

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS & COMPETENCIES (TSC) REFERENCE**

TSC Category	Investment and Financial Management					
TSC	Capital Expenditure and Investment Evaluation					
TSC Description	Assess investments based on alignment with strategies, affordability, acceptable returns and prioritisation of options					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			FSE-MAC-3002-1.1-1	FSE-MAC-4002-1.1-1	FSE-MAC-5002-1.1-1	
			Perform investment appraisal techniques on capital expenditure investments	Evaluate investments, capital expenditures and financing projects according to defined policies and organisation's strategic needs	Review and direct investment appraisals and investment decisions for organisational capital management	
Knowledge			<ul style="list-style-type: none"> • Payback, and discounted payback techniques • Accounting rate of return (ARR) • Net present value (NPV) • Internal rate of return (IRR) and modified IRR • Investment appraisal techniques • Organisation's capital investment portfolio • Risk weighted assessment approaches for identifying risks 	<ul style="list-style-type: none"> • Investment appraisal techniques • Relevant strengths and weaknesses of investment appraisal techniques • Records of capital expenditures, investments and financing projects within organisation • Organisation's capital allocation strategies • Capital reserves • Organisation's capital investment portfolio • Risk weighted assessment approaches for identifying risks • Legal regulations surrounding capital investments 	<ul style="list-style-type: none"> • Strategies for capital management, expenditure and investment • Organisation's strategic direction and business objectives • Capital management policies and capital allocation strategies • Investment appraisal techniques • Relevant strengths and weaknesses of investment appraisal techniques 	
Abilities			<ul style="list-style-type: none"> • Perform payback and discounted payback techniques for investments • Calculate ARR for investments 	<ul style="list-style-type: none"> • Analyse the strengths and weaknesses of payback and discounted payback techniques to assess investments 	<ul style="list-style-type: none"> • Evaluate the strengths and weaknesses of payback, discounted payback, accounting rate of return (ARR), net present value (NPV), 	

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			<ul style="list-style-type: none"> • Calculate NPV for investments • Calculate IRR and modified IRR for investments • Conduct risk assessments for capital expenditures and investment portfolios • Document and articulate findings to relevant stakeholders 	<ul style="list-style-type: none"> • Analyse the strengths and weaknesses of accounting rate of return (ARR) technique to assess investments • Analyse the strengths and weaknesses of net present value (NPV) technique to assess investments • Analyse the strengths and weaknesses of internal rate of return (IRR) and modified IRR technique to assess investments • Conduct preliminary analysis of capital investment health against organisation's capital management policies • Determine acceptability of IRR and affordability of options • Identify misalignment with organisation's capital reserve requirements • Evaluate risk exposure of capital expenditure and investment portfolio and recommend action steps to manage risks 	<p>internal rate of return (IRR) and modified internal IRR and their impact on the business</p> <ul style="list-style-type: none"> • Evaluate capital investment returns and financial health against organisation's capital management policies • Review recommendations regarding acceptability of IRR and affordability of options in line with organisational needs and strategic directions • Provide views and recommendations to address the impact of the various investment appraisal techniques on investment projects • Propose refinements to capital allocation strategies and investment decisions 	
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