

Unit CFAM&LEA4 (H68K 04) Manage Budgets

I confirm that the evidence detailed in this unit is my own work.

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| **Candidate’s name** |  | **Candidate’s signature** |  | **Date** |
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I confirm that the candidate has achieved all the requirements of this unit.

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| **Assessor’s name** |  | **Assessor’s signature** |  | **Date** |
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| **Countersigning — Assessor’s name****(if applicable)** |  | **Countersigning — Assessor’s signature****(if applicable)** |  | **Date** |
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I confirm that the candidate’s sampled work meets the standards specified for this unit and may be presented for external verification.

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| **Internal verifier’s name** |  | **Internal verifier’s signature** |  | **Date** |
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| **Countersigning — Internal verifier’s name****(if applicable)** |  | **Countersigning — Internal verifier’s signature****(if applicable)** |  | **Date** |
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| **External Verifier’s initials and date (if sampled)** |  |

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| **Unit overview** |
| This standard is about managing the budget for your area of responsibility or for specific projects or activities. This standard is relevant to managers and leaders with budget responsibility for an operational area or for specific projects or activities.  |

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| **Sufficiency of evidence** |
| There must be sufficient evidence to ensure that the candidate can consistently achieve the required standard over a period of time in the workplace or approved realistic working environment. |

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| **Performance criteria** |
| **What you must do:** |
| There must be evidence for **all** Performance Criteria (PC). |
| 1. Engage appropriate colleagues and other key stakeholders in managing budgets.
2. Gather and evaluate information to prepare a realistic budget for your area of responsibility, activity or project.
3. Submit your proposed budget for approval by those with decision-making responsibility for budgets, clearly specifying assumptions made, risks involved and how these will be managed.
4. Discuss and, if appropriate, negotiate the proposed budget with those with decision-making responsibility and agree the final budget.
5. Use the agreed budget to actively monitor and control performance for your area of responsibility, activity or project.
6. Identify the causes of any significant variances between what was budgeted and what actually happened and take prompt corrective action, obtaining agreement from those with decision-making responsibility, if required.
7. Propose revisions to the budget, if necessary, in response to variances and/or significant or unforeseen developments and discuss and agree the revisions with those with decision-making responsibility.
8. Provide ongoing information on performance against the budget to those with decision-making responsibility.
9. Advise relevant people promptly if you have identified evidence of potentially fraudulent activities.
10. Gather information from implementation of the budget to assist in the preparation of future budgets
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| **Evidence reference** | **Evidence description** | **Date** | **Performance criteria** |
| **What you must do** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
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| **Knowledge and understanding** | **Evidence reference****and date** |
| **What you must know and understand** |
| For those knowledge statements that relate to **how** the candidate should do something, the assessor may be able to infer that the candidate has the necessary knowledge from observing their performance or checking products of their work. In **all** other cases, evidence of the candidate’s knowledge and understanding must be gathered by alternative methods of assessment (eg oral or written questioning). |
|  | **General knowledge and understanding** |  |
|  | How to engage colleagues and stakeholders in managing budgets |  |
|  | The purposes of budgetary systems |  |
|  | Where to get and how to evaluate the available information in order to be able to prepare a realistic budget |  |
|  | How to discuss, negotiate and confirm a budget with those with budgetary responsibility and the key factors that should be covered |  |
|  | How to use a budget to actively monitor and control performance for a defined area or activity of work |  |
|  | The main causes of variances and how to identify them |  |
|  | What different types of corrective action which could be taken to address identified variances |  |
|  | How unforeseen developments can affect a budget and how to deal with them |  |
|  | The importance of agreeing revisions to the budget and communicating the changes |  |
|  | The importance of providing regular information on performance against the budget to other people |  |
|  | Types of fraudulent activities and how to identify them |  |
| 12 | The importance of using the implementation of the budget to identify information and lessons for the preparation of future budgets |  |
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|  | **Industry/sector specific knowledge and understanding** |  |
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| 13 | Factors, trends and developments that are likely to affect the setting of budgets in your industry/sector |  |
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|  | **Context specific knowledge and understanding** |  |
| 14 | The area or activity that the budget is for |  |
| 15 | The vision, objectives and operational plans for your area of responsibility |  |

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| **Knowledge and understanding** | **Evidence reference****and date** |
| **What you must know and understand** |
| For those knowledge statements that relate to **how** the candidate should do something, the assessor may be able to infer that the candidate has the necessary knowledge from observing their performance or checking products of their work. In **all** other cases, evidence of the candidate’s knowledge and understanding must be gathered by alternative methods of assessment (eg oral or written questioning). |
| 16 | The budgeting periods used in your organisation |  |
| 17 | Organisational guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting of performance against budgets and revising budgets |  |
| 18 | The agreed budget, how it can be used and how much it can be changed without approval |  |
| 19 | The limits of your authority |  |
| 20 | Who needs information in your organisation about performance against your budget, what information they need, when they need it and in what format |  |
| 21 | What to do and who to contact if you suspect fraud has been committed |  |

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# Supplementary evidence

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| **Evidence** | **Date** |
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| **Assessor feedback on completion of the unit** |
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