

<b>Domain Title:</b>	<b>HOSPITALITY OPERATIONS Manage a budget for a hospitality establishment</b>	<b>Unit ID: 543</b>
<b>Level: 5</b>		<b>Credits: 10</b>

### **Purpose**

This unit standard specifies the competencies required to manage a budget for a hospitality establishment. It includes allocating budget resources, preparing a budget, monitoring financial activities against budget, identifying and evaluating options for improved budget performance, completing financial/statistical reports and monitoring and reviewing budget. This unit standard is intended for those who work as managers in the hospitality and tourism industry.

### **Special Notes**

1. Entry information

Prerequisite:

- Unit 42 *Follow workplace health, safety and hygiene procedures in a hospitality establishment* or demonstrated equivalent knowledge and skills.
2. Assessment evidence may be collected from a real workplace, or simulated real workplace or an appropriate simulated realistic environment in which hospitality operations are carried out.
  3. All inspection, operation and maintenance procedures associated with the use of tools and equipment shall comply with establishment procedures and manufacturer's instructions.
  4. Budgets may include cash budgets, departmental budgets, wages budgets, project budgets, purchasing budgets, sales budgets, cashflow budgets, budgets for a small business.
  5. Regulations and legislation relevant to this unit standard include the following:
    - Labour Act, 15 of 2004
    - Companies Act of 2004
    - Income Tax Amendment Act, 10 of 2003
    - Sales Tax Act, 5 of 1992
    - Value-Added Tax Amendment Act, 12 of 2004
    - Occupational Health and Safety Regulations No.18, 1997 and all subsequent amendments to any of the above.

## **Quality Assurance Requirements**

This unit standard and others within this subfield may be awarded by institutions which meet the accreditation requirements set by the Namibia Qualifications Authority and the Namibia Training Authority and which comply with the national assessment and moderation requirements. Details of specific accreditation requirements and the national assessment arrangements are available from the Namibia Qualifications Authority and the Namibia Training Authority. All approved unit standards, qualifications and national assessment arrangements are available on the Namibia Training Authority website [www.nta.com.na](http://www.nta.com.na)

## **Elements and Performance Criteria**

### **Element 1: Allocate budget resources**

#### **Range**

Budgetary objectives include but are not limited to sales, room occupancy rate, revenue, food cost.

#### **Performance Criteria**

- 1.1 Funds are allocated according to agreed priorities in line with establishment procedures.
- 1.2 Changes in income and expenditure priorities are discussed with appropriate colleagues prior to implementation.
- 1.3 All relevant personnel are consulted and informed in relation to resource decisions.
- 1.4 Awareness of the importance of budget control is promoted in line with establishment procedures.
- 1.5 Detailed records of resource allocation in establishment are maintained in accordance with establishment control systems.

### **Element 2: Prepare a budget**

External advice and/or assistance may be sourced from financial advisers or consultants, accountants or auditors, finance brokers/providers, insurance brokers/providers, loss adjusters/assessors.

#### **Performance Criteria**

- 2.1 All relevant information to ensure the planning and/or establishment of the budget is obtained and evaluated in line with establishment procedures.
- 2.2 External advice and/or assistance are sourced if required in line with establishment procedures.

- 2.3 Budgetary performance indicators are identified and documented in line with establishment procedures.
- 2.4 Systems to implement and monitor the quality of the budget are developed, implemented and articulated to staff or other parties where relevant in line with establishment procedures.
- 2.5 The budget is planned and documented to ensure compliance with legislative, regulatory and establishment requirements.

### **Element 3: Manage and control a budget**

#### **Range**

Monitoring may include but is not limited to the use of manual or computerised systems or processes and may include risk management, administrative supervisory and management, financial and/or information management systems.

#### **Performance Criteria**

- 3.1 Records related to expenditure and services are continuously checked and monitored to ensure they are complete, accurate and conform to establishment requirements.
- 3.2 Cash flow is managed in accordance with the financial plan for the establishment.
- 3.3 Budgets are monitored and reviewed to ensure expenditure is within target.
- 3.4 Variances from targets are analysed to identify causes of over/under-spending in line with establishment procedures.

### **Element 4: Implement measures to improve financial performance**

#### **Performance Criteria**

- 4.1 Budgets are modified in accordance with identified needs or targets in line with establishment procedures.
- 4.2 Performance is regularly evaluated against indicators in line with establishment procedures.
- 4.3 Staff is given budgetary information which allows them to make suggestions regarding cost reduction in line with establishment procedures.
- 4.4 Proposals for cost reduction are encouraged and evaluated in line with establishment procedures.
- 4.5 Improvements to cost centre performance are identified, evaluated and implemented in line with establishment procedures.

## **Registration Data**

<b>Subfield:</b>	Hospitality and Tourism
<b>Date first registered:</b>	13 November 2008
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