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| Title | Explain risks and risk management strategies for personal finances | | |
| Level | 1 | Credits | 3 |

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| Purpose | People credited with this unit standard are able to explain risks and risk management strategies for personal finances. |
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| Classification | Core Generic > Financial Capability |
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| Available grade | Achieved, Merit, and Excellence |
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| Criteria for Merit | <p>The explanation of the risks and risk management strategies shows detailed understanding by including examples of:</p> <ul style="list-style-type: none"> • risks to assets • how the risk management strategies minimise the risk to personal finances. |
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| Criteria for Excellence | <p>The explanation of the risks and risk management strategies shows comprehensive understanding by including:</p> <ul style="list-style-type: none"> • causes and consequences of risks to assets • justification for using strategies to minimise impact on future personal finances. |
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Explanatory notes

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.
- 2 **Definitions**
Risks refers to – the loss of money or property, theft of identity through fraud or scams, change in value of assets, loss or damage due to natural or man-made events.
Risk management strategies refers to lifestyle, wills, power of attorney, insurances, ownership structures; security protocols and procedures for digital devices systems, security measures for assets; laws, regulations, social protocols, and patents.

- 3 Legislation may include but is not limited to:
 Financial Advisers Act 2008;
 Insurance Law Reform Act 1985;
 Crimes Act 1961 (Sections 220, 228, 229, 240, 242, and 256, 257, 258 to 260);
 Land Transport Act 1998;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Privacy Act 1993.
- 4 References
 Ministry of Consumer Affairs – Scams – <http://www.consumerprotection.govt.nz/>;
 Insurance Council of New Zealand – <http://www.icnz.org.nz/>;
 Financial Markets Authority – <http://www.fma.govt.nz/>;
 Financial Services Council of New Zealand - <http://fsc.org.nz/>;
 Commission for Financial Capability – <http://www.cffc.org.nz/>;
 Inland Revenue – <http://www.ird.govt.nz/>;
 Sorted: Your Independent Money Guide – <https://www.sorted.org.nz/>.

Outcomes and evidence requirements

Outcome 1

Explain risks and risk management strategies for personal finances.

Evidence requirements

- 1.1 Risks to personal assets are identified and explained in relation to impact on personal finances.

Range one personal asset from each of the following five groups - motor/house/house contents; bank accounts/investments; identity/access to personal information; self - health and wellbeing/hauora; future income.

- 1.2 Risk management strategies to minimise risks to personal finances are explained in relation to personal assets.

Range four different risk management strategies.

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| Planned review date | 31 December 2020 |
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Status information and last date for assessment for superseded versions

| Process | Version | Date | Last Date for Assessment |
|--------------|---------|------------------|--------------------------|
| Registration | 1 | 12 December 2013 | 31 December 2018 |
| Revision | 2 | 21 May 2015 | 31 December 2018 |
| Review | 3 | 21 July 2016 | N/A |

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| Consent and Moderation Requirements (CMR) reference | 0226 |
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.