

Specification of Competency Standards of the Beauty and Hairdressing Industry

**Unit of Competency**

**Functional Area: Operational Management**

Title	Execute Financial Management
Code	105430L4
Range	This unit of competency (UoC) is applicable in salon-related workplaces. Practitioners should be able to make appropriate judgement in the submission, selection and report of information or data; effectively implement financial management to control expenditure and formulate budget; assess and submit information/data relating to cost, expenditure and profits, so as to enhance the economic performance of the outlet/organization.
Level	4
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of financial management <ul style="list-style-type: none"> <li>• Possess knowledge of accounting for limited liability organization</li> <li>• Understand the organization’s internal audit theory and procedures</li> <li>• Understand financial management concepts, such as the importance of financial forecast</li> <li>• Understand different assumptions in financial forecasts, and capital requirements, sources of funds, purposes of funds, risks and solutions, etc.</li> <li>• Understand risk management concepts</li> <li>• Understand local taxation regulations and legal requirements, e.g. tax provisions for salons, minimum wage, provident fund, etc.</li> <li>• Understand the application of information technology</li> </ul> </li> <li>2. Execute financial management for salon <ul style="list-style-type: none"> <li>• Apply financial management knowledge to compile comprehensive financial statement for salon, including: comprehensive balance sheets, comprehensive profit and loss statements, comprehensive cash flow statements, etc., and apply appropriate information technology to assist the financial management</li> <li>• Control expenditure of salon business effectively, e.g. staff expense, wear and tear, daily expenses of the salon, etc.</li> <li>• Conduct risk assessment and execute risk management effectively, e.g. credit risk management, etc.</li> <li>• Analyze salon business financial data and prepare budget, including: <ul style="list-style-type: none"> <li>• Set budget according to the business turnover and expenditure of the previous year</li> <li>• Set annual business turnover and estimate expenditure</li> <li>• Compile business turnover reports <ul style="list-style-type: none"> <li>• Estimate and submit weekly/monthly business turnover</li> <li>• Compare the business turnover with that of last month/last season/last year</li> </ul> </li> </ul> </li> <li>3. Exhibit professionalism <ul style="list-style-type: none"> <li>• Monitor the financial reports compiled regularly to ensure their accuracy and timeliness</li> <li>• Prevent any abuse of power or corruption by the manipulation of financial management when managing financial resources of the organization</li> </ul> </li> </ul></li></ol>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> <li>• Accurately assess and analyze salon business financial data and prepare budget, and execute financial management; and</li> <li>• Apply information technology and risk management knowledge to execute financial management for the salon effectively, so as to enhance its economic performance.</li> </ul>
Remark	