



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC610A Develop and implement financial strategies

Revision Number: 1

FNSACC610A Develop and implement financial strategies

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to review financial and organisational data, determine and implement strategic options and long-term plans and evaluate outcomes for the optimisation of financial outcomes for an organisation. This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.
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Application of the Unit

Application of the unit	The unit has application to all sectors of the financial services industry.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		
	FNSACC503A	Manage budgets and forecasts

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Review data	1.1. Costs of, and returns from, assets and liabilities are analysed using standard accounting techniques to identify extent of debt and equity financing 1.2. Data is used to identify costs of different forms of capital to the organisation 1.3. Asset and liability estimates and valuation criteria are standardised and regularly adjusted in line with changes to environmental factors
2. Determine options	2.1. Long-term and short-term periods are established for the organisation by reference to strategic goals, cash flow requirements and operational objectives 2.2. Long-term financing requirements are identified and costed in line with the organisation's expected revenue returns, cash flows and asset base 2.3. Sources of financing are researched and evaluated to determine compatibility with the organisation's finance strategy 2.4. Investment analysis and financial planning requirements are identified and analysed
3. Implement strategies	3.1. Financial plans are structured to meet strategic goals and provide returns within long-term and short-term operational objectives 3.2. Short and long-term objectives for organisation's capital structure are developed in line with operational and strategic plans 3.3. Internal control procedures are established in consultation with stakeholders to support implementation and to meet possible emergencies with portfolio management techniques applied
4. Evaluate outcomes	4.1. Interrelationships between long and short-term objectives are monitored to ensure consistency of returns between operational and investment plans 4.2. Costs and returns are assessed to determine ongoing viability of strategy 4.3. Tax efficiency of financial strategy is regularly reviewed to maintain optimal returns from assets

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- well-developed communication skills to:
 - evaluate an organisation's financial strategies, using questioning of personnel and management for confirmation
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- highly developed research skills for accessing and managing financial services information
- well-developed literacy skills for analysing financial information and organisational strategies and preparing financial plans and clear written advice
- numeracy skills for financial calculations and analysis, estimating and forecasting
- IT skills for developing and using integrated financial systems, spreadsheets and databases and internet information
- learning skills to maintain knowledge of organisational strategic best practice principles, processes and procedures
- problem solving skills to identify strategy issues that have the potential to impact on organisations and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work and correctly schedule financial performance monitoring and reporting

Required knowledge

- ethical considerations for compliance
- financial legislation such as:
 - taxable transactions
 - reporting requirements
- methods of financial evaluation
- methods of storing, recording and updating financial information
- principles of cost-benefit analysis and use of forecasting techniques
- principles of internal control including statutory requirements
- principles of risk management and budgetary control
- organisational structures and lines of management authority

Evidence Guide

EVIDENCE GUIDE	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: • use standard accounting techniques and knowledge of internal control procedures and an organisation's strategic goals • consider a range of environmental factors when reviewing financial data • determine viable financial options and implement strategic strategies • evaluate outcomes of implemented strategies.
Context of and specific resources for assessment	Assessment must ensure: • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to an integrated financial software system and data
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills which may include formal examinations • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Standard accounting techniques may include:

- deprival asset valuations
- direct and indirect allocation
- discounted cash flows
- impact statements
- internal rate of return and net present value
- pay-back and break-even periods
- pro rata and percentage apportionment
- rates of return.

Data may include:

- Australian Bureau of Statistics (ABS) economic data
- budgets and forecasts
- credit ratings
- financial markets monitoring services
- financial statements and reports
- market valuations
- Reserve Bank of Australia (RBA) long-term bond rates.

Assets and liabilities may include:

- cash
- computer software
- employee liabilities such as long service leave
- loans, leases, debts
- plant and equipment
- property investments
- shares, debentures, securities
- stock and account receivable.

Valuation criteria may include:

- asset backing
- depreciation rate
- director's valuation
- earning capacity
- expected future profits
- market estimates
- past profits
- purchase prices
- receiver's valuation

RANGE STATEMENT	
	• repayment costs.
<i>Environmental factors</i> may include:	• competitors' behaviour • consumer demand • cost of capital • economic conditions and trends • environmental sustainability consideration • external risks • factor markets • government financial policies • market share • skills shortages.
<i>Long-term and short-term periods</i> may include:	• annual reporting • five year plans • half yearly budgets • monthly accounting • quarterly reports • tri-annual funding.
<i>Strategic goals</i> may include:	• growth • liquidity • long-term profit • market share • short-term profit • solvency • survival.
<i>Sources of financing</i> may include:	• 'plough back' • asset sales • bank borrowing: • long-term • short-term • debentures • franchising • government equity injections • money market • new share releases • venture capital.
<i>Short-term and long-term objectives</i> may include:	• debt retirement • dividends • periodic payments such as: • leases

RANGE STATEMENT	
	• loans • salaries and other employee obligations • superannuation • taxation payments.
Internal control procedures may include:	• accuracy in valuations • control of cash • corporate governance requirements • decision making authorities • identification, measurement and recording of: • assets • equity • expenditure • liabilities • revenue • risk management strategies • safeguarding and insurance of assets • transparency in financial reporting.

Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		