

Budget Construction and Control – 1 Day



Course Objectives

To enable participants to understand the purpose and importance of budgeting and cash planning; provide a clear understanding of budget preparation; develop strategies for controlling spend in line with budget forecast; learn how to use budgets as a management tool.

Those who are involved in the preparation, implementation, review or use of budgets.

Exercises

This course is instructor led, involving the utilisation of examples and exercises in a workshop environment.

The Need to Plan

- How the budget fits into the organisation's strategic plan
- The link to corporate Financial Statements

Budget Compilation

- Considerations
- Limiting factors
- Behavioural issues
- Communication and control

Compiling the Key Budgetary Control Statements

- The trading budget
- Profit and loss budget
- Capital expenditure budget
- Cash flow forecast
- Interaction between the statements

Budgetary Approaches

- Fixed budget
- Flexed budget
- Zero based budget

Supporting And Reviewing The Budget

- Basis of support
- Applying the key performance monitors

Presenting the Budget

- Maintaining credibility
- A non-confrontational approach

Revenue And Capital Expenditure

- Budgetary considerations
- Phasing of capital spend
- Implications for budget holders

Profit And Cost Centre Concepts

- Allocation of costs
- Apportionment
- Planning for the future

Using Budgets

- Decision making based on forecast – actual and budgeted
- Budgets as management tool.

Action Plan

Participants plan and discuss what they will actually do upon their return to work.