**BUDGETTING**

SAQA US ID 120302 NQF level: 6 Credits: 15

**INTRODUCTION**

This skills programme has been designed to provide you with the knowledge, skills and attitudes to understand and apply the principles and concepts of budgeting in the government sector.

This programme is aligned to the following Unit Standard:

* Prepare budgets for a specific sector (NLRD 120302).

**PROGRAMME OUTCOMES**

On completion of this learning programme, learners will be able to master the following:

* Explaining budgetary concepts with examples.
* Explaining the role of a budget in a specific sector with examples.
* Explaining the principles of budgeting in terms of their application.
* Explaining the components of a budget within a specific sector as required by legislation.
* Differentiating a range of budget formats in terms of their advantages and disadvantages.
* Evaluating budget formats in terms of their advantages and disadvantages.
* Differentiating different approaches to preparing budgets in terms of their functions and roles.
* Explaining the advantages and disadvantages of each of the approaches with examples.
* Accessing data according to budgetary requirements and plan of action.
* Compiling information for a budget utilising policy, strategic and operational plans.
* Analysing data required for budget preparation in terms of suitability, accuracy, verification and comparability of data sources.
* Interpreting and analysing circulars and memoranda in terms of budgetary implications and requirements.
* Conducting the classification of budget data using relevant tools.
* Estimating an annual budget utilising appropriate approaches.
* Presenting an annual budget in line with prescribed formats.
* Calculating estimates of cash for each month of the financial year.
* Conducting reconciliations conducted between annual budget estimates and cash flow estimates.
* Identifying and explaining recipients of budgetary requests in terms of their role and motivation.
* Preparing budgetary request motivations in line with guidelines and directed to appropriate stakeholders.
* Presenting motivations to appropriate individuals.
* Preparing and communicating the notification of budgetary request to role-players.
* Conducting actions and steps to finalise budget allocation.
* Preparing and finalising a budget in accordance with organisation practice and principles.

**PROGRAMME OUTLINE**

**Learning Unit 1: Budgeting in a specific sector**

* Introduction to budgeting.
* The legislative framework.

**Learning Unit 2: Budget format and approaches to budgets**

* Budget formats.
* Purposes of budgeting.
* Departmental budget controls and re-allocation.
* Departmental planning and budgeting.

**Learning Unit 3: Budget in the context of the fiscal framework**

* The expenditure aggregates and data sources.
* Principles and goals of the fiscal framework.
* Main changes to spending over the MTEF.
* Policy priorities, strategic and operational plans.
* Financial analysis of the fiscal framework.
* Explanatory memorandum to the division of revenue.

**Learning Unit 4: The Budget Process and Budget Cycle**

* Principles guiding the budget process.
* Advantages of a three year budget process.
* The 3-year MTEF budget process.
* Political direction in terms of budgeting.
* The budget cycle.
* Role-players in the Departmental budget process.

**Learning Unit 5: Departmental Budget**

* Preparing the Departmental budget.
* The Standard Chart of Accounts (SCOA).

**Learning Unit 6: Completing the budget document**

* Compiling the budget.
* What are the basic steps in budget preparation systems?
* Role players in government and budgeting.
* Types of budgets.
* Completing the budget document.

**METHODOLOGY**

**Duration:**

5 Days contact session, combined with practical workplace experience.

**Formative Assessment:**

Classroom activities will be assessed and feedback will be given by the facilitator of learning. An Essential Embedded Knowledge Questionnaire will also be completed as part of the Portfolio of Evidence.

**Summative Assessment:**

In order to be awarded credits in terms of the Unit Standard to which the programme is aligned, learners will be required to submit a Portfolio of Evidence that will be assessed by a registered assessor.

**TARGET GROUP**

* All learners who will be involved in the budgeting process.
* Department/Organisation Managers.

**BENEFITS**

* More effective budgeting procedures.
* Improved competence and motivation of workforce.
* Meeting of national requirements for budgeting.