



Australian Government

SITXFIN004 Prepare and monitor budgets

Release: 1

SITXFIN004 Prepare and monitor budgets

Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to analyse financial and other business information to prepare and monitor budgets. It requires the ability to draft and negotiate budgets, identify deviations, and manage the delivery of successful budgetary performance.

The unit applies to all tourism, travel, hospitality and event sectors. The budget may be for an entire organisation, for a department or for a particular project or activity.

It applies to senior personnel who operate independently or with limited guidance from others and who are responsible for making a range of financial management decisions.

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

Pre-requisite Unit

Nil

Competency Field

Finance

Unit Sector

Cross-Sector

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes.

1. Prepare budget information.

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

- 1.1.Determine and confirm scope and nature of required budgets.
- 1.2.Identify, access and interpret data and data sources required for budget preparation.
- 1.3.Analyse internal and external factors for potential impact on budget.
- 1.4.Provide opportunities for colleagues to contribute to budget planning process.

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|-------------------------------|--|
| 2. Prepare budget. | 2.1.Draft budget based on analysis of all available information.
2.2.Estimate income and expenditure and support with valid, reliable and relevant information.
2.3.Reflect organisational objectives within draft budget.
2.4.Assess and present options and recommendations in a clear format.
2.5.Circulate draft budget to colleagues and managers for input. |
| 3. Finalise budget. | 3.1.Negotiate budget according to organisational policy and procedures.
3.2.Agree on and incorporate modifications.
3.3.Complete final budget in a clear format within designated timelines.
3.4.Inform colleagues of final budget decisions and application within relevant work area, including reporting and financial management responsibilities. |
| 4. Monitor and review budget. | 4.1.Regularly review budget to assess actual performance against estimated performance and prepare accurate financial reports.
4.2.Incorporate all financial commitments into budget and budget reports.
4.3.Investigate and take appropriate action on significant deviations.
4.4.Analyse changes in internal and external environment and make necessary adjustments.
4.5.Collect and record relevant information to assist in future budget preparation. |

Foundation Skills

Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.

SKILLS	DESCRIPTION
Oral communication skills to:	liaise and negotiate with colleagues on potential complex and conflicting budget requirements.
Numeracy skills to:	- draft budgets that meet organisational objectives - interpret and analyse financial information from forecasts and previous performance data - develop financial estimates and scenarios using complex calculations.
Problem-solving skills to:	analyse internal and external factors for potential impact on budget

- identify budgetary challenges and develop different options for their resolution
- identify budget deviations and deficiencies and develop options for meeting budgetary requirements.
- Teamwork skills to:
 - invite and coordinate the input of others in the organisation, and provide direction on budget management.
- Planning and organising skills to:
 - access and sort all information required for budget preparation
 - coordinate a timely, efficient and consultative budget development process.
- Technology skills to:
 - use accounting software packages.

Unit Mapping Information

SITXFIN501 Prepare and monitor budgets

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=68c40a93-e51d-4e0f-bc06-899dff092694>

Assessment Requirements for SITXFIN004 Prepare and monitor budgets

Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- prepare a budget for a business that meets the specific business' needs
- demonstrate the following when preparing the above budget:
 - consultation on components
 - analysis of factors that impact on the budget
 - completion of draft and final versions of budget within designated timelines
- monitor and review the above budget against performance over its life cycle.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:

- types of budgets:
 - cash budgets
 - cash flow budgets
 - departmental budgets
 - event budgets
 - project budgets
 - purchasing budgets
 - sales budgets
 - wage budgets
 - whole of organisation budgets
- budget terminology
- specific industry sector and organisation:
 - role and nature of budgets
 - budget formats, budget performance and financial reports
 - financial reporting procedures and cycles
 - features and functions of accounting software programs used to prepare and monitor budgets
- internal and external factors that impact on budget development:
 - growth or decline in economic conditions

- human resource requirements
- new legislation or regulation
- organisational and management restructures
- organisational objectives
- scope of the project
- shift in market trends
- significant price movement for certain commodities or items
- supplier availability and cost
- budget preparation and monitoring practices and techniques:
 - sources and contents of data required for budget preparation:
 - competitor research
 - customer or supplier research
 - declared commitments in areas of operation
 - financial information from suppliers
 - financial proposals from key stakeholders
 - income and expenditure for previous time periods
 - departmental, event or project budgets
 - grant funding guidelines or limitations
 - management policies and procedures
 - organisational budget preparation guidelines
 - performance information from previous periods
 - techniques for making budget estimates
 - common reasons for deviations and budget deviation management.

Assessment Conditions

Skills must be demonstrated in an operational tourism, travel, hospitality or events business operation or activity for which budgets are prepared. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- computers, printers and accounting software packages
- financial and operational data and reports used to prepare budgets
- others with whom the individual can discuss, and negotiate draft and final budget components; these can be:
 - those in an industry workplace who are assisted by the individual during the assessment process; or

- individuals who participate in role plays or simulated activities, set up for the purpose of assessment, in a simulated industry environment operated within a training organisation.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

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