



Australian Government

Department of Education, Employment and Workplace Relations

FNSICORG501B Develop a budget

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers the planning for and development of a budget for a small organisation or for a section of a large organisation.

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Application of the Unit

This unit requires the application of investigation and research skills to the collection of information on which the budget is based. It involves the analysis of the information and application of sound accounting principles to the development of the budget.

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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements. The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary for the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

Performance Criteria describe the required performance needed to demonstrate achievement of the Element. **Bold, italicised** terms are elaborated in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

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Elements and Performance Criteria

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Element	Performance Criteria
1 Plan for and collect information for a budget	<ul style="list-style-type: none">1.1 Areas for which the budget is being prepared are determined and confirmed with appropriate personnel1.2 Data required for development of the budget is identified, accessed and analysed1.3 Budget parameters are determined with estimates based on research, consultation and negotiating with appropriate personnel1.4 Relevant colleagues are provided with the opportunity to contribute to the budget planning process
2 Develop budget	<ul style="list-style-type: none">2.1 Budget is drafted based on analysis of all available information in accordance with organisation policy2.2 Income and expenditure estimates are identified and supported by reliable information2.3 Draft budget is circulated for comment
3 Finalise budget	<ul style="list-style-type: none">3.1 Modifications are agreed and incorporated as required3.2 Final budget is provided to the appropriate personnel3.3 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

Required Skills and Knowledge

REQUIRED KNOWLEDGE&SKILLS

Knowledge requirements include:

industry terminology

accounting principles and terminology

company and industry products and services

Skills requirements include:

computer skills, including basic computing, spreadsheet, database and accounting

data analysis and interpretation

high level business planning, scheduling and budgeting

action planning

calculation

report writing

Evidence Guide

EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range Statement applicable to the workplace.

Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:
the ability to collect and interpret relevant data, develop a budget, and consult and negotiate with others

Critical aspects of evidence

Evidence required for demonstration of consistent performance:

Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range Statement and contexts applicable to the work environment.

Delivery/assessment relationship to other units:

This unit may be assessed on its own or it may be assessed with other units that cover related skills and knowledge.

Evidence is most relevant when provided through an integrated activity which combines the elements of competency for the unit, or a cluster of units of competency.

Assessment requirements

Method of assessment:

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

Context of assessment:

Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial

responsibility and accountability.

Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

Resources required for assessment:

Access to a computer and accounting software may be helpful, but not essential.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables 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. If **bold italicised** text is shown in Performance Criteria, details of the text are provided in the Range Statement.

Areas may include:

an entire organisation, section of an organisation or a particular project or other activity

Data will include, **but is not restricted to, information relating to:**

sales and marketing plans
business plans
human resource plans
historical data

Budget parameters include:

timelines, availability of finance,
organisation policy/directives, sales forecasts

Relevant colleagues include:

all stakeholders who may be expected to need to approve the budget and key stakeholders who will be required to implement the budget

Unit Sector(s)

Not applicable.

Relationship to other units

This unit replaces FNSICORG501A.

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