

# SCDLMCSE8

## Manage finance for your area of responsibility



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### Overview

This unit is about managing finance in order to achieve the stated objectives for your area of responsibility. It involves developing and agreeing a master budget for your area and using this to monitor, evaluate and control performance and take action to deal with identified variances.

Delegating responsibility for budgets for clearly defined activities is a key aspect of this unit.

The 'area of responsibility' may be, for example, a branch or department or functional area or an operating site within an organisation.

# SCDLMCSE8

## Manage finance for your area of responsibility

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### Performance criteria

- You must be able to:*
- P1 you confirm your financial responsibilities, including the limits of your authority, with those to whom you report
  - P2 you gather and evaluate available financial information and the objectives and associated plans for your area and consult with colleagues to identify priorities, potential problems and risks
  - P3 you identify and make use of opportunities to delegate responsibility for budgets for clearly defined activities to colleagues in your area, providing them with the required ongoing support and resources
  - P4 you discuss and, if appropriate, negotiate delegated budgets with colleagues and agree provisional budgets
  - P5 you consult on and develop a realistic master budget for your area and submit it to the relevant people in the organisation for approval and to assist the overall financial planning process
  - P6 you discuss and, if appropriate, negotiate the proposed master budget for your area with the relevant people in the organisation and communicate the final budget to colleagues in your area
  - P7 you establish systems to monitor and evaluate performance against delegated budgets and the master budget and put contingency plans in place
  - P8 you 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 the relevant people if required
  - P9 you 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 the relevant people
  - P10 you provide ongoing information on the financial performance of your area to relevant people in your organisation
  - P11 you advise the relevant people as soon as possible if you have identified evidence of any potentially fraudulent activities
  - P12 you encourage colleagues in your area to think about and identify ways of reducing expenditure and increasing income, selecting and pursuing those ideas which have potential for implementation
  - P13 you review the financial performance of your area, particularly in relation to achievement of the stated objectives, and identify improvements for the future

# SCDLMCSE8

## Manage finance for your area of responsibility

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### Knowledge and understanding

*You need to know and understand:*

#### Legislation and policy

- K1 legal, regulatory and ethical requirements in the industry/sector
- K2 the scope and nature of your area of responsibility including the vision, objectives and operational plans
- K3 your financial responsibilities, including the limits of your authority
- K4 the people you report to in your organisation
- K5 financial information available in your organisation
- K6 activities for which budgets have been delegated
- K7 the budgeting period(s) used in your organisation
- K8 organisational guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting of performance against budgets and revising budgets
- K9 the agreed master budget for your area, including delegated budgets
- K10 contingency plans put in place
- K11 what to do and who to contact if you suspect fraud has been committed
- K12 who needs information on the financial performance of your area, what information they need, when they need it and in what format

#### Leadership and management theory and practice

*You need to know and understand:*

- K13 systems established for managing and evaluating performance against budgets
- K14 factors, processes and trends that are likely to affect financial management in your industry/sector
- K15 the purposes of budgetary systems
- K16 the importance of agreeing financial responsibilities, including the limits of your authority, for your area with those to whom you report
- K17 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
- K18 the importance of taking account of the objectives and associated plans of your area in developing and operating the master budget
- K19 how to identify opportunities and delegate responsibility for budgets
- K20 the importance of consulting with colleagues in identifying priorities, potential problems and risks and generally preparing the budget for your area
- K21 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
- K22 how to establish systems to monitor and evaluate performance against budgets
- K23 the importance of contingency plans and the type of contingencies that may occur

## SCDLMCSE8

### Manage finance for your area of responsibility

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- K24 the main causes of variances and how to identify them
- K25 what different types of corrective action could be taken to address identified variances
- K26 the importance of agreeing revisions to the budget and communicating the changes
- K27 the importance of providing regular information on the financial performance of your area to relevant people and what they might want to know
- K28 types of fraudulent activities and how to identify them
- K29 how to encourage colleagues to think about ways of reducing expenditure and increasing income
- K30 how to review the financial performance of your area against the stated objectives

# SCDLMCSE8

## Manage finance for your area of responsibility

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### Additional Information

#### Scope/range

Your **knowledge and understanding** for this unit relates to legal and organisational requirements for care services; employer and employee codes of practice and conduct within care services; the depth and breadth of understanding that will enable you to lead and manage care services effectively, support workers to perform competently, ensure the well being of all within your provision, critically evaluate, assess and intervene appropriately to resolve issues and conflicts and the need to understand and work in collaboration with people, workers and relevant others within and outside your provision to ensure its viability into the short, medium and longer term future.

Competent leadership and management 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 leadership and management in the performance described in this unit.

#### Behaviours

- 1 You act within the limits of your authority.
- 2 You are vigilant for potential risks.
- 3 You develop systems to gather and manage information and knowledge effectively, efficiently and ethically.
- 4 You clearly agree what is expected of others and hold them to account.
- 5 You respond quickly to crises and problems with a proposed course of action.
- 6 You comply with, and ensure others comply with, legal requirements, industry regulations, organizational policies and professional codes.
- 7 You prioritise objectives and plan work to make best use of time and resources.
- 8 You use communication styles that are appropriate to different people and situations.
- 9 You take and implement difficult and/or unnecessary decisions, if necessary.

#### Skills

Listed below are the main generic skills which need to be applied in managing finance for your area of responsibility. These skills are explicit/implicit in the detailed content of the unit and are listed here as additional information.

- 1 Communicating
- 2 Decision making
- 3 Questioning
- 4 Consulting

# SCDLMCSE8

## Manage finance for your area of responsibility

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- 5 Monitoring
- 6 Assessing
- 7 Delegating
- 8 Acting assertively
- 9 Valuing and supporting others
- 10 Negotiating
- 11 Contingency planning
- 12 Information management
- 13 Problem solving
- 14 Thinking systematically
- 15 Leadership
- 16 Motivating
- 17 Planning
- 18 Prioritising

### External Links

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

# SCDLMCSE8

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**Developed by** Skills for Care & Development

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**Version number** 1

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**Date approved** July 2008

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**Indicative review date** July 2010

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**Validity** Current

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**Status** Tailored

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**Originating organisation** Skills for Care & Development

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**Original URN** MSC E2

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**Relevant occupations** Health and Social Care; Health and Social Care; Managers and Senior Officials; Managers and Senior Officials; Health and Social Services Officers; Health and Social Services Officers; Childcare and Related Personal Services; Childcare and Related Personal Services

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**Suite** Leadership and Management for Care Services

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**Key words** master budget, monitor, evaluate, variances

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