SOUTH AFRICAN QUALIFICATIONS AUTHORITY

REGISTERED UNIT STANDARD:

Apply the principles of budgeting within a municipality

SAQA US ID	UNIT STANDARD TITLE		
116345	Apply the principles of budgeting within a municipality		
SGB NAME		**REGISTERING PROVIDER**	
SGB Public Administration and Management			
FIELD		**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies		Public Administration	
ABET BAND	**UNIT STANDARD TYPE**	**NQF LEVEL**	**CREDITS**
Undefined	Regular	Level 5	15
REGISTRATION STATUS	**REGISTRATION START DATE**	**REGISTRATION END DATE**	**SAQA DECISION NUMBER**
Registered	2004-10-13	2007-10-13	SAQA 0256/04

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for practitioners at local government who are involved in municipal policy decision-making and strategic planning. Learners who are required to advise on the legislative mandate of municipalities from a provincial or national government perspective will also benefit from this Unit Standard.

The Unit Standard will contribute to social and economic transformation by equipping municipal practitioners with skills in budgeting which could translate into better use pof resources and improved delivery services.

The qualifying learner will be able to:

- Explain the various approaches to budgeting within their organisation
- Ensure the strategic objectives of their organisation are achieved.
- Contribute to the efficient allocation of resources at municipalities
- Ensure that municipal funds are used effectively and efficiently.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that Learners are competent in:

- Communication at Level 4.
- Mathematical Literacy at Level 4.
- Accountancy at Level 4.
- Economics at Level 4.

UNIT STANDARD RANGE

Principles of Public Expenditure Management include:
- Allocative Efficiency, Fiscal Discipline, Operational Efficiency

The components of the budgeting system include the processes of:
• Planning, Budgeting, Implementation, Monitoring and Evaluation

The Key Stages in the budgeting process include:
• Policy Prioritisation, Applying Fiscal Discipline, Financial Planning, Drawing up the budget document, Implementing the budget, Financial Management.

The Relevant Legislation includes:
• The 1996 Constitution (Act 108 of 1996), The Municipal Systems Act (Act 32 of 2000). The Municipal Finance Management Act (Act 56 of 2003)

Budget Formats include:
• Line Items budgets, Programme Budgets, Performance Budgets

Other Budgeting Terms include:
• Strategic outcomes, Outputs, Activities, Inputs, Measurable Performance Objectives

Approaches to Budgeting include:
• Incremental Budgeting, Zero based budgeting, Programme Budgeting and Performance Budgeting.

UNIT STANDARD OUTCOME HEADER

N/A

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Demonstrate an awareness of the role of a budget in the municipal context.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The term `budgeting` is defined within the context of a municipality.

ASSESSMENT CRITERION 2

The aim of budgeting is explained in the context of improving service delivery within a municipality.

ASSESSMENT CRITERION 3

The importance of the budget is described in terms of the efficient allocation of resources within a municipality.

ASSESSMENT CRITERION 4

The relationships between the components of a budgeting and service delivery system are identified within a municipality.

ASSESSMENT CRITERION 5

Key stages within the budgeting process are recognised and discussed in a municipal context.

SPECIFIC OUTCOME 2

Differentiate between formats of budgets used in a municipality.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

A range of budget formats is discussed in terms of their advantages and disadvantages for a municipality.

ASSESSMENT CRITERION 2

The various formats of budgets are compared to each other.

ASSESSMENT CRITERION 3

The existing practices within a municipality are identified with respect to budget formats and a reason given for why a particular format might have been chosen.

SPECIFIC OUTCOME 3

Evaluate a municipal budgeting system.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Recommendations are made for improving the format of a municipal budget.

ASSESSMENT CRITERION 2

Recommendations are identified for improving the approach to preparing a municipal budget.

ASSESSMENT CRITERION 3

Different approaches to preparing an annual budget are compared and evaluated in the municipal context and conclusion drawn as to the most effective approach.

ASSESSMENT CRITERION 4

The impact of human aspects in budgetary control processes is recognised in the municipal context and explained with examples.

SPECIFIC OUTCOME 4

Contribute to preparing a municipal budget that reflects an integrated development plan.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The integrated development plan, sector plans and municipal budget are explained in terms of their relationship to each other in a budget.

ASSESSMENT CRITERION 2

A schedule for integrated development planning and municipal budget processes is developed that ensures the integration of these processes.

ASSESSMENT CRITERION 3

The role of measurable performance objectives is demonstrated for integrating IDP, budgeting, performance management and performance auditing.

ASSESSMENT CRITERION 4

A budget for an IDP is estimated based on cost information.

SPECIFIC OUTCOME 5

Differentiate between approaches to preparing a municipal budget.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Different approaches are identified for preparing a municipal budget.

ASSESSMENT CRITERION 2

The advantages and disadvantages of each approach to preparing municipal budgets are critically discussed within the context of a municipality.

ASSESSMENT CRITERION 3

The current approach to budgeting at a municipality are evaluated in terms of their strengths and weaknesses.

ASSESSMENT CRITERION 4

A choice of the most suitable approach to budgeting is identified given the legislative requirements.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

• An individual wishing to be assessed (including through RPL) against this Unit Standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

• Anyone assessing a learner against this Unit Standard must be registered as an assessor with the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

• Any institution offering learning that will enable achievement of this Unit Standard or assessing this Unit Standard must be accredited as a provider with the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

• Moderation of assessment will be conducted by the relevant ETQA at its discretion.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

• The role budgeting plays in promoting the efficient allocation of resources within a municipality.
• Various budget formations.
• How strategic planning integrates with budgeting.
• Legislative requirements for municipal budgeting
• The link between budgeting and service delivery.

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):

UNIT STANDARD CCFO IDENTIFYING

Identify and solve problems using critical and creative thinking processes, e.g. by trying to find the best possible budget format and processes.

UNIT STANDARD CCFO WORKING

Work effectively with others as a member of a team, group, organization or community, e.g. through communicating with others regarding legislative issues and fostering team commitment amongst the staff involved in compiling and implementing a budget.

UNIT STANDARD CCFO ORGANISING

Organise and manage oneself and one`s activities responsibly and effectively, e.g. through the demonstration of ethical and moral principles in all budgeting processes.

UNIT STANDARD CCFO COLLECTING

Collect, analyse, organise and critically evaluate information, e.g. through assuring that data used in a budget is accurate.

UNIT STANDARD CCFO COMMUNICATING

Communicate effectively using visual, mathematical and/or language skills in the modes of oral and/or written persuasion, e.g. through advising and motivating others with regard to risk management options.

UNIT STANDARD CCFO SCIENCE

Use Science and technology effectively and critically, showing responsibility to the environment and health of others, e.g. use appropriate computer software for data capturing and document storage purposes.

UNIT STANDARD CCFO DEMONSTRATING

Demonstrate an understanding of the world as a set of interrelated systems by recognising that problem-solving contexts do not exist in isolation, e.g. in keeping in mind that risk management effects the well being of not only the municipality but the country as a whole.

UNIT STANDARD CCFO CONTRIBUTING

Participating as responsible citizens in the life of local, national and global communities, e.g. acting as custodian of ethical behaviour and maintaining a high level of commitment to providing effective risk management policies and practices.

UNIT STANDARD ASSESSOR CRITERIA

N/A

UNIT STANDARD NOTES

N/A

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

	ID	QUALIFICATION TITLE	LEVEL	STATUS	END DATE
Core	49554	National Diploma: Public Finance Management and Administration	Level 5	Registered	2008-06-15
Core	48965	Certificate: Municipal Financial Management	Level 6	Registered	2007-10-13
Elective	50081	Further Education and Training Certificate: Leadership Development	Level 4	Registered	2008-11-30