DES30 Manage a budget within a design environment - SQA Unit Code H9X8 04

Unit Summary

This unit is for people working within the design industry who have ownership of and are responsible for a budget for a defined project. It also involves monitoring performance against the agreed budget and taking necessary action in response to identified variances and any unforeseen developments

A budget may be the total amount of money for an overall design project or it may be a small part of a larger project budget, allocated to you to manage.

This unit is derived from Unit E1 Manage a budget from the MSC Management and Leadership Suite of standards

What you must be able to do:

a) Evaluate information available and work with others where appropriate, to prepare a realistic budget for a defined project.

b) Submit the proposed budget to the relevant people in the company and assist the overall planning process

c) Discuss and, if appropriate, negotiate the proposed budget with the relevant people in the company and agree the final budget

d) Use the agreed budget in accordance with the project plan and actively monitor and control any variance throughout the development of the project

e) Identify the causes of any significant variances between what was budgeted and what actually happened and take prompt corrective action, obtaining agreement from the relevant people if required

f) Propose revisions to the budget, if necessary, in response to variances and/or significant or unforeseen developments and discuss and agree revisions with the relevant people in the company

g) Prepare necessary documentation to present any budget revisions/variances to the client or to the appropriate people within the company who will negotiate the revision/variance with the client

h) Confirm all agreed budget revision/variance agreed with the client

i) Provide ongoing information on the progress of the project against the budget to relevant people in or outside your company

j) Gather information from the implementation of the budget to assist in the preparation of future budgets

Behaviours underpinning the performance criteria:

a) You present information clearly, concisely and accurately.

b) You act within the limits of your authority.

c) You show integrity, fairness and consistency in decision-making.

d) You say no to unreasonable requests.

e) You use communication styles that are appropriate to different people and situations.

f) You respond quickly to crises and problems with a proposed course of action.

What you must know:

General knowledge

1. The purposes of budgetary systems.

2. The importance of spending time on and consulting with others in preparing a budget.

3. How to discuss, negotiate and confirm a budget with people who control the finance and the key factors that should be covered.

4. How to use a budget to actively monitor and control performance of a project

5. The main causes of variances and how to identify them.

6. How unforeseen developments can affect a budget and how to deal with them.

7. The importance of agreeing revisions to the budget and communicating the changes.

8. The importance of providing regular information on performance against the budget to other people.

9. The importance of using the implementation of the budget to identify information and lessons for the preparation of future budgets.

Industry/sector specific knowledge

10. Factors, processes and trends that are likely to affect the setting of budgets in your industry/sector.

Context specific knowledge and understanding

11. The project for which the budget is for.

12. The vision, objectives and operational plans for your area of responsibility.

13. The budgeting period(s) used in your company

14. Company guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting of performance against budgets and revising budgets.

15. The agreed budget, how it can be used and how much it can be changed without approval.

16. The limits of your authority.

17. Who needs information in your company about performance against your budget, what information they need, when they need it and in what format

18. What to do and who to contact if you suspect fraud has been committed