

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Operational Support & Services

Title	Prepare financial statements
Code	105593L5
Range	This unit of competency is applicable to those who are responsible for preparing financial statements. It involves establishing accounting guidelines for the company, consolidating financial performances of individual business lines, interpreting the figures, preparing the statements, and analyzing potential trends and reasons for surges and plunges.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in financial management <ul style="list-style-type: none"> • Familiar with insurance market • Comprehend corporate development strategy • Comprehend corporate profitability strategy • Fully aware of relevant regulatory requirements, e.g. financial reporting • Able to apply accounting and financial management concepts to present business performance 2. Prepare financial statement <ul style="list-style-type: none"> • Establish accounting guidelines in accordance with regulatory requirements and operational contexts • Consolidate financial performances, i.e. revenue/turnover and expenditure, of individual business lines and functional units of the company • Ensure validity of data • Apply formulaes and assumptions to interpret the collected and/or consolidated figures • Prepare profit and loss statement/expenditure reports as appropriate • Work with relevant units to analyze the figures to reveal potential trends in income and cost structures, and causes to surges and plunges • Compile financial statements according to accounting guidelines and regulatory requirements • Present to relevant parties, e.g. senior management, with elaboration on analysis as appropriate 3. Develop accurate financial statements that comply with relevant regulatory requirements <ul style="list-style-type: none"> • Ensure sources of data are valid and complete • Ensure financial statements are accurate • Ensure financial statements fulfill relevant regulatory requirements.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to consolidate financial performances of individual business lines and functional units of the company • Able to prepare financial statements that fulfill relevant regulatory requirements • Able to explain financial statements to relevant parties.
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.