
Overview

This unit is about having ownership of, and being responsible for, a budget for a defined area of activity or 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.

There is one element

- 1 Manage a budget

Target Group

This unit is recommended for those in operational and managerial roles with responsibility for managing a budget.

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Performance criteria

You must be able to:

- P1 evaluate available information and consult with others to prepare a realistic budget for the respective area or activity of work
- P2 submit the proposed budget to the relevant people in the organisation for approval, and assist with the overall financial planning process
- P3 discuss and, if appropriate, negotiate the proposed budget, with the relevant people in the organisation and agree the final budget
- P4 use the agreed budget to actively monitor and control performance for the respective area of activity or work
- P5 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
- P6 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
- P7 provide ongoing information on performance against the budget to relevant people in the organisation
- P8 advise relevant people as soon as possible if you have identified evidence of potentially fraudulent activities
- P9 gather information from implementation of the budget to assist in the preparation of future budgets
- P10 present information clearly, concisely, accurately and in ways that promote understanding
- P11 act within the limits of your authority
- P12 show integrity, fairness and consistency in decision-making
- P13 say no to unreasonable requests
- P14 use communication styles that are appropriate to different people and situations
- P15 take and implement difficult and/or unpopular decisions, if necessary
- P16 respond quickly to crises and problems with a proposed course of action

Knowledge and understanding

You need to know and understand:

- K1 the purposes of budgetary systems
- K2 from where to obtain, and how to evaluate, the available information necessary to prepare a realistic budget
- K3 the importance of spending time on and consulting with others in preparing a budget
- K4 how to discuss, negotiate and confirm a budget with people who control the finance and the key factors that should be covered
- K5 how to use a budget to actively monitor and control performance for a defined area or activity of work
- K6 the main causes of variances and how to identify them
- K7 what different types of corrective action which could be taken to address identified variances
- K8 how unforeseen developments can affect a budget and how to deal with them
- K9 the importance of agreeing revisions to the budget and communicating the changes
- K10 the importance of providing regular information on performance against the budget to other people
- K11 types of fraudulent activities and how to identify them
- K12 the importance of using the implementation of the budget to identify information and lessons for the preparation of future budgets

Justice sector specific knowledge and understanding

You need to know and understand:

- K13 factors, processes and trends that are likely to affect the setting of budgets in the justice sector

Context specific knowledge and understanding

You need to know and understand:

- K14 the area or activity for which the budget is for
- K15 the vision, objectives and operational plans for your area of responsibility
- K16 the budgeting period(s) used in the organisation
- K17 organisational guidelines and procedures for the preparation and approval of budgets, and for monitoring and reporting of performance against budgets and revising budgets
- K18 the agreed budget, how it can be used and how much it can be changed without approval
- K19 the limits of your authority
- K20 who needs information in the organisation about performance against the budget, what information they need, when they need it and in what format
- K21 what to do and who to contact if you suspect fraud has been committed

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Additional Information

Links to external NOS

This unit is imported from the Management Standards Centre (MSC) suite of standards.

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Developed by	Skills for Justice
Version number	1
Date approved	January 2008
Indicative review date	January 2010
Validity	Current
Status	Original
Originating organisation	Skills for Justice
Original URN	SfJ HE1
Relevant occupations	Public Services; Public Service and Other Associate Professionals;
Suite	Resettlement of Offenders
Key words	Budget, preparing, submitting, agreeing, operating period, actual performance, variances