THE BUDGETARY CYCLE

Learning outcome

Learners will be able to define the term “budget” and explain at least six advantages of having knowledge of the hospital’s annual budget.

Range statement

Nurse managers at top-level management should be able to teach the budgetary cycle to middle- and first-level managers.

Assessment criteria

(1) Explaining the part of the organisation’s strategic planning for the future which has to be considered in drawing up the budget.

(2) Communicating the institution’s prioritised programmes.

(3) Describing the institution’s measurable financial objectives which must be planned for in the budget.

(4) Discussing the general budget plan, the historical data, the necessary forecast information, the worksheets to be completed and the instructions on how to prepare the budget.

(5) Assisting with formulations of unit objectives for the coming financial year.

(6) Reviewing workload-indices for the past 12-18 months in order to establish whether there are any new procedures /activities which should be taken into account.

(7) After establishing the workload-indices, estimation of the staffing needs of the unit for the forthcoming financial year.

(8) Estimation of the supplies needed for the coming year, based on anticipated activities, workload and costs of supplies.

(9) Establishing whether capital equipment will be budgeted for, and whether it will affect the unit’s staffing needs and supplies.

(10) Completion and submission of the provided worksheets for approval, together with the necessary substantiations for items requested.

(11) Accepting the finalised budget for the unit, after prioritisation has taken place at the managerial-level financial/budgetary committee.

(12) Monitoring the monthly expenditures by making use of the “variance” reports.
Specific outcome

Learners will be able to describe the reasons for formulating a budget, and to fill in the prescribed worksheets completely, so that all the necessary information is visible when each unit’s requisitions are reviewed.

Critical outcomes

Learners will be able to:

• formulate specific unit goals and objectives, considering the workload-indices of the past 12-18 months

• estimate the workload for the coming year, and thus staffing needs

• estimate needs and costs of supplies