



Australian Government

Department of Education, Employment and Workplace Relations

CUEFIN01B Develop a budget

Release: 1

CUEFIN01B Develop a budget

Modification History

Not applicable.

Unit Descriptor

This unit describes the skills and knowledge required to develop a budget. The nature and purpose of the budget will vary according to the work context, but the unit focuses on the key skills of analysing financial information to inform the budget development process and the actual development of a budget. Skills relating to the monitoring of budget performance are found in the unit CUEFIN02B - Manage a budget. Combined assessment of these units is appropriate.

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Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

Not applicable.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

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Element	Performance Criteria
1 Plan for a budget	<ul style="list-style-type: none">1.1 Confirm the scope and nature of the activity for which budget is being developed with the appropriate personnel, including any guidelines or directives for budget development1.2 Correctly identify, access and analyse data required for budget preparation1.3 Analyse internal and external environmental factors to identify potential impacts on budget1.4 Determine budget parameters with estimates, based on research, consultation and negotiation with the appropriate personnel and organisation/project objectives1.5 Provide relevant colleagues with the opportunity to contribute to the budget planning process
2 Develop and prepare budget	<ul style="list-style-type: none">2.1 Draft budget based on analysis of all available information and in accordance with organisational policy2.2 Clearly identify and support income and expenditure estimates with valid, reliable and relevant information2.3 Assess and present options when appropriate2.4 Present recommendations clearly, concisely and in an appropriate format2.5 Circulate draft budget to the appropriate personnel for comment at the appropriate time2.6 Agree and incorporate modifications accurately and in consultation with colleagues2.7 Negotiate final budget in accordance with organisational procedures and policies2.8 Complete the final budget in required format within an agreed timeframe

- 2.9 Inform appropriate personnel of the budget and its application within the relevant area of work, including reporting and financial management responsibilities

Required Skills and Knowledge

Not applicable.

Evidence Guide

Underpinning skills and knowledge

Assessment must include evidence of the following knowledge and skills:
context and typical processes for the budget development process within a given industry context

accounting principles and practices which impact on budget preparation

budget preparation techniques, including:

information required for budget preparation

components of a budget

techniques for making budget estimates

type of supporting information required

presentation techniques/formats for budgets.

negotiating skills in relation to budgetary planning.

Linkages to other units

It is recommended that this unit be assessed and/or trained or after the following unit:

CUEFIN02B - Manage a budget.

Critical aspects of evidence

The following evidence is critical to the judgement of competence in this unit:

understanding of the technical budget preparation process and accounting procedures that must be followed

sound analysis of the factors that impact on the budget development process

preparation of a realistic and accurate budget within the relevant workplace context.

Method and context of assessment

The assessment context must provide for:

project or work activities that allow for the development of a budget for a specific workplace context

involvement of others in the budget development process

use of industry-current technology for the budget preparation process.

Assessment may incorporate a range of methods to assess performance and the application of essential underpinning knowledge, and might include:

evaluation of budgets prepared by the candidate, including comparison with actual budgetary performance

evaluation of reports prepared by the candidate detailing the processes undertaken to develop a budget

case studies and problem solving to assess application of principles of budget development to different workplace contexts

review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate.

Assessment methods should closely reflect workplace demands and the needs of particular groups (e.g. people with disabilities, and people who may have literacy or numeracy difficulties such as speakers of languages other than English, remote communities and those with interrupted schooling).

Resource requirements

Assessment of this unit requires access to:

industry-current technology for budget development
sources of information on expenditure and income.

Key competencies in this unit

Key competencies are built into all workplace competencies. The table below describes those applicable to this unit. Trainers and assessors should ensure that they are addressed in training and assessment.

Level 1 = Perform

Level 2 = Administer and Manage

Level 3 = Design and Evaluate

Collecting, analysing and organising ideas and information (3)

Gathering and analysing data to assist in the budget development process.

Communicating ideas and information (2)

Providing a briefing on a draft budget.

Planning and organising activities (2)

Organising the consultation process during budget development.

Working with others and in teams (2)

Discussing/negotiating potential budget adjustments with colleagues.

Solving problems (3)

Investigating options to address budgetary limitations.

Using mathematical ideas and techniques (2)

Developing different budget scenarios/estimates.

Using technology (2)

Using tools within an accounting software package.

Underpinning skills and knowledge

Assessment must include evidence of the following knowledge and skills:
context and typical processes for the budget development process within a given industry context

accounting principles and practices which impact on budget preparation

budget preparation techniques, including:

information required for budget preparation

components of a budget

techniques for making budget estimates

type of supporting information required

presentation techniques/formats for budgets.

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It is recommended that this unit be assessed and/or trained or after the following unit:

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Assessment may incorporate a range of methods to assess performance and the application of essential underpinning knowledge, and might include:

evaluation of budgets prepared by the candidate, including comparison with actual budgetary performance

evaluation of reports prepared by the candidate detailing the processes undertaken to develop a budget

case studies and problem solving to assess application of principles of budget development to different workplace contexts

review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate.

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Working with others and in teams (2)

Discussing/negotiating potential budget adjustments with colleagues.

Solving problems (3)

Investigating options to address budgetary limitations.

Using mathematical ideas and techniques (2)

Developing different budget scenarios/estimates.

Using technology (2)

Using tools within an accounting software package.

Range Statement

The following explanations identify how this unit may be applied in different workplaces, sectors and circumstances.

Budgets may include:

project
departmental
event
sales
grant funding
cash
budgets for a small business.

Relevant colleagues/personnel involved in budget development may include:

creative personnel
technical personnel
management
funding bodies
investors
sponsors.

Data required for budget preparation may include:

performance data from previous projects/periods
financial information from suppliers
customer or supplier research
management policies and procedures
funding body policies and procedures/limitations
budget preparation guidelines
financial proposals from stakeholders.

Internal or external issues that could impact on budget development may include:

activity/project objectives
price movement for different supplies
scope of the project
venue availability (for events)
human resource requirements
timing of project
new legislation or regulation
safety issues
organisational objectives/changes in organisational objectives
required profit margins
change in economic conditions.

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Unit Sector(s)

Not applicable.