



Australian Government

Department of Education, Employment and Workplace Relations

LGACOM503B Prepare a budget

Release 2

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Modification History

LGACOM503B Release 2: Layout adjusted.

LGACOM503B Release 1: Primary release.

Unit Descriptor

This unit covers the development and finalisation of a budget. The unit is appropriate for council staff responsible for the preparation of budgets in their capacity as supervisors, departmental managers or project managers.

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. Collect and collate relevant data	1.1. <i>Data</i> required for <i>budget</i> preparation is identified and accessed. 1.2. Previous budgets and the financial implications of council's current activities and plans are analysed and evaluated. 1.3. <i>Relevant people</i> are consulted and given the opportunity to contribute to the budget planning process. 1.4. Possible changes of circumstance that will impact on the budget are identified. 1.5. Any anomalies in the information received are checked with the appropriate person.
2. Justify proposals for expenditure	2.1. Estimates of costs and benefits are made that are supported by valid and relevant information. 2.2. Assessments of alternative courses of action are considered in making the final recommendations. 2.3. Appropriate members of staff are encouraged to contribute to the recommendations. 2.4. The net benefits likely to be achieved from the expenditure are clearly indicated. 2.5. Possible future variations in levels of activity are taken into account. 2.6. Recommendations are presented clearly, concisely and in an appropriate format. 2.7. Where challenges to the proposal are made, further explanation is given to promote acceptance. 2.8. Estimates are compared with actual costs and benefits and used to improve future calculations.
3. Seek out alternative or additional financial opportunities	3.1. Effective and comprehensive methods for discovering alternative or additional sources of funding or income are employed. 3.2. Sources of funding or income are assessed to ensure they comply with council objectives and policies. 3.3. Management/council approval for funding submission or income-generating activity is obtained where necessary. 3.4. Funding proposals are prepared and submitted.
4. Prepare draft budget for comment	4.1. The draft budget is prepared to accurately reflect the financial requirements of the department, service or council. 4.2. The draft budget is clear and accurate and presented in an appropriate format. 4.3. Income and expenditure estimates are clearly identified and are supported by valid, reliable and relevant information. 4.4. The draft budget is prepared consistent with council objectives and ensures the efficient and effective operation

ELEMENT	PERFORMANCE CRITERIA
5. Prepare final budget	<p>of council in the short, medium and long term.</p> <p>4.5.The draft budget is completed within required time frame.</p> <p>4.6.The draft budget is circulated to appropriate people for comment.</p> <p>5.1.Comments on draft budget are considered and relevant people are advised of implications.</p> <p>5.2.Required modifications to draft budget are agreed and incorporated.</p> <p>5.3.Proposed budget is completed in required format within required time frame.</p> <p>5.4.Proposed budget is negotiated through appropriate budgetary meeting.</p> <p>5.5.Relevant people are informed of budget requirements in a timely and accurate manner.</p>

Required Skills and Knowledge

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

Required Skills

- negotiation with internal and external customers
- report presentation
- financial analysis and research
- interpretation
- consultation in a culturally diverse workforce.

Required Knowledge

- relevant financial and accounting standards
- council policies and procedures
- budget processes and procedures
- relevant computer software

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

This unit requires the preparation of budgets with particular demonstration of:

- budget development in accordance with established financial and accounting standards and council policies, procedures and time lines
- effective and efficient operations as a result of the budget preparation.

Context of assessment

Assessment of performance requirements in this unit should be undertaken within the context of the local government framework. Competency is demonstrated by performance of all stated criteria, including the Range of Variables applicable to the workplace environment.

Method of assessment

The following assessment methods are suggested:

- 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

Evidence should be gathered over a period of time in a range of actual or simulated management environments.

Resource implications

Access to a workplace or simulated case study that provides the following resources:

- relevant financial and accounting standards
- council policies and procedures
- financial data
- relevant computer software.

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.

Budget may include:

- departmental budget
- budget for a particular service or project
- operational income and expenditure
- strategic and management plan objectives
- cash flow management
- asset replacement
- asset sales
- entrepreneurial ventures and available revenue sources
- public, when budget is made available for public comment
- other council staff

Relevant people may include:

Data may include:

- previous budget
- employee costs
- overhead costs
- council policy

Unit Sector(s)

Common