



Australian Government

Department of Education, Employment and Workplace Relations

SIRXFIN004A Manage financial resources

Revision Number: 2

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Modification History

The version details of this endorsed unit are in the table below. The latest information is at the top.

Release	Comments
Second Release	Editorial updates

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to develop and implement financial control systems. It involves controlling cost and budget, maintaining store accounting systems and developing and negotiating budget allocations.

Application of the Unit

This unit applies to personnel with managerial responsibility who maintain accurate accounting systems to successfully negotiate, develop and implement store budgets, and analyse and report on income and expenditure against budget targets, according to store policy and procedures.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

Pre-Requisites

Nil

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements and Performance Criteria

Element	Performance criteria
<p>Elements describe the essential outcomes of a unit of competency.</p>	<p>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</p>
<p>1. Control costs.</p>	<p>1.1. Implement cost reduction measures according to <i>store policy and procedures</i>.</p> <p>1.2. Assess and interpret <i>information</i> on costs and <i>resource</i> allocation.</p> <p>1.3. Encourage <i>team members</i> actively to control costs in their areas of responsibility.</p> <p>1.4. Promptly implement recommendations for improving cost reduction or <i>communicate to relevant personnel</i>.</p>
<p>2. Control budget.</p>	<p>2.1. Monitor and maintain expenditure within budget targets according to store policy.</p> <p>2.2. Compare actual income and expenditure to budget targets at regular intervals, according to store policy.</p> <p>2.3. Monitor, analyse and compare gross profit and loss figures by department or section and store, with budget targets.</p> <p>2.4. Monitor and analyse net profit figures, including floor space profitability, according to budget targets.</p> <p>2.5. Monitor and analyse stock turnover figures according to budget targets.</p> <p>2.6. Promptly inform relevant personnel, where potential occurs for budget under or overspend.</p> <p>2.7. Take prompt corrective action where significant deviations from budget occur.</p> <p>2.8. Negotiate necessary changes or allocations to agreed budget in advance of requirement.</p> <p>2.9. Ensure modifications to existing budgets are authorised according to store policy.</p>
<p>3. Propose expenditure.</p>	<p>3.1. Ensure estimates of costs and benefits are supported by valid, relevant information.</p> <p>3.2. Ensure final recommendations are supported by realistic alternatives and contain accurate, clear <i>proposals</i>.</p> <p>3.3. Ensure recommendations clearly indicate net benefits over designated timeframe and related changes in operations.</p> <p>3.4. Clarify contentious issues by further explanation.</p>

- 3.5. Compare estimates to actual costs and benefits to improve future proposals.
4. Maintain store accounting systems.
- 4.1. Manage and maintain store policy and procedures in regard to **record-keeping systems**.
- 4.2. Monitor and maintain store systems for recording sales figures, revenue and expenditure.
- 4.3. Monitor and maintain systems for recording and retrieving financial, personnel and payroll information as required by store policy.
5. Prepare store sales budgets.
- 5.1. Maintain store policy and procedures in regard to preparation of **budget or target figures**.
- 5.2. Compare, analyse, document and report budget and actual sales revenue and expenditure figures, according to budget targets and store policy.
- 5.3. Maintain accurate records on past sales budgets or targets according to store policy.
- 5.4. Present proposed budgets or targets accurately and concisely.
- 5.5. Justify variations to proposed targets and report according to store policy.
6. Negotiate budgets.
- 6.1. Conduct budget negotiations within a set timeframe and in a manner likely to promote good relationships.
- 6.2. Ensure budget negotiations reflect the overall store policies and objectives relevant to the manager's area of responsibility.
- 6.3. Seek clarification, where areas of uncertainty or disagreement occur.
- 6.4. Inform all relevant personnel promptly of budget decisions.
- 6.5. Present proposals clearly, concisely, in an appropriate form, and emphasising benefits to store operation.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Required skills

- interpersonal skills to:
 - encourage team members to control costs
 - provide information to relevant personnel where potential occurs for budget under or overspend
 - negotiate budgets and provide information on budget decisions through clear and direct communication
 - ask questions to identify and confirm requirements
 - use language and concepts appropriate to cultural differences
 - use and interpret non-verbal communication
- time management skills to prepare, negotiate and complete budgets within set timeframes
- literacy and numeracy skills to:
 - write and present reports
 - compile and analyse budgetary figures

Required knowledge

- store policy and procedures in regard to:
 - financial management
 - resource utilisation
- store revenue
- capital and overhead costs
- interest rates
- pricing policies, including GST requirements
- cost of stock, materials and equipment
- staffing costs
- operational costs
- principles and techniques in:
 - interpersonal communication
 - monitoring resource utilisation and costs
 - analysing efficiency and effectiveness
 - cost-benefit analysis
 - differential analysis
 - risk analysis

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- consistently negotiates, develops and implements store budgets according to store policy and procedures
- monitors, analyses and reports on income and expenditure against budgets according to store policy and procedures
- manages and maintains accurate accounting systems according to store policy and procedures
- develops and maintains store policy and procedures in regard to store sales budgets or targets.

Context of and specific resources for assessment

Assessment must ensure access to:

- a retail work environment
- store or sample policy and procedures in regard to financial management
- an accounting system
- budgetary information
- a team involved in budget control.

Methods of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- observation of performance in the workplace
- third-party reports from a supervisor
- research project
- written or verbal questioning to assess knowledge and understanding
- review of portfolios of evidence and third-party workplace reports of on-the-job performance.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below.

Store policy and procedures in regard to:

- financial management
- reporting mechanisms.

Information may include:

- resource utilisation
- capital and overhead costs
- interest rates
- stock, materials and equipment
- staffing levels
- operational costs.

Information may be obtained by:

- direct observation
- written reports
- numerical data.

Resources may include:

- people
- materials
- equipment and technology
- finances
- time.

Team members may include:

- full-time, part-time, casual or contract staff
- people from a range of social, cultural and ethnic backgrounds
- people with varying degrees of language and literacy levels.

Communication may be:

- formal and informal
- with individuals or groups
- written, faxed, emailed or spoken.

Relevant personnel may include:

- relevant managers
- supervisor
- team leader.

Proposals may include:

- profitability
- productivity
- quality of service
- environmental impact
- working conditions
- working relationships
- team motivation
- long-term goals
- short-term goals.

Record keeping systems may include:

- manual
- computerised.

Budget or target figures may encompass:

- sales
- cash flow
- net profit
- payroll
- staff expenditure
- capital
- maintenance
- advertising and promotion.

Unit Sector(s)

Cross-Sector

Competency field

Finance