



# Prepare financial statements

D1.HFI.CL8.06

D1HFA.CL7.04

D2.TFA.CL7.06

Assessor Manual





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**D2.TFA.CL7.06**

**Assessor Manual**



**William  
Angliss  
Institute**

Specialist centre  
for foods, tourism  
& hospitality

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# Competency Based Assessment (CBA) – An Introduction for Assessors

Assessment is the process of identifying a participant's current knowledge, skills and attitudes sets against all elements of competency within a unit of competency.

## Suggested Assessment Methods

For each unit of competency a number of assessment tools have been identified including:

- Work Projects
- Oral Questions
- Written Questions
- Third Party Statements
- Observation Checklists.

Instructions and Evidence Recording Sheets have been identified in this Assessment Manual for use by Assessors.

## Alternative Assessment Methods

Whilst the above mentioned assessment methods are suggested assessment methods, the assessor may use an alternate method of assessment taking into account:

- a) The nature of the unit
- b) The strengths of participants
- c) The number of participants in the class
- d) Time required to complete assessments
- e) Time dedicated to assessment
- f) Equipment and resources required.

Alternate assessment methods include:

- Practical demonstrations
- Practical demonstrations in simulated work conditions
- Problem solving
- Portfolios of evidence
- Critical incident reports
- Journals
- Oral presentations
- Interviews
- Videos
- Visuals/slides/audiotapes
- Case Studies
- Log books

- Projects and Role plays
- Group projects
- Recognition of Prior Learning.

Whilst there is no specific instruction or evidence collection documents for all the alternative assessment methods, assessors can record competency in the 'Other' section within the 'Competency Recording Sheet'.

## Selection of Assessment Methods

Each assessor will determine the combination of Assessment Methods to be used to determine Competency for each Competency Unit on a student by student basis.

'Sufficient' evidence to support the 'Pass Competent'/'Not Yet Competent' decision must be captured.

In practice this means a minimum of 2 – 3 Assessment Methods for each candidate for each Competency Element is suggested.

At least one method should provide evidence of practical demonstration of competence.

The following assessment methods deemed to provide evidence of practical demonstration of competence include:

- Practical Work Projects
- Third Party Statement
- Observation Checklist.

## Assessing Competency

Competency based assessment does not award grades, but simply identifies if the participant has the knowledge, skills and attitudes to undertake the required task to the specified standard.

Therefore, when assessing competency, an assessor has two possible results that can be awarded:

- 'Pass Competent' (PC)
- 'Not Yet Competent' (NYC).

### ***Pass Competent (PC)***

If the participant is able to successfully answer or demonstrate what is required, to the expected standards of the performance criteria, they will be deemed as 'Pass Competent' (PC).

The assessor will award a 'Pass Competent' (PC) if they feel the participant has the necessary knowledge, skills and attitudes in all assessment tasks for a unit.

### ***Not Yet Competent' (NYC)***

If the participant is unable to answer or demonstrate competency to the desired standard, they will be deemed to be 'Not Yet Competent' (NYC).

This does not mean the participant will need to complete all the assessment tasks again. The focus will be on the specific assessment tasks that were not performed to the expected standards.

The participant may be required to:

- a) Undertake further training or instruction
- b) Undertake the assessment task again until they are deemed to be 'Pass Competent'.

## Regional Qualifications Framework and Skills Recognition System

The 'Regional Qualifications Framework and Skills Recognition System', also known as the 'RQFSRS' is the overriding educational framework for the ASEAN region.

The purpose of this framework is to provide:

- A standardised teaching and assessment framework
- Mutual recognition of participant achievement across the ASEAN region. This includes achievement in individual Units of Competency or qualifications as a whole.

The role of the 'RQFSRS' is to provide, ensure and maintain 'quality assurance' across all countries and educational providers across the ASEAN region.

## Recognition of Prior Learning (RPL)

Recognition of Prior Learning is the process that gives current industry professionals who do not have a formal qualification, the opportunity to benchmark their extensive skills and experience against the standards set out in each unit of competency/subject.

This process is a learning and assessment pathway which encompasses:

- Recognition of Current Competencies (RCC)
- Skills auditing
- Gap analysis and training
- Credit transfer.

## Code of Practice for Assessors

This Code of Practice provides:

- Assessors with direction on the standard of practice expected of them
- Candidates with assurance of the standards of practice expected of assessors
- Employers with assurance of the standards maintained in the conduct of assessment.

The Code detailed below is based on the International Code of Ethics and Practice (The National Council for Measurement in Education [NCME]):

- The differing needs and requirements of the person being assessed, the local enterprise and/or industry are identified and handled with sensitivity
- Potential forms of conflict of interest in the assessment process and/or outcomes are identified and appropriate referrals are made, if necessary
- All forms of harassment are avoided throughout the planning, conducting, reviewing and reporting of the assessment outcomes
- The rights of the candidate are protected during and after the assessment
- Personal and interpersonal factors that are not relevant to the assessment of competency must not influence the assessment outcomes
- The candidate is made aware of rights and process of appeal

- Evidence that is gathered during the assessment is verified for validity, reliability, authenticity, sufficiency and currency
- Assessment decisions are based on available evidence that can be produced and verified by another assessor
- Assessments are conducted within the boundaries of the assessment system policies and procedures
- Formal agreement is obtained from both the candidate and the assessor that the assessment was carried out in accordance with agreed procedures
- The candidate is informed of all assessment reporting processes prior to the assessment
- The candidate is informed of all known potential consequences of decisions arising from an assessment, prior to the assessment
- Confidentiality is maintained regarding assessment results
- The assessment results are used consistently with the purposes explained to the candidate
- Opportunities are created for technical assistance in planning, conducting and reviewing assessment procedures and outcomes.

## **Instructions and Checklist for Assessors**

### ***Instructions***

General instructions for the assessment:

- Assessment should be conducted at a scheduled time that has been notified to the candidate
- Facilitators must ensure participants are made aware of the need to complete assessments and attend assessment sessions
- If a participant is unable to attend a scheduled session, they must make arrangements with the Assessor to undertake the assessment at an alternative time
- At the end of the assessment the Assessor must give feedback and advise the participant on their PC/NYC status
- Complete the relevant documentation and submit to the appropriate department.

### ***Preparation***

- Gain familiarity with the Unit of Competency, Elements of Competency and the Performance Criteria expected
- Study details assessment documentation and requirements
- Brief candidate regarding all assessment criteria and requirements.

### ***Briefing checklist***

- Begin the assessment by implementing the following checklist and then invite the candidate to proceed with assessment.

## Checklist for Assessors

	Tick (✓)	Remarks
<b>Prior to the assessment I have:</b>		
Ensured the candidate is informed about the venue and schedule of assessment.		
Received current copies of the performance criteria to be assessed, assessment plan, evidence gathering plan, assessment checklist, appeal form and the company's standard operating procedures (SOP).		
Reviewed the performance criteria and evidence plan to ensure I clearly understood the instructions and the requirements of the assessment process.		
Identified and accommodated any special needs of the candidate.		
Checked the set-up and resources for the assessment.		
<b>During the assessment I have:</b>		
Introduced myself and confirmed identities of candidates.		
Put candidates at ease by being friendly and helpful.		
Explained to candidates the purpose, context and benefits of the assessment.		
Ensured candidates understood the assessment process and all attendant procedures.		
Provided candidates with an overview of performance criteria to be assessed.		
Explained the results reporting procedure.		
Encouraged candidates to seek clarifications if in doubt.		
Asked candidates for feedback on the assessment.		
Explained legal, safety and ethical issues, if applicable.		
<b>After the assessment I have:</b>		
Ensured candidate is given constructive feedback.		
Completed and signed the assessment record.		
Thanked candidate for participating in the assessment.		

## Instructions for Recording Competency

### *Specifications for Recording Competency*

The following specifications apply to the preparation of Evidence Gathering Plans:

- A Competency Recording Sheet must be prepared for each candidate to ensure and demonstrate all Performance Criteria and Competency Elements are appropriately assessed. This Sheet indicates how the Assessor will gather evidence during their assessment of each candidate
- This Competency Recording Sheet is located at the end of the Assessment Plan
- It is the overriding document to record competency
- The Assessor may vary the Competency Recording Sheet to accommodate practical and individual candidate and/or workplace needs
- Assessor must place a tick (✓) in the 'Assessment Method' columns to identify the methods of assessment to be used for each candidate
- Multiple Competency Elements/Performance Criteria may be assessed at the one time, where appropriate
- The assessor and participant should sign and date the Competency Recording Sheet, when all forms of evidence and assessment have been completed
- The assessor may provide and feedback or clarify questions which the participant may have in regards to the assessment grade or findings
- All documents used to capture evidence must be retained, and attached to the Competency Recording Sheet for each candidate for each Competency Unit.

## Instructions for Different Assessment Methods

### *Specifications for Work Project Assessment*

These guidelines concern the use of work projects.

The work projects identified in the Training Manuals involve a range of tasks, to be performed at the discretion of the Assessor.

Work project tasks can be completed through any form of assessment as identified in the Trainer and Trainee Manuals and stated at the start of this section.

Assessors should follow these guidelines:

- Review the Work Projects at the end of each 'Element of Competency' in the Trainee Manual to ensure you understand the content and what is expected
- Prepare sufficient resources for the completion of work activities including:
  - Time – whether in scheduled delivery hours or suggested time participants to spend outside of class hours
  - Resources – this may involve technical equipment, computer, internet access, stationery and other supplementary materials and documents
- Prepare assessment location (if done in class) making it conducive to assessment
- Explain Work Projects assessment to candidate, at the start of each Element of Competency. This ensures that participants are aware of what is expected and can collate information as delivery takes place

- Assessors can use the following phrase as a guide (where an 'X' is identified, please input appropriate information):
 

“At the end of each Element of Competency there are Work Projects which must be completed. These projects require different tasks that must be completed.

These work projects are part of the formal assessment for the unit of competency titled X:

  - You are required to complete these activities:
    - a) *Using the 'X' method of assessment*
    - b) *At 'X' location*
    - c) *You will have 'X time period' for this assessment*
  - You are required to compile information in a format that you feel is appropriate to the assessment
  - Do you have any questions about this assessment?”
- Commence Work Project assessment:
  - The assessor may give time for participants to review the questions at this time to ensure they understand the nature of the questions. The assessor may need to clarify questions
  - Participants complete work projects in the most appropriate format
  - Participants must submit Work Project evidence to the assessor before the scheduled due date
- Assessor must assess the participant's evidence against the competency standards specified in each Element of Competency and their own understanding. The assessor can determine if the participant has provided evidence to a 'competent' standard
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

### ***Specifications for Oral Question Assessment***

These guidelines concern the use of oral questioning.

Assessors should follow these guidelines.

- Prepare Assessment Record for Oral Questioning. One record for each candidate:
  - Enter Student name
  - Enter Assessor name
  - Enter Location
- Familiarise self with Questions to be asked
- Prepare assessment location (table and chairs) making it conducive to assessment

- Explain Oral Questioning assessment to candidate, using the following phrase as a guide (where a 'X' is identified, please input appropriate information):  
*“These oral questions are part of the formal assessment for the unit of competency titled X.*  
*There are X questions and you are required to answer all of them to the best of your ability and I will record whether or not you have answered correctly.*  
*We have 60 minutes for this assessment.*
  - I will give you feedback at the end of the assessment
  - Do you have any questions about this assessment?”
- Commence Oral Questioning assessment:
  - Complete Assessment Record for the Oral Questioning by:
    - a) Ticking PC or NYC, as appropriate
    - b) Entering 'Remarks' as required
    - c) Completing Oral Questioning within 60 minutes
- Complete Oral Questioning and provide feedback to candidate
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

### **Specifications for Written Question Assessment**

These guidelines concern the use of written questioning.

Assessors should follow these guidelines:

- Familiarise self with Questions and Answers provided
- Print and distribute copies of 'Written Questions' for participants. Ideally this should take place with adequate time for participants to answer all questions before the expected due date
- Explain Written Questioning assessment to candidate, using the following phrase as a guide (where a 'X' is identified, please input appropriate information):

*“These written questions are part of the formal assessment for the unit of competency titled X.*

*There are X questions and you are required to answer all of them to the best of your ability.*

*You may refer to your subject materials, however where possible try to utilise your existing knowledge when answering questions.*

*Where you are unsure of questions, please ask the Assessor for further instruction. This may be answering the question orally or asking the assessor to redefine the question.*

*We have X time for this assessment:*

- The due date for completion of this assessment is X
- On this date you must forward the completed questions to the assessor by X time on the date of X
- Do you have any questions about this assessment?”

- The assessor may give time for participants to review the questions at this time to ensure they understand the nature of the questions. The assessor may need to clarify questions
- Participants may record written answers (where possible)
- Participants must submit the written answers to the assessor before the scheduled due date
- Assessor must assess the participant's written answers against the model answers provided as a guide, or their own understanding. The assessor can determine if the participant has answered the questions to a 'competent' standard
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

### ***Specifications for Observation Checklist***

These specifications apply to the use of the Observation Checklist in determining competency for candidates.

Only an approved assessor is authorised to complete the Observation Checklist.

The assessor is required to observe the participant, ideally in a simulated environment or their practical workplace setting and record their performance (or otherwise) of the competencies listed on the Observation Checklist for the Competency Unit.

To complete the Observation Checklist the Assessor must:

- Insert name of candidate
- Insert assessor name
- Insert identify of location where observations are being undertaken
- Insert date/s of observations – may be single date or multiple dates
- Place a tick in either the 'Yes' or 'No' box for each listed Performance Criteria to indicate the candidate has demonstrated/not demonstrated that skill
- Provide written (and verbal) feedback to candidate – as/if appropriate
- Sign and date the form
- Present form to candidate for them to sign and date
- Transcribe results/details to Competency Recording Sheet for candidate
- Forward/file Observation Checklist.

This source of evidence combines with other forms of assessment to assist in determining the 'Pass Competent' or 'Not Yet Competent' decision for the participant.

### ***Specifications for Third Party Statement***

These specifications relate to the use of a relevant workplace person to assist in determining competency for candidates.

The Third Party Statement is to be supplied by the assessor to a person in the workplace who supervises and/or works closely with the participant.

This may be their Supervisor, the venue manager, the Department Manager or similar.

The Third Party Statement asks the Supervisor to record what they believe to be the competencies of the participant based on their workplace experience of the participant. This experience may be gained through observation of their workplace performance, feedback from others, inspection of candidate's work etc.

A meeting must take place between the Assessor and the Third Party to explain and demonstrate the use of the Third Party Statement.

To complete the Third Party Verification Statement the Assessor must:

- Insert candidate name
- Insert name and contact details of the Third Party
- Tick the box to indicate the relationship of the Third Party to the candidate
- Present the partially completed form to the Third Party for them to finalise
- Collect the completed form from the Third Party
- Transcribe results/details to Competency Recording Sheet for candidate
- Forward/file Third Party Statement.

The Third Party must:

- Record their belief regarding candidate ability/competency as either:
  - Pass Competent = Yes
  - Not Yet Competent = No
  - Unsure about whether candidate is competent or not = Not Sure
- Meet briefly with the assessor to discuss and/or clarify the form.

This source of evidence combines with other forms of assessment to assist in determining the 'Pass Competent' or 'Not Yet Competent' decision for the candidate.

A separate Third Party Statement is required for each Competency Unit undertaken by the candidate.

# Competency Standard

<b>UNIT TITLE:</b> PREPARE FINANCIAL STATEMENTS		<b>NOMINAL HOURS:</b> 55
<b>UNIT NUMBER:</b> D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06		
<b>UNIT DESCRIPTOR:</b> This unit deals with skills and knowledge required to generate financial statements required to monitor business performance		
<b>ELEMENTS AND PERFORMANCE CRITERIA</b>	<b>UNIT VARIABLE AND ASSESSMENT GUIDE</b>	
<p><b>Element 1: Identify the context for the preparation of financial statements</b></p> <p><b>1.1</b> Identify the <i>financial statements</i> that need to be produced</p> <p><b>1.2</b> Identify the <i>frequency</i> with which financial statements need to be produced</p> <p><b>1.3</b> Identify the <i>responsibilities and authorities</i> that attach to the preparation of financial statements</p> <p><b>1.4</b> Identify the <i>internal requirements</i> in relation to financial statements</p> <p><b>1.5</b> Identify the <i>format</i> for the preparation of financial statements</p> <p><b>1.6</b> Identify the <i>distribution requirements</i> for financial statements</p> <p><b>Element 2: Maintain an assets register</b></p> <p><b>2.1</b> <i>Prepare a register of fixed assets</i></p>	<p><b>Unit Variables</b></p> <p>The Unit Variables provide advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment</p> <p>This unit applies to all industry sectors that use financial data and statements to monitor the operation and performance of the business within the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> <li>1. Front Office</li> <li>2. Housekeeping</li> <li>3. Food and Beverage Service</li> <li>4. Food Production</li> <li>5. Travel Agencies</li> <li>6. Tour Operation</li> </ol> <p>Financial statements may include:</p> <ul style="list-style-type: none"> <li>• Asset register</li> <li>• Balance sheet</li> </ul>	

2.2 Determine the *method of calculating depreciation*

2.3 *Update the assets register*

2.4 Produce the assets register report/statement

**Element 3: Maintain the general ledger**

3.1 *Process journal entries* in accordance with enterprise requirements

3.2 *Prepare a trial balance* according to applicable accounting standards

3.3 *Prepare final general ledger accounts*

**Element 4: Prepare bank reconciliations**

4.1 *Check deposits* against bank statements

4.2 *Check withdrawals* against authorised expenditure

4.3 *Confirm fees and charges*

4.4 *Confirm all transaction balances*

4.5 Produce the bank reconciliation statement

**Element 5: Prepare the identified financial statements**

5.1 *Compile necessary data*

5.2 Produce the *revenue report*

5.3 Produce the *balance sheet*

5.4 Produce the *profit and loss statement*

- Profit and loss statement
- Revenue statements
- Bank reconciliations.

*Frequency* will include:

- Reporting periods as dictated by enterprise policies, including daily, weekly, monthly, quarterly, half-yearly and annually
- Compliance with legal requirements of the host country
- Compliance with head office or other externally imposed requirements
- Responding to the operational needs of the business as they vary from time-to-time.

*Responsibilities and authorities* may be related to:

- Access to statistical and trading information
- Requirements relating to confidentiality and disclosure
- Internal protocols regarding the release, movement and return of information supplied from within the business.

*Internal requirements* should relate to the need for financial statements to indicate:

- Financial position of the enterprise at the end of the period
- Revenue and expenses for the period
- Investments made by the business
- Changes in assets and equity.

*Format* may include:

- Meeting externally imposed requirements, including accrual accounting and/or cash accounting
- Alignment with established enterprise preference
- Meeting the needs of external accounting service requirements

<p><b>5.5</b> Prepare explanatory notes to accompany financial statements, as necessary</p> <p><b>5.6</b> <i>Validate the financial statements</i> that have been prepared</p> <p><b>5.7</b> <i>Update internal records</i></p> <p><b>5.8</b> Distribute the prepared financial statements</p>	<ul style="list-style-type: none"> <li>• Imposed formats as determined by accounting packages being used</li> <li>• Preferred options relating to ease of use and interpretation of financial information</li> <li>• Narrative or t format</li> <li>• Use of spreadsheets and electronic forms.</li> </ul> <p><i>Distribution requirements</i> should relate to:</p> <ul style="list-style-type: none"> <li>• Identification of the personnel, departments and organisations to receive the statements, including internal and external users</li> <li>• Protocols for recording that statements have been distributed and received</li> <li>• Security and commercial-in-confidence issues</li> <li>• Timing requirements regarding dissemination and availability of statements</li> <li>• Hard copy and electronic formats for distribution.</li> </ul> <p><i>Prepare a register of fixed assets</i> may include:</p> <ul style="list-style-type: none"> <li>• Identifying property, plant and equipment</li> <li>• Listing property, plant and equipment.</li> </ul> <p><i>Method of calculating depreciation</i> may include:</p> <ul style="list-style-type: none"> <li>• Straight-line method</li> <li>• Reducing balance method.</li> </ul> <p><i>Update the assets register</i> may include:</p> <ul style="list-style-type: none"> <li>• Recording purchases and disposals</li> <li>• Maintaining depreciation schedule.</li> </ul>
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*Process journal entries* may include:

- Preparing and posting journal entries into the general ledger system
- Reconciling accounts payable and accounts receivable subsidiary ledgers with the general ledger
- Using the chart of accounts
- Rectifying errors in documentation
- Recording depreciation of non-current assets and disposal of fixed assets
- Adjusting expense and revenue accounts for pre-payments and accruals
- Recording bad and doubtful debts
- Adjusting ledger accounts for inventories.

*Prepare a trial balance* may include:

- Listing the ledger account balances from the general ledger
- Checking total debits equal total credits
- Tracing of errors
- Identifying and rectifying errors, including correcting entries and adjusting entries.

*Prepare final general ledger accounts* may include:

- Entering general journal entries for balance day adjustments
- Posting revenue and expense account balances to final general ledger accounts
- Preparing final ledger to reflect gross and net profits for the reporting period.

*Check deposits* may include:

- Comparing bank deposit slips against bank statements
- Comparing cash summary sheets against bank deposit slips.

*Check withdrawals* may include:

- Comparing check book stubs with bank statements
- Comparing authorised periodic payment arrangements with bank statement.

*Confirm fees and charges* may include:

- Ensuring only legitimate fees and charges have been levied
- Ensuring the amount of fees and charges levied are in accordance with agreements and/or expectations.

*Confirm all transaction balances* may include:

- Calculating cumulative balances
- Verifying final balance
- Querying variances.

*Compile necessary data* may include:

- Coding and classifying data
- Checking and ensuring accuracy and reliability of source data
- Ensuring data is transcribed into nominated forms and/or electronic fields in the authorised manner
- Ensuring all necessary internal and external data has been obtained
- Budgets and forecasts
- Previous financial statements.

*Revenue report* must:

- Reflect the operating profit for the reporting period
- Comply with organisational policy and procedures
- Align with designated accounting requirements.

*Balance sheet* must:

- Reflect the financial position of the business at the end of the reporting period
- Comply with organisational policy and procedures
- Align with designated accounting requirements.

*Profit and loss statement* must:

- Reflect transactions over a period of time and business performance
- Comply with organisational policy and procedures
- Align with designated accounting requirements.

*Validate the financial statements* may include:

- Ensuring statements, data and explanatory notes are error free
- Ensuring all provided information is clear, accurate, easy to understand and comprehensive
- Ensuring statements meet necessary reporting requirements
- Making necessary additions and/or corrections.

*Update internal records* may include:

- Entering data to reflect the current status of the financial statements
- Printing and archiving copies of the financial statements.

**Assessment Guide**

The following skills and knowledge must be assessed as part of this unit:

- Knowledge of the enterprise's policies and procedures in regard to preparation, presentation and distribution of financial statements including identification of the statements to be prepared
- Ability to comply with principles of accounting and book-keeping

- Ability to use standard account preparation techniques
- Ability to use computerised accounting software, where applicable
- Knowledge of relevant accounting and financial terminology
- Ability to apply statistical manipulation to develop underpinning data for statements
- Knowledge of the relevant legislated accounting provisions that apply to the host country
- Knowledge of the accepted principles and standards of account preparation and presentation.

#### **Linkages To Other Units**

- Access and retrieve computer-based data
- Perform clerical procedures
- Use common business tools and technology
- Audit financial procedures
- Maintain financial standards and records
- Manage financial performance within a budget
- Manage payroll records
- Monitor catering revenue and costs
- Manage legal requirements for business compliance
- Monitor staff performance
- Maintain guests' financial records
- Process a financial sale transaction
- Manage and control operational costs
- Maintain a secure financial accounting system
- Interpret financial statements.

**Critical Aspects of Assessment**

Evidence of the following is essential:

- Understanding of host enterprise policies and procedures in regard to preparation, presentation and distribution of financial statements including identification of the statements to be prepared
- Demonstrated ability to prepare an accurate nominated set of financial statements from information provided in accordance with prescribed enterprise and other stated requirements.

**Context of Assessment**

This unit may be assessed on or off the job:

- Assessment should include practical demonstration either in the workplace or through a simulation activity, supported by a range of methods to assess underpinning knowledge
- Assessment must relate to the individual's work area or area of responsibility.

**Resource Implications**

Training and assessment to include access to a real or simulated workplace and records; and access to workplace standards, procedures, policies, guidelines, tools and equipment.

**Assessment Methods**

The following methods may be used to assess competency for this unit:

- Analysis of financial statements produced to determine accuracy, comprehensiveness and compliance with stated requirements
- Case studies
- Oral and written questions
- Third party reports completed by a supervisor
- Project and assignment work.

<b>Key Competencies in this Unit</b>		
<i>Level 1 = competence to undertake tasks effectively</i>		
<i>Level 2 = competence to manage tasks</i>		
<i>Level 3 = competence to use concepts for evaluating</i>		
<b>Key Competencies</b>	<b>Level</b>	<b>Examples</b>
Collecting, organising and analysing information	2	Determine data for inclusion in financial statements
Communicating ideas and information	1	Seek input and advice in relation to the preparation of financial statements
Planning and organising activities	2	Schedule the preparation of nominated financial statements
Working with others and in teams	3	Liaise with colleagues to resolve errors
Using mathematical ideas and techniques	2	Manipulate financial information to develop required financial statements
Solving problems	3	Analyse and rectify errors with financial data
Using technology	2	Use computer software to manage financial data and generate financial statements



## Oral Questions

<b>Student name</b>	
<b>Assessor name</b>	
<b>Location/venue</b>	
<b>Unit of competency</b>	Prepare financial statements D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06
<b>Instructions</b>	<ol style="list-style-type: none"> <li>1. Ask student questions from the attached list to confirm knowledge, as necessary</li> <li>2. Place tick in boxes to reflect student achievement (Pass Competent 'PC' or Not Yet Competent 'NYC')</li> <li>3. Write short-form student answer in the space provided for each question.</li> </ol>

Questions	Response	
	PC	NYC
1. What financial statements does a business commonly need to prepare?	<input type="checkbox"/>	<input type="checkbox"/>
2. With what frequency are financial statements usually prepared?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
3. Describe the responsibilities and authorities which may attach to the preparation of financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
4. Give three examples of internal requirements which may apply to the preparation of financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
5. Name two financial statements and describe the format which can be used to present those statements.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
6. All financial statements have 'distribution requirements'. Explain what is meant by this giving three examples of such requirements.	<input type="checkbox"/>	<input type="checkbox"/>
7. What information is contained in a 'register of fixed assets'?	<input type="checkbox"/>	<input type="checkbox"/>
8. What factors would you take into account when determining the method of depreciation for an item?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
9. Identify one occasion where there may be a need to update the assets register and describe what is involved in this process.	<input type="checkbox"/>	<input type="checkbox"/>
10. How is an assets register report produced?	<input type="checkbox"/>	<input type="checkbox"/>
11. Identify three enterprise requirements which may apply to the processing of journal entries.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
12. Describe the accounting standards which apply to the preparing of a trial balance.	<input type="checkbox"/>	<input type="checkbox"/>
13. You have been asked to prepare 'final general ledger accounts'. Describe the processes you would undertake to achieve this.	<input type="checkbox"/>	<input type="checkbox"/>
14. Describe the process of checking bank deposits against bank statements.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
15. How would you verify bank withdrawals against authorised expenditure?	<input type="checkbox"/>	<input type="checkbox"/>
16. What is involved in confirming bank fees and charges made by the bank against the business?	<input type="checkbox"/>	<input type="checkbox"/>
17. How would you confirm all transaction balances when preparing a bank reconciliation?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
18. Describe the procedure for producing a bank reconciliation statement.	<input type="checkbox"/>	<input type="checkbox"/>
19. What data would you need to compile in order to prepare a revenue report and a balance sheet?	<input type="checkbox"/>	<input type="checkbox"/>
20. Describe how to produce a revenue report.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
21. What steps would you take to produce a balance sheet?	<input type="checkbox"/>	<input type="checkbox"/>
22. Explain how you would prepare a profit and loss statement.	<input type="checkbox"/>	<input type="checkbox"/>
23. What are 'explanatory notes' attached to financial statements?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
24. Describe the processes you would go through to validate a profit and loss statement.	<input type="checkbox"/>	<input type="checkbox"/>
25. What is involved in updating internal records so they remain current?	<input type="checkbox"/>	<input type="checkbox"/>
26. How might financial statements you have prepared be distributed and what limitations commonly apply to their distribution?	<input type="checkbox"/>	<input type="checkbox"/>



# Written Questions

**Prepare financial statements – D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06**

**Student Name:** \_\_\_\_\_

Answer all the following questions and submit to your Trainer.

- 1. What are financial statements and why are they prepared?

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- 2. What are the key characteristics of the hospitality and tourism industry that financial statements address?

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\_\_\_\_\_  
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- 3. What are three differences between financial and management accounting reports?

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\_\_\_\_\_  
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- 4. Choose two management accounting and one financial accounting report and describe the information that each report conveys.

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5. What is the USALI format and when is it used?

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6. What is meant by a “true and fair view”? What are three factors to consider?

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7. What is a fixed asset (give two examples) and why is a fixed asset register prepared and maintained?

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8. What is the relationship between fixed assets and revenue?

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9. Explain what is meant by the phrase, “Depreciation is a non-cash expense.”

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10. Explain the underlying difference between the straight-line and the reduced balance method of depreciation.

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11. Describe two reasons why a fixed asset register report is prepared.

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12. List the following steps in their logical order in the accounting cycle:

- A trial balance is prepared
- A financial transaction occurs
- Financial statements are prepared
- Journal balances are posted to their ledger accounts
- An entry is made in the general journal.

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13. Why are journals required as part of the accounting cycle? Are ledger accounts sufficient?

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14. Describe two balance day adjustments common to hospitality and tourism and explain why they occur.

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15. Match the following transactions to one of the five journals in which they would be recorded:

- Cash received from food and beverage sales
- Food supplies purchased for cash
- Tour sales that have not been paid by the customer yet but the tour has been held
- End of year depreciation expense
- Purchase of room service supplies that have not been paid yet
- Wages paid in cash.

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16. List three techniques you might need to use to resolve errors found in the trial balance.

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17. What are the three functions of a bank reconciliation?

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18. Why are the debits and credits on a bank statement different to those shown in the general ledger account?

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19. Why may the bank statement show a deposit yet this amount is not recorded in the accounting system?

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20. Give two examples of timing differences that may explain the differences between the bank statement and the general ledger bank account.

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21. List the formula that is used to reconcile the bank statement to the general ledger bank account.

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22. Describe what is meant by the term “balance sheet equation.”

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23. The heading of a balance sheet and the heading of a profit and loss statement provide a reference to a reporting period. How does this time reference differ between the two reports?

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24. Comment on this statement, "It seems a waste of time to produce a revenue report when the profit and loss statement also includes revenue for the reporting period."

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25. What is the difference between current and non-current liabilities?

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26. Explain three ways that expenses may be presented in a profit and loss statement.

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27. Complete this sentence, "One reason explanatory notes may accompany financial statements is..."

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# Answers to Written Questions

## Prepare financial statements – D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06

The following are model answers only – Trainers/Assessors must use discretion when determining whether or not an answer provided by a Student is acceptable or not.

### 1. What are financial statements and why are they prepared?

Financial statements are a summary of the financial transactions, activities and events that occur in an organisation for a given period of time. They are prepared to provide interested parties with a summary of the financial performance and position of the business.

### 2. What are the key characteristics of the hospitality and tourism industry that financial statements address?

Any from the following

- **Sales volatility.** For accommodation venues this includes seasonal changes in guest profiles and occupancy. For food and beverage outlets this also encompasses demand for different opening and closing times, turnover of guests or customers and economic conditions
- **Product perishability.** There are two aspects to perishability in the tourism and hospitality industry depending on the goods and services offered by the organisation. For a restaurant or any organisation providing food, the challenge is to ensure that there are appropriate options available to guests whilst minimising the cost of food wastage. For a hotel or tour operator, if a room is not occupied on a particular night or a tour not fully booked, the opportunity to sell that room or “seat” is lost. This represents lost earnings for the organisation
- **High fixed costs.** These are costs that do not fluctuate with the level of sales. Organisations rely on the accounting information system to identify and track fixed costs to ensure that sales at least meet such fixed costs. Two common examples in the tourism and hospitality industry are rent and management salaries
- **Labour intensive activities.** Labour intensive is the term used to describe activities that require the physical presence of people. Many of the activities in the hospitality and tourism industries are carried out by people rather than automated machinery.

### 3. What are three differences between financial and management accounting reports?

Any from the following:

- External requirements
- Reporting frequency
- Interested parties
- Internal formats
- Source of data such as statistical or trading information.

**4. Choose one management accounting and one financial accounting report and describe the information that each report conveys**

Any from the following financial accounting reports:

- **Profit and Loss Statement.** The profit and loss statement presents revenues that have been earned from sales, operating expenses and other expenses that have been incurred and the resulting profit or loss over a given period of time such as six months or one year. The contents and format of this statement is standardised even though the title may differ
- **Balance Sheet.** The balance sheet provides a snapshot of what is owned and what is owed by an organisation at a particular point in time. Balance sheets are produced at least annually at least and often every six months. There are three main sections in a balance sheet, assets, liabilities and owners equity. Refer to the glossary for their definitions
- **Statement of Owner's Equity.** This report summarises the changes to owner's interests in an organisation. Owner's interests are the difference between what is owned and owed as well as any profits made by the business, either current or past profits. Sometimes organisations include all details of changes to Owner's Equity in the Balance Sheet and others summarise Owner's Equity in the balance sheet and produce a Statement of Owner's Equity separately
- **Cash Flow Statement.** The cash flow statement details the movement of cash both in and out of the organisation. These movements are classified into three categories, operating, investing and financing. The change in cash balances over the reporting period is also summarised.

Any from the following management accounting reports:

- **Profit and Loss Statement.** See above
- **Revenue report.** The revenue report for an establishment offering accommodation services provides information to the front office manager regarding occupancy, average daily rates, comparisons between different periods of time and summarises other revenue sources as required. A restaurant may seek a report detailing the number of covers and the average spend from each cover
- **Bank reconciliation statement.** This summarises the differences between the cash balance recorded by the accounting system and the cash held in the organisations bank account and shown on a bank statement
- **The fixed asset register** details the fixed assets that are owned by an organisation.

**5. What is the USALI format and when is it used?**

USALI is the Uniform System of Accounts for the Lodging Industry. It details sample financial statements, definitions of the different elements of financial statements and a guide to classification of different accounts that may be used to record financial activities.

**6. What is meant by a “true and fair view”? What are three factors to consider?**

In order to present a true and fair view of activities for a given period of time, an organisation must disclose any information, financial or otherwise that impacts on the performance and position as reported in the financial statements. This transparency ensures that all parties who access the financial statements can make informed assumptions, decisions and forecasts as to the performance and position of the organisation.

Any of the following factors:

- Relevant
- Reliable
- Comparable
- Understandable.

**7. What is a fixed asset (give two examples) and why is a fixed asset register prepared and maintained?**

A fixed asset is an asset that is owned for longer than one year. Any of the following are relevant hospitality and tourism examples:

- Furniture
- Kitchen equipment
- Computer equipment
- Motor vehicles
- Land and buildings
- Laundry equipment
- Office furniture and fittings.

A fixed asset is prepared and maintained to provide a means to minimise loss or theft by describing the asset, assigning a unique code to each asset and listing its location on the premises. The value of fixed assets reported in financial statements must comply with the cost principle. This means that the purchase cost of each and every fixed asset owned by the business must be recorded in the fixed assets register.

**8. What is the relationship between fixed assets and revenue?**

Fixed assets support or enable an organisation to produce goods or services that will earn revenue. For example in the hospitality and tourism industry, an accommodation venue would call the beds and furniture in each room an asset because they are used in the normal course of operations to produce revenue.

**9. Explain what is meant by the phrase, “Depreciation is a non-cash expense”**

Depreciation is an internal transaction performed by the organisation to recognise that an asset has contributed to revenue or income. A charge or expense is created for which there is no accompanying cash receipt or payment. The payment of cash occurred and was recorded by the accounting system when the asset was purchased.

**10. Explain the underlying difference between the straight-line and the reduced balance method of depreciation**

The straight-line depreciation method allocates an equal amount of depreciation across the useful life of the fixed asset whilst the reduced balance method allocates a higher depreciation charge in the earlier years of the assets useful life.

**11. Describe two reasons why a fixed asset register report is prepared**

Any of the following:

- Financial reports are to be prepared
- A new asset is purchased
- An asset is sold
- Depreciation details change
- A physical review has been conducted and information needs to be updated.

**12. List the following steps in their logical order in the accounting cycle**

- A financial transaction occurs
- An entry is made in the general journal
- Journal balances are posted to their ledger accounts
- A trial balance is prepared
- Financial statements are prepared.

**13. Why are journals required as part of the accounting cycle? Are ledger accounts sufficient?**

Ledger accounts are not designed to provide specific details of every transaction. Therefore in both manual and in some computerised accounting systems, transactions may be recorded in a book called a journal. This provides one complete record of all transactions, as they occur.

**14. Describe two balance day adjustments common to hospitality and tourism and explain why they occur**

Any of the following:

- Unearned revenue – a form of cash is received but the service has not yet been provided
- Expenses have been paid in advance and therefore should be matched to a future accounting period. These are called Prepayments or Prepaid expenses
- Expenses have not yet been paid but the cost has been incurred, for example, wages owing to employees. This is called Accrued expenses
- Depreciation expense. Recognise the use of an asset to contribute to revenue
- Bad and doubtful debts. This is an adjustment to recognise that sometimes guests, clients or customers do not pay for the service that has been provided and you had reported the provision of this service as revenue.

**15. Match the following transactions to the journal in which they would be recorded****Cash receipts journal**

- Cash received from food and beverage sales.

**Cash payments journal**

- Food supplies purchased for cash.

**Sales journal**

- Tour sales that have not been paid by the customer yet but the tour has been held.

**General journal**

- End of year depreciation expense.

**Purchases journal**

- Purchase of room service supplies that have not been paid yet.

**Cash payments journal**

- Wages paid in cash.

**16. List three techniques you might need to use to resolve errors found in the trial balance**

Any of the following:

- Recalculate the totals for both debit and credit columns
- Calculate the difference between the debit and credit totals and compare to the ledger accounts listed. It may be that an amount is in the wrong column, has been listed twice or a ledger account is omitted.
- Ensure that all ledger accounts are listed in the trial balance
- Recalculate the ledger account balances
- Verify the debit and credit entries in each ledger account. This may require a review of one or more journals and subsidiary ledgers.

**17. What are the three functions of a bank reconciliation?**

- It provides information to enable the accounting system to be updated with any cash movements that have not been recorded
- It checks the accuracy of the entries that are recorded in the cash receipts and cash payment journals
- It highlights any unusual movements in cash from fraudulent or dishonest activity. For example, if an employee was keeping some cash sales instead of depositing into the bank account.

**18. Why are the debits and credits on a bank statement different to those shown in the general ledger account?**

The bank statement is the bank's ledger account that they keep for each business or individual. The debits and credits represent transactions from the bank's perspective whereas the ledger account from the accounting system is from the businesses perspective. When there is a positive cash balance or cash in the bank account, this is an asset and therefore a debit balance in the ledger account in the accounting system. For the bank, this is a liability (the bank "owe" the cash to the business) so there will be a credit balance on the bank statement.

**19. Why may the bank statement show a deposit yet this amount is not recorded in the accounting system?**

It is common for tourism and hospitality businesses to see funds deposited directly from a guest or customer into their bank account but the accounting system had not been updated with the cash receipt as supporting documentation has not been received. This must be investigated and the accounting system updated if the documentation is found.

**20. Give two examples of timing differences that may explain the differences between the bank statement and the general ledger bank account**

Any of the following:

- The accounting system records a deposit but that deposit does not appear on the bank's records. This can happen due to timing differences between banks or if, for example, at the end of the month, the bank was closed and the deposit was held over until the next day
- Unpresented cheques are cheques that are written by the organisation to pay for goods and services that have been received. The payment is recorded in the accounting system but the cheque has not yet been presented to the bank for payment
- Automatic withdrawals that have not been recorded in the accounting system.

**21. List the formula that is used to reconcile the bank statement to the general ledger bank account**

Bank Statement balance + Outstanding deposits – Unpresented cheques = Balance as per Cash at Bank.

**22. Describe what is meant by the term "balance sheet equation"**

The balance sheet equation relates to the fact that assets minus liabilities equal equity. The equation can also be stated as assets equal liabilities plus equity.

**23. The heading of a balance sheet and the heading of a profit and loss statement provide a reference to a reporting period. How does this time reference differ between the two reports?**

The profit and loss statement always relates to a time period. For example, it may report revenue earned and expenses incurred during the last twelve months. Note that revenue and expenses only make sense when talking about a period of time. A balance sheet, however, relates to a moment in time, not a period of time. As a balance sheet reports assets, liabilities and equity, these are things that will always be changing. Therefore a particular moment in time has to be selected for reporting these items.

**24. Comment on this statement, “It seems a waste of time to produce a revenue report when the profit and loss statement also includes revenue for the reporting period.”**

The revenue report provides a detailed account of all sales for a particular period of time. It is often produced daily in hospitality and tourism organisations so that department managers can evaluate performance. The profit and loss statement provides a summary of revenue and is often prepared less frequently. Much of the sales detail that is useful for department managers is not included.

**25. What is the difference between current and non-current liabilities?**

Current liabilities are due to be paid within a year and non-current liabilities are those obligations that do not have to be settled within the next operating cycle, usually one year.

**26. Explain three ways that expenses may be presented in a profit and loss statement**

Any of the following:

- Expenses are classified by nature so the total amount of each expense is reported as it appears in the general ledger accounts
- Expenses are classified by function so each expense is allocated to the function it supports. The functions that tourism and hospitality businesses often report are:
  - Selling
  - Administrative
  - Finance
  - Other
- Cost of Sales or cost of goods sold
- Operating expenses (controllable)
- Other expenses (non-controllable)
- By department.

**27. Complete this sentence, “One reason explanatory notes may accompany financial statements is...”**

Any of the following:

- External requirements
- Internal requirements
- Management considerations
- Provide more information about specific activities or events.

## Observation Checklist

<b>Student name</b>	
<b>Assessor name</b>	
<b>Location/venue</b>	
<b>Unit of competency</b>	Prepare financial statements D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06
<b>Dates of observation</b>	
<b>Instructions</b>	<ol style="list-style-type: none"> <li>1. Over a period of time observe the student completing each of the following tasks:             <ol style="list-style-type: none"> <li>a) Identify the context for the preparation of financial statements</li> <li>b) Maintain an assets register</li> <li>c) Maintain the general ledger</li> <li>d) Prepare bank reconciliations</li> <li>e) Prepare the identified financial statements</li> </ol> </li> <li>2. Enter the date on which the tasks were undertaken</li> <li>3. Place a tick in the box to show they completed each aspect of the task to the standard expected in the enterprise</li> <li>4. Complete the feedback sections of the form, if required.</li> </ol>

<b>Did the candidate</b>	<b>Yes</b>	<b>No</b>
<b>Element 1: Identify the context for the preparation of financial statements</b>		
Identify the financial statements that need to be produced	<input type="checkbox"/>	<input type="checkbox"/>
Identify the frequency with which financial statements need to be produced	<input type="checkbox"/>	<input type="checkbox"/>
Identify the responsibilities and authorities that attach to the preparation of financial statements	<input type="checkbox"/>	<input type="checkbox"/>
Identify the internal requirements in relation to financial statements	<input type="checkbox"/>	<input type="checkbox"/>
Identify the format for the preparation of financial statements	<input type="checkbox"/>	<input type="checkbox"/>
Identify the distribution requirements for financial statements	<input type="checkbox"/>	<input type="checkbox"/>

Did the candidate	Yes	No
<b>Element 2: Maintain an assets register</b>		
Prepare a register of fixed assets	<input type="checkbox"/>	<input type="checkbox"/>
Determine the method of calculating depreciation	<input type="checkbox"/>	<input type="checkbox"/>
Update the assets register	<input type="checkbox"/>	<input type="checkbox"/>
Produce the assets register report/statement	<input type="checkbox"/>	<input type="checkbox"/>
<b>Element 3: Maintain the general ledger</b>		
Process journal entries in accordance with enterprise requirements	<input type="checkbox"/>	<input type="checkbox"/>
Prepare a trial balance according to applicable accounting standards	<input type="checkbox"/>	<input type="checkbox"/>
Prepare final general ledger accounts	<input type="checkbox"/>	<input type="checkbox"/>
<b>Element 4: Prepare bank reconciliations</b>		
Check deposits against bank statements	<input type="checkbox"/>	<input type="checkbox"/>
Check withdrawals against authorised expenditure	<input type="checkbox"/>	<input type="checkbox"/>
Confirm fees and charges	<input type="checkbox"/>	<input type="checkbox"/>
Confirm all transaction balances	<input type="checkbox"/>	<input type="checkbox"/>
Produce the bank reconciliation statement	<input type="checkbox"/>	<input type="checkbox"/>

Did the candidate	Yes	No
<b>Element 5: Prepare the identified financial statements</b>		
Compile necessary data	<input type="checkbox"/>	<input type="checkbox"/>
Produce the revenue report	<input type="checkbox"/>	<input type="checkbox"/>
Produce the balance sheet	<input type="checkbox"/>	<input type="checkbox"/>
Produce the profit and loss statement	<input type="checkbox"/>	<input type="checkbox"/>
Prepare explanatory notes to accompany financial statements, as necessary	<input type="checkbox"/>	<input type="checkbox"/>
Validate the financial statements that have been prepared	<input type="checkbox"/>	<input type="checkbox"/>
Update internal records	<input type="checkbox"/>	<input type="checkbox"/>
Distribute the prepared financial statements	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did the student's overall performance meet the standard?</b>	<input type="checkbox"/>	<input type="checkbox"/>

Feedback to student and trainer/assessor			
<b>Strengths:</b>			
<b>Improvements needed:</b>			
<b>General comments:</b>			
<b>Candidate signature</b>		<b>Date</b>	
<b>Assessor signature</b>		<b>Date</b>	

# Third Party Statement

<b>Student name:</b>			
<b>Name of third party:</b>		<b>Contact no</b>	
<b>Relationship to student:</b>	<input type="checkbox"/> Employer <input type="checkbox"/> Supervisor <input type="checkbox"/> Colleague <input type="checkbox"/> Other Please specify: _____ Please do not complete the form if you are a relative, close friend or have a conflict of interest]		
<b>Unit of competency:</b>	Prepare financial statements D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06		
The student is being assessed against industry competency standards and we are seeking your support in the judgement of their competence. Please answer these questions as a record of their performance while working with you. Thank you for your time.			

<b>Do you believe the trainee has demonstrated the following skills?</b> <i>(tick the correct response)</i>	<b>Yes</b>	<b>No</b>	<b>Not sure</b>
Identifies the financial statements which need to be produced and the frequency with which they are required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identifies the responsibilities, authorities and internal requirements attaching to the preparation of financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identifies the format for and distribution of financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prepares and updates a register of fixed assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Determines method of calculating depreciation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Produces assets register report/statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Process journal entries and prepares a trial balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prepares final general ledger accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Checks bank deposits and withdrawals against appropriate documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Do you believe the trainee has demonstrated the following skills?</b> <i>(tick the correct response)</i>	<b>Yes</b>	<b>No</b>	<b>Not sure</b>
Confirms fees, charges and transaction balances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Produces bank reconciliation statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compiles and updates data to compile reports and statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prepares revenue reports, balance sheets and profit and loss statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prepares explanatory notes to accompany financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Validates and distributes financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Do you believe the trainee has demonstrated the following skills?</b> <i>(tick the correct response)</i>	<b>Yes</b>	<b>No</b>	<b>Not sure</b>
<b>Comments/feedback from Third Party to Trainer/Assessor:</b>			
<b>Third party signature:</b>	<b>Date:</b>		
<b>Send to:</b>			



## Competency Recording Sheet

<b>Name of Student</b>		
<b>Name of Assessor/s</b>		
<b>Unit of Competency</b>	Prepare financial statements	D1.HFI.CL8.06 D1HFA.CL7.04 D2.TFA.CL7.06
<b>Date assessment commenced</b>		
<b>Date assessment finalised</b>		
<b>Assessment decision</b>	Pass Competent / Not Yet Competent (Circle one)	
<b>Follow up action required</b> (Insert additional work and assessment required to achieve competency)		
<b>Comments/observations by assessor/s</b>		

Place a tick (✓) in the column to reflect evidence obtained to determine Competency of the student for each Performance Criteria.

Element & Performance Criteria	Observation of skills	3rd Party Statement	Oral Questions	Written Questions	Work Projects	Other
<b>Element 1: Identify the context for the preparation of financial statements</b>						
Identify the financial statements that need to be produced						
Identify the frequency with which financial statements need to be produced						
Identify the responsibilities and authorities that attach to the preparation of financial statements						
Identify the internal requirements in relation to financial statements						
Identify the format for the preparation of financial statements						
Identify the distribution requirements for financial statements						
<b>Element 2: Maintain an assets register</b>						
Prepare a register of fixed assets						
Determine the method of calculating depreciation						
Update the assets register						
Produce the assets register report/statement						

Place a tick (✓) in the column to reflect evidence obtained to determine Competency of the student for each Performance Criteria.

Element & Performance Criteria	Observation of skills	3rd Party Statement	Oral Questions	Written Questions	Work Projects	Other
<b>Element 3: Maintain the general ledger</b>						
Process journal entries in accordance with enterprise requirements						
Prepare a trial balance according to applicable accounting standards						
Prepare final general ledger accounts						
<b>Element 4: Prepare bank reconciliations</b>						
Check deposits against bank statements						
Check withdrawals against authorised expenditure						
Confirm fees and charges						
Confirm all transaction balances						
Produce the bank reconciliation statement						

Place a tick (✓) in the column to reflect evidence obtained to determine Competency of the student for each Performance Criteria.

Element & Performance Criteria	Observation of skills	3rd Party Statement	Oral Questions	Written Questions	Work Projects	Other
<b>Element 5: Prepare the identified financial statements</b>						
Compile necessary data						
Produce the revenue report						
Produce the balance sheet						
Produce the profit and loss statement						
Prepare explanatory notes to accompany financial statements, as necessary						
Validate the financial statements that have been prepared						
Update internal records						
Distribute the prepared financial statements						
<b>Candidate signature</b>			<b>Date</b>			
<b>Assessor signature</b>			<b>Date</b>			



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