



Australian Government

Department of Education, Employment and Workplace Relations

RTE5916A Prepare and monitor budgets and financial reports

Release: 1

RTE5916A Prepare and monitor budgets and financial reports

Modification History

Not applicable.

Unit Descriptor

This competency standard covers the process of preparing budgets and financial reports, and the implementation and monitoring of budgets in agricultural, horticultural or land management enterprise.

Work is likely to be undertaken alone or under limited guidance in line with a broad plan, budget or strategy. Responsibility and defined accountability for the work of others may be involved. Competency involves the self-directed development of knowledge with substantial depth across a number of areas with a range of skills. Competencies are usually used independently and are substantially non-routine. Significant judgement is required in planning design, technical or supervisory functions related to products, services, operations or processes.

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

Elements and Performance Criteria

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 reports	<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

Not applicable.

Evidence Guide

What evidence is required to demonstrate competence for this standard as a whole?

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 skills and knowledge required to prepare and monitor budgets and financial reports must be **transferable** to a range of work environments and contexts. For example, this could include different enterprises, budgetary processes, and financial reporting requirements and recipients.

What specific knowledge is needed to achieve the performance criteria?

Knowledge and understanding are essential to apply this standard in the workplace, to transfer the skills to other contexts, and to deal with unplanned events. The knowledge requirements for this unit are listed below:

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

What specific skills are needed to achieve the performance criteria?

To achieve the performance criteria, some complementary skills are required. These skills include the ability to:

- prepare a budget
- implement and monitor a budget
- prepare financial reports.

What processes should be applied to this competency standard?

There are a number of processes that are learnt throughout work and life, which are required in all jobs. They are fundamental processes and generally transferable to other work functions. Some of these are covered by the **key competencies**, although others may be added. The questions below highlight how these processes are applied in this competency standard. Following each question a number in brackets indicates the level to which the key competency needs to be demonstrated where 0 = not required, 1 = perform the process, 2 = perform and administer the process and 3 = perform, administer and design the process.

- | | |
|--|--|
| 1. How can communication of ideas and information (3) be applied? | Through preparation of budgets and financial reports. |
| 2. How can information be collected, analysed and organised (3) ? | Through monitoring of budget performance. |
| 3. How are activities planned and organised (3) ? | Through consultation with others in preparation and monitoring of budgets. |
| 4. How can team work (2) be applied? | Through working with others to review budget performance. |
| 5. How can the use of mathematical ideas and techniques (3) be applied? | Through measuring budget performance, calculating variances and presenting outcomes. |
| 6. How can problem-solving skills (3) be applied? | Through identifying and addressing budget irregularities and non-compliance. |
| 7. How can the use of technology (3) be applied? | Through use of computers and communication systems. |

Are there other competency standards that could be assessed with this one?

This competency standard **could** be assessed on its own or in combination with other competencies relevant to the job function.

There is essential information about **assessing this competency standard for consistent performance** and **where and how it may be assessed**, in the Assessment Guidelines for this Training Package. All users of these competency standards must have **access** to the **Assessment Guidelines**. Further advice may also be sought from the relevant **sector booklet**.

Range Statement

Range of Variables

The Range of Variables explains the contexts within which the performance and knowledge requirements of this standard may be assessed. The scope of variables chosen in training and assessment requirements may depend on the work situations available

What **budgets** may be relevant to this competency standard?

Budgets may include recurrent operating or project based funds.

How might **records** be kept?

Records and reports may be paper or computer based.

What **report recipients** may be relevant to this competency standard?

Report recipients may include Taxation Commissioner, financing agencies, boards of management, committees, councils, and executive management.

Which **non-financial objectives** might also be reported?

Appropriate non-financial objectives may include environmental, OHS, quality assurance, market share, or other key result area.

For more information on contexts, environment and variables for training and assessment refer to the Sector Booklet.

Unit Sector(s)

Not applicable.