

BSBFLM513A **Manage budgets and financial plans within the work team**

Unit Descriptor This unit specifies the outcomes required for financial management within a work team in an organisation. This includes planning and implementing financial management approaches, supporting team members whose role involves aspects of financial operations, monitoring and controlling finances, and reviewing and evaluating effectiveness of financial management processes in line with the financial objectives of the work team and the organisation.

Competency Field *Business management services*

Domain *Frontline management*

Application of the Competency Frontline managers have a key role in implementing financial processes within the work team in organisations. They play a prominent part in ensuring that costs are controlled, expenditure is within established budgets and legislative and financial compliance requirements are met.

At this level, work will normally be carried out within complex and diverse methods and procedures which require the exercise of considerable discretion and judgement, using a range of problem solving and decision making strategies.

Element

Performance Criteria

Elements define the critical outcomes of a unit of competency.

The Performance Criteria specify the level of performance required to demonstrate achievement of the Element. *Italicised* terms are elaborated in the Range Statement.

1. Plan financial management approaches

- 1.1 *Budget/financial plans* for the work team are accessed
- 1.2 Budget/financial plans are clarified with *relevant personnel* within the organisation to ensure that documented outcomes are achievable, accurate and comprehensible
- 1.3 Any changes required to be made to budget/financial plans are negotiated with relevant personnel within the organisation
- 1.4 *Contingency plans* are prepared in the event that initial plans need to be varied

2. Implement financial management approaches

- 2.1 Relevant details of the agreed budget/financial plans are disseminated to team members
- 2.2 *Support* is provided to ensure that team members can competently perform *required roles* associated with management of finances

- 2.3 *Resources and systems* to manage financial management processes within the work team are determined and accessed
- 3. Monitor and control finances**
- 3.1 *Processes for reporting* of expenditure, income, assets, stock, consumables, equipment and wastage are implemented across the work team to monitor actual expenditure and to control costs
- 3.2 Expenditure and costs are monitored on an agreed cyclical basis to identify cost variations and expenditure overruns
- 3.3 Contingency plans are implemented, monitored and modified as required to maintain financial objectives
- 4. Review and evaluate financial management processes**
- 4.1 *Data and information on the effectiveness of financial management processes* within the work team are collected and collated for analysis
- 4.2 Data and information on the effectiveness of financial management processes within the work team are analysed and any improvements to existing processes identified, documented and recommended
- 4.3 Agreed improvements are implemented and monitored in line with financial objectives of the work team and the organisation

Range Statement

The Range Statement adds definition to the unit by elaborating critical or significant aspects of the performance requirements of the unit. The Range Statement establishes the range of indicative meanings or applications of these requirements in different operating contexts and conditions. The specific aspects which require elaboration are identified by the use of italics in the Performance Criteria.

Legislation, codes and national standards relevant to the workplace may include:

- award and enterprise agreements and relevant industrial instruments
- relevant legislation from all levels of government that affects business operation, especially in regard to occupational health and safety (OHS) and environmental issues, equal opportunity, industrial relations, anti-discrimination and record keeping legislation
- relevant industry codes of practice

OHS considerations may include:

- knowledge of OHS legislation, principles and practice within the context of the organisation's operations and plans
- OHS practice as an ethical standard and legislative requirement
- training of all employees in health and safety procedures, and regular updating of OHS systems

- adjustment of communications and OHS approach to cater for social/cultural diversity and special needs
- Budget/financial plans* may include:
- long-term budgets/plans
 - short-term budgets/plans
 - operational plans
 - spreadsheet-based financial projections
 - cash flow projections
 - targets or key performance indicators (KPIs) for production, productivity, wastage, sales, income and expenditure
- Relevant personnel* may include:
- supervisors, fellow frontline managers
 - financial managers, accountants or financial controllers
- Contingency plans* may include:
- rental, hire purchase or alternative means of procurement of required materials, equipment and stock
 - contracting out or outsourcing human resource and other functions or tasks
 - restructuring of organisation to reduce labour costs
 - strategies for reducing costs, wastage, stock or consumables
 - diversification of outcomes
 - recycling and re-use
 - finding cheaper or lower quality raw materials and consumables
 - seeking further funding
 - increasing sales or production
 - risk identification, assessment and management processes
 - succession planning
- Support* may include:
- documentation of procedures
 - intranet-based information
 - training including, mentoring, coaching and shadowing
 - help desk or identified experts within the organisation
 - information briefings or sessions
 - access to specialist advice
- Required roles* may include:
- maintaining petty cash system
 - purchasing and procurement
 - invoicing clients, customers and consumers

- debt collection
- wages and salaries payments and record keeping
- banking
- maintaining journals, ledgers and other record keeping systems
- arranging for use of corporate credit cards
- ensuring security, accuracy and currency of financial operations

Resources and systems may include:

- hardware and software
- human, physical or financial resources
- specialist advice or support
- record keeping systems (electronic and paper-based)

Processes for reporting may include:

- petty cash records
- logs
- ledgers and journals
- spreadsheet-based records
- invoices and receipts
- bank statements
- credit card statements
- financial reports

Data and information on the effectiveness of financial management processes may include records (paper-based and electronic) related to:

- income and expenditure
- cash flow data
- quotations
- files of paid purchase and service invoices
- job costings
- employee timesheets
- credit card receipts
- petty cash receipts
- wages/salaries books
- invoices
- bank account records
- insurance reports
- taxation records
- contracts

Evidence Guide

The Evidence Guide provides advice to inform and support appropriate assessment of this unit. It contains an overview of the assessment requirements followed by identification of specific aspects of evidence that will need to be addressed in determining competence. The Evidence Guide is an integral part of the unit and should be read and interpreted in conjunction with the other components of competency.

Assessment must reflect the endorsed Assessment Guidelines of the parent Training Package.

Overview of Assessment Requirements

A person who demonstrates competence in this unit must be able to provide evidence that they are able to manage finances for the work team effectively and efficiently and within organisational and legislative requirements. This may include evidence of managing the work of others whose roles are associated with financial management and record keeping.

Specific Evidence Requirements

Required knowledge and understanding include:

- relevant legislation from all levels of government that affects business operation, especially in regard to occupational health and safety and environmental issues, equal opportunity, industrial relations and anti-discrimination
- organisational requirements related to financial management
- organisation roles in respect to financial delegations, accountabilities and responsibilities
- requirements for organisational record keeping and audit requirements
- organisational objectives and plans
- financial management requirements and performance measurement
- basic accounting principles
- consultative methods and processes
- the principles and techniques involved in:
 - budgeting
 - cash flows
 - ledgers and financial statements
 - accrual accounting concepts
 - advanced numerical calculations
 - electronic spreadsheets

Required skills and attributes include:

- ability to relate to people from a range of social, cultural and ethnic backgrounds and physical and mental abilities
- communication and training skills
- financial planning and management skills, including budgeting
- contingency management skills

- problem solving skills
- leadership and personnel management
- monitoring and review skills
- skills in the use of specialist software for financial record keeping and management (if and as relevant)
- attributes:
 - ethical
 - communicative
 - showing positive leadership

Key competencies or generic skills relevant to this unit

The seven key competencies represent generic skills considered essential for effective work participation. Innovation skills represent a further area of generic competence. The bracketed numbering indicates the performance level required in this unit:

Level (1) represents the competence to undertake tasks effectively

Level (2) represents the competence to manage tasks

Level (3) represents the competence to use concepts for evaluating and reshaping tasks.

The bulleted points provide examples of how the key competencies can be applied for this unit.

Communicating ideas and information (3)

- communicating verbally to lead a team including negotiating, training, participating in meetings, questioning and discussing
- using written communication skills, including those involved in reporting, review and evaluation

Collecting, analysing and organising information (3)

- tracking, monitoring and controlling financial data
- reviewing and evaluating financial management

Planning and organising activities (3)

- planning for delegation of tasks associated with financial management while managing own work

Working in a team (3)

- working with team members and providing leadership to team
- working with others involved in financial management from outside the team

Using mathematical ideas and techniques (3)

- using calculation skills associated with data manipulation involved in financial data

Solving problems (3)

- applying problem solving skills as required to address problems arising in managing finances

Using technology (2)

- using word processing packages, spreadsheets, databases, and other packages to produce written correspondence and reports related to finances and data collation

Innovation skills (3)

- using review process to improve financial management

Products that could be used as evidence include:

- documentation produced in managing finances within the work team, such as:
 - revised budgets
 - cost estimates
 - cost management plans and strategies
 - cost breakdown structures
 - expenditure forecasts
 - records of cost management lessons learned and recommendations for improvements

Processes that could be used as evidence include:

- how any required changes to budgets/financial plans were negotiated
- how cost management plans and contingency plans were developed
- how budgets/financial plans were communicated to team members
- how team members were supported in undertaking roles associated with financial management
- how problems and issues with respect to finances were identified and addressed
- how financial management was reviewed and improvements acted upon

Resource implications for assessment include:

- access by the learner and trainer to appropriate documentation and resources normally used in the workplace

Validity and sufficiency of evidence requires:

- that this unit can be assessed in the workplace or in a closely simulated work environment
- that where assessment is part of a learning experience, evidence will need to be collected over a period of time, involving both formative and summative assessment
- that examples of actions taken by the candidate to manage finances across the work team are provided

Integrated competency assessment means:

- that this unit should be assessed with other frontline management units taken as part of this qualification, as applicable to the candidate's management role in work team and as part of an integrated assessment activity