



Australian Government

SITXFIN401 Interpret financial information

Release 1

SITXFIN401 Interpret financial information

Modification History

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

Version	Comments
1.0	N Replaces but not equivalent to SITXFIN003A Interpret financial information. Significant changes to Elements, Performance Criteria and Required Knowledge to refocus the unit.

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to interpret financial information and reports used by organisations to monitor business performance and provide information on operational or departmental financial activities.

Application of the Unit

This unit applies to all tourism, travel, hospitality and event sectors.
It applies to those people who operate independently or with limited guidance from others. This includes supervisors and departmental managers. This unit does not include the skills required to produce reports for the overall operation of the department or whole organisation. This would be created by senior managers, financial specialists or accountants.

Licensing/Regulatory Information

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

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements and Performance Criteria

Elements describe the essential outcomes of a unit of competency. 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.

- | | |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Access and interpret financial information. | 1.1 Identify and interpret the range of <i>financial information</i> and <i>reports</i> required for the organisation to monitor business performance. |
| | 1.2 Interpret financial information and reports applicable to operational or departmental activities. |
| 2. Use and provide financial information. | 2.1 Review financial information for impacts on operational activities and take action according to individual empowerment. |
| | 2.2 Routinely provide information on <i>operational or departmental financial activities</i> . |

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

- literacy skills to:
 - read and interpret a wide range of financial documents
 - write explanatory notes to accompany financial information
- numeracy skills to interpret and use financial records and to calculate entries within financial reports
- planning and organising skills to prepare information within designated timelines
- problem-solving skills to identify and resolve financial reporting discrepancies
- technology skills to use accounting software packages.

Required knowledge

- for the specific industry sector and organisation:
 - financial terminology, including average spend, cover, wastage and nett costs
 - reporting periods, including different financial years observed by different businesses
 - the features and functions of accounting software programs used to manage financial operations
 - use of financial information and reports in monitoring overall business performance
- key elements of financial record-keeping and key terminology, including:
 - ledgers, subsidiary ledgers and journals
 - transactions, receipts and disbursements
 - invoices, accounts payable, debtors and creditors
 - cash flow
- key elements of accounting and how it provides information for business management, including:
 - charts of accounts and account categories, such as assets, liabilities, equity, cost of sales, income and expense
 - basic rules for double-entry accounting and the concept of debits and credits
 - accrual versus cash accounting
 - profit and loss statements and balance sheets as key financial statements used to measure business performance, including their role; how these reports are generated; and the format, features and key information
 - reconciliations, including purpose, different types of reconciliation and the impact of unpresented cheques, bank charges, direct debits and credits on reconciliations
 - concept of costing, including fixed and variable costs
 - accounting for and reporting Goods and Services Tax (GST).

Evidence Guide

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

Overview of assessment

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

Evidence of the ability to:

- interpret a diverse range of financial information and reports used to monitor overall business performance
- provide financial information on operational or departmental financial activities
- use correct financial terminology
- integrate knowledge of the use of financial information and reports in monitoring overall business performance.

Context of and specific resources for assessment

Assessment must ensure use of:

- a real or simulated tourism, hospitality or event industry business operation or activity for which financial information can be interpreted
- computers, printers and accounting software packages currently used by the tourism, hospitality and event industries
- financial data and reports.

Method of assessment

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

- projects and activities that allow assessment of the individual's ability to interpret financial information and reports
- review of information, prepared by the individual, on operational or departmental financial activities
- written or oral questioning to assess knowledge of accounting concepts and terminology
- review of portfolios of evidence and third-party workplace reports of on-the-job performance by the individual.

Guidance information for assessment

The assessor should design integrated assessment activities to holistically assess this unit with other units relevant to the industry sector, workplace and job role, for example:

- BSBPMG501A Manage projects
- SITXFIN402 Manage finances within a budget
- SITXMGT401 Monitor work operations.

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, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Financial information may include:

- account summaries and balances
- balance sheets
- bank deposit documentation
- bank statements
- banking summaries
- business activity statements
- cheque books
- credit card transaction statements
- invoices
- journal entries
- merchant statements
- merchant summaries
- profit and loss statements
- trial balance.

Reports may include those for:

- budgets
- cash flow
- covers
- expenditure
- labour and wages
- occupancy rates
- purchases
- receivables
- sales
- stock
- transactions
- transactions exempted
- units sold
- variance
- wastage.

Operational or departmental financial activities may relate to:

- average customer spend
- daily, weekly and monthly transactions
- departmental expenditure, including:
 - labour
 - stock purchased
 - wastage

- departmental income, including:
 - covers and gross income
 - commission earnings
 - occupancy and gross income
 - sales
- outstanding accounts:
 - payable
 - receivable
- quotations realised to sales
- sales performance
- stock levels
- variance from budget.

Unit Sector(s)

Cross-Sector

Competency Field

Finance