



Audit financial procedures

D1.HFI.CL8.01

D1.HFA.CL7.05

D2.TFA.CL7.01

Assessor Manual



Audit financial procedures

D1.HFI.CL8.01

D1.HFA.CL7.05

D2.TFA.CL7.01

Assessor Manual



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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

Prior to the assessment I have:	Tick (✓)	Remarks
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.		
During the assessment I have:		
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.		
After the assessment I have:		
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

UNIT TITLE: AUDIT FINANCIAL PROCEDURES		NOMINAL HOURS: 60
UNIT NUMBER: D1.HFI.CL8.01 D1.HFA.CL7.05 D2.TFA.CL7.01		
UNIT DESCRIPTOR: This unit deals with the skills and knowledge required to audit financial procedures in a range of settings within the labour divisions of the hotel and travel industries.		
ELEMENTS AND PERFORMANCE CRITERIA	UNIT VARIABLE AND ASSESSMENT GUIDE	
<p>Element 1. Monitor financial procedures</p> <p>1.1 Check <i>transactions</i> accord with enterprise procedures</p> <p>1.2 Balance transactions accurately</p> <p>1.3 Check <i>balances</i> prepared by others are in accordance with enterprise procedures</p> <p>1.4 Implement and control <i>financial systems</i> in accordance with enterprise procedures</p> <p>1.5 Monitor financial systems and provide input on possible improvements to appropriate personnel</p> <p>1.6 Identify and resolve <i>discrepancies or errors</i> according to level of responsibility and in consultation with <i>designated persons</i></p>	<p>Unit Variables</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 audit financial procedures within the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> 1. Front Office 2. Housekeeping 3. Food and Beverage Service 4. Food Production 5. Travel Agencies 6. Tour Operation <p><i>Transactions</i> may include:</p> <ul style="list-style-type: none"> • Purchasing of a fixed asset on credit • Selling of a fixed asset on credit 	

Element 2. Complete financial reports

- 2.1** Accurately complete routine *financial/statistical reports* within *designated timelines*
- 2.2** Forward financial/statistical reports promptly to the appropriate person/department

- Correcting posting errors
- Writing-off a bad debt
- Incurring interest expense
- Incurring interest receivable
- Commencing business entries
- Withdrawing of stock/assets by owner
- Making non-cash transactions, e.g. Writing off depreciation, stock losses
- Working in foreign currency amounts.

Check balances may include:

- Checking accuracy of debtor account balances, e.g. Cash receipts journal, sales return journal, general journal
- Checking accuracy of creditor account balances, e.g. Cash payments journal, purchases journal, purchases returns journal, general journal
- Checking the total of the debtor's schedule equals the balance of the debtor's control account
- Checking the total of the creditor's schedule equals the balance of the creditor's control account.

Financial systems should relate to:

- Sales and sales returns
- Purchases and purchase returns
- Cash receipts
- Cash payments
- Asset acquisition
- Stock control

- Debtor control
- Creditor control
- Petty cash
- Banking procedures
- Cash control, e.g. Security, floats.

Discrepancies or errors may relate to:

- Data entry errors
- Sales that should have had an invoice raised but by error did not
- Goods not delivered but charged for
- Posting errors, including:
 - Posting of the wrong amount
 - Omitting a posting
 - Posting in the wrong column
 - Posting more than once.

Designated persons may include:

- Supervisor
- Bank personnel
- Authorised department persons
- Line management
- Statutory body personnel.

Financial/statistical reports may relate to:

- Daily, weekly, monthly transactions and reports
- Break up by department
- Occupancy
- Sales performance
- Commission earnings
- Sales returns
- Commercial account activity
- Foreign currency activities
- All types of payment.

Designated timelines may relate to:

- Within agreed period
- Monthly
- By month end
- Within organisational deadline.

Assessment Guide

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

- Understanding of the processes to identify and respond to discrepancies and errors
- Understanding of the processes to identify and comply with organisational requirements
- Understanding of the principles of double entry bookkeeping and accrual accounting.

Linkages To Other Units

- Develop and implement business plans
- Develop and implement operational plans
- Plan and establish systems and procedures
- Prepare business documents
- Maintain financial performance within a budget
- Maintain financial standards and records
- Manage legal requirements for business compliance
- Manage physical assets and infrastructure
- Lead and manage people.

Critical Aspects of Assessment

Evidence of the following is essential:

- Demonstrated ability to audit financial procedures within a travel and hotel industry context
- Consistency of performance across a range of situations that demonstrates knowledge, understanding and skill in implementing the principles double entry bookkeeping and accrual accounting in order to audit financial procedures.

Context of Assessment

This unit may be assessed on or off the job:

- Assessment should include practical demonstration of the ability to maintain financial standards and records 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, job role and area of responsibility

- Assessment must include project or work activities that allow the candidate to respond to multiple and varying workplace issues relevant to work area, job role and area of responsibility that allow the candidate to demonstrate knowledge and awareness of auditing financial procedures.

Resource Implications

Training and assessment to include access to a real or simulated commercial workplace environment in which financial procedures can be audited; 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:

- Case studies
- Observation of practical candidate performance
- Oral and written questions
- Portfolio evidence
- Problem solving
- Role plays
- Third party reports completed by a supervisor
- Project and assignment work.

Key Competencies in this Unit

Level 1 = competence to undertake tasks effectively

Level 2 = competence to manage tasks

Level 3 = competence to use concepts for evaluating

	Key Competencies	Level	Examples
	Collecting, organising and analysing information	3	Analyse financial information to audit financial procedures
	Communicating ideas and information	3	Express complex strategies in a clear and concise format
	Planning and organising activities	3	Perform activities in line with business requirements
	Working with others and in teams	3	Devise strategies to ensure team commitment to budget control
	Using mathematical ideas and techniques	2	Calculate deviations and reverse errors
	Solving problems	3	Identify discrepancies and errors
	Using technology	2	Identify and analyse the optimum use of technology to achieve business objectives; use accounting software

Oral questions

Student name	
Assessor name	
Location/venue	
Unit of competency	Audit financial procedures D1.HFI.CL8.01 D1.HFA.CL7.05 D2.TFA.CL7.01
Instructions	<ol style="list-style-type: none"> 1. Ask student questions from the attached list to confirm knowledge, as necessary 2. Place tick in boxes to reflect student achievement (Pass Competent 'PC' or Not Yet Competent 'NYC') 3. Write short-form student answer in the space provided for each question.

Questions	Response	
	PC	NYC
1. Who is responsible for managing financial records?	<input type="checkbox"/>	<input type="checkbox"/>
2. What is the definition of auditing?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
3. Identify what activities are associated with checking transactions.	<input type="checkbox"/>	<input type="checkbox"/>
4. Explain how you would balance transactions accurately.	<input type="checkbox"/>	<input type="checkbox"/>
5. Explain double entry accounting.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
6. Explain why it is necessary to finalise transactions within designated timelines.	<input type="checkbox"/>	<input type="checkbox"/>
7. What procedures would you set in place to check balances prepared by others are in accordance with enterprise procedures?	<input type="checkbox"/>	<input type="checkbox"/>
8. Explain the term 'outstanding entries'	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
9. Why must outstanding entries be investigated?	<input type="checkbox"/>	<input type="checkbox"/>
10. Explain what financial procedures should be included when considering control systems.	<input type="checkbox"/>	<input type="checkbox"/>
11. Explain effective internal controls systems that can be implemented in a business.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
12. What documents would you aim to review as part of the audit trail?	<input type="checkbox"/>	<input type="checkbox"/>
13. When monitoring financial systems explain who would be appropriate personnel for you to share input on possible improvements.	<input type="checkbox"/>	<input type="checkbox"/>
14. For what key reasons is it important to monitor the financial systems?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
15. What is included in the audit report prepared for management?	<input type="checkbox"/>	<input type="checkbox"/>
16. When dissolving discrepancies, designated persons that may be involved would include.....?	<input type="checkbox"/>	<input type="checkbox"/>
17. What are the most common reasons for discrepancies?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
18. Detail the basic format of a worksheet.	<input type="checkbox"/>	<input type="checkbox"/>
19. What periods do organisations use as designated timelines for producing reports and how would they ensure accuracy in those reports?	<input type="checkbox"/>	<input type="checkbox"/>
20. Identify end users of financial information.	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
21. Explain how some of those end users would use the financial information detailed in a financial audit report.	<input type="checkbox"/>	<input type="checkbox"/>
22. Explain who might reports be distributed to.	<input type="checkbox"/>	<input type="checkbox"/>
23. What methods can be used to maintain confidentiality of reports?	<input type="checkbox"/>	<input type="checkbox"/>

Questions	Response	
	PC	NYC
24. What details are likely to be held on a report distribution schedule?	<input type="checkbox"/>	<input type="checkbox"/>

Written questions

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Student Name: _____

Answer all the following questions and submit to your Trainer.

1. Identify one thing a good business should do in order to be successful.

2. Identify three people who may be responsible for managing financial records.

3. What are the categories of business transactions?

4. Types of transactions may include? (List three)

5. Types of reconciliations may include? (List three)

6. What control accounts and subsidiary ledgers are used in Tourism establishments?

7. What is meant by the term 'fixed assets'?

8. Why is it imperative for reconciliations to be finalised by a set time?

9. What is the purpose of separating areas of financial responsibility?

10. Why are journals reviewed before posting?

11. Identify two activities associated with checking activities of others.

12. What is meant by the term 'outstanding entry'?

13. What are the key considerations when developing a financial system?

14. What are the principles of internal control systems?

15. Identify the four basic documents that should feature in separation of responsibilities for transactions.

16. List the five steps that are commonly associated with financial analysis.

17. The 3 common analysis methods are as follows:

18. Why is it essential that the financial system be constantly monitored?

19. What is the purpose of an internal audit?

20. What will be outlined in the audit report produced after final evaluation?

21. Give three examples of areas which may be subject to internal audit.

22. The three common causes of discrepancies are.....

23. Identify three examples of irregularities you may need to check with source documents.

24. What is the most common accrued expense in a tourism organisation?

25. Identify three end users of financial statements.

26. What may financial or statistical reports relate to? (List three)

27. What is the purpose of a balance sheet?

28. Who may be included in the distribution of financial or statistical reports?

29. What details may be included in a reporting schedule?

30. Who may impose the deadline for financial reporting periods?



Answers to written questions

Audit financial procedures –

D1.HFI.CL8.01

D1.HFA.CL7.05

D2.TFA.CL7.01

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. Identify one thing a good business should do in order to be successful.

Any of the following:

- Earn a satisfactory profit for its owners
- Use its short term and long term assets efficiently
- Be able to pay its short term debts on time
- Maintain adequate cash stocks to meet requirements
- Provide a return on investment to the owners both in income and growth of the value of the investment.

2. Identify three people who may be responsible for managing financial records

Any of the following:

- Allocated to the administration or accounts department
- Given to one nominated management-level member
- The sole province of the business owner-operator
- Integrated with other activities and systems.

3. What are the categories of business transactions?

- Assets
- Liabilities
- Owner's equity
- Revenue
- Expenses.

4. Types of transactions may include? (List three)

Any of the following:

- Debit transactions
- Credit transactions
- Journals entries
- Cash receipts
- Cash payments
- Petty cash
- Sales
- Refunds
- Rebates
- Interest expenses or interest received
- Purchasing of a fixed asset on credit
- Selling of a fixed asset on credit
- Correcting posting errors
- Writing-off a bad debt
- Withdrawing of stock or assets by owner
- Making non-cash transactions, e.g. Writing off depreciation, stock losses
- Working in foreign currency amounts.

5. Types of reconciliations may include? (List three)

Any of the following:

- Creditor statements
- Petty cash
- Foreign currency
- Bank reconciliations
- Guest accounts/folios
- Travel files
- Taxation.

6. What control accounts and subsidiary ledgers are used in Tourism establishments?

Control accounts and subsidiary ledgers are used in tourism establishments for the following general ledger accounts:

- Accounts receivable
- Accounts payable
- Inventory (when applicable)
- Fixed assets.

7. What is meant by the term 'fixed assets'?

The fixed asset register details the fixed assets that are owned by an organisation. Each asset is assigned a unique number and details such as the purchase price, the current value and any changes to the asset are recorded.

8. Why is it imperative for reconciliations to be finalised by a set time?

This is to enable relevant reports to be generated and other work to be done.

9. What is the purpose of separating areas of financial responsibility?

Financial controls are designed to ensure that financial information is valid, reliable, complete and accurate.

Separating the responsibility for related transactions and recording and controlling information about assets form part of these controls

10. Why are journals reviewed before posting?

- To ensure transactions are in the correct column
- To ensure the calculations are correct
- To ensure any unusual amounts are confirmed by source documentation.

11. Identify two activities associated with checking activities of others.

Any of the following:

- Checking accuracy of debtor account balances, e.g. Cash receipts journal, sales return journal, general journal
- Checking accuracy of creditor account balances, e.g. Cash payments journal, purchases journal, purchases returns journal, general journal
- Checking the total of the debtor's schedule equals the balance of the debtor's control account
- Checking the total of the creditor's schedule equals the balance of the creditor's control account.

12. What is meant by the term 'outstanding entry'?

These are simply accounts that cannot be resolved in terms of what they are, where they should go or whether or not they will be paid.

Where balances are performed by others these outstanding entries must be identified and followed up with those responsible.

13. What are the key considerations when developing a financial system?

- Cost versus benefits
- Compatibility
- Flexibility and Adaptability
- Internal control.

14. What are the principles of internal control systems?

- Establish clear lines of responsibility and supervision
- Separate or divide the responsibility for related transactions
- Separate record keeping and control of assets.

15. Identify the four basic documents that should feature in separation of responsibilities for transactions.

- Purchase requisition
- Purchase order
- Invoice
- Receiving report.

16. List the five steps that are commonly associated with financial analysis.

- Select financial analysis method
- Conduct financial analysis
- Identify significant variances
- Determine the cause of significant variances
- Take corrective action as required.

17. What are the three common financial analysis methods?

The 3 common analysis methods are as follows:

- Horizontal
- Vertical
- Ratio.

18. Why is it essential that the financial system be constantly monitored?

To ensure that best practices are maintained, procedures are adapted to reflect changes and corrective action is taken where necessary.

19. What is the purpose of an internal audit?

An internal audit provides a review of the operating and accounting controls within an establishment to ensure that internal control procedures are being followed and assets are adequately safeguarded.

20. What will be outlined in the audit report produced after final evaluation?

This outlines the strengths, weaknesses, actions and follow-up procedures from the internal audit.

21. Give three examples of areas which may be subject to internal audit

- Daily sales, allowances, cash and credit transactions, including pricing and commissions
- Purchasing, ordering and receiving goods and services
- Payroll and labour costs.
- Compliance with external regulations
- Computer system controls
- Controls over fixed asset expenditure.

22. The three common causes of discrepancies are.....

- Inputs
- Processing
- Outputs.

23. Identify three examples of irregularities you may need to check with source documents?

Any of the following:

- Documents with the incorrect date
- Lack of required signatures or actual documentation for goods purchased
- An internal sale has been made but the customer has left before the charge can be processed
- Arithmetic errors
- Use of incorrect figures when calculating the document
- Incomplete documentation
- Illegible documents.

24. What is the most common accrued expense in a tourism organisation?

The most common accrued expense in tourism organisations is wages and salaries.

25. Identify three end users of financial statements.

Any of the following:

- Managers
- Shareholders or current investors
- Potential investors
- Financial institutions
- Suppliers
- Customers
- Potential Employees
- Existing Employees
- Competitors
- General Public
- Government.

26. What may financial or statistical reports relate to? (List three)

Any of the following:

- Daily, weekly, monthly transactions and reports
- Break up by department
- Sales performance
- Commission earnings
- Sales returns
- Commercial account activity
- Foreign currency activities
- All types of payment.

27. What is the purpose of a balance sheet?

A balance sheet is a financial statement that summarises at a specific point of time a company's:

- Assets
- Liabilities
- Equity.

28. Who may be included in the distribution of financial or statistical reports?

- Management at, or above, a prescribed level
- Owner
- Investors in the property
- Designated Sales and marketing people
- Accounts department.

29. What details may be included in a reporting schedule?

- Name of report
- Reporting period
- Date report to be completed
- Personnel to receive report
- Distribution method such as electronic or hard copy
- Other notes.

30. Who may impose the deadline for financial reporting periods?

This deadline may be imposed by external parties such as banks and government agencies to meet security or funding requirements or by owners, especially if the organisation is part of a group of companies.

Observation checklist

Student name	
Assessor name	
Location/venue	
Unit of competency	Audit financial procedures D1.HFI.CL8.01 D1.HFA.CL7.05 D2.TFA.CL7.01
Dates of observation	
Instructions	<ol style="list-style-type: none"> 1. Over a period of time observe the student completing each of the following tasks: <ol style="list-style-type: none"> a) Monitor financial procedures b) Complete financial reports 2. Enter the date on which the tasks were undertaken 3. Place a tick in the box to show they completed each aspect of the task to the standard expected in the enterprise 4. Complete the feedback sections of the form, if required.

Did the candidate	Yes	No
Element 1: Monitor financial procedures		
Check transactions accord with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>
Balance transactions accurately	<input type="checkbox"/>	<input type="checkbox"/>
Check balances prepared by others are in accordance with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>
Implement and control financial systems in accordance with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>
Monitor financial systems and provide input on possible improvements to appropriate personnel	<input type="checkbox"/>	<input type="checkbox"/>
Identify and resolve discrepancies or errors according to level of responsibility and in consultation with designated persons	<input type="checkbox"/>	<input type="checkbox"/>

Did the candidate	Yes	No
Element 2: Complete financial reports		
Accurately complete routine financial/statistical reports within designated timelines	<input type="checkbox"/>	<input type="checkbox"/>
Forward financial/statistical reports promptly to the appropriate person/department	<input type="checkbox"/>	<input type="checkbox"/>
Did the student's overall performance meet the standard?	<input type="checkbox"/>	<input type="checkbox"/>

Feedback to student and trainer/assessor

Strengths:

Improvements needed:

General comments:

Candidate signature

Date

Assessor signature

Date

Third Party Statement

Student name:			
Name of third party:		Contact no:	
Relationship to student:	<input type="checkbox"/> Employer <input type="checkbox"/> Supervisor <input type="checkbox"/> Colleague <input type="checkbox"/> Other <i>Please specify: _____</i> <i>Please do not complete the form if you are a relative, close friend or have a conflict of interest]</i>		
Unit of competency:	Audit financial procedures D1.HFI.CL8.01 D1.HFA.CL7.05 D2.TFA.CL7.01		
<p>The student is being assessed against industry competency standards and we are seeking your support in the judgement of their competence.</p> <p>Please answer these questions as a record of their performance while working with you. Thank you for your time.</p>			
Do you believe the trainee has demonstrated the following skills? <i>(tick the correct response]</i>	Yes	No	Not sure
Monitor financial procedures			
Checks transactions accord with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balances transactions accurately	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Checks balances prepared by others are in accordance with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Implements and control financial systems in accordance with enterprise procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitors financial systems and provide input on possible improvements to appropriate personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identifies and resolve discrepancies or errors according to level of responsibility and in consultation with designated persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Complete financial reports			
Accurately completes routine financial/statistical reports within designated timelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forwards financial/statistical reports promptly to the appropriate person/department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments/feedback from Third Party to Trainer/Assessor:

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Third party signature:

Date:

Send to:

Competency recording sheet

Name of Student		
Name of Assessor/s		
Unit of Competency	Audit financial procedures	D1.HFI.CL8.01 D1.HFA.CL7.05 D2.TFA.CL7.01
Date assessment commenced		
Date assessment finalised		
Assessment decision	Pass Competent / Not Yet Competent (Circle one)	
Follow up action required (Insert additional work and assessment required to achieve competency)		
Comments/observations by assessor/s		

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
Element 1: Monitor financial procedures						
Check transactions accord with enterprise procedures						
Balance transactions accurately						
Check balances prepared by others are in accordance with enterprise procedures						
Implement and control financial systems in accordance with enterprise procedures						
Monitor financial systems and provide input on possible improvements to appropriate personnel						
Identify and resolve discrepancies or errors according to level of responsibility and in consultation with designated persons						
Element 2: Complete financial reports						
Accurately complete routine financial/statistical reports within designated timelines						
Forward financial/statistical reports promptly to the appropriate person/department						
Candidate signature:			Date:			
Assessor signature:			Date:			

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