



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC402A Prepare operational budgets

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to prepare and document operational budgets for a variety of organisations.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit has application to job functions that have budget responsibility and may include accountants and departmental managers.</p>
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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. Prepare the budget	1.1. <i>Budget objectives</i> are confirmed and consistent with organisational aims, projects and forecasts 1.2. Cash, <i>expenditure and revenue items</i> are clearly defined and relevant to the identified objectives of the budget 1.3. Discussions and negotiations with <i>stakeholders</i> that the budget applies to are conducted in a manner that promotes goodwill and ongoing cooperation
2. Set the budget timeframe	2.1. <i>Milestones and performance indicators</i> are identified and included in the budget 2.2. Annual budgets are broken down into seasonal periods in accordance with operating trends
3. Document the budget	3.1. <i>Data</i> is presented in a <i>format</i> that is easily understood and appropriate to budget reporting 3.2. <i>Reports</i> are completed within timelines and distributed for specified periods and projects

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to:
 - determine and confirm work requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- literacy skills to:
 - read and interpret documentation from a variety of sources
 - read and interpret financial statements and reports
- writing skills for preparing reports and recommendations, recording and classifying financial information
- numeracy skills for financial calculations and analysis
- information technology skills for setting up and analysing spreadsheets
- estimating, forecasting and analysis skills
- organisational skills, including the ability to plan and sequence work and meet organisational timelines

Required knowledge

- principles of budgetary control
- forecasting techniques
- principles of double entry bookkeeping
- principles of statistical analysis and measures of variance
- organisational procedures and policies for financial administration

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • apply knowledge of organisational policies and procedures • establish and confirm milestones and performance indicators • prepare budgets for a variety of purposes and organisations • accurately record and document budget reports.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • simulated tasks involving preparation of budgets from supplied data • verbal or written questioning on underpinning knowledge and skills which may include formal examinations • evaluating samples of work.
Guidance information for assessment	

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.

<i>Budget objectives</i> may include:	<ul style="list-style-type: none"> • annual planning • cost reduction • rolling forecasts: <ul style="list-style-type: none"> • next period • monthly • next year.
<i>Expenditure and revenue items</i> may include:	<ul style="list-style-type: none"> • capital expenditure • client and supplier payments <ul style="list-style-type: none"> • sales • commissions • fees and charges • Goods and Services Tax (GST) • Pay As You Go (PAYG) tax • revenue producing expenditures • sales.
<i>Stakeholders</i> may include:	<ul style="list-style-type: none"> • chief executive officers • clients • directors • financial institutions • suppliers.
<i>Milestones and performance indicators</i> may include:	<ul style="list-style-type: none"> • compliance with scheduled payment dates • profits and losses • reports: <ul style="list-style-type: none"> • quarterly • half yearly • annually.
<i>Data</i> may include:	<ul style="list-style-type: none"> • cash flow projections • fixed costs information • sales records and projections • variable business costs.
<i>Formats</i> and	<ul style="list-style-type: none"> • explanations of calculations used

RANGE STATEMENT	
presentation methods may include:	<ul style="list-style-type: none"> • explanatory notes • graphics • highlighted estimates and projections • tables.
<i>Reports</i> may include:	<ul style="list-style-type: none"> • cash budgets • purchase budgets • sales budgets • Statement of financial performance • Statement of financial position.

Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		