

Specification of Competency Standards
for the Travel Industry
Unit of Competency

Functional Area - Operations management and administrative support

Title	Set up and improve financial arrangements
Code	110760L5
Range	This unit of competency involves analytical, evaluation and innovation, etc. skills. Practitioners should be able to analyse complex data related to the financial management of various departments in the company, and use the information/data related to costs, expenses and profitability to plan and improve the company's financial management policies and programs to maximise its economic benefits.
Level	5
Credit	5 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Master the knowledge of financial budgeting and management</p> <ul style="list-style-type: none"> • Understand financial budgeting and management, including foreign exchange • Understand how to analyse financial statements • Understand accounting principles, internal audit principles and procedures of limited companies • Understand the IT applications in financial budgeting and management • Understand government tax policies relating to the travel industry <p>2. Develop a financial budget and management strategy according to the work process of tourism products and services</p> <ul style="list-style-type: none"> • Develop working capital management strategies, including: <ul style="list-style-type: none"> ○ Develop the business cycle process ○ Calculate the project cash flow ○ Calculate the cash flow from operations ○ Prepare the monthly operating budgets for the coming year • Set goals for financial management <ul style="list-style-type: none"> ○ Analyse past operating data and statistics to calculate operating expenses, including: <ul style="list-style-type: none"> ▪ Cost of sales ▪ Rent ▪ Taxes ▪ Human resources ▪ Marketing and advertising ○ Forecast the cash flow based on sales and expenses • Develop and prepare financial analysis statements, including: <ul style="list-style-type: none"> ○ Balance sheets ○ Profit and loss statements ○ Flow charts and ratio analysis reports, etc. • Develop and prepare forecast statements, including: <ul style="list-style-type: none"> ○ Capital budgets ○ Cash budgets ○ Profitability indices • Master the use of computer software to prepare budget documents • Manage and control payments to improve cash flow • Develop risk management plans, including insurance plans and professional indemnity insurance, etc. <p>3. Demonstrate professional skills and attitude</p>

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	<ul style="list-style-type: none">• Act honestly and ethically to prevent any abuse or fraud through financial budgeting and planning• Manage financial budgets and plans according to company targets
Assessment Criteria	The integrated outcome requirement(s) of this unit of competency is/are: <ul style="list-style-type: none">• Analyse and evaluate the company's financial situation; and• Effectively propose plans to improve the company's financial management policies in line with the company's actual operating condition
Remark	