



Australian Government

Department of Education, Employment and Workplace Relations

THHGLE15B Manage financial operations

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit deals with the skills and knowledge required to oversee the day-to-day financial operations of a small tourism or hospitality enterprise or a department within a larger organisation. The unit is not intended to cover detailed specialist accounting skills that are undertaken by qualified accountants or financial controllers, but does include the awareness of accounting issues and concepts needed by managers for effective communication with accountants or other specialists on financial matters.

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Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

Not applicable.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

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Element	Performance Criteria
1 Develop approaches to financial management	1.1 Assess the scope of financial management requirements for a given enterprise or project. 1.2 Identify the need for and organise specialist accounting assistance where appropriate. 1.3 Develop approaches to financial management based on overall direction and goals of the enterprise or project. 1.4 Develop financial management systems and procedures in accordance with enterprise needs.
2 Develop and monitor financial procedures and systems	2.1 Communicate the importance of financial objectives, management controls and systems to all staff. 2.2 Develop procedures and systems to meet relevant statutory and internal control requirements. 2.3 Develop practical procedures and systems for monitoring income and ensuring payment of accounts. 2.4 Research and integrate the use of current industry practices and technology into systems as appropriate 2.5 Check compliance with procedures and systems on a regular basis. 2.6 Monitor the flow of financial information within the organisation in terms of currency, accuracy, level of detail and relevance. 2.7 Review financial management systems regularly and make adjustments made in accordance with enterprise need.
3 Make pricing decisions	3.1 Make pricing decisions based on current, sufficient, accurate and relevant financial and marketplace data. 3.2 Identify fixed, variable and semi-variable costs

- accurately.
- 3.3 Perform and interpret simple cost - volume - profit analysis correctly.
 - 3.4 Set appropriate profit margins in accordance with enterprise policy and calculate prices correctly.
- 4 Monitor financial performance
 - 4.1 Monitor budgets against performance targets on a regular basis.
 - 4.2 Negotiate corrective budgets as appropriate to maximise business performance.
 - 4.3 Take remedial action to address financial performance problems where appropriate.
 - 4.4 Prepare and interpret profit and loss statements accurately with appropriate level of detail.
 - 4.5 Conduct financial ratio analysis correctly and apply the information to financial management and reporting as appropriate.
 - 4.6 Communicate feedback on positive and negative performance to appropriate colleagues in an appropriate manner.
 - 5 Prepare financial reports
 - 5.1 Prepare accurate, concise, relevant and sufficiently detailed financial reports to schedule in a format appropriate to the audience and in accordance with enterprise and statutory requirements.
 - 5.2 Identify the need for and access specialist advice on reporting requirements where appropriate.

Required Skills and Knowledge

Not applicable.

Evidence Guide

Essential Knowledge and Skills to be Assessed

The following knowledge and skills must be assessed as part of this unit:

the different financial management roles for given industry sectors or types of business including operational managers, owner/operators, financial controllers and external accountants/auditors

the aspects of financial management which must be considered for a given enterprise or industry sector

the ways in which financial management interrelates with all other areas of activity within a business

the major steps in the total accounting process and the relationship of each with business operations and reporting requirements

typical financial management systems and technology as relevant to the enterprise or industry sector including the features and capabilities of one or more computerised accounting packages

key features of and how to prepare the main financial reports used to monitor business performance including:

profit and loss statements

balance sheets

sales and receivables reports

techniques for calculating profit margins relevant to a given industry sector

overview of specific financial/taxation regulations and requirements relevant to the industry sector including how GST applies to particular business operations and GST reporting requirements

overview of economic issues which affect financial performance in specific industry contexts.

Linkages to Other Units

This unit must be assessed with or after the following units. These units describe skills and knowledge that are essential to this unit of competence:

THHGFA06A Interpret financial information

THHGLE13B Manage finances within a budget

THHGLE14B Prepare and monitor budgets

THHGLE21B Develop and maintain the legal knowledge required for business compliance

Critical Aspects of Assessment

Evidence of the following is critical:

understanding of the total financial management process within a business

ability to integrate the financial management activities of a business with overall business operations

knowledge of financial control, reporting and monitoring systems.

Context of Assessment and Resource Implications

Assessment must ensure:

project or work activities that include the requirement for the establishment and management of financial systems and which are conducted over a period of time so that the monitoring and implementation aspects of the unit can be assessed

use of figures and data that reflect the financial operating conditions of industry

demonstration of skills using appropriate computer technology.

Assessment Methods

Assessment methods must be chosen to ensure that financial management skills can be practically demonstrated. Methods must include assessment of knowledge as well as assessment of practical skills.

The following examples are appropriate for this unit:

evaluation of financial reports detailing financial performance of projects or activities conducted by the candidate

evaluation of financial management strategies produced by the candidate detailing systems and procedures for the management of given business operations or situations

case studies and problem solving to assess application of financial management strategies to particular situations

review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate.

Key Competencies in this Unit

Key Competencies are an integral part of all workplace competencies. The table below describes those applicable to this unit. Trainers and assessors should ensure that they are addressed in training and assessment.

Level 1 = Perform Level 2 = Administer and Manage Level 3 = Design and Evaluate

Key Competencies

Collecting, Organising and Analysing Information

For example:

Evaluating all aspects of operations to determine precise requirements for financial control mechanisms (3)

Communicating Ideas and Information

For example:

Developing an Operations Manual which includes systems and procedures for financial management (3)

Planning and Organising Activities

For example:

Establishing and monitoring schedules for financial reporting (3)

Working with Others and in Teams

For example:

Conducting a brainstorming session with colleagues on minimising waste (3)

Using Mathematical Ideas and Techniques

For example:

Calculating prices and profit margins (2)

Solving Problems

For example:

Developing a solution to address consistent errors in financial reports (3)

Using Technology

For example:

Using features of accounting software to improve business performance reporting (2)

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the aspects of financial management which must be considered for a given enterprise or industry sector

the ways in which financial management interrelates with all other areas of activity within a business

the major steps in the total accounting process and the relationship of each with business operations and reporting requirements

typical financial management systems and technology as relevant to the enterprise or industry sector including the features and capabilities of one or more computerised accounting packages

key features of and how to prepare the main financial reports used to monitor business

performance including:

profit and loss statements

balance sheets

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Range Statement

This unit applies to all tourism and hospitality sectors. The following explanations identify how this unit may be applied in different workplaces, tourism sectors and circumstances. For generic pre-employment training and assessment, a range of industry contexts must be addressed. Where the focus is sector or workplace specific, training and assessment must be tailored to meet particular needs.

Financial operations may be for:

- a department within a large organisation
- a small business.

The scope of financial management requirements for different projects or enterprises will vary and may relate to differing requirements for:

- budgeting and forecasting
- reporting (depth, regularity, nature of reports)
- control mechanisms
- specialist financial skills.

Tourism and hospitality businesses often employ specialist accounting assistance and this will vary depending upon the size and nature of the business and the financial skills available within the business. Those responsible for managing financial operations need to be able to identify the need for this assistance.

Financial procedures and systems must address the following:

- transaction recording
- checking and reconciliation processes
- banking procedures
- invoicing
- accounts payable
- cash management and security measures
- cashflow management
- budget management
- reporting requirements
- GST and other taxation requirements
- statutory requirements that apply to the specific business structure
- sector specific requirements such as the Travel Compensation Fund in retail travel.

Financial procedures and systems may cover the following:

- stock control
- financial responsibilities within an organisation/department.

Statutory and internal control requirements will vary according to business structure.

Financial reports must include:

- GST reports/Business Activity Statements
- cashflow statements
- profit and loss statements
- balance sheets
- reconciliations.

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Unit Sector(s)

Not applicable.