

DR5F 04 (HE1) Manage a Budget

Element of competence

HE1.1 Manage a budget

About this Unit

This Unit is about having ownership of and being responsible for a budget for a defined area or activity of work. It initially involves preparing, submitting and agreeing a budget for a set operating period. It also involves monitoring actual performance against the agreed budget and taking necessary action in response to identified variances and any unforeseen developments.

Target Group

The Unit is recommended for first line managers.

Skills

Listed below are the main generic 'skills' which need to be applied in managing a budget. These skills are explicit/implicit in the detailed content of the Unit and are listed here as additional information.

- ◆ Communicating
- ◆ Decision making
- ◆ Monitoring
- ◆ Acting assertively
- ◆ Presenting information
- ◆ Reporting
- ◆ Learning
- ◆ Negotiating
- ◆ Consulting
- ◆ Information management
- ◆ Evaluating
- ◆ Contingency planning
- ◆ Problem solving

Evidence Requirements for the Unit

It is essential that you adhere to the Evidence Requirements for this Unit — please see details overleaf.

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| Specific Evidence Requirements for this Unit |
|--|
| Simulation: |
| Simulation is not permitted for this unit. |
| The following forms of evidence ARE mandatory: |
| Direct Observation: Your assessor or expert witness must observe you in real work activities which provide a significant amount of the Performance Criteria for most of the Elements in this Unit. For example your assessor may see you setting up or attending a meeting between yourself and other members of staff from you own agency to look at proposed budget or a meeting held to review current expenditure, or any proposed revisions to the budget. |
| Reflective Account/professional discussion: These will be an explanation or a description of your practice in particular situations based on current working practices. For example an account of how you monitored expenditure against the budget and informed the relevant people in the organisation. An account of how you reviewed your current budget and prepared plans for a future budget. You could also include an explanation of how legislation, financial policies and organisational guidelines and procedures affect your practice. |
| Competence of performance and knowledge could also be demonstrated using a variety of evidence from the following: |
| Questioning/professional discussion: May be used to provide evidence of knowledge, legislation, policies and procedures which cannot be fully evidenced through direct observation or reflective accounts. In addition the assessor/expert witness may also ask questions to clarify aspects of your practice. |
| Expert witness: A designated expert witness may provide direct observation of practice, questioning, undertaking a professional discussion or providing feedback on a reflective account. |
| Working within the Youth Justice field can pose a number of challenges for Direct Observation of practice by assessors not based in the workplace and it is vital that expert witnesses are identified at the planning stage as they will be require to work closely with your assessor in the evidence gathering process. |
| Witness testimony: Can be a confirmation or authentication of the activities described in your evidence which your assessor has not seen. This could be provided by a work colleague or another key person. It is NOT appropriate to use witness testimony from any member of their family or circle of friends. |
| Products: These can be anonymised copies of any Financial Reports, Income and Expenditure statements, you have responsibility for or any agency approved forms. Where products have not been developed or compiled by the candidate you need to provide an explanation of the contribution you made to them or your reasoning for offering them as evidence. |
| Due to the nature of this Unit considerable care should be given to the inclusion of any anonymised records in your portfolio. They should remain where they are normally stored and checked for their authenticity by your assessor as well as occasionally by your Verifier. Where records are included great care should be taken to ensure they are anonymised to ensure confidentiality |

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General guidance

- ◆ Prior to commencing this Unit you should agree and complete an assessment plan with your assessor which details the assessment methods (including potential products) and the tasks you will be undertaking to demonstrate your competence.
- ◆ Evidence must be provided for ALL of the Performance Criteria. ALL of the knowledge and parts of the scope that are relevant to your job.
- ◆ Candidates and assessors should ensure that knowledge evidence should be **integrated** into the reflective accounts, direct observations and if appropriate in professional discussions. Care should be taken to **avoid** assessment of knowledge through set or banks of questions as they generally do not reflect real work practice.
- ◆ The evidence must reflect the policies and procedures of your workplace and be linked to the current legislation, values and principles of best practice within the Community Justice Sector and in particular those staff working with the Youth Justice Sector.
- ◆ ALL evidence must relate to your own work practice.

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Knowledge Specification for this Unit

Competent practice is a combination of the application of skills and knowledge informed by values and ethics. This specification details the knowledge and understanding required to carry out competent practice in the performance described in this Unit.

When using this specification **it is important to read the knowledge requirements in relation to expectations and requirements of your job role.**

You need to provide evidence for ALL knowledge points listed below. There are a variety of ways this can be achieved so it is essential that you read the 'knowledge evidence' section of the Assessment Guidance.

| You need to show that you know, understand and can apply in practice: | Enter Evidence Numbers |
|---|------------------------|
| 1 The purposes of budgetary systems. | |
| 2 Where to get and how to evaluate the available information in order to be able to prepare a realistic budget. | |
| 3 The importance of spending time on and consulting with others in preparing a budget. | |
| 4 How to discuss, negotiate and confirm a budget with people who control the finance and the key factors that should be covered. | |
| 5 How to use a budget to actively monitor and control performance for a defined area or activity of work. | |
| 6 The main causes of variances and how to identify them. | |
| 7 What different types of corrective action which could be taken to address identified variances. | |
| 8 How unforeseen developments can affect a budget and how to deal with them. | |
| 9 The importance of agreeing revisions to the budget and communicating the changes. | |
| 10 The importance of providing regular information on performance against the budget to other people. | |
| 11 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. | |
| Industry/sector specific knowledge and understanding | |
| 13 Factors, processes and trends that are likely to affect the setting of budgets in your industry/sector. | |
| Context specific knowledge and understanding | |
| 14 The area or activity for which the budget is for. | |
| 15 The vision, objectives and operational plans for your area of responsibility. | |
| 16 The budgeting period(s) 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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| Performance Criteria | | DO | RA | EW | Q | P | WT |
|----------------------|---|----|---|----|---|---|----|
| | | 1 | Evaluate available information and consult with others to prepare a realistic budget for the respective area or activity of work. | | | | |
| 2 | Submit the proposed budget to the relevant people in the organisation for approval and to assist the overall financial planning process. | | | | | | |
| 3 | Discuss and, if appropriate, negotiate the proposed budget with the relevant people in the organisation and agree the final budget. | | | | | | |
| 4 | Use the agreed budget to actively monitor and control performance for the respective area or activity of work. | | | | | | |
| 5 | 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. | | | | | | |
| 6 | Propose revisions to the budget, if necessary, in response to variances and/or significant or unforeseen developments and discuss and agree the revisions with the relevant people in the organisation. | | | | | | |
| 7 | Provide ongoing information on performance against the budget to relevant people in your organisation. | | | | | | |
| 8 | Advise the relevant people as soon as possible if you have identified evidence of potentially fraudulent activities. | | | | | | |
| 9 | Gather information from implementation of the budget to assist in the preparation of future budgets. | | | | | | |

DO = Direct Observation
EW = Expert Witness

RA = Reflective Account
P = Product (Work)

Q = Questions
WT = Witness Testimony

Behaviours which underpin effective performance

- 1 Present information clearly, concisely, accurately and in ways that promote understanding.
- 2 Act within the limits of your authority.
- 3 Show integrity, fairness and consistency in decision-making.
- 4 Say no to unreasonable requests.
- 5 Use communication styles that are appropriate to different people and situations.
- 6 Take and implement difficult and/or unpopular decisions, if necessary.
- 7 Respond quickly to crises and problems with a proposed course of action.

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To be completed by the candidate

I submit this as a complete Unit

Candidate's name:

Candidate's signature:

Date:

To be completed by the assessor

It is a shared responsibility of both the candidate and assessor to claim evidence, however, it is the responsibility of the assessor to ensure the accuracy/validity of each evidence claim and make the final decision.

I certify that sufficient evidence has been produced to meet all the Elements, PCs and Knowledge of this Unit.

Assessor's name:

Assessor's signature:

Date:

Assessor/internal verifier feedback

To be completed by the internal verifier if applicable.

This section only needs to be completed if the Unit is sampled by the internal verifier.

Internal verifier's name:

Internal verifier's signature:

Date: