



Australian Government

FNSFPL503 Develop and prepare financial plan

Release: 1

FNSFPL503 Develop and prepare financial plan

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 develop and prepare a financial plan that meets the client's needs. It encompasses establishing plan objectives and scope, and developing strategic assumptions, strategies and a preliminary financial plan compliant with regulatory and organisational requirements.

It applies to individuals who, within their level of authority, manage relationships, apply systematic approaches and use specialised knowledge 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. Establish plan objectives and scope	1.1 Review research results and compare to client requirements and expectations 1.2 Analyse current client situation to determine opportunities and constraints 1.3 Identify and assess desired financial resource and market parameters 1.4 Develop plan objectives for asset growth, income, risk, taxation and any other objectives developed in consultation with

ELEMENT	PERFORMANCE CRITERIA
	client
2. Develop strategic assumptions	2.1 Develop and test client related and economic key assumptions 2.2 Identify and test legislative and regulatory requirements, including taxation assumptions 2.3 Seek clarification from client or other professionals as required and document strategic assumptions for client review
3. Develop financial plan strategy	3.1 Develop initial options based on strategic assumptions and client specifications 3.2 Analyse and model strategic options and reject any inappropriate options 3.3 Develop supporting arguments for each final strategic option and include in draft overall strategy 3.4 Conduct any necessary client checks or consultations to verify plan strategy
4. Develop preliminary financial plan	4.1 Select specific products and options to meet agreed strategy with cash flow, liquidity and capital preservation or estate planning requirements incorporated as required 4.2 Develop recommendations for financial asset allocation structure, including where provision is required for equities, trusts, partnerships, allocated pensions and superannuation, and planned capital expenditure 4.3 Develop recommendations for changes to income and taxation arrangements, including referral advice to accountants or lawyers as appropriate 4.4 Develop recommendations on risk management strategies and products, and incorporate in plan 4.5 Incorporate anticipated fees and charges into preliminary plan 4.6 Incorporate information on internal and external complaints and dispute resolution procedures available to client 4.7 Document preliminary financial plan according to organisational guidelines and procedures
5. Ensure compliance of financial plan with regulatory and organisational requirements	5.1 Check preliminary financial plan to ensure that role of representative or adviser is properly documented and complies with relevant Acts, regulations and regulatory guidelines 5.2 Assess preliminary financial plan for its ability to successfully achieve objectives 5.3 Check preliminary financial plan to ensure that it complies

ELEMENT	PERFORMANCE CRITERIA
	with ethical and regulatory requirements
6. Produce completed plan	6.1 Produce financial plan in accordance with organisational quality control requirements 6.2 Attach relevant supporting documentation relating to products, regulatory considerations and organisational processes, including internal and external complaints procedures

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, 2.2, 3.2, 5.1-5.3	Analyses and reviews complex information from a range of sources to identify key details, make judgements and determine requirements
Writing	1.4, 2.1, 2.3, 3.3, 3.4, 4.2-4.7, 6.1	- Develops material to a specific audience using clear and detailed language and financial data to convey explicit information, requirements and recommendations - Uses appropriate formats and structures to report and present information logically
Oral Communication	2.3, 3.4	Participates in verbal exchanges using active listening and questioning skills and uses collaborative techniques to convey and clarify information appropriate to the audience and purpose
Numeracy	1.1-1.4, 2.1, 4.2, 4.5	Performs calculations and analyses and tests financial information to achieve required outcomes
Navigate the world of work	2.2, 4.6, 4.7, 5.1, 5.3, 6.1	- Takes full responsibility for ensuring that documentation and processes comply with organisational policy and procedures, and regulatory and ethical requirements - Maintains knowledge of compliance legislation necessary to perform role
Interact with others	2.3, 3.4	Selects and uses appropriate conventions and protocols when communicating with internal and external stakeholders to seek or share information
Get the work	1.1-1.4, 2.1-2.3,	Plans, organises, implements and monitors work processes and tasks to meet legislative and

done	3.1-3.4, 4.1-4.7, 5.2, 6.1	organisational requirements and ethical standards, changing processes where necessary • Systematically gathers, analyses and evaluates research findings to decide on appropriate products or advice • Uses the main features and functions of digital tools to complete work tasks and to access information
------	----------------------------	---

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFPL503 Develop and prepare financial plan	FNSFPL503A Develop and prepare financial plan	Updated to meet Standards for Training Packages Minor rewording and reorganisation to clarify intent of performance criteria	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 FNSFPL503 Develop and prepare financial plan

Modification History

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

Performance Evidence

Evidence of the ability to:

- analyse options and make justified recommendations to clients using use in-depth knowledge of the financial planning industry, industry regulations, codes of practice, financial products, financial markets and investment characteristics
- develop a detailed financial plan that :
 - maximises the client's outcomes and reaches client objectives
 - establishes plan objectives and scope, and develops strategic assumptions
 - complies with regulatory and organisational procedures
 - assesses impacts of taxation, social security, economic and other government policy on client investment and financial requirements.

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:

- describe the key features of generic products available in the financial services industry
- discuss the impact of taxation, social security, economic and other government policy on client investment and financial requirements
- describe the key features of investment and savings vehicles, financial markets, asset classes and investment characteristics
- identify investment risk factors and describe relationship to return expectations
- discuss the principles of effective negotiation
- describe the internal and external complaints and dispute resolution procedures available to clients
- describe the key features of relevant industry codes of practice
- outline the key ethical considerations in developing and preparing financial plans

- outline the general impact of relevant:
 - economic, taxation and social security policy on the client's financial planning needs
 - state and territory planning considerations on the client's financial planning needs
- explain the role of the financial planning adviser and financial planning practice, including compliance requirements and the disclosure of capacity
- describe the key features of legislation and regulations affecting the financial services industry.

Assessment Conditions

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

- office equipment, technology, software and consumables.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

Companion Volume implementation guides are found in VETNet -

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