

RTC4911A**Unit Descriptor****Unit Sector****Operate within a budget framework**

Operate within a budget framework

No sector assigned

ELEMENT**PERFORMANCE CRITERIA**

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| 1. Participate in formulation of a cash flow budget | 1.1 Budget consultation is followed in line with enterprise policy. |
| | 1.2 Budget variations are requested to suit enterprise needs. |
| 2. Supervise financial transactions | 2.1 Expenditure is arranged within budget delegations. |
| | 2.2 Transactions are recorded to meet taxation and accounting requirements according to enterprise practices. |
| | 2.3 Actual sales and expenditure are compared to the enterprise budget. Financial reports are checked to ensure operations are within forecast limits. |
| | 2.4 Expenditure is adjusted to meet financial targets as required. |
| | 2.5 Actual and potential variations in budgeted income are reported to the manager according to enterprise requirements. |
| | 2.6 Recommendations to address budget variations are developed. |

KEY COMPETENCIES

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.

Key Competency	Example of Application	Performance Level
Communicating ideas and information	Through discussions and meetings with management and staff in budget formulation and as a result of any operating issues.	3
Collecting analysing and organising information	To enable inputs into the budget formulation process, and record keeping according to procedures established by the enterprise.	3
Planning and organising activities	In line with enterprise procedures and policies.	3
Working with others and in teams	Through participating in budget formulation.	2
Using mathematical ideas and techniques	In undertaking budget calculations and financial transactions	3
Solving problems	Through dealing with issues such as budget shortfalls or excesses.	3
Using technology	Through the use of computers in operating a budget and reporting.	3

RANGE STATEMENT

What may be included in budgets?

Budgets may include projected expenditure by item, projected income by source, cash flow budgets, budget delegations, variation and review procedures, credit and credit limits, security measures, reporting mechanisms, additional funds for particular projects, self-generated funds, fundraising requirements, project grants, funds received for winning tenders, and enterprise procedures and policies.

How may financial reports be checked?

Through comparisons between planned cash flow and actual budget cash flow, and similar statements from previous planning periods.

What types of records may be relevant to this standard?

Records may be paper or computer based, or enterprise accounting system

EVIDENCE GUIDE

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:

- Costing mechanisms.
- Forecasting mechanisms.
- Banking routines.
- Cash flow analyses and records.
- Recording systems.
- Records of receipts and expenditure.
- Work reports.
- Factors that impact upon the timing of sales and purchases (Taxation, GST, market conditions).

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:

- Participate in formulation of a budget.
- Supervise financial transactions.

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.

Essential Assessment Information

For information about **assessing this competency standard for consistent performance** and **where and how it may be assessed**, refer to the **Assessment Guidelines** for this Training Package.