



Australian Government

Department of Education, Employment and Workplace Relations

FNSORG501A Develop and manage a budget

Revision Number: 1

FNSORG501A Develop and manage a budget

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to collect and analyse information and apply sound accounting principles to the development and ongoing management of a budget for a small organisation or section of a large organisation.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit may apply to job roles dealing with budgetary control in a range of organisations.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Plan for and collect information for a budget	<p>1.1. Areas for which the budget is being prepared are determined and confirmed with appropriate personnel, and data required for development of the budget are identified, accessed and analysed</p> <p>1.2. Budget parameters are determined with estimates based on research, consultation and negotiating with appropriate personnel</p> <p>1.3. Relevant colleagues are provided with the opportunity to contribute to the budget planning process</p>
2. Develop budget	<p>2.1. Budget is drafted based on analysis of all available information in accordance with organisation policy</p> <p>2.2. Income and expenditure estimates are identified and supported by reliable information and the draft budget circulated for comment</p>
3. Finalise budget and allocate resources	<p>3.1. Modifications to the budget are agreed and incorporated as required and a final budget provided to the appropriate personnel</p> <p>3.2. Personnel affected by the budget are informed and its application to the area in which they work in terms of limits and goals, financial management and reporting responsibilities clarified</p> <p>3.3. Priorities within the budget are agreed and resources allocated</p>
4. Monitor and control budget	<p>4.1. Actual income and expenditure are checked against budget at regular intervals with budget reports prepared and presented to appropriate personnel</p> <p>4.2. Deviations and response to the deviations are identified and appropriate action taken with appropriate personnel advised on budget status</p>
5. Complete financial and statistical reports	<p>5.1. All required financial and statistical reports are completed accurately within designated timelines</p> <p>5.2. Recommendations about future financial planning are made as appropriate</p> <p>5.3. Reports are clearly presented and checked for accuracy and provided to appropriate personnel</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- well-developed communication skills to:
 - establish budget requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- research and analysis skills to access, interpret and manage budget information
- problem solving skills to address budget development and management issues
- judgement skills for forming recommendations in operational situations
- numeracy and IT skills such as:
 - calculating budget data
 - accessing and using appropriate software such as accounting systems, spreadsheets and databases
- literacy skills for:
 - reading and interpreting documentation from a variety of sources and recording, gathering and consolidating information
 - drafting reports and maintaining records
- organisational skills, including the ability to plan and sequence work

Required knowledge

- basic accounting and financial industry terminology
- basic accounting techniques
- budgeting techniques and tools
- organisation and industry policies and procedures

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- collect and accurately interpret relevant data to develop a budget
- consult effectively and negotiate outcomes with others on budgetary issues
- accurately complete financial and statistical reports related to budgeting.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to an integrated financial software system and data.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing business simulations or scenarios
- evaluating samples of work
- accessing and validating third party reports.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that 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) may also be included.

<i>Areas</i> may include:	<ul style="list-style-type: none"> • an entire organisation • section of an organisation • particular project or other activity.
<i>Budget</i> will normally:	<ul style="list-style-type: none"> • refer to an expenditure budget but may also include: <ul style="list-style-type: none"> • an income budget • sales budget • resource allocation and use budget.
<i>Data</i> will include, but is not restricted to, information relating to:	<ul style="list-style-type: none"> • business plans • historical data • human resource plans • sales and marketing plans.
<i>Budget parameters</i> include:	<ul style="list-style-type: none"> • availability of finance • organisation policy and directives • sales forecasts • timelines.
<i>Relevant colleagues</i> include:	<ul style="list-style-type: none"> • all stakeholders who may be expected to need to approve the budget and key stakeholders who will be required to implement the budget.
<i>Income and expenditure</i> includes:	<ul style="list-style-type: none"> • monetary and financial income and expenditure but may also include: <ul style="list-style-type: none"> • resources • materials • products • people or hours.
<i>Financial and statistical reports</i> include:	<ul style="list-style-type: none"> • reports which may be required for: <ul style="list-style-type: none"> • regulatory compliance • to meet organisation procedure and policy requirements • to give useful information to a relevant person.

Unit Sector(s)

Unit sector	Organisational skills
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		