



Australian Government

Department of Education, Employment and Workplace Relations

CUEFIN01C Develop a budget

Revision Number: 1

CUEFIN01C Develop a budget

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the skills and knowledge required to develop a budget. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	The nature and purpose of a budget varies according to the work context, but the principles of developing a budget remain the same. Individuals responsible for developing budgets work in middle to senior management roles in which they are responsible for analysing financial information to inform the budget development process prior to developing budgets. Skills relating to monitoring budget performance are found in the unit CUEFIN02C Manage a budget. Combined assessment of these units is appropriate.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	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.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Plan for a budget	1.1. Confirm the scope and nature of the activity for which budget is being developed with relevant personnel, including any guidelines or directives for budget development 1.2. Correctly identify, access and analyse data required for budget preparation 1.3. Analyse internal and external environmental factors to identify potential impacts on budget 1.4. Determine budget parameters with estimates, based on research, consultation and negotiation with the appropriate personnel and organisation/project objectives 1.5. Provide relevant colleagues with the opportunity to contribute to the budget planning process
2. Develop and prepare budget	2.1. Draft budget based on analysis of all available information and in accordance with organisational policy 2.2. Clearly identify and support income and expenditure estimates with valid, reliable and relevant information 2.3. Assess and present options when appropriate 2.4. Present recommendations clearly, concisely and in an appropriate format 2.5. Circulate draft budget to the appropriate personnel for comment at the appropriate time 2.6. Agree and incorporate modifications accurately and in consultation with colleagues 2.7. Negotiate final budget in accordance with organisational procedures and policies 2.8. Complete the final budget in required format within an agreed timeframe 2.9. Inform relevant personnel of the budget and its application within the relevant area of work, including reporting and financial management responsibilities

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- negotiating skills in relation to budgetary planning

Required knowledge

- context and typical processes for the budget development process within a given industry context
- accounting principles and practices which impact on budget preparation
- budget preparation techniques, including:
 - information required for budget preparation
 - components of a budget
 - techniques for making budget estimates
 - type of supporting information required
 - presentation techniques/formats for budgets

Evidence Guide

EVIDENCE GUIDE

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.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

The following evidence is critical to the judgement of competence in this unit:

- understanding of the technical budget preparation process and accounting procedures that must be followed
- sound analysis of the factors that impact on the budget development process
- preparation of a realistic and accurate budget within the relevant workplace context.

Context of and specific resources for assessment

The assessment context must provide for:

- project or work activities that allow for the development of a budget for a specific workplace context
- involvement of others in the budget development process
- use of industry-current technology for the budget preparation process.

Method of assessment

Assessment may incorporate a range of methods to assess performance and the application of essential underpinning knowledge, and might include:

- evaluation of budgets prepared by the candidate, including comparison with actual budgetary performance
- evaluation of reports prepared by the candidate detailing the processes undertaken to develop a budget
- case studies and problem solving to assess application of principles of budget development to different workplace contexts
- review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate.

Assessment methods should closely reflect workplace

EVIDENCE GUIDE	
	demands and the needs of particular groups (e.g. people with disabilities, and people who may have literacy or numeracy difficulties such as speakers of languages other than English, remote communities and those with interrupted schooling).
Guidance information for assessment	Assessment of this unit requires access to: • industry-current technology for budget development • sources of information on expenditure and income.

Range Statement

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, if used in the performance criteria, is detailed below. Essential operating conditions that 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) may also be included.

Budgets may include:

- budgets for a small business
- cash
- departmental
- event
- grant funding
- project
- sales

Relevant personnel involved in budget development may include:

- creative personnel
- funding bodies
- investors
- management
- sponsors
- technical personnel

Data required for budget preparation may include:

- budget preparation guidelines
- customer or supplier research
- financial information from suppliers
- financial proposals from stakeholders
- funding body policies and procedures/limitations
- management policies and procedures
- performance data from previous projects/periods

Internal or ***external*** issues that could impact on budget development may include:

- activity/project objectives
- change in economic conditions
- human resource requirements
- new legislation or regulation
- organisational objectives/changes in organisational objectives
- price movement for different supplies
- required profit margins
- safety issues
- scope of the project
- timing of project

RANGE STATEMENT

	• venue availability (for events)
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Unit Sector(s)

Unit sector	
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Competency field

Competency field	Finance - financial management
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Co-requisite units

Co-requisite units		