, 3.3, 4.1, 5.3, 5.5, 5.8                       | <ul style="list-style-type: none"> <li>Takes personal responsibility for ensuring that documentation and processes comply with policies, procedures and legislative requirements</li> </ul>                                                                                       |
| Interact with others       | 1.1, 2.4, 3.2, 4.2, 4.3                            | <ul style="list-style-type: none"> <li>Selects and uses appropriate conventions and protocols to communicate with clients, colleagues and other stakeholders</li> <li>Maintains knowledge of compliance legislation necessary to perform own role</li> </ul>                      |
| Get the work done          | 1.1-1.4, 2.1, 2.2, 2.4, 3.1, 3.2, 4.1-4.3, 5.1-5.8 | <ul style="list-style-type: none"> <li>Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effectiveness</li> </ul>                                                                                                          |

|  |  |                                                                                                                                                                                                                                                                                |
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|  |  | <ul style="list-style-type: none"><li>• Systematically gathers and analyses all relevant information and evaluates options to decide on appropriate financial plan components</li><li>• Uses the main features and functions of digital tools to complete work tasks</li></ul> |
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## Unit Mapping Information

| Code and title<br>current version                                  | Code and title<br>previous version                                  | Comments                                        | Equivalence status |
|--------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------|--------------------|
| FNSFPL402 Prepare financial plans to set strategies and guidelines | FNSFPL402A Prepare financial plans to set strategies and guidelines | 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>