

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