

PCER GUIDANCE NOTES

Sustainable management accounting

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Unit PC17 – Develop and implement accounting systems

This unit is about helping clients to evaluate their needs for accounting systems and packages and assisting them to implement the systems and packages that are agreed. The module requires a clear understanding of the organisation. It requires you to provide training and guidance on the use of systems. Communication skills are vital, both in identifying needs and advising on systems and packages that can be used.

Element reference	Demonstrated behaviour and examples
Element 39 Identify potential changes to an organisation's accounting systems	Establish criteria for evaluating accounting systems with client Review existing accounting systems for their applicability Assess current and potential needs in consultation with clients Assess systems and packages for their suitability Recommend and discuss potentially suitable packages and systems with clients
Element 40 Implement and evaluate new/ changes to accounting systems	Implement a new system or changes to an existing system Provide information on the features and use of systems and packages to users Monitor the introduction of, or changes, to the accounting system and obtain feedback from users Train users on accounting and reporting issues and provide ongoing advice and support Make recommendations to modify systems where required

Unit PC18 – Control expenditure and monitor budgets

This unit is about helping clients to ascertain their cash flow requirements, develop budgets and monitor actual against budgeted spending. Communication is an important aspect of this unit. You are expected to agree budgets with clients and detect and analyse any variations between actual and budgeted spending.

Element reference	Demonstrated behaviour and examples
Element 41 Prepare spending proposals and profiles	Understand the business objectives of the organisation and the economic environment in which it operates Calculate the level of funding required to achieve the business objectives Design spending plans/cash flow forecasts Perform sensitivity analysis and create spending profiles to ensure that the funding can support the ongoing business requirements
Element 42 Agree, monitor and report on budgets for activities	Negotiate budgets and resolve any outstanding issues Communicate agreed budgets to those who are responsible for administering or controlling them Analyse variations between the actual and budgeted figures on a regular basis. Report to clients on the variations identified, giving adequate explanation and interpretation of the data

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Unit PC19 – Plan and monitor business performance

This unit is about helping clients to specify, implement and evaluate business performance measures. It requires you to understand the business and economic environment in which the organisation operates. An understanding of measurement systems is also required to help clients to introduce and monitor business performance.

Element reference	Demonstrated behaviour and examples
Element 43 Identify financial objectives and performance measures	<p>Gain an overall understanding of clients' business objectives and the business environments in which they operate</p> <p>Set key performance measures which relate to the achievement of business objectives – eg key financial ratios used by the business to assess performance on capital employed or debtor ratios and any other relevant KPIs</p> <p>Communicate the purpose of measuring performance and the measures being used to the relevant stakeholders</p> <p>Provide accurate information about key performance measures to relevant stakeholders</p>
Element 44 Facilitate the introduction of systems and practices to plan and monitor financial performance	<p>Agree the nature and scope of systems to measure and monitor financial performance</p> <p>Identify appropriate systems for measuring performance that meet the clients requirements</p> <p>Secure the resources to ensure the system or practices can be effective</p> <p>Demonstrate systems to users and ensure that they understand them</p>
Element 45 Monitor the achievement of financial performance and objectives	<p>Agree measures to assess performance with clients, assess performance and inform clients of the outcome</p> <p>Diagnose problems in performance and advise on how to solve them</p> <p>Report the results of monitoring and analysis to clients and suggest appropriate corrective action</p> <p>Help clients to set new, or amend existing, business objectives/performance measures to accommodate changes in circumstances</p>

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Unit PC20 – Identify and analyse the costs associated with products and services

This unit is about costing new products and services and determining their potential profitability. It also relates to gathering and analysing the actual costs of products and services as well as identifying variations from predictions and making recommendations to reduce costs where practicable.

Element reference	Demonstrated behaviour and examples
Element 46 Evaluate the potential profitability of products and services	<p>Identify both short-term and long-term costs of products and services</p> <p>Maintain an awareness of market conditions as they affect supply – eg investigate alternative suppliers of goods and services</p> <p>Calculate the potential revenue from products and services and estimate future profitability. Determine whether or not the predicted profitability of products and services meets the organisation's objectives and strategies</p>
Element 47 Calculate the actual costs of products and services	<p>Identify the actual costs of production and delivery for products and services</p> <p>Clarify the basis for how overheads will be absorbed, any assumptions on which the calculations are made and the validity of the source of the data</p> <p>Calculate and analyse the difference between estimated and actual costs.</p> <p>Discuss with the client the reasons for any variances and the financial viability of the product or service</p>
Element 48 Make recommendations to reduce costs and enhance value	<p>Explain the methodology used to evaluate the profitability of products, including the assumptions made to clients</p> <p>Review evaluations on the cost of products and services and advise clients on their value to the business</p> <p>Give advice to improve profitability of individual products or services</p> <p>Make recommendations on the overall product portfolio based on product data and feedback from stakeholders – eg make a recommendation to discontinue an unprofitable product line.</p>
