



Australian Government

FNSACC503 Manage budgets and forecasts

Release: 1

FNSACC503 Manage budgets and forecasts

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to prepare, document and manage budgets and forecasts, and encompasses forecasting estimates and monitoring budgeted outcomes.

It applies to individuals who use specialised knowledge and analytical skills to prepare and manage strategic organisational information.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Accounting

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Prepare budget	1.1 Clearly define cash, expenditure and revenue items and ensure relevance to identified objectives of budget 1.2 Ensure budget objectives are clear and consistent with organisational aims and projects 1.3 Conduct discussions and negotiations with stakeholders in manner that promotes understanding, goodwill and ongoing cooperation 1.4 Identify and include milestones and performance indicators in budgets to monitor financial performance and break down annual budgets into seasonal periods in accordance with operating trends

ELEMENT	PERFORMANCE CRITERIA
2. Forecast estimates	2.1 Provide realistic, ethical and attainable estimates of future cash flow, costs and revenues, and support with verifiable evidence and source documentation 2.2 Identify relevant data for forecasts and anticipate changes in circumstances 2.3 Establish assumptions and parameters and review for accuracy, relevance and compliance with organisational procedures and policy 2.4 Identify financial risks and initiate protection strategies in accordance with organisational procedures and policy
3. Document budget	3.1 Present data in format that is easily understood and appropriate to budget reporting 3.2 Complete reports within timelines and distribute for specified periods and projects 3.3 Identify trends, issues and comparisons and report in structured format to ensure transparency and validity of analysis 3.4 Identify feasibility by comparing projections with market growth and development
4. Monitor budget outcomes	4.1 Analyse budget variances in accordance with organisational procedures, and make recommendations based on analysis to client or designated person 4.2 Review budget processes and implement as required

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.2, 2.2, 2.3, 3.3, 3.4, 4.1, 4.2	Researches, consolidates and evaluates a range of information and financial data, identifying key aspects needed for work requirements and analysing trends
Writing	2.1, 2.3, 3.1-3.3, 4.1	- Prepares specific and logically structured written and graphical information for a range of audiences and purposes - Uses clear and concise language, incorporating correct

		spelling, grammar, terminology and conventions, to convey accurate information
Oral Communication	1.3, 3.1, 4.1	• Presents financial information to a range of personnel using language and concepts appropriate for the audience • Uses active listening and questioning to elicit and convey information in verbal exchanges
Numeracy	1.1, 1.2, 1.4, 2.1-2.4, 3.1-3.4, 4.1	• Performs mathematical calculations and uses a range of mathematical problem-solving techniques to analyse, estimate and forecast financial data
Navigate the world of work	1.2, 2.3, 2.4, 4.1	• Takes responsibility for adherence to organisational policy and procedures, and legal and ethical requirements
Interact with others	1.2, 2.3, 2.4, 4.1	• Uses collaborative and inclusive techniques to build rapport and establish and maintain positive relationships with a range of stakeholders
Get the work done	1.1, 1.2, 1.4, 2.1-2.4, 3.2-3.4, 4.1, 4.2	• Organises work according to organisational procedures, using some analytical processes, and taking responsibility for sequencing and scheduling tasks to achieve efficient outcomes • Identifies and responds to budgeting problems by systematically analysing relevant information, generating and evaluating options, and selecting the most appropriate option for the client • Uses digital technologies to access, extract and share relevant information to achieve required outcomes

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSACC503 Manage budgets and forecasts	FNSACC503A Manage budgets and forecasts	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSACC503 Manage budgets and forecasts

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Performance Evidence

Evidence of the ability to:

- prepare, document and present budgets and forecasting estimates that:
 - accurately apply accounting principles and practices
 - follow organisational policy and procedures
- monitor budget outcomes periodically.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- discuss the key purpose and objective of budgets and forecasts, including relevance of milestones and key performance indicators
- discuss issues relating to ethical considerations for budgetary forecasting and projections to explain the strength of assumptions and forecast reliabilities
- describe types and sources of data and information required for budgeting and forecasting
- outline a range of expenditure and revenue items relevant to budgeting and forecasting
- compare and contrast forecasting techniques
- identify the key features of organisational procedures and policy relevant to budgeting and forecasting
- identify and explain the key principles and practices of:
 - accrual accounting
 - budgetary control
 - corporate governance
 - double-entry bookkeeping
 - statistical analysis and measures of variance.
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Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the accounting field of work and include access to:

- common office equipment, technology, software and consumables.

Assessors must satisfy NVR/AQTF assessor requirements.

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