



Australian Government

FNSORG506 Prepare financial forecasts and projections

Release: 1

FNSORG506 Prepare financial forecasts and projections

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 plan a financial forecast or projection, identify assumptions and parameters, collect, consolidate and analyse data, make forecasts or projections, document results and obtain approval.

It applies to experienced individuals who use a range of specialist and managerial techniques to plan and carry out their work, and provide direction to others.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Organisational skills

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. Plan preparation timetable	1.1 Identify all critical milestones to ensure financial forecasts and projections can be prepared within timeframes 1.2 Review business plans, financial forecasting and processing systems to identify timeframes and parameters, and any potential conflicts
2. Identify assumptions and parameters	2.1 Review business plans and exception reports to identify and resolve conflicts in assumptions 2.2 Review assumptions and parameters to ensure compliance with organisational policy and procedures 2.3 Analyse current and historical financial reports to establish trends, and examine external environment to gain objective

ELEMENT	PERFORMANCE CRITERIA
	overview
3. Issue instructions and relevant aids for preparation of forecasts and projections	3.1 Issue clear instructions that comply with organisational format to facilitate use and ensure consistent interpretation 3.2 Identify business types to enable selection of effective financial models, and provide training to users to ensure comprehensive understanding and effective use of models
4. Collect, consolidate, model and analyse data	4.1 Review data to ensure consistency with model used and document analysis results clearly 4.2 Collect reliable, valid, complete and comprehensive data 4.3 Process and consolidate data in logical structured format that enables ready analysis according to established timetable
5. Document results and obtain approval	5.1 Document results clearly in suitable format that meets needs of target users 5.2 Obtain all approvals in accordance with management objectives and financial and organisational policy, and distribute results within timetable

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	1.2, 2.1-2.3, 4.1-4.3, 5.2	Interprets, analyses and reviews a variety of structurally complex textual information for accuracy, consistency and compliance with legislation and organisational requirements
Writing	2.1, 3.1, 3.2, 4.1-4.3, 5.1, 5.2	- Produces analytical financial reports from an extensive range of data and modelling to clearly and accurately convey forecasts and projections in required formats - Develops content using clear and detailed language organised in a manner that supports the purposes and audience of the document
Oral Communication	1.1, 1.2, 2.1, 2.2, 3.1, 3.2	Participates in verbal exchanges using careful listening and questioning techniques to elicit relevant information from others, and clear and direct language to convey instructions and confirm understanding

		• Uses language, tone and pace appropriate to the audience and environment
Numeracy	1.1, 2.1-2.3, 3.2, 4.1-4.3, 5.1	• Collects, analyses and reviews relevant numerically expressed data, formulae and ratios from a range of sources • Uses advanced mathematical skills to identify assumptions and inconsistencies, and complete accurate result analysis • Performs calculations necessary to estimate timelines and prepare accurate timetables
Navigate the world of work	2.2, 2.3, 3.2, 5.2	• Takes full responsibility for understanding and complying with organisational policy and procedures regarding financial forecasts and projections • Maintains and updates knowledge required to carry out work role
Interact with others	3.2	• Selects and uses appropriate conventions and protocols to gain and elicit information relevant to financial forecasts and projections
Get the work done	1.1, 1.2, 2.1, 2.2, 3.1, 3.2, 4.1-4.3, 5.1, 5.2	• Accepts responsibility for planning, sequencing and scheduling complex tasks and workload according to organisational requirements • Applies systematic and analytical decision-making processes to make forecasts and projections in complex and non-routine situations • Uses formal analytical thinking techniques to identify issues and generate possible solutions • Uses the main features and functions of digital tools to complete work tasks, store data and access information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSORG506 Prepare financial forecasts and projections	FNSORG506A Prepare financial forecasts and projections	Updated to meet Standards for Training Packages. Minor edits 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 FNSORG506 Prepare financial forecasts and projections

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Performance Evidence

Evidence of the ability to:

- comply with organisational policy and procedures that relate to the preparation of financial forecasts and projections
- apply standard accounting principles and techniques
- accurately identify assumptions and parameters of forecasts
- collect, consolidate, model and analyse data in a timely manner
- document forecasts and projections, and obtain approval where required.

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 relevant financial industry codes of practice
- explain financial forecasting techniques, models and best practice
- identify key users or audience for financial forecasts and projections
- outline factors in the external environment that can impact on financial forecasts
- outline the relevance of historical financial reports to forecasting
- identify and interpret relevant organisational policy and procedures
- explain key requirements of relevant legislation and regulations that influence 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 organisational skills field of work and include access to:

- office equipment, technology, software and consumables
- an integrated financial software system and data
- organisational policy and procedures documentation.

Assessors must satisfy NVR/AQTF assessor requirements.

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