

H7YF 04 (CFAM&LEA3) — Manage the Use of Financial Resources

Overview

This standard is about managing financial resources in order to achieve the objectives for your organisation or your area of responsibility.

This standard is for managers and leaders who manage financial resources for their organisation or a major area of responsibility, project or programme of work.

This standard links to *CFAM&LEA1 Identify and justify requirements for financial resources* and *CFAM&LEA2 Obtain financial resources*.

It also links to standards on strategic and operational management, such as, *CFAM&LFA1 Implement and evaluate strategic business plans*, *CFAM&LFA2 Implement operational plans*, *CFAM&LFA4 Manage programmes* and *CFAM&LFA5 Manage projects*.

CFAM&LEA4 Manage budgets is for those who manage financial resources for more limited areas of work or projects.

Additional Information

Behaviours

When performing to this standard, you are likely to demonstrate the following behaviours:

- 1 Recognise changes in circumstances promptly and adjust plans and activities accordingly.
- 2 Present information clearly, concisely, accurately and in ways that promote understanding.
- 3 Keep people informed of plans and developments in a timely way.
- 4 Comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes.
- 5 Act within the limits of your authority.
- 6 Identify and raise ethical concerns.
- 7 Accurately calculate risks, and make provision so that unexpected events do not impede the achievement of objectives.
- 8 Clearly agree what is expected of others and hold them to account.
- 9 Monitor the quality of work and progress against plans and take appropriate corrective action, where necessary.
- 10 Make effective use of existing sources of information.
- 11 Check the accuracy and validity of information.
- 12 Communicate clearly the value and benefits of a proposed course of action.
- 13 Work towards win-win solutions.
- 14 Identify the implications or consequences of a situation.
- 15 Specify the assumptions made and risks involved in understanding a situation.
- 16 Take and implement difficult and/or unpopular decisions, if necessary.

Skills

When performing to this standard, you are likely to demonstrate the following skills:

- ◆ Analysing
- ◆ Communicating
- ◆ Contingency planning
- ◆ Delegating
- ◆ Evaluating
- ◆ Forecasting
- ◆ Information management
- ◆ Involving others
- ◆ Monitoring
- ◆ Negotiating
- ◆ Planning
- ◆ Presenting information
- ◆ Problem solving
- ◆ Reporting
- ◆ Risk management
- ◆ Valuing and supporting others

Performance Criteria — What you do in your job

You must provide evidence to meet all the 13 Performance Criteria for this Unit. The Performance Criteria are grouped under headings to assist you with planning how best to meet these points.

Place the number of the piece of work where this Performance Criteria has been met in the evidence box after each criteria.

	Performance Criteria	Evidence Number where this criteria has been met
1	Confirm your financial responsibilities, including the limits of your authority, with those to whom you report.	
2	Engage key stakeholders in managing finance to achieve objectives for your organisation or area of responsibility.	
3	Gather and evaluate available financial information and the objectives and associated plans and identify priorities, potential problems and risks.	
4	Identify and make use of opportunities to delegate responsibility for budgets for clearly defined activities to colleagues, providing them with the required ongoing support and resources.	
5	Discuss and, if appropriate, negotiate delegated budgets with colleagues and agree provisional budgets.	
6	Develop a realistic master budget for your organisation or area and submit it for approval by those with decision-making responsibility for budgets, clearly specifying assumptions made, risks involved and how these will be managed.	
7	Discuss and, if appropriate, negotiate the proposed master budget with those with decision-making responsibility and communicate the final budget to colleagues in your area.	
8	Establish systems to monitor and evaluate performance against delegated budgets and the master budget and put contingency plans in place.	

	Performance Criteria	Evidence Number where this criteria has been met
9	Identify the causes of any significant variances between what was budgeted for and what actually happened and discuss and ensure prompt corrective action is taken, obtaining agreement from those with decision-making responsibility, if required.	
10	Propose revisions to the master 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.	
11	Provide ongoing information on the financial performance of your area to those with decision-making responsibility.	
12	Advise relevant people promptly if you have identified evidence of any potentially fraudulent activities.	
13	Review the financial performance of your organisation or area and identify improvements to be implemented in the future.	

Knowledge and Understanding — Why and how you do what you do in your job

You must provide evidence of your knowledge and understanding to meet all the 29 knowledge points for this Unit. The knowledge points are grouped under headings to assist you with planning how best to meet them.

Place the number of the piece of work where each knowledge point has been met in the 'evidence number' box after each point.

General knowledge and understanding

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
1	The purposes of budgetary systems.	
2	The importance of agreeing your financial responsibilities, including the limits of your authority, with those to whom you report.	
3	Where to get and how to evaluate the available financial information in order to be able to prepare a realistic master budget for your area.	
4	The importance of taking account of the objectives and associated plans of your area in developing and operating the master budget.	
5	How to identify opportunities and delegate responsibility for budgets.	
6	The importance of consulting with colleagues in identifying priorities, potential problems and risks and generally preparing the budget for your area.	
7	How to discuss, negotiate and confirm budgets with colleagues in your area and with people who control the finance and the key factors that should be covered.	
8	How to establish systems to monitor and evaluate performance against budgets.	
9	The importance of contingency plans and the type of contingencies that may occur.	

General knowledge and understanding (cont)

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
10	The main causes of variances and how to identify them.	
11	What different types of corrective action could be taken to address identified variances.	
12	The importance of agreeing revisions to the budget and communicating the changes.	
13	The importance of providing regular information on the financial performance of your area to relevant people and what they might want to know.	
14	Types of fraudulent activities and how to identify them.	
15	How to review the financial performance of your area against the stated objectives.	

Industry/sector specific knowledge and understanding

16	Factors, trends and developments that are likely to affect financial management in your industry/sector.	
17	Legal, regulatory and ethical requirements in the industry/sector.	

Context specific knowledge and understanding

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
18	The scope and nature of your area of responsibility including the vision, objectives and operational plans.	
19	Your financial responsibilities, including the limits of your authority.	
20	Those with budgetary responsibility in your organisation.	
21	Financial information available in your organisation.	
22	Activities for which budgets have been delegated.	
23	The budgeting periods used in your organisation.	
24	Organisational guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting of performance against budgets and revising budgets.	
25	The agreed master budget for your area, including delegated budgets.	
26	Systems established for managing and evaluating performance against budgets.	
27	Contingency plans put in place.	
28	What to do and whom to contact if you suspect fraud has been committed.	
29	Who needs information on the financial performance of your area, what information they need, when they need it and in what format.	

The candidate and assessor must only sign below when all Performance Criteria and knowledge points have been met.

Unit assessed as being complete

Candidate's name	
Candidate's signature	
Date submitted to Assessor as complete	

Assessor's name	
Assessor's signature	
Date assessed complete	

Internal Verification

To be completed in accordance with centre's internal verifier (IV) strategy.

Evidence for this Unit was sampled on the following date/s	Internal verifier's signature	Internal verifier's name

This Unit has been subject to an admin check in keeping with the centre's IV strategy.

Date of admin check	Internal verifier's signature	Internal verifier's name

Unit completion confirmed

Internal verifier's name	
Internal verifier's signature	
Date completed	