



SELECTIONS FROM VCE SEASON OF EXCELLENCE

VCAA Bulletin Supplement 3

Supplementary advice for scored assessment of coursework in VCE VET Financial Services

Industry Consultations

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The following companies participated in the consultation process. We wish to thank them for their cooperation and generous advice for the analysis of the unit: *FNBFIN68A Prepare reports for management* and the development of this supplementary advice.

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We would also like to thank the following people for their information, advice and suggestions:

Ms Anna Henderson, Executive Officer of the Victorian Business Services Finance and Property Industry Training Board Inc.

Mr Alan Daniel, Executive Officer of the Business Industries, Curriculum Maintenance Manager (CMM).



Aims

The aims of this supplementary advice are:

- to provide perspectives from industry representatives on the unit of competence FNBFIN68A *Prepare reports for management* which is in the scored Unit 3–4 sequence of the VCE VET Financial Services program
- to provide advice for teachers and trainers that clarifies the scope and depth of the underpinning knowledge and skills contained in the evidence guide for the unit FNBFIN68A in the scored Unit 3–4 sequence of the VCE VET
- to provide teachers and trainers of the VCE VET Financial Services program with Scored Assessment implementation advice.

Methodology

In the formulation of this advice, the following process was adopted:

1. The unit FNBFIN68A *Prepare reports for management* was unpacked to identify the underpinning knowledge and skills that shape the unit.
2. Analysis of the unit to determine its scope and depth within the industry context.
3. The development of a questionnaire, interviews and consultations with industry stakeholders to identify and validate the content and context for the unit.
4. The identification of the range of industry definitions and outputs that comprise the unit.

Findings

Context of the industry findings

For the purposes of this Supplementary Advice, the finance industry is comprised of: accountants, financial planners, banking/lending institutions, financial services industry peak bodies and representatives. Consultations and input were also received from the accounting and finance departments of organisations in manufacturing and service industries.

What the industry representatives are saying

The following comments summarise the industry consultations.

- At the Certificate III level, a person in the industry would not normally be developing or preparing reports independently for management. They may, however, be required to contribute to a specific task in the process of assisting in the development of a report under close supervision.
- The unit FNBFIN68A *Prepare reports for management* is considered by industry to be too broadly defined with limited advice or guidance as to what comprises the unit. Indeed, the Critical Aspects of Evidence in the Evidence Guide provides very general information about developing reports and communication with no specific examples provided.
- There is no one agreed definition of what constitutes an industry report. However, there is general agreement that it is most likely to consist of the following:
 - Statement of financial position / bank statements
 - Asset depreciation using Australian Tax Office and/or company depreciation schedule

- Return on investments (ROI)
 - Bank transactions
 - Bank/accountant reconciliations – month end; quarterly and financial year
 - Journal entries
 - Statement of financial performance/profit and loss statements
 - Account variances/discrepancies
 - Outstanding debtors/creditors.
- Communication and interpersonal skills are seen to be critical skills in the finance industry which is now significantly focused on client relationship building. It is felt that the key underpinning technical competencies in finance would largely be provided by the employer organisation during a person's employment.
 - Terminology varies within the industry. In smaller companies reference is made to 'cash/balance sheet' and 'profit and loss' statements. Larger organisations such as banks will refer to these documents as Statements of Financial Position and Statements of Financial Performance, respectively. It is felt that some smaller companies may not be familiar with the terms Statement of Financial Position and Statement of Financial Performance.
 - It is generally agreed that accounting software programs such as MYOB and Quicken would perform analyses of financial data relevant to the specific financial contexts and organisation. Graduates may then be required to report on the output and/or modelling of the data produced by the software program.
 - There is a range of accounting software programs utilised by the companies consulted. These programs are often specifically designed to perform within the unique contexts of the organisation concerned. For example, financial planning organisations may use IRESS whereas other may use IMIS or Solution 6. The use of MYOB and/or Quicken was reasonably widespread and used to input information into larger more sophisticated programs.
 - It is felt that graduates working in the accounting or finance departments of manufacturing or service organisations would be reporting on specific areas such as: stock, work in progress, finished goods, wastage, spoilage or stock shrinkage. These financial reports inform larger reports developed by more senior personnel.

Delivery strategies

The following suggestions for combining units of competence are the result of industry consultations and analysis of the unit FNBFIN68A *Prepare reports for management*. Given the breadth of the unit FNBFIN68A it was felt that combining the following units would provide meaningful delivery and learning activities as well as provide for a realistic industry context.

The delivery strategies should be considered and developed in conjunction with the summary of industry definitions for FNBFIN68A *Prepare reports for management* that is provided in the Appendix.

Two delivery strategy options are presented for consideration. These options are not intended to be prescriptive. There is no requirement for teachers/trainers to adopt these delivery strategies.

Option 1

The unit of competence FNBFIN68A *Prepare reports for management* is delivered as a separate unit. In this delivery option teachers/trainers will need to provide students with sufficient information and the industry context to ensure that there is a meaningful learning experience with realistic industry outcomes.

As the underpinning knowledge and skills together with the range of definitions for this unit are very broadly defined, it will be necessary for teachers/trainers to provide relevant real or simulated workplace case studies for delivery in developing or preparing reports for management. As such, it will be necessary for teachers/trainers to refer to the summary of definitions in the Appendix in order to establish appropriate parameters for delivery and to comply with the task types for Work Performance, Work Project and Product as described in the VCAA Financial Services Assessment Guide.

Option 2

It is recommended that BSAFIN305A *Maintain financial records for reporting purposes* is combined with FNBFIN68A *Prepare reports for management* and delivered together as these units have both explicit and implicit reporting requirements for management. The logical combination of these units provides for the range of assessment outcomes that are consistent with

the summary of definitions for the unit FNBFIN68A *Prepare reports for management*. The suggested combination also provides a realistic industry context for delivery and assessment to occur.

Assessment strategies

In the suggested combinations of the units of competence the range of task types can be accommodated with simple variations to the application of each of the units of competence. Underpinning knowledge can be assessed through oral and/or written tests relating to a range of workplace case studies or projects completed to ensure that this knowledge can be demonstrated.

Workplace case studies should reflect real industry practice and provide for a number of assessment contexts from which to assess the student for demonstration of industry competence.

Appendix

Analysis of unit of competence: FNBFIN68A *Prepare reports for management*

The following analysis identifies the agreed typical definitions and/or outcomes for each element and the underpinning knowledge and skills of this unit of competence.

Elements	Analysis / Content
1. Develop report to specifications	Report specifications can be based on: <ul style="list-style-type: none">• National Accounting Standards• Company policy and procedures• Regulators (e.g. ASIC) and relevant industry legislation requirements.
2. Access report data	Typical data accessed: <ul style="list-style-type: none">• Bank statements• Accounting software (e.g. MYOB/Quicken)• Bank reconciliations• Journal entries• Profit and loss statements• Debtors/creditors reports• Depreciation schedules• Bank / financial transactions• Deposit/cheque book.
3. Analyse data	Typical data analysis includes: <ul style="list-style-type: none">• Statement of financial position / bank statements• Asset depreciation using Australian Tax Office and/or company depreciation schedule• Statement of financial performance / profit and loss statements• Outstanding debts/creditors• Return on investments (ROI)• Bank transactions• Deposit/cheque book.
4. Prepare reports	Typical reports based on: <ul style="list-style-type: none">• Statement of financial position / bank statements• Asset depreciation using Australian Tax Office and/or company depreciation schedule• Return on investments (ROI)• Bank transactions• Bank/accountant reconciliations – month end; quarterly and financial year• Journal entries• Statement of financial performance / profit and loss statements• Account variances/discrepancies• Outstanding debtors/creditors.

Elements	Analysis / Content
5. Report distribution	<p>Typical report distribution includes:</p> <ul style="list-style-type: none"> • Board of Directors • Chief Executive Officer, Executive Director or Director • Department Managers • Group Managers or Executive Team • Sales Manager • Accounts (Payable/Receivable) Manager • Accountant • Finance Manager • Other managers/supervisors or direct reports.

Underpinning knowledge:

- National Accounting Standards in relation to the presentation and format of financial reports
- Management hierarchy and accountability, including company protocols and distribution systems/methods
- Understanding of range of different financial reports
- Typical accounting report models/cycles:
 - Input of transaction
 - Processing – journalisation
 - Output – purposeful financial reports for interested parties
- Knowledge of the type of information contained in the range of reports
- Knowledge of users of financial reports and presentation/format requirements
- Knowledge of:
 - company policy and procedures in developing submitting reports, including standard operating procedures (SOP)
 - accepted accounting standards/standard business practice
 - regulator (ASIC) and legislation requirements.

Underpinning skills:

- Computer systems and software programs/databases
- Accounting systems for processing financial data and information, including computer and manual systems for data entry/retrieval
- Analysis of ATO and company depreciation schedules for tax purposes

- Forecasting
- Decision-making skills, including regarding inclusion/exclusion of data
- Self assessment of report content and presentation/format prior to submission
- Research, investigative skills and collection of source data
- Analytical, problem solving and variation detection/interpretation
- Communication and interpersonal skills
- Evaluation based on assessment of operating activity and performance
- Accuracy and attention to detail
- Time management
- Recording and report writing, including methods of processing accounting data/information
- Working in a team.

Critical aspects of evidence will include the development of a financial report for a defined context/objective, demonstrating standard business practice in its presentation and format. The report will also show evidence of:

- appropriate research relative to the context/objective of the report
- details of the analysis and process
- addressing the report objectives and appropriate for the end user.

