



Australian Government

Department of Education, Employment and Workplace Relations

BSBMGT504A Manage budgets and financial plans

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers all of the significant aspects of financial management for operational managers who are not financial specialists. It emphasises the preparation of users of budgets/financial plans through communication and training and consistent surveillance over budget performance, with early intervention where required.

Consider co-assessment with BSBMGT503A Prepare budgets and financial plans.

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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 Communicate budget and financial plans	1.1 Budget/financial plan communication package reviewed by finance specialists 1.2 Package is amended/revised where appropriate 1.3 Training activities are undertaken with users of the budget and plans across the organisation 1.4 All data and terms are defined and understood by the users of the plans 1.5 Communication outcomes are tested to ensure clear understanding of objectives, processes and accountabilities
2 Monitor and control activities against plans	2.1 Delegations and budget accountabilities are confirmed in writing prior to budget period 2.2 Funds are allocated in accordance with budget objectives and parameters 2.3 Recording systems and documentation meet all audit requirements and legal obligations 2.4 Risk management plans are implemented and contingency plans in place for all financial plans 2.5 Performance is monitored and variances identified on a real time basis 2.6 Variances are analysed in conjunction with relevant experts to determine cause and effect 2.7 Remedial action is taken swiftly to minimise negative impact and maximise benefits 2.8 Budgets and plans are renegotiated/restructured where necessary to optimise organisational performance
3 Report outcomes of financial plans	3.1 Records of financial performance are properly maintained within organisational systems 3.2 Financial performance is analysed and reported in a

form and language appropriate to the audience

- 3.3 Non financial objectives are reported in the context of overall organisational performance
- 3.4 Strategies and plans are reviewed and updated to optimise organisational performance

Required Skills and Knowledge

Not applicable.

Evidence Guide

The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competence for this unit. This is an integral part of the assessment of competence and should be read in conjunction with the Range Statement.

Critical Aspects of Evidence

Evidence must cover all aspects of business operations in which financial management and decision-making occurs. Period activities relating to revenue expenditure and cash flow management, as well as capital expenditure proposals and capital budgeting, must be incorporated into the assessment

The role of the operational manager as a communicator and trainer in respect to the implementation of the budget needs, also must be integrated into the overall assessment, along with regular and quality reporting of budget performance

Evidence of analysis of budget performance and follow up action

OHS considerations may include:

establishment and maintenance of OHS records

assessment of OHS performance in financial and non-financial terms

Underpinning Knowledge*

*At this level the learner must demonstrate understanding of a broad knowledge base incorporating theoretical concepts, with substantial depth in some areas.

Relevant legislation from all levels of government that affects business operation, especially in regard to Occupational Health and Safety and environmental issues, equal opportunity, industrial relations and anti-discrimination

Financial planning within the organisation

Budgeting

Organisation's objectives and plans (strategic, tactical and operational)

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

Underpinning Skills

Financial planning skills to develop formal estimates of reviews, costs, cash flows and logistic requirements

Communication and training skills to ensure team members and other managers understand the budget/financial planning objectives and processes

Risk management skills to assess probability and consequences of any potential negative event

Analysis skills to interpret positive and negative variances from budget/plan, determine the reasons therefore, and identify potential actions to remediate the situation

Systems management skills to ensure financial performance records are collected, maintained and properly reported

Ability to relate to people from a range of social, cultural and ethnic backgrounds and physical and mental abilities

Resource Implications

The learner and trainer should have access to appropriate documentation and resources normally used in the workplace

Consistency of Performance

In order to achieve consistency of performance, evidence should be collected over a set period of time which is sufficient to include dealings with an appropriate range and variety of situations

Context/s of Assessment

Competency is demonstrated by performance of all stated criteria, including paying particular attention to the critical aspects and the knowledge and skills elaborated in the Evidence Guide, and within the scope as defined by the Range Statement

Assessment must take account of the endorsed assessment guidelines in the Business Services Training Package

Assessment of performance requirements in this unit should be undertaken in an actual workplace or simulated environment

Assessment should reinforce the integration of the key competencies and the business services common competencies for the particular AQF level. Refer to the Key Competency Levels at the end of this unit

Key Competency Levels

Collecting, analysing and organising information (Level 3) - to monitor budget performance

Communicating ideas and information (Level 3) - to ensure the budget and its impact on people is understood

Planning and organising activities (Level 3) - to train users in the elements of the budget which affect them

Working with teams and others (Level 3) - to review budget performance

Using mathematical ideas and techniques (Level 2) - to measure budget performance, calculate variances and present outcomes

Solving problems (Level 3) - to maintain operations within budget

Using technology (Level 2) - to manage budget performance and develop performance reports

Please refer to the Assessment Guidelines for advice on how to use the Key Competencies

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Range Statement

The Range Statement provides advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment. The following variables may be present for this particular unit:

Legislation, codes and national standards relevant to the workplace which may include:

- award and enterprise agreements and relevant industrial instruments
- relevant legislation from all levels of government that affects business operation, especially in regard to Occupational Health and Safety and environmental issues, equal opportunity, industrial relations and anti-discrimination
- relevant industry codes of practice

Training activities may include:

- small group discussions
- informal meetings
- formal, structured competency standards/training
- tele and video conferencing
- e-learning

Delegations and budget accountabilities may include:

- monitoring expenditure
- authorising expenditure within limits
- reporting on variances to budget/plan
- taking remedial action within budget authority

Audit requirements refer to:

- the internal standards required in the management of budgets and financial plans, approved by external/internal auditors

Risk management means:

- 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

Real time refers to:

- on-line, instantaneous monitoring of performance/activities

Appropriate non financial objectives may include:

- environmental
- OHS
- quality
- market share
- customer service
- security or any other key result area

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Unit Sector(s)

Not applicable.