

Modification history

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture, Conservation and Land Management Training Package Version 4.0.

AHCBUS508XX	Prepare and monitor budgets and financial reports
Application	<p>This unit of competency describes the skills and knowledge required to prepare and monitor budgets, and produce financial reports.</p> <p>This unit applies to individuals who take personal responsibility and exercise autonomy in undertaking complex work. They must analyse information and exercise judgement to complete a range of advanced skilled activities.</p> <p>All work must be carried out to comply with organisational requirements, work health and safety legislation and codes and in consultation with the management team.</p> <p>No occupational licensing, legislative or certification requirements are known to apply to this unit at the time of publication.</p>
Prerequisite Unit	Nil
Unit Sector	Business (BUS)

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Prepare a budget	1.1 Obtain information on past receipts and payments and compare to current prices and cost trends 1.2 Prepare gross margin projections for each production enterprise of the business 1.3 Identify projected non-enterprise income and overhead costs for the business 1.4 Identify projected capital-based income and costs for the business 1.5 Prepare a plan for a period which allows for expected income and expenditure, using the 'most likely' prices and costs 1.6 Ensure the plan allows the business to meet financial reporting requirements
2. Implement and monitor a budget	2.1 Monitor receipts and payments and reconcile against the original budget 2.2 Allocate funds in accordance with budget objectives and parameters 2.3 Identify variances against the original plan and calculate the impact on overall profit and loss and cash flow 2.4 Make adjustments to the original plan for the remainder of the budget period where necessary to respond to unacceptable variations 2.5 Renegotiate and restructure budgets and plans to optimise enterprise performance
3. Prepare financial report	3.1 Maintain records of financial performance 3.2 Assemble information with source documents according to the requirements of the report recipient 3.3 Prepare financial reports to meet both management and legislative requirements 3.4 Forward documentation to management in a timely and efficient manner

Foundation Skills	
<i>This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.</i>	
Skill	Description
Numeracy	<ul style="list-style-type: none"> Determine trends in financial activity and forecast future expenditure

Unit Mapping Information			
Code and title current version	Code and title previous version	Comments	Equivalence status
AHCBUS508XX Prepare and monitor budgets and financial reports	AHCBUS508 Prepare and monitor budgets and financial reports	Foundation skills added. Assessment requirements updated.	Equivalent unit

Links
Companion Volumes, including Implementation Guides, are available at VETNet: https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72

TITLE	Assessment requirements for AHCBUS508XX Prepare and monitor budgets and financial reports
Performance Evidence	
An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit. There must be evidence that the individual has prepared and monitored the budget of at least one business activity, and prepared a financial report that covers at least six months of business activity.	

Knowledge Evidence	
An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:	
<ul style="list-style-type: none"> • how budgets and financial reports are formulated and presented • audience for financial reports, including: <ul style="list-style-type: none"> • taxation office • financing agencies • boards of management • committees • councils • executive management • financial management systems used within the business • budget analysis and reporting processes • standards for organisational recordkeeping and audit requirements. 	

Assessment Conditions	
Assessment of skills must take place under the following conditions:	
<ul style="list-style-type: none"> • physical conditions: <ul style="list-style-type: none"> • skills must be demonstrated in an environment that accurately represents workplace conditions • resources, equipment and materials: <ul style="list-style-type: none"> • access to financial records for a business. <p>Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.</p>	

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