
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.

This unit deals with the following:

1 Manage finance for your own area of responsibility

During this work you must take account of the relevant worksite operational requirements, procedures and safe working practices AS THEY APPLY TO YOU.

Previous Version

Unit 4.2 SEMTA National Occupational Standards in Packaging (STM4)
(Management E)

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Performance criteria

You must be able to:

- P1 confirm your financial responsibilities, including the limits of your authority, with those to whom you report
- P2 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 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 discuss and, if appropriate, negotiate delegated budgets with colleagues and agree provisional budgets
- P5 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 discuss and, if appropriate, negotiate the proposed master budget for your area with the relevant people in your organisation and communicate the final budget to colleagues in your area
- P7 establish systems to monitor and evaluate performance against delegated budgets and the master budget and put contingency plans in place
- P8 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 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 provide ongoing information on the financial performance of your area to relevant people in your organisation
- P11 advise the relevant people as soon as possible if you have identified evidence of any potentially fraudulent activities
- P12 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

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Knowledge and understanding

You need to know and understand:

- K1 the purposes of budgetary systems
- K2 the importance of agreeing financial responsibilities, including the limits of your authority, for your area with those to whom you report
- K3 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
- K4 the importance of taking account of the objectives and associated plans of your area in developing and operating the master budget
- K5 how to identify opportunities and delegate responsibilities for budgets
- K6 the importance of consulting with colleagues in identifying priorities, potential problems and risks and generally preparing the budget for your area
- K7 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
- K8 how to establish systems to monitor and evaluate performance against budgets
- K9 the importance of contingency plans and the type of contingencies that may occur
- K10 the main causes of variances and how to identify them
- K11 what different types of corrective action could be taken to address identified variances
- K12 the importance of agreeing revisions to the budget and communicating the changes
- K13 the importance of providing regular information on the financial performance of your area to relevant people and what they might want to know
- K14 types of fraudulent activities and how to identify them
- K15 how to encourage colleagues to think about ways of reducing expenditure and increasing income
- K16 factors, processes and trends that are likely to affect financial management in your industry/sector
- K17 legal, regulatory and ethical requirements in the industry/sector
- K18 the scope and nature of your area of responsibility including the vision, objectives and operational plans
- K19 your financial responsibilities, including the limits of your authority.
- K20 the people you report to in your organisation
- K21 financial information available in your organisation
- K22 activities for which budgets have been delegated
- K23 the budgetary period(s) used in your organisation
- K24 organisational guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting on performance

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- against budgets and revising budgets
- K25 the agreed master budget for your area, including delegated budgets
- K26 systems established for managing and evaluating performance against budgets
- K27 contingency plans put in place
- K28 what to do and who to contact if suspect fraud has been committed
- K29 who needs information on the financial performance of your area, what information they need, when they need it and in what format

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Suite Packaging

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