

**Specification of Competency Standards**  
**for the Elderly Care Service Industry**  
**Unit of Competency**

Functional Area - Common

Title	Develop Financial Management Policies
Code	110937L5
Range	This Unit of Competency is applicable to practitioners who are responsible for financial management in the elderly care service industry. The application requires the demonstration of in-depth expertise or theoretical knowledge in a range of technical, professional or managerial working environments, and its execution requires careful thinking, critical analysis and decision-making skills. Practitioners should be able to develop financial management policies according to the conditions of the organization's operations, improve the organization's operating efficiency and manage operating costs.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Relevant knowledge on financial management</p> <ul style="list-style-type: none"> <li>• Understand the organization's financial strategy, financial management objectives and accounting standards, such as: <ul style="list-style-type: none"> <li>○ Cost-effectiveness</li> <li>○ Compliance with regulations</li> <li>○ Balance and budget</li> </ul> </li> <li>• Understand the analysis of financial statements</li> <li>• Understand the methods of financial planning and forecasting</li> <li>• Understand the elements of capital budgeting</li> <li>• Understand the service unit's operating expenses and budget</li> <li>• Understand the relevant service quality standards and laws of regulatory agencies, such as: <ul style="list-style-type: none"> <li>○ "Service Quality Standards and Criteria"</li> <li>○ "Funding and Service Agreement" and "Service Document"</li> <li>○ "Lump Sum Grant Manual" and "Best Practice Guidelines"</li> <li>○ "Lotteries Fund Manual", etc.</li> </ul> </li> </ul> <p>2. Develop financial management policies</p> <ul style="list-style-type: none"> <li>• Utilize different methods to assess and analyze the needs of each unit, and develop financial budgeting strategies to allocate resources for the lump sum grant, such as: <ul style="list-style-type: none"> <li>○ Each unit's management staff participates in the drafting of the financial budget</li> <li>○ Refer to the financial budget and settlement report of the previous year, etc.</li> </ul> </li> <li>• Calculate each unit's operating budget, such as: <ul style="list-style-type: none"> <li>○ Recurrent expenditure</li> <li>○ Service expenses</li> <li>○ Staff expenses, including: salary, benefits, allowances, MPF, etc.</li> <li>○ Non-recurring expenses</li> <li>○ Reserve funds, etc.</li> </ul> </li> <li>• Develop clear procedures for financial matters, such as: <ul style="list-style-type: none"> <li>○ Approval process for large expenditures</li> <li>○ Petty cash</li> <li>○ Limitations and restrictions of the unit, such as: approved spending cap</li> <li>○ Engineering and equipment</li> <li>○ Minor maintenance</li> <li>○ Special project funds, etc.</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>• Establish financial resource management mechanisms, such as: financial resource authorization, entrustment and approval, etc.</li> <li>• Define the responsibilities of financial staff</li> <li>• Develop measures to prevent conflicts of interests, such as: personnel responsible for financial decision-making should declare their interests to the service unit, etc.</li> <li>• Set up the content of the financial report and the items required to fill in</li> <li>• Develop financial monitoring mechanisms according to the organization's financial management objectives, such as:             <ul style="list-style-type: none"> <li>○ Develop and monitor financial statements</li> <li>○ Regularly conduct internal reviews and entrust external auditors to check the accounts</li> <li>○ Regularly report to the board of directors/committee on the organization's financial status and the execution/efficiency of financial management in order to obtain improvement suggestions</li> <li>○ Regularly conduct financial review meetings with the management of each unit, in order to assess the comparison between the unit's expenditure and service outputs, etc.</li> </ul> </li> <li>• Ensure that financial reports are appropriately stored, updated, and are ready for review by regulators and authorized personnel of the Audit Commission</li> <li>• Regularly review the monitor the financial conditions, in order to improve the operation efficiency, utilize resources more effectively, and prevent abuse or fraud behaviors</li> </ul> <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> <li>• Ensure service quality standards and relevant legal requirements are met when developing financial management policies</li> <li>• Maintain professional attitudes and prevent abuse or fraud behaviors while developing financial management policies</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this Unit of Competency are:</p> <ul style="list-style-type: none"> <li>• Able to thoroughly analyze and assess the organization's services, develop relevant management policies, and effectively allocate resources to improve the organization's operation efficiency.</li> </ul>
Remark	