



Australian Government

Department of Education, Employment and Workplace Relations

MEA146A Prepare and manage aviation maintenance organisation budgets and financial plans

Release: 1

MEA146A Prepare and manage aviation maintenance organisation budgets and financial plans

Modification History

New unit.

Unit Descriptor

This unit of competency is part of the Advanced Diploma training pathways. It covers the competencies required to prepare and manage AMOs budgets and financial plans and to effectively interface with professional finance advisers and accountants.

Application of the Unit

This unit requires application of procedures for the development and management of budgets and financial plans required to enable the effective operation of an AMO within the bounds of its exposition.

Applications include the financial management obligations of Accountable Managers of AMOs operating under the ADF or the CASA regulatory systems.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

<p>Elements describe the essential outcomes of a unit of competency.</p>	<p>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</p>
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Elements and Performance Criteria

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| 1 | Analyse strategic opportunities and intended maintenance activities | 1.1 | <i>Strategic opportunities</i> are expressed in terms of aircraft and aero maintenance activities |
| | | 1.2 | All intended maintenance activities are converted into special projects |
| | | 1.3 | Financial trends are analysed and interpreted in the context of the organisation's strategic objectives |
| | | 1.4 | Financial planning objectives, process timeframes and resources are identified |
| 2 | Develop revenue, expenditure and capital investment proposals | 2.1 | Individuals and groups are given responsibility for the development of <i>budgets and plans</i> |
| | | 2.2 | Consultation occurs with all <i>relevant groups and individuals</i> through the development process |
| | | 2.3 | Proposals are developed taking account of past experience, present circumstances and future expectations |
| | | 2.4 | Outcomes of proposals are clearly linked to organisational strategic objectives |
| | | 2.5 | Realistic cost-benefit and Maintenance Organisation Exposition costs are identified and incorporated into all proposals |
| | | 2.6 | Organisational <i>investment target rates</i> are met for <i>capital expenditure</i> |
| | | 2.7 | Performance measures and tactics for monitoring and control processes are identified for each proposal/action and a financial risk management plan is developed |
| | | 2.8 | Proposals comply with the organisation's values, policies, code of conduct and <i>ethical obligations</i> |
| | | 2.9 | Proposals are developed within the agreed timeframes |
| | | 2.10 | <i>Supporting evidence</i> is valid and sufficient to allow proper evaluation |
| 3 | Build agreement for budgets and financial plans | 3.1 | Negotiation is undertaken with relevant groups and individuals in order to gain their commitment to the plans |
| | | 3.2 | Links to the achievement of organisational strategic objectives are identified |
| | | 3.3 | Outcomes are confirmed in terms of clear, concise objectives and actions |
| | | 3.4 | Negotiations lead to a clear agreement of those matters to be incorporated into the <i>budgets and plans</i> |
| | | 3.5 | Budgets and plans incorporate the outcomes of negotiations and management approval processes |

- 3.6 Delegations, accountabilities and responsibilities are agreed and communicated
 - 3.7 Final budget and plans are clearly documented and a communication plan is developed
 - 4 Communicate budget and financial plans
 - 4.1 Budget/financial plan communication package is reviewed by financial management
 - 4.2 Package is amended/revised where appropriate
 - 4.3 Training activities are undertaken with users of the budget and plan communication package across the organisation
 - 4.4 All data and terms are defined and understood by the users of the package
 - 4.5 Communication outcomes are tested to ensure clear understanding of processes and accountabilities
 - 5 Monitor and control activities against plans
 - 5.1 Delegations and budget accountabilities are confirmed in writing prior to implementation
 - 5.2 Funds are allocated in accordance with budget objectives and parameters
 - 5.3 Recording systems and documentation meet all audit requirements
 - 5.4 Risk management plans are implemented and contingency plans prepared for financial plans
 - 5.5 Performance is monitored and variances promptly identified
 - 5.6 Variances are analysed in conjunction with relevant experts to determine causes
 - 5.7 Remedial action is taken swiftly to minimise negative impact and prevent recurrence
 - 5.8 Budgets and plans are renegotiated/restructured where necessary to improve organisational performance
 - 6 Report outcomes of financial plans
 - 6.1 Records of financial performance are properly maintained within organisational systems
 - 6.2 Financial performance is analysed and reported in a form and language appropriate to the audience
 - 6.3 Non-financial objectives are reported in the context of overall organisational performance
 - 6.4 Strategies and plans are reviewed and updated to optimise organisational performance

Required Skills and Knowledge

Look for evidence that confirms knowledge of:

- relevant legislation from all levels of government that affects business operation, especially in regard to C issues, equal opportunity, industrial relations and anti-discrimination
- requirements in CASR and TAMM regarding financial status of maintenance organisations
- aircraft and aeronautical product maintenance and maintenance management/certification requirements
- financial planning within the organisation
- budgeting
- organisation's intended aircraft and aeronautical product maintenance activities
- consultative methods and processes
- capital investment evaluation techniques
- performance measurement
- organisation roles in respect to financial delegations, accountabilities and responsibilities
- standards for organisational record-keeping and audit requirements

Look for evidence that confirms skills in:

- analysis and interpretation of relevant financial information
- development of formal estimates of reviews, costs, cash flows and logistic requirements
- communication/consultation to ensure all relevant groups and individuals are advised of what is occurring an opportunity for input
- cost and benefit analysis to produce balanced arguments to support financial proposals
- risk management to assess probability and consequences of any potential negative event
- investment analysis to evaluate capital expenditure proposals (NPV, IROR, etc)
- negotiating agreement on budgets and financial plans with the relevant managers
- relating to people from a range of social, cultural and ethnic backgrounds and physical and mental abilities
- arranging and delivering training to ensure team members and other managers understand the budget/financial and processes
- analysing and interpreting positive and negative variances from budget/plan, determining the reasons there potential actions to remediate the situation
- developing and implementing systems to ensure financial performance records are collected, maintained a

Evidence Guide

<p>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.</p>	
<p>Overview of assessment</p>	<p>A person who demonstrates competency in this unit must be able to prepare and manage budgets and financial plans in the aviation maintenance organisation environment.</p>
<p>Critical aspects for assessment and evidence required to demonstrate competency in this unit</p>	<p>Assessors must be satisfied that the candidate can competently and consistently perform all elements of the unit as specified by the criteria, including required knowledge, and be capable of applying the competency in new and different situations and contexts. Assessors should gather a range of evidence that is valid, sufficient, current and authentic. Evidence can be gathered through a variety of ways, including direct observation, supervisor's reports, project work, samples and questioning. Questioning techniques should not require language, literacy and numeracy skills beyond those required in this unit of competency.</p>
<p>Context of and specific resources for assessment</p>	<p>This unit may be assessed on the job, off the job or a combination of both on and off the job. Where assessment occurs off the job, that is, the candidate is not in productive work, then an appropriate simulation must be used where the range of conditions reflects realistic workplace situations. The candidate must have access to all materials and documentation required and must be permitted to refer to any relevant workplace procedures, codes, standards, manuals and reference materials. The assessment environment should not disadvantage the candidate.</p>
<p>Method of assessment</p>	
<p>Guidance information for assessment</p>	

Range Statement

<p>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, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with</p>

training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<p>Legislation, codes and national standards relevant to the workplace</p>	<p>Legislation, codes and national standards relevant to the workplace may include:</p> <ul style="list-style-type: none"> • CASRs and associated Manuals of Standards • TAMM • award and enterprise agreements and relevant industrial instruments • relevant legislation from all levels of government that affects business operation, especially in regard to OHS, environmental and sustainability issues, equal opportunity, and anti-discrimination
<p>Strategic opportunities</p>	<p>Strategic opportunities may include:</p> <ul style="list-style-type: none"> • aircraft operators and fleet operators seeking to outsource maintenance • aeronautical product maintenance needs • changing regulatory requirements for maintenance • new aircraft types • provision of logistic support services • opportunity to respond to requests for tender to provide aircraft and/or aeronautical product maintenance • opportunity to accept sub-contract maintenance tasks from other maintenance organisations
<p>Budgets and plans</p>	<p>Budgets and plans may include:</p> <ul style="list-style-type: none"> • aircraft maintenance budgets • aeronautical product maintenance budgets • financial budgets • logistic services sales budgets • regulatory compliance budgets • capital expenditure budgets • cash flow plans
<p>Relevant groups and individuals</p>	<p>Relevant groups and individuals include:</p> <ul style="list-style-type: none"> • all personnel within the organisation affected by the budgets and financial plans being developed
<p>Investment target rates</p>	<p>Investment target rates refers to:</p> <ul style="list-style-type: none"> • the minimum percentage rate of return required by the organisation for a capital investment project to proceed
<p>Capital expenditure</p>	<p>Capital expenditure refers to:</p> <ul style="list-style-type: none"> • those components of the budget which, for internal policy reasons, are considered to provide benefits over more than one financial period and are to be evaluated as capital expenditure projects

Legal and ethical obligations	<p>Legal and ethical obligations include:</p> <ul style="list-style-type: none"> • compliance with all relevant statutes, regulations and audit requirements of the organisation, along with the organisation's policies, values and codes of conduct
Supporting evidence	<p>Supporting evidence may include:</p> <ul style="list-style-type: none"> • cost-benefit analyses • risk management plans • market research results • tender details • net present value • interest rate of return • pay pack calculations
Delegations	<p>Delegations refers to:</p> <ul style="list-style-type: none"> • the decision-making accountabilities relating to the person's position description and/or other written and verbal delegations
Accountabilities and responsibilities	<p>Accountabilities and responsibilities include:</p> <ul style="list-style-type: none"> • clarification of who is to be accountable for a decision or action prior to its execution, and identification of groups, individuals and activities for which a person is responsible for managing
Training activities	<p>Training activities may include:</p> <ul style="list-style-type: none"> • small group discussions • informal meetings • formal, structured competency-based training • television and video conferencing • e-learning
Delegations and budget accountabilities	<p>Delegations and budget accountabilities may include:</p> <ul style="list-style-type: none"> • monitoring expenditure • authorising expenditure within limits • reporting on variances to budget/plan • taking remedial action within budget authority
Audit requirements	<p>Audit requirements include:</p> <ul style="list-style-type: none"> • the internal standards required in the management of budgets and financial plans, approved by external/internal auditors
Risk management	<p>Risk management refers to:</p> <ul style="list-style-type: none"> • the process of identification of potential negative events and the development of plans to mitigate or minimise the

	likelihood of the negative event occurring and/or the consequences in the event it does occur
Appropriate non-financial objectives	Appropriate non-financial objectives may include: <ul style="list-style-type: none">• environmental• sustainability• compliance with Maintenance Organisation Exposition (CASA regulatory system)• compliance with Maintenance Management Plan (ADF regulatory system)• compliance with requirements of the applicable airworthiness regulator• OHS• quality and safety management• market share• customer service• security or any other key result area

Unit Sector(s)

Aviation maintenance management

Custom Content Section

Not applicable.