

Unit of Competency**Functional Area: Finance**

Title	Monitor budgets
Code	105225L4
Range	This unit of competency is applicable to practitioners in the import and export industry. It involves the use of budget management to plan, evaluate, and monitor budgets.
Level	4
Credit	5 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess relevant knowledge of budget management <ul style="list-style-type: none"> • Describe the importance of budgeting (i.e., estimating and matching expenses to real or anticipated revenue) and the different categories of budget (e.g., sales budget, cash flow budget, marketing budget, project budget, revenue budget, and expenditure budget) • Employ a variety of skills to monitor budget 2.1. Plan for budget monitoring <ul style="list-style-type: none"> • Develop relevant frameworks to track business spending (e.g. capital adequacy, liquidity, and asset quality) and identify figures which deviate from planned level • Develop action plan to tackle deviation from budget and implement the action plan timely and efficiently 2.2. Evaluate budget plan <ul style="list-style-type: none"> • Estimate revenue and expenditure, and forecast necessary cash flow • Review budget plans, cost accounting procedures and other financial reports to ensure financial soundness • Review expenditure proposal to ensure compliance with the company's policies 3. Monitor budgets <ul style="list-style-type: none"> • Monitor operating budget by checking actual spending against budget • Identify and assess financial risks through conducting relevant analyses (e.g. ratio analysis, and cash flow budgeting) and report the results to relevant personnel • Report and analyse discrepancies spotted on actual spending against budget • Interpret and analyse accounting data and prepare budget monitoring reports for management review
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of planning for budget monitoring • Capable of evaluating a budget • Capable of monitoring a budget and preparing budget monitoring reports
Remark	