



Assessment Tasks

Assessor Guide

BSBFIM501A: Manage budgets and financial plans

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Assessment Documentation

This Assessor Guide is designed to provide standardised documentation and assessment procedure for the assessment processes conducted by this RTO.

The assessment tools that are used by you (the assessor) will result in evidence being generated by the student targeting this unit of competency. The evidence is kept by the RTO and is required for audit purposes.

The following table summarises the types of evidence students can generate as proof of competence. The table contains information based on the AQF (Australian Qualifications Framework) Level for the unit **BSBFIM501A: Manage budgets and financial plans**. Sample assessment tools have been suggested as a means of assisting students in generating the appropriate form of evidence for this unit.

AQF Level	Distinguishing Features (Source: AQF Implementation Handbook 2007: Guidelines)	Type of evidence to be used	Sample assessment tools
Diploma	<ul style="list-style-type: none">▪ Demonstrate understanding of a broad knowledge base incorporating theoretical concepts, with substantial depth in some areas▪ Analyse and plan approaches to technical problems or management requirements▪ Transfer and apply theoretical concepts and/or technical or creative skills to a range of situations▪ Evaluate information using it to forecast for planning or research purposes▪ Take responsibility for own outputs in relation to specified quality standards▪ Take some responsibility for the achievement of group outcomes	<ul style="list-style-type: none">▪ Workplace achievement▪ Answers to case study▪ Work samples from a range of areas▪ Practical demonstration▪ Role playing a specific process▪ Log book▪ Photographs / videos▪ Third party report	<ul style="list-style-type: none">▪ Performance checklist for demonstrations / role plays▪ Case study scenarios and questions with benchmark answers▪ End product summary checklist▪ Written/oral questions and benchmark answers

The assessment activities associated with the unit of competency **BSBFIM501A: Manage budgets and financial plans** are listed below:

Assessment 1: Written	<ul style="list-style-type: none">▪ Written answers to questions
Assessment 2: Project	<ul style="list-style-type: none">▪ Written responses to tasks
Assessment 3: Project	<ul style="list-style-type: none">▪ Written responses to tasks

Assessment Information

The candidate has been given the following information

This guide contains all of the assessment tasks required for completion of unit of competency **BSBFIM501A: Manage budgets and financial plans**.

Prior to commencing the assessments your assessor will explain each task to you. You will be given the opportunity to ask questions and to seek clarification on any of the tasks, and your assessor will remain available to support you through the assessment process.

Your assessor is also available to discuss Recognition of Prior Learning and whether this applies to your circumstances.

Terms and conditions

Submitting your evidence portfolio

You are recommended to seek the advice of your assessor when putting together your evidence portfolio in order to confirm that you have provided sufficient evidence of competency.

You should note that your evidence portfolio must be retained by the Registered Training Organisation for audit purposes and will not be returned to you. If you wish to keep any evidence, you should make a copy prior to submission for assessment. You are advised to make sure you clearly label each answer and task and complete all sections of each assessment.

If possible, you should also submit copies of any workplace documents that may be relevant to this unit of competency. In this case you will need to gain approval to provide the copies from your employer.

Ownership and plagiarism

You are advised by accepting these terms and conditions you have declared the evidence that you submit is your own work or the result of your own research. By signing the declaration below you acknowledge your assessment is your own and contains no material written by another person except where due reference is made. Note that if you quote any source in your evidence, you must provide a reference to the source in order to ensure that you do not breach Copyright legislation. You need to be aware that a false declaration may lead to the withdrawal of a qualification.

Re-submission of your evidence portfolio

If your evidence meets the requirements of the unit of competency you will be assessed as Competent (**C**) in this unit. If your evidence does not meet the requirements of the unit of competency you will be assessed as Not Yet Competent (**NYC**). If you are assessed NYC, it is important to discuss your re-submission with your assessor as you will be given one opportunity only to revise and re-submit your evidence portfolio.

Candidate's declaration of original authorship

The candidate is required to sign the following declaration in the Candidate copy of this Assessment.

I declare that this assessment is my own and contains no material written by another person except where due reference is made. I am aware that a false declaration may lead to the withdrawal of a qualification

BSBFIM501A: Manage budgets and financial plans

Elements

1. Plan financial management approaches

Performance Criteria (PC):

- 1.1 Access budget/financial plans for the work team
- 1.2 Clarify budget/financial plans with relevant personnel within the organisation to ensure that documented outcomes are achievable, accurate and comprehensible
- 1.3 Negotiate any changes required to be made to budget/financial plans with relevant personnel within the organisation
- 1.4 Prepare contingency plans in the event that initial plans need to be varied

2. Implement financial management approaches

Performance Criteria (PC):

- 2.1 Disseminate relevant details of the agreed budget/financial plans to team members
- 2.2 Provide support to ensure that team members can competently perform required roles associated with the management of finances
- 2.3 Determine and access resources and systems to manage financial management processes within the work team

3. Monitor and control finances

Performance Criteria (PC):

- 3.1 Implement processes to monitor actual expenditure and to control costs across the work team
- 3.2 Monitor expenditure and costs on an agreed cyclical basis to identify cost variations and expenditure overruns
- 3.3 Implement, monitor and modify contingency plans as required to maintain financial objectives
- 3.4 Report on budget and expenditure in accordance with organisational protocols

4. Review and evaluate financial management processes

Performance Criteria (PC):

- 4.1 Collect and collate for analysis, data and information on the effectiveness of financial management processes within the work team
- 4.2 Analyse data and information on the effectiveness of financial management processes within the work team and identify, document and recommend any improvements to existing processes
- 4.3 Implement and monitor agreed improvements in line with financial objectives of the work team and the organisation

Required Skills

- RS 1. •numeracy skills to read and understand a budget and to update a budget
RS 2. •technology skills to use software associated with financial record keeping.

Required Knowledge

- RK 1. •basic accounting principles
RK 2. •organisational requirements related to financial management
RK 3. •relevant legislation and current requirements of the Australian Taxation Office, including GST
RK 4. •requirements for organisational record keeping and auditing
RK 5. •principles and techniques involved in:
 - budgeting
 - cash flows
 - electronic spreadsheets
 - GST
 - ledgers and financial statements
 - profit and loss statements

Critical aspects of evidence

Evidence of the following is essential:

- CAE 1. •financial skills required to work with and interpret budgets, ageing summaries, cash flow, petty cash, GST, and profit and loss statements
- CAE 2. •knowledge of the record keeping requirements for the ATO and for auditing purposes

Employability Skills

Industry and enterprise requirements for the qualification:

- ES 1. Communication
- conducting research to collect and analyse information in a range of reports
 - consulting with others to develop a range of plans and reports
 - liaising with stakeholders and promoting participative workplace arrangements
 - negotiating solutions to new and emerging issues
- ES 2. Teamwork
- contributing to the development of other team members
 - providing feedback on team performance to colleagues and managers
- ES 3. Problem solving
- applying risk management processes to business operations
 - assessing financial viability of new opportunities and matching organisational capability with market needs
- ES 4. Initiative and enterprise
- encouraging creative and innovative workplace solutions
 - identifying new and emerging opportunities for the business and developing strategies to capitalise on them
 - managing, fostering and facilitating change
- ES 5. Planning and organising
- developing systems that are flexible and responsive to changing circumstances
 - planning for contingencies and performance of staff and systems
- ES 6. Self management
- dealing with contingencies
 - managing own time and priorities
 - taking responsibility as required by work role and ensuring all organisational policies and procedures are adhered to
- ES 7. Learning
- assisting others to acquire new knowledge and skills to improve team and individual performance
- ES 8. Technology
- using electronic communication devices and processes such as internet, intranet, email to produce written correspondence and reports
 - using technology to assist the management of information and to assist the planning process

Candidates targeting unit **BSBFIM501A: Manage budgets and financial plans** need to complete all formative activities in preparation for the three summative assessment activities required for this unit.

The candidate is provided with instructions for each of the summative assessment activities in her/his assessment task book.

If at any stage of the assessments, you believe that the safety of anyone is in jeopardy, you should abort the assessment session.

Assessment 1: Written Test

The following instructions have been provided to the candidate.

Instructions to Candidate

You are required to answer the following questions to confirm your knowledge in relation to unit **BSBFIM501A: Manage budgets and financial plans**.

You may refer to your training materials and other research while completing the answers.

Write your answers in the spaces below using a blue or black pen. Alternatively type a document and provide a printed copy. If you re-type the document, repeat each question in the document and type your answer under the question.

Instructions to Assessor: Written Benchmark Answers

The following answers are supplied for you (the assessor). Please ensure when marking the candidate's work that you adhere to the prescribed answers. The benchmark answers in the following table are intended as a guide to ensure consistency of assessment.

Questions and benchmark answers	Mapping
Question 1. Explain the following accounting assumptions or principles: <ul style="list-style-type: none">Entity assumptionMonetary assumptionHistorical cost assumptionAccounting period assumption	
<i>Answer should indicate the following:</i> <ul style="list-style-type: none">Entity assumption- The business is an entity or body separate from the ownersMonetary assumption- All transactions are recorded in a common monetary unit i.e. Australian dollars and centsHistorical cost assumption- All transactions are recorded as they occur. The record reflects their original cost at the time of purchase.Accounting period assumption- The life of the business is divided into financial arbitrary time periods i.e. 12 months	RK 1
Question 2. The accounting equation is a relationship at a certain date. Write the accounting equation using a symbolic format.	
$A = L + OE (C)$ or $OE (C) = A - L$	RK 1
Question 3. Which financial report evidences the accounting equation in financial terms?	
Balance Sheet.	RK 1
Question 4. What is the purpose of a profit and loss (or income and expenditure) statement?	
<i>Answer should indicate the following:</i> It is a report on the revenue (income) and expenses for a certain period of time. The report evidences the profit or loss difference between the revenue (income) and expenses.	RK 1, RK 5

Questions and benchmark answers	Mapping
Question 5. Name the five groups of accounts and identify if their accounting nature is a credit or debit.	
Assets- Debit Liabilities- Credit Capital (Owner's Equity)- Credit Revenue (Income)- Credit Expenses- Debit	RK 1
Question 6. Explain the principle of double entry accounting.	
<i>Answer should indicate the following:</i> An amount is recorded as a credit with an equal entry recorded as a debit.	RK 1
Question 7. Describe the 2 functions of financial management?	
<i>Answer should indicate the following:</i> <ul style="list-style-type: none"> To provide management with accurate and timely information to help make planning decisions To analyse financial information and report on the operating results and overall financial position of the organisation for the reporting period 	RK 2
Question 8. Financial management of an organisation requires accounting systems and processes to be established. Describe 3 aims of an effective and efficient accounting system.	
<i>Answer should identify 3 of the following points:</i> An accounting system aims to: <ul style="list-style-type: none"> Provide useful information to end users Allow planned objectives to be achieved Adhere to established procedures and accounting standards Instigate adequate controls Allow for delegation of duties Allow the workload to be shared Allow accurate and complete records to be kept. 	RK 2
Question 9. There are a number of Australian Taxation Office legal requirements that an organisation needs to comply with. Name 4 legislated areas that may affect the financial obligations of an organisation.	
<i>Answer should identify 4 of the following points:</i> <ul style="list-style-type: none"> Income Tax Laws Corporations Tax Laws Fringe Benefits Tax Laws Superannuation Laws Goods and Services Tax Laws Excise (Customs) Laws 	RK 3

Questions and benchmark answers	Mapping
Question 10. It is a legal requirement to keep business paper and electronic records. Explain the legal compliance conditions relating to record retention and language.	
<p><i>Answer should indicate the following:</i></p> <ul style="list-style-type: none"> Business records need to be held for 5 years after they are prepared, obtained or the transactions completed, whichever occurs latest You will have to keep records for longer than 5 years if you use information from those records in a later tax return – for example, if you claim a loss carried forward from a business activity in an earlier year. Under these circumstances, you must keep the records until the end of any period of review for that later return. You may also need to keep records relating to assets for capital gains tax purposes for a longer period Business records need to be in English or in a form that can be accessed and understood in order to work out the amount of tax liability. 	RK 4, CAE 2
Question 11. There are other business reasons for ensuring good record keeping practices. Name 3 benefits or uses for maintaining accurate business records.	
<p><i>Answer should identify 3 of the following points:</i></p> <p>Other reasons for keeping good business records are to:</p> <ul style="list-style-type: none"> Make it easier to complete business activity statements (BAS) and prepare the annual income tax and fringe benefits tax returns Monitor the health of the business and be able to make sound business decisions – for example, by keeping track of debtors and creditors Help manage the business cash flow Demonstrate the financial position of the business to banks and other lenders, and also to prospective buyers of the business Show the basis for any amendments on business activity statements or tax returns that have been lodged. 	RK 4
Question 12. When a financial audit is conducted in an organisation, the external auditors may refer to 2 sets of Australian Standards. What are the names of these standards?	
<ul style="list-style-type: none"> Australian Accounting Standards Australian Auditing Standards 	RK 4, CAE 2
Question 13. In a financial audit of an organisation, the auditors review documents and systems to ensure they are able to detect any signs of 3 specific items. Name the items.	
<p><i>Answer should indicate the following:</i></p> <p>Detection of:</p> <ul style="list-style-type: none"> Fraud Technical record keeping errors Errors of accounting principles 	RK 4, CAE 2
Question 14. Name the 3 financial areas that are reviewed in an internal audit?	
<p><i>Answer should indicate the following:</i></p> <ul style="list-style-type: none"> The quality and effectiveness of the accounting system The administrative internal controls Compliance by staff. 	RK 4, CAE 2
Question 15. Budgeting has a significant role in managing an organisation. Define the role of a budget.	
<p><i>Answer should indicate the following:</i></p> <p>A financial plan of estimated performance.</p>	RK 5

Questions and benchmark answers	Mapping
Question 16. Name the 3 main types of financial budgets.	
<p><i>Answer should indicate the following:</i></p> <ul style="list-style-type: none"> • Master budget • Operational budget • Cash flow budget 	RK 5
Question 17. Briefly explain the 4 functions of the budgeting process. Describe the purpose of each function.	
<p><i>Answer should indicate the following:</i></p> <ul style="list-style-type: none"> • Planning- Budgets identify the goals and targets of the business which enables management to look ahead and be ready for changing conditions. • Organising- A budget shows what resources are required and the interrelationship of differing areas of the organisation. • Motivating- Budgets communicate the goals of the business and provide an objective for each member of the organisation to aim towards. • Controlling/Evaluation- Actual figures are compared with budgeted figures to evaluate how closely performance matched estimated performance. Evaluations should be conducted regularly to identify areas requiring corrective action. 	RK 5
Question 18. There are 2 main items measured in a cash flow budget. What are they?	
<p><i>Answer should indicate the following:</i></p> <p>Cash inflows and cash outflows</p>	RK 5
Question 19. What is the purpose of a cash flow budget?	
<p><i>Answer should indicate the following:</i></p> <p>To make sure the business will have sufficient cash available at the right time to pay its bills and meet its tax obligations.</p>	RK 5
Question 20. There are number of uses for electronic spreadsheets. They are frequently used as forward thinking tools for 'what if' situations. Name 3 financial planning 'what if' applications for spreadsheets.	
<p><i>Answer should identify 3 of the following points:</i></p> <ul style="list-style-type: none"> • Showing changes in master and cash budgets • Identifying the best asset depreciation method • Calculating inventory figures • Ratio analysis on financial report • Calculating profit models • Cost-profit-volume analysis • Capital budgeting 	RK 5, ES 8
Question 21. Not every business is required to register for GST. What is the turnover amount that a commercial business is allowed before they must register for GST?	
Less than \$75,000 p.a.	RK 5
Question 22. If you are registered for GST what percentage of tax must be added to GST applicable goods and services?	
10%	RK 5

Questions and benchmark answers	Mapping
Question 23. How does a business gain GST credits?	
<i>Answer should indicate the following:</i> From the GST paid on goods and services purchased by the business	RK 5
Question 24. What are the 3 GST reporting cycles for business activity statements (BAS)?	
<i>Answer should indicate the following:</i> Monthly, quarterly, yearly	RK 5
Question 25. What are the 2 groups of records that a business must maintain to prepare the business activity statements?	
<i>Answer should indicate the following:</i> Sales and purchase records	RK 5, CAE 2
Question 26. Only GST registered businesses can issue valid Tax Invoices. List 5 things that need to be displayed on a valid Tax Invoice that is more than \$1000.00.	
<i>Answer should identify 5 of the following points:</i> <ul style="list-style-type: none"> • Words 'Tax Invoice' • Supplier's name • ABN of the supplier • Date of issue • Description of each thing supplied • Total price, including GST • Statement that the total price includes GST (or GST shown separately). • Purchaser's name • Purchaser's ABN or address • Quantity of the things supplied. 	RK 5
Question 27. A ledger account is a record where all changes to a particular item are shown. What does the General Ledger contain?	
<i>Answer should indicate the following:</i> A General Ledger contains all the accounts of a business including control accounts for the subsidiary ledgers.	RK 5
Question 28. Name the 2 ledgers that are the subsidiary ledgers?	
Accounts payable (creditors) ledger and Accounts receivable (debtors) ledger	RK 5
Question 29. Name the 2 main financial statements of a business.	
Profit and loss (Revenue/Income) Statement and Balance Sheet	RK 5
Question 30. If a business records a profit or loss, what group of accounts are then increased or decreased by that value?	
Capital (owner's equity) accounts	RK 5
Total Questions	30

Assessment checklist – Assessor Note

Please complete the assessment checklist in the Candidate Guide to record the assessment process and outcome.

The checklist contains a declaration by the candidate as follows:

- The purpose and outcomes of the assessment have been explained.
- I have received information about the unit of competency.
- I understand the type of evidence to be collected.
- The appeals system has been explained to me.
- I have notified my assessor of any special needs that may need to be considered during the assessment.

The checklist contains a section for the assessor to record the following:

- Whether RPL / Accelerated progression is required
- Whether Language / Literacy / Numeracy support is required
- Any other special needs

SAMPLE

Assessment 2: Project

The following instructions have been provided to the candidate.

Instructions to Candidate

This activity is related to the unit of competency **BSBFIM501A: Manage budgets and financial plans**. In particular, you will be required to demonstrate your skills and knowledge in relation to this unit of competency.

You may refer to your training materials and other research if required. The activity may be completed in the workplace or a simulated workplace.

Your assessor will use a checklist to record the assessment decision.

Overview

Below are a number of practical tasks to be completed over a period of time in a real or simulated workplace where you will perform the duties of a **manager**. The times for completion of the tasks are to be negotiated between yourself and the assessor. The tasks will reflect your ability to:

Project: Planning and implementing financial management approaches

Your assessor will provide you with instructions and complete a checklist on which they will record your satisfactory performance of workplace tasks.

The Project Tasks table below identifies the documents that you are required to prepare and submit in your evidence portfolio. They may be presented in printed format in a folder or as an electronic copy.

Ensure both your name and student number is clearly displayed.

Instructions to Assessor

The following benchmarks are supplied for you (the assessor). Please ensure when marking the candidate's work that you adhere to the prescribed benchmarks which are intended as a guide to ensure consistency of assessment.

Project Tasks	Mapping
The following tasks may be completed as a workplace project based on your own organisation and job role, or as a simulated workplace project based on a fictitious organisation, or an organisation you are familiar with.	
<p>1. Using your current workplace or a simulated workplace where you are the manager, describe the following:</p> <ul style="list-style-type: none"> The name of the organisation and a description of the type of activities it conducts. The name of the team that you manage and a description of the activities it conducts. The type of team budgets or financial plans that you are responsible for implementing and monitoring. <p>Examples of budgets/financial plans may include:</p> <ul style="list-style-type: none"> Cash flow projections Long-term budgets/plans Operational plans Short-term budgets/plans Targets or key performance indicators for production, productivity, wastage, sales, income and expenditure <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> A description of the business, your team, and your budget/financial plan responsibilities. 	<p>RK 5 ES 1, 8</p>

Has the candidate met the following criteria for Task 1
<p><i>Candidate's responses may vary</i></p> <p>A document which:</p> <ul style="list-style-type: none"> Names an organisation, (business, government or community) and sufficiently describes the activities it conducts so that its purpose can be pictured Names the team within the organisation and sufficiently describes its activities Describes the type of team budgets or financial plans that the candidate implements and monitors. <p>Examples of budgets/financial plans may include:</p> <ul style="list-style-type: none"> Cash flow projections Long-term budgets/plans Operational plans Short-term budgets/plans Targets or key performance indicators for production, productivity, wastage, sales, income and expenditure

Project Tasks	Mapping
<p>2. Select one of the types of team budgets or financial plans from Task 1 that you are familiar with and are responsible for implementing. In a short report respond to the following:</p> <ul style="list-style-type: none"> • Explain the purpose of the team budget or financial plan • Explain the team budget/financial plan you selected in terms of: <ul style="list-style-type: none"> ○ Is it achievable? Briefly explain the reasons for your response. ○ Is it accurate? Briefly explain the reasons for your response. ○ Is it comprehensive? Briefly explain the reasons for your response. • Identify the areas that could be adjusted in order to make improvements in the team budget/financial plan selected and the reasons why adjustments need to be made. • Identify the role of the person (job title not their name) within the organisation who you would approach to discuss and clarify the team budget/financial plan • Explain the preparation and process steps you would need to follow in order to negotiate any changes in the team budget/financial plan <p>An example process may entail developing an alternative budget as well as analysing:</p> <ul style="list-style-type: none"> ○ Past budgets ○ Computer ledger account records ○ Budgeted outcomes ○ Other budget reporting requirements. • Identify the role of the person (job title not their name) within the organisation who you would approach to negotiate the necessary changes in order to make the team budget/financial plan achievable, accurate and comprehensive. <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> • A short report on a team budget/financial plan and the adjustments that are required and need to be negotiated. 	<p>PC 1.1-1.3 RS 1-2 RK 5 CAE 1 ES 1, 3, 5-6, 8</p>

Has the candidate met the following criteria for Task 2

Candidate's responses may vary

A short report explaining:

- The type and purpose of the team budget or financial plan selected from Task 1 responses.
Examples may include
 - Cash flow projections
 - Long-term budgets/plans
 - Operational plans
 - Short-term budgets/plans
 - Targets or key performance indicators for production, productivity, wastage, sales, income and expenditure
- An explanation including reasons on the team budget/financial plan's appearance in terms of being achievable, accurate, and comprehensive.
- A list of areas and the reasons why adjustments would make improvements in the team budget/financial plan.
- The organisational role/job title who could be approached to discuss and clarify the team budget/financial plan
- A list of preparation and process steps to negotiate changes in the team budget/financial plan. Candidates may discuss developing an alternative budget or analysis of:
 - Past budgets
 - Computer ledger account records
 - Budgeted outcomes
 - Other budget reporting requirements.
- The organisational role/job title who could be approached to negotiate necessary changes to make the team budget/financial plan achievable, accurate and comprehensive. Candidates may refer to:
 - Financial managers, accountants or financial controllers
 - Supervisors, other frontline managers

Project Tasks	Mapping
<p>3. A large part of a manager's function is planning. Planning includes preparing contingency plans in the event the initial plans need to be varied.</p> <ul style="list-style-type: none"> • Using the team budget/financial plan in Task 2, give an example of a situation or event that would cause a problem/issue during the implementation phase of the team budget/financial plan. • Explain the contingency plan you would implement. Your contingency plan should include: <ul style="list-style-type: none"> ○ The consequences if the situation or event occurred. ○ The steps you would take and the records you would consult in order to identify the required adjustments to the budget / financial plan. ○ The budget/financial plan adjustments that you would make. ○ The way that you would align the adjustments to achieve the original plan in Task 2. ○ The expected outcome if the contingency plan was implemented. <p>Examples of contingency plans may include:</p> <ul style="list-style-type: none"> ▪ Contracting out or outsourcing human resources and other functions or tasks ▪ Diversification of outcomes ▪ Finding cheaper or lower quality raw materials and consumables ▪ Increasing sales or production ▪ Recycling and re-using ▪ Rental, hire purchase or alternative means of procurement of required materials, equipment and stock ▪ Restructuring of organisation to reduce labour costs ▪ Risk identification, assessment and management processes ▪ Seeking further funding ▪ Strategies for reducing costs, wastage, stock or consumables ▪ Succession planning <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> • A report on the development of a contingency plan and its outcomes if implemented. 	<p>PC 1.4 RS 1-2 RK 5 ES 1, 3-6, 8</p>

Has the candidate met the following criteria for Task 3

Candidate's responses may vary

A report on contingency planning discussing:

- A scenario of an event that would cause a problem/issue during the implementation phase of the team plan in Task 2. Answers will vary depending on the scenario selected.
 - Designed a contingency plan, identifying:
 - The consequences if the situation or event occurred.
 - The steps that could be taken and the records consulted in order to identify the required adjustments to the budget/financial plan.
 - The budget/financial plan adjustments that would be made.
 - The alignment adjustments to achieve the original plan in Task 2.
 - The outcome of implementation of the contingency plan.
 - The contingency plan changes that could be implemented if the event occurred.
- Examples of contingency plans may include:
- Contracting out or outsourcing human resources and other functions or tasks
 - Diversification of outcomes
 - Finding cheaper or lower quality raw materials and consumables
 - Increasing sales or production
 - Recycling and re-using
 - Rental, hire purchase or alternative means of procurement of required materials, equipment and stock
 - Restructuring of organisation to reduce labour costs
 - Risk identification, assessment and management processes
 - Seeking further funding
 - Strategies for reducing costs, wastage, stock or consumables
 - Succession planning

Project Tasks	Mapping
<p>4. Before implementation of a budget/financial plan it is important that all members of the team who are impacted by the plan are involved in its formation and implementation.</p> <ul style="list-style-type: none"> • Using the team budget/financial plan from Task 2 or a similar plan, explain in a report: <ul style="list-style-type: none"> ○ The organisational process required to disseminate the relevant details of the agreed plan (not the contingency plan) ○ The steps taken to disseminate the information. Examples may include meetings, emails, tool box talks, etc. ○ The methods you would use to communicate and gain agreement on the details of the plan. ○ The team roles and responsibilities that you would allocate to your team before implementation of the budget/financial plan. <p>Examples of team roles may include:</p> <ul style="list-style-type: none"> ▪ Arranging for use of corporate credit cards ▪ Banking ▪ Debt collection ▪ Ensuring security, accuracy and currency of financial operations ▪ Invoicing clients, customers and consumers ▪ Maintaining journals, ledgers and other record keeping systems ▪ Maintaining petty cash system ▪ Purchasing and procurement ▪ Wages and salaries payments and record keeping ○ The feedback processes you would use to ensure that members of your team understand their roles, responsibilities and the objectives of the budget/financial plan. ○ The support methods or organisational processes you would use to ensure the team members are able to perform the financial management roles they are allocated <p>Examples of support may include:</p> <ul style="list-style-type: none"> ▪ Access to specialist advice ▪ Documentation of procedures ▪ Help desk or identified experts within the organisation ▪ Information briefings or sessions ▪ Intranet-based information ▪ Training including mentoring, coaching and shadowing ○ The identified resources and organisational systems you would access and how you would use them to manage the financial processes within the work team <p>Examples of resources and systems may include:</p> <ul style="list-style-type: none"> ▪ Hardware and software ▪ Human, physical or financial resources ▪ Record keeping systems (electronic and paper-based) ▪ Specialist advice or support. <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> • A report on the organisational processes, steps, team support mechanisms, and resources accessed and used to implement a budget/financial management plan. 	<p>PC 2.1-2.3 RS 1-2 RK 5 CAE 1 ES 1-2, 5-8</p>

Has the candidate met the following criteria for Task 4

Candidate's responses may vary

A report on the organisational processes, steps, team support mechanisms, and resources accessed and used to implement the team budget/financial management plan from Task 2 or a similar plan. The report should explain:

- The organisational process for disseminating details of the agreed plan (not the contingency plan)
- The steps to disseminate the information. Examples may include meetings, emails, tool box talks, etc.
- The communication methods used to gain agreement on the details of the plan.
- Allocation of the team roles and responsibilities before implementation of the budget/financial plan.

Examples of team roles may include:

- Arranging for use of corporate credit cards
 - Banking
 - Debt collection
 - Ensuring security, accuracy and currency of financial operations
 - Invoicing clients, customers and consumers
 - Maintaining journals, ledgers and other record keeping systems
 - Maintaining petty cash system
 - Purchasing and procurement
 - Wages and salaries payments and record keeping
- The feedback processes used to ensure the team understands their roles, responsibilities and the objectives of the budget/financial plan.
 - The types of support methods or organisational processes available to ensure team members are able to perform the financial management roles they are allocated

Examples of support may include:

- Access to specialist advice
 - Documentation of procedures
 - Help desk or identified experts within the organisation
 - Information briefings or sessions
 - Intranet-based information
 - Training including mentoring, coaching and shadowing
- A list of resources and organisational systems accessible and how they would be used to manage the financial processes within the work team
- Examples of resources and systems may include:
- Hardware and software
 - Human, physical or financial resources
 - Record keeping systems (electronic and paper-based)
 - Specialist advice or support.

Project Task	Mapping
The overall project task: Compile all the above documents together. They will be assessed separately and then assessed for overall readability, which includes use of appropriate grammar and punctuation in sentences and paragraphs.	ES 1, 8
Has the candidate met the following criteria for the overall project task Reports display appropriate readability by using appropriate grammar and punctuation in sentences and paragraphs.	

Assessment checklist – Assessor Note

Please complete the assessment checklist in the Candidate Guide to record the assessment process and outcome.

The checklist contains a declaration by the candidate as follows:

- The purpose and outcomes of the assessment have been explained.
- I have received information about the unit of competency.
- I understand the type of evidence to be collected.
- The appeals system has been explained to me.
- I have notified my assessor of any special needs that may need to be considered during the assessment.

The checklist contains a section for the assessor to record the following:

- Whether RPL / Accelerated progression is required
- Whether Language / Literacy / Numeracy support is required
- Any other special needs

Assessment 3: Project

The following instructions have been provided to the candidate.

Instructions to Candidate

This activity is related to the unit of competency **BSBFIM501A: Manage budgets and financial plans**. In particular, you will be required to demonstrate your skills and knowledge in relation to this unit of competency.

You may refer to your training materials and other research if required. The activity may be completed in the workplace or a simulated workplace.

Your assessor will use a checklist to record the assessment decision.

Overview

Below are a number of practical tasks to be completed over a period of time in a real or simulated workplace where you will perform the duties of a **manager**. The times for completion of the tasks are to be negotiated between yourself and the assessor. The tasks will reflect your ability to:

Project: Monitor, control, review and evaluate financial processes of the team's budget/financial plan.

Your assessor will provide you with instructions and complete a checklist on which they will record your satisfactory performance of workplace tasks.

The Project Tasks table below identifies the documents that you are required to prepare and submit in your evidence portfolio. They may be presented in printed format in a folder or as an electronic copy.

Ensure both your name and student number is clearly displayed.

Instructions to Assessor

The following benchmarks are supplied for you (the assessor). Please ensure when marking the candidate's work that you adhere to the prescribed benchmarks which are intended as a guide to ensure consistency of assessment.

Project Tasks	Mapping
The following tasks may be completed as a workplace project based on your own organisation and job role, or as a simulated workplace project based on a fictitious organisation, or an organisation you are familiar with.	
<p>1. After implementation of a budget/financial plan it is essential that you monitor actual expenditure and control costs across the financial activities of the work team.</p> <ul style="list-style-type: none"> • Using the team budget/financial plan from Task 2 of Assessment 2 or a similar plan, explain in a report: <ul style="list-style-type: none"> ○ The organisational processes available to monitor the work team's reports on actual expenses incurred in performance of their financial functions Examples to monitor actual expenses may include the use of : <ul style="list-style-type: none"> ▪ Bank statements ▪ Credit card statements ▪ Financial reports ▪ Invoices and receipts ▪ Ledgers and journals ▪ Logs ▪ Petty cash records ▪ Spreadsheet-based records ○ The organisational processes available to control the costs incurred by the work team in performance of their financial functions Examples of information reports used to control actual costs may include: <ul style="list-style-type: none"> ▪ Assets ▪ Consumables ▪ Equipment ▪ Expenditure ▪ Income ▪ Stock ▪ Wastage ○ The steps and organisational processes available to provide feedback on the team's expenses and costs incurred in performance of their financial functions <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> • A report on the organisational processes to monitor the actual expenses, control costs and provide feedback to the work team on their performance of their financial functions. 	<p>PC 3.1 RS 2 RK 5 CAE 1-2 ES 1-3, 6-8</p>

Has the candidate met the following criteria for Task 1

Candidate's responses may vary

A report on the organisational processes to monitor the actual expenses, control costs and provide feedback to the work team on their performance of their financial functions using the team budget/financial plan from Task 2 of Assessment 2 or a similar plan.

The report should explain:

- The type of documents and analysis used to monitor the actual expenses of the work team in performance of their financial functions

Examples to monitor actual expenses may include use of :

- Bank statements
- Credit card statements
- Financial reports
- Invoices and receipts
- Ledgers and journals
- Logs
- Petty cash records
- Spreadsheet-based records

- The mechanisms used to control the work team's costs in performance of their financial functions e.g. KPIs, performance reviews, financial authority allocations, etc

Examples of information reports used to control actual costs may include:

- Assets
- Consumables
- Equipment
- Expenditure
- Income
- Stock
- Wastage

- The mechanisms for gathering feedback on the team's expenses and costs incurred in performance of their financial functions, identifying the steps involved in providing feedback to the team which could include performance reviews, meetings, internal correspondence and use of KPIs. The mechanisms should be related to the organisation's processes and procedures.

Project Tasks	Mapping
<p>2. A manager needs to monitor and control financial processes and use that information to identify variances in the budget or financial plan.</p> <ul style="list-style-type: none"> Using the team budget/financial plan from Task 2 of Assessment 2 or a similar plan, provide a paragraph explaining the following: <ul style="list-style-type: none"> The timeframe according to the organisation's procedures of the team's budget/financial plan monitoring cycle i.e. weekly, monthly, quarterly, yearly. Provide a reason why this timeframe is appropriate or is not appropriate After collecting relevant information and data required to calculate variances and overruns in a budget/financial plan, explain the 2 steps involved in using a spreadsheet as the tool to identify the variances and overruns <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> A paragraph on identifying variances in the team's budget or financial plan. 	<p>PC 3.2 RS 1-2 CAE 1 ES 1, 3, 5-6, 8</p>

Has the candidate met the following criteria for Task 2
<p><i>Candidate's responses may vary</i></p> <p>A paragraph on identifying variances in the team's budget or financial plan using the team budget/financial plan from Task 2 of Assessment 2 or a similar plan, explaining:</p> <ul style="list-style-type: none"> The cyclic frequency (timeframe) for monitoring the team's budget/financial plan i.e. weekly, monthly, quarterly, yearly. The reason the timeframe is appropriate or not appropriate The 2 steps to identify and calculate variances and overruns in a spreadsheet are: <ul style="list-style-type: none"> Enter (add) the data in the spreadsheet cell to allow for a variance formula calculation Enter the formula to calculate the variances and overruns.

Project Tasks	Mapping
<p>3. After identifying variances in a budget/financial plan the manager needs to make the decision as to whether the objectives will be achieved or if the plan needs to be modified. In a report:</p> <ul style="list-style-type: none"> Develop a scenario where there have been 3 areas of account variances (values less than originally planned) and 5 areas of account overruns (values over the original plan). You may use the team budget/financial plan from Task 2 of Assessment 2 or a similar plan. List the 8 accounts that are under and over the planned values, the original planned value, the actual (scenario under and over) values, and calculate the under and over variance difference and percentages of each variance. Explain the contingency adjustments that you would need to implement in order to maintain the financial objectives. To assist in your explanation, you may need to attach a copy of the original budget/financial plan that is to be adjusted. Describe the monitoring process you would then undertake to ensure the modifications were sufficient or if further adjustment modifications may be necessary in order to achieve the financial objectives of the original budget/financial plan. If further modifications may be required, explain how you would identify and implement them Explain the organisational procedures and protocols to report on the team's budget/financial plan variances, the modifications and contingency plans implemented and the process to gain approval from the appropriate personnel. <p>Examples of appropriate personnel are:</p> <ul style="list-style-type: none"> Financial managers, accountants or financial controllers Supervisors, other frontline managers. <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> A report on modifying team budgets/financial plans to achieve financial objectives. 	<p>PC 3.3-3.4 RS 1 RK 5 CAE 1 ES 1-6, 8</p>

Has the candidate met the following criteria for Task 3

Candidate's responses may vary

A report on modifying team budgets/financial plans to achieve financial objectives which explains:

- A scenario where there are 3 account variances (values less than originally planned) and 5 account overruns (values over the original plan). The team budget/financial plan from Task 2 of Assessment 2 or a similar plan may be used.
- 8 financial accounts that are under and over the planned values identifying:
 - The original planned value
 - The actual (scenario under and over) values
 - The calculated the under and over variance
 - The percentages of each variance.
- The contingency adjustments to be implemented in order to maintain the financial objectives. Examples of contingency adjustments are:
 - Reduce wages
 - Increase sales
 - Lease equipment, etc

A copy of the original budget/financial plan to be adjusted may be attached to assist the candidate explain their adjustments.

- The monitoring process undertaken to ensure the modifications were sufficient or if further adjustment modifications may be necessary to achieve the financial objectives of the original budget/financial plan. Examples of monitoring processes are:
 - Weekly account reviews
 - Stock checklists
 - Weekly team reviews, etc
- A description of any further team budget/financial plan modifications that may be required and how they would be identified and implemented. Modifications may refer to the scenario and the 8 accounts that are over and under planned values or other accounts that may be realistically affected by the circumstances of the scenario.
- The organisational procedures and protocols to report on the team's budget/financial plan variances, the modifications and contingency plans implemented and the process to gain approval from the appropriate personnel. The process of reporting should be realistic and mention reporting roles and responsibility areas. Examples of appropriate personnel are:
 - Financial managers, accountants or financial controllers
 - Supervisors, other frontline managers.

Project Tasks	Mapping
<p>4. As part of an organisation's continuous improvement process, a manager needs to ensure the organisation's policies, procedures, systems and processes are effective, efficient, reliable, and are used appropriately by staff. In a report:</p> <ul style="list-style-type: none"> Explain the financial management processes that are used to monitor the effectiveness and reliability of financial activities of the work team Examples of financial management internal control processes are: <ul style="list-style-type: none"> Reliable personnel Separation of duties Internal verification audits Authorisation requirements Team member responsibility areas Serialisation of documents Locked security requirements, etc List the documents that you would use to collect and collate data and information on the effectiveness of the financial management process Examples of paper and electronic data and information are: <ul style="list-style-type: none"> Bank account records Cash flow data Contracts Credit card receipts Employee timesheets Files of paid purchase and service invoices Income and expenditure Insurance reports Invoices Job costings and quotations Petty cash receipts Taxation records Wages/salaries books Explain the approach you would use to analyse the data and information you gathered i.e. spreadsheet, tables, diagrams, etc in order to identify financial process improvement opportunities. An example of your analysis may be attached to explain your approach. Describe the areas of the financial management process that may be improved and your recommendations for process improvements to ensure the effectiveness, efficiency, and reliability of the financial management processes. Describe the steps you would take to gain agreement from your work team on the changes in the financial management process within the work team Explain the organisational processes required to implement and monitor the agreed improvements. Explain how the improved financial management process is more aligned with the financial objectives of the work team and the organisation. <p>You are required to provide your assessor with the following document:</p> <ul style="list-style-type: none"> A report on an evaluation of the financial management process and implementation of improvements. 	<p>PC 4.1-4.3 RS 1-2 RK 5 CAE 1-2 ES 1-8</p>

Has the candidate met the following criteria for Task 4

Candidate's responses may vary

A report on an evaluation of the financial management process and implementation of improvements which explains:

- A number of internal control processes should be mentioned that are capable of monitoring the effectiveness and reliability of financial activities of the work team. The internal controls need to be realistic for the situation.

Examples of financial management internal control processes are:

- Reliable personnel
- Separation of duties
- Internal verification audits
- Authorisation requirements
- Team member responsibility areas
- Serialisation of documents
- Locked security requirements, etc

- A number of documents should be mentioned that are appropriate for collecting and collating data and information on the effectiveness of the financial management process. The documents need to be realistic for the situation.

Examples of paper and electronic data and information are:

- Bank account records
- Cash flow data
- Contracts
- Credit card receipts
- Employee timesheets
- Files of paid purchase and service invoices
- Income and expenditure
- Insurance reports
- Invoices
- Job costings and quotations
- Petty cash receipts
- Taxation records
- Wages/salaries books

- A description of a realistic approach that would analyse gathered data and information to enable identification of financial process improvement opportunities i.e. spreadsheet, tables, diagrams, etc. Candidates may provide an example to assist in the explanation.
- Specific areas in the financial management process requiring improvement should be mentioned.
- Realistic recommendations should be made to the financial management process to ensure the effectiveness, efficiency, and reliability of the financial management processes.
- The steps and documents used to gain agreement from the work team on the changes in the financial management process i.e. meetings, discussion papers, etc.
- The organisational processes required to implement and monitor the agreed improvements i.e. training, responsibility reallocation, etc.
- The key factors or indicators in the financial management process that identify improved alignment with the financial objectives of the work team and the organisation.

Project Task	Mapping
<p>The overall project task:</p> <p>Compile all the above documents together. They will be assessed separately and then assessed for overall readability, which includes use of appropriate grammar and punctuation in sentences and paragraphs.</p>	ES 1, 8
<p>Has the candidate met the following criteria for the overall project task</p> <p>Reports display appropriate readability by using appropriate grammar and punctuation in sentences and paragraphs.</p>	

Assessment checklist – Assessor Note

Please complete the assessment checklist in the Candidate Guide to record the assessment process and outcome.

The checklist contains a declaration by the candidate as follows:

- The purpose and outcomes of the assessment have been explained.
- I have received information about the unit of competency.
- I understand the type of evidence to be collected.
- The appeals system has been explained to me.
- I have notified my assessor of any special needs that may need to be considered during the assessment.

The checklist contains a section for the assessor to record the following:

- Whether RPL / Accelerated progression is required
- Whether Language / Literacy / Numeracy support is required
- Any other special needs