



Australian Government

Department of Education, Employment and Workplace Relations

LGAGOVA608A Establish an annual budget that supports council's management and operational plans

Release: 2

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Modification History

LGAGOVA608A Release 2: Layout adjusted.

LGAGOVA608A Release 1: Primary release.

Unit Descriptor

This unit covers establishing, monitoring and revising council's financial plans and budget.

Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations within which councils must operate is essential. The unique nature of councils, as a tier of government directed by elected members and reflecting the needs of local communities, must be appropriately reflected.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a Unit of Competency

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1 Develop council's financial plans	<ul style="list-style-type: none">1.1 The achievement of council's goals and objectives are supported by <i>financial plans</i> that meet the requirements of strategic or operational plans, ensure effective operation of council and reflect council's priorities and revenue policies.1.2 Key financial performance indicators and cost elements are identified and quantified to eliminate or reduce wastage.1.3 Cost-benefit analyses are prepared for major cost items.
2 Negotiate budgets with divisions and work groups	<ul style="list-style-type: none">2.1 Budget items are prioritised with department heads in line with council's strategic and operational plans.2.2 Subgroup budgets are consolidated into a divisional budget in line with divisional priorities.2.3 Budget is negotiated with council based on cost/ benefit to the council and council requirements.
3 Allocate, approve and show accountability for expenditure	<ul style="list-style-type: none">3.1 Financial resources are allocated as agreed in the operational plan.3.2 Expenditure management meets the financial accountability requirements of council.3.3 Expenditure is kept within budget and any potential overruns are identified and budget is renegotiated accordingly.3.4 Expenditure is authorised within financial authority limits established by council.
4 Justify proposals for expenditure to council	<ul style="list-style-type: none">4.1 Estimates of costs and benefits are supported by valid, relevant information and include alternative courses of action.4.2 The net benefits over time likely to be achieved from the expenditure are clearly indicated in recommendations, and future variation in levels of activity is taken into account.4.3 Presentation is clear, concise and in an appropriate format.4.4 Where challenges to the proposal are made, further explanation is given to promote acceptance.
5 Monitor and revise priorities for financial resource allocation	<ul style="list-style-type: none">5.1 Financial allocation is continually monitored against council objectives and priorities, ensuring optimum service delivery.5.2 Reallocation of resources is undertaken in a consultative manner, giving details of rationale for reallocation.5.3 Unspent resources are consolidated across council's activities for reallocation if and as required.5.4 Currently accepted and proven financial management principles are applied at all levels of financial transactions.
6 Seek out alternative or additional	<ul style="list-style-type: none">6.1 Effective and comprehensive methods for discovering alternative or additional sources of funding are employed.

ELEMENT

financial opportunities

PERFORMANCE CRITERIA

6.2 Further sources of funding are identified and evaluated against current funding sources and selected where they better meet requirements of council plans, strategies and ventures.

Required Skills and Knowledge

This describes the essential skills and knowledge and their level, required for this unit

Required Skills

- budgeting, financial analysis and cost-benefit analysis
- written and verbal communication
- presentation, negotiation and consultation
- problem solving

Required Knowledge

- council's political, social, economic and environmental context
- council's strategic or business plans, goals and objectives
- council's financial policies, procedures and financial authority limits
- relevant local government financial reporting and accounting requirements
- Australian accounting standards
- financial management principles
- existing and potential sources of funding

Evidence Guide

Overview of assessment requirements	A person who demonstrates competency in this unit will be able to perform the outcomes described in the Elements to the required performance level detailed in the Performance Criteria. The knowledge and skill requirements described in the Range Statement must also be demonstrated. For example, knowledge of the legislative framework and safe work practices that underpin the performance of the unit are also required to be demonstrated.
Critical aspects of evidence to be considered	Developing effective, workable budgets within organisational and financial constraints. Ongoing and effective monitoring of budget. Basing adjustments to financial plans/budget on accurate and defensible cost-benefit information and designing them to improve financial performance and position of council.
Context of assessment	May be undertaken on the job or in a simulated work environment.
Method of assessment	The following assessment methods are suggested: <ul style="list-style-type: none">• observation of the learner performing a range of workplace tasks over sufficient time to demonstrate handling of a range of contingencies• written and/or oral questioning to assess knowledge and understanding• completion of workplace documentation• third-party reports from experienced practitioners• completion of self-paced learning materials including personal reflection and feedback from trainer, coach or supervisor
Evidence required for demonstration of consistent performance	Consistent evidence across a range of activities involved in annual budgetary cycle.
Resource implications	Access to a workplace or simulated case study that provides the following resources: <ul style="list-style-type: none">• relevant council documents such as strategic and operational plans upon which budget will be based• relevant local government financial reporting and accounting requirements

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 in the Performance Criteria is detailed below.

- Financial plans*** may include:
- asset replacement
 - asset sales
 - operational expenditure
 - corporate plan objectives
 - cash flow
 - management and borrowing
 - entrepreneurial ventures
 - rating strategies

Unit Sector(s)

Administration Units