



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **AHCBUS508A Prepare and monitor budgets and financial reports**

**Release: 1**

## AHCBUS508A Prepare and monitor budgets and financial reports

### Modification History

Not Applicable

### Unit Descriptor

<b>Unit descriptor</b>	This unit covers preparing and monitoring budgets and financial reports and defines the standard required to: prepare a budget using most likely costs and income; develop and monitor budgets in an enterprise; prepare financial reports to meet industry standards.
------------------------	--

### Application of the Unit

<b>Application of the unit</b>	This unit applies to enterprise managers who prepare and monitor budgets and financial reports in an agricultural, horticultural or land management enterprise.
--------------------------------	---

### Licensing/Regulatory Information

Not Applicable

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
-----------------------------	--

## Elements and Performance Criteria Pre-Content

Not Applicable

## Elements and Performance Criteria

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>

ELEMENT	PERFORMANCE CRITERIA
1. Prepare a budget	<p>1.1. Information on past receipts and payments is obtained from previous records, compared to current prices and cost trends, and compiled in a form that enables projections of future receipts and expenditures.</p> <p>1.2. A plan is prepared for a period which allows for expected expenditure and financial reporting requirements, using the 'most likely' prices and costs.</p>
2. Implement and monitor a budget	<p>2.1. Receipts and payments are monitored and reconciled against the original budget.</p> <p>2.2. Variances against the original plan are identified, and the impact on overall profit/loss and cash flow is calculated.</p> <p>2.3. Funds are allocated in accordance with budget objectives and parameters.</p> <p>2.4. Adjustments are made where necessary to respond to unacceptable variations.</p> <p>2.5. Budgets and plans are renegotiated/ restructured where necessary to optimise enterprise performance.</p>
3. Prepare financial report	<p>3.1. Records of financial performance are properly maintained within enterprise systems.</p> <p>3.2. Information with source documents is assembled according to the requirements of the report recipient.</p> <p>3.3. Documentation is forwarded in a timely and efficient manner.</p> <p>3.4. Non-financial objectives are reported in the context of overall enterprise performance.</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- prepare a budget
- monitor receipts and payments
- negotiate and restructure budgets
- implement and monitor a budget

**REQUIRED SKILLS AND KNOWLEDGE**

- maintain financial records
- use literacy skills to fulfil job roles as required by the organisation. The level of skill may range from reading and understanding documentation to completion of written reports
- use oral communication skills/language competence to fulfil the job role as specified by the organisation including questioning, active listening, asking for clarification, negotiating solutions and responding to a range of views
- use numeracy skills to estimate, calculate and record complex workplace measures
- use interpersonal skills to work with others and relate to people from a range of cultural, social and religious backgrounds and with a range of physical and mental abilities.

**Required knowledge**

- budget formulation
- financial information systems
- business transactions
- banking and reconciliation
- standards for organisational recordkeeping and audit requirements.

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
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.	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Competence in preparing and monitoring budgets and financial reports requires evidence that budgets have been successfully and appropriately developed and monitored in an enterprise, and that financial reports meet industry standards in their content and structure. The evidence required to demonstrate competency in this unit must be relevant to workplace operations and satisfy holistically all of the requirements of the performance criteria and required skills and knowledge and include achievement of the following:</p> <ul style="list-style-type: none"> <li>• prepare a budget using most likely costs and income</li> <li>• develop and monitor budgets in an enterprise</li> <li>• prepare financial reports to meet industry standards.</li> </ul>
<b>Context of and specific resources for assessment</b>	Competency requires the application of work practices under work conditions. Selection and use of resources for some worksites may differ due to the regional or enterprise circumstances.

## Range Statement

<b>RANGE STATEMENT</b>	
The range statement relates to the unit of competency as a whole.	
Budgets may include:	<ul style="list-style-type: none"> <li>• recurrent operating or project based funds.</li> </ul>
Financial reports may be:	<ul style="list-style-type: none"> <li>• prepared for Taxation Commissioner</li> <li>• financing agencies</li> <li>• boards of management</li> <li>• committees</li> <li>• councils</li> <li>• executive management.</li> </ul>

**Unit Sector(s)**

<b>Unit sector</b>	Business
--------------------	----------

**Co-requisite units**

<b>Co-requisite units</b>		

**Competency field**

<b>Competency field</b>	
-------------------------	--