



Australian Government

Department of Education, Employment and Workplace Relations

FNSACCT403B Prepare operational budgets

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers the competency to produce operational budgets.

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Application of the Unit

This unit requires the application of skills and knowledge required to prepare operational budgets. The unit encompasses preparing budgets and documenting budgets. The unit can be applied across all sectors of the financial services industry. The unit has application to those job functions that have responsibility for preparing budgets, these may include accountant and divisional managers.

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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

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Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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Elements and Performance Criteria

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| Element | Performance Criteria |
|-------------------|--|
| 1 Prepare budget | <p>1.1 Cash, expenditure and revenue items are clearly defined and relevant to identified objectives of the budget</p> <p>1.2 Budget objectives are clear and consistent with organisational aims and projects and with forecasts</p> <p>1.3 Discussions and negotiations with stakeholders are conducted in a manner that promotes goodwill and ongoing cooperation</p> <p>1.4 Milestones and performance indicators are identified and included in budgets</p> <p>1.5 Annual budgets are broken down into seasonal periods in accordance with operating trends</p> |
| 2 Document budget | <p>2.1 Data is presented in a format that is easily understood and appropriate to budget reporting</p> <p>2.2 Reports are completed within timelines and distributed for specified periods and projects</p> |

Required Skills and Knowledge

REQUIRED KNOWLEDGE&SKILLS

Knowledge requirements include:

principles of budgetary control
forecasting techniques
principles of double entry bookkeeping
principles of statistical analysis and measures of variance
organisational procedures and policies

Skills requirements include:

interpersonal skills and communications (eg liaising, listening, consulting)
information technology use for the set up and analysis of spreadsheets
estimating, forecasting and analysis skills
reading, interpreting financial statements and reports
writing skills for reports and recommendations
numeracy for financial calculations and analysis
recording, gathering and classifying financial information
adjusting budgets in response to changing operational requirements
managing own time and organisational priorities

Evidence Guide

EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

knowledge of organisational policies and procedures

knowledge of established milestones and performance indicators

ability to prepare budgets

ability to document budgets

Critical aspects of evidence

Evidence required for demonstration of consistent performance:

Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range Statement and contexts applicable to the work environment.

Delivery/assessment relationship to other units:

This unit may be assessed on its own or it may be assessed with other units that cover related skills and knowledge.

Evidence is most relevant when provided through an integrated activity, which combines the elements of competency for the unit, or a cluster of units of competency.

Assessment requirements

Method of assessment:

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

Context of assessment:

Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

Resources required for assessment:

Assessment of this unit of competence requires access to suitable resources to demonstrate competence.

Assessment instruments, including personal planner and assessment record book.

Access to registered provider of assessment services.

Range Statement

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

Expenditure and revenue items may include:

sales
revenue producing expenditures
other expenditures
client and supplier payments (eg sales and commissions)
fees and charges
capital expenditure
Goods and Services Tax (GST) and other taxes
Pay As You Go (PAYG)

Budget objectives may include:

annual planning
rolling forecasts (next period, monthly, next year)
cost reduction

Stakeholders may include:

clients
financial institutions
suppliers
directors
chief executive officers

Milestones and performance indicators may include:

reports (quarterly, half yearly, annual)
compliance with scheduled payment dates
profits and losses

Data may include:

cash flow projections
fixed costs
variable business costs

Presentation methods and formats may include:

sales records and projections

tables

graphics

estimates and projections

calculations

explanatory notes

Reports may include:

sales budgets

purchase budgets

statement of financial performance

statement of financial position

cash budgets

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSACCT403A.

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