

Effective Budgeting

1 Day MBE1

OVERVIEW

Ideal for new and existing budget holders who want to learn how to take the pain out of managing budgets:

- Reducing the time to produce a budget.
- Dealing with opportunities in the face of budget restrictions.
- Including contingencies for future uncertainty.

This course gives delegates the skills to manage departmental budgets, monitor divisional costs and apportion department expenses on an appropriate basis.

DESIGNED FOR

Suitable for budget holders, cost centre managers, and those who manage department or event budgets who wish to acquire first principles or refresh ideas and approaches.

This course deals with management accounting. If participants are also interested in financial accounting (Profit and Loss, Balance Sheet analysis etc), then they may want to consider as an alternative, one of the following two-day courses that cover both those areas.

For managers: Finance for Non-financial Managers

For Office Professionals: Making Sense of Finance

LEARNING OUTCOMES

By the end of this course participants will be able to:

- Review the benefits and drawbacks of different budgeting methods, and when to use each approach.
- Use a structured approach to prepare a budget.
- Understand how costs behave to help with budgeting for expenditure.
- Understand management accounting methods, and which methods we use for budgeting and for evaluating unbudgeted opportunities.
- Budget appropriately for risk and defend budgeted contingencies.
- Budget and plan for stock ordering.
- Manage financial performance, understanding variances and taking action to achieve their budget and objectives.
- Manage costs in seasonal or cyclical businesses.
- Simply assess the viability of entering new markets or developing new products.

TOPICS COVERED

Budgeting Preparation

- Overview of the budget process
- Case study: reviewing a simple budget scenario
- Being clear about initial assumptions and limiting factors
- Knowing where to find information that might be needed
- Analysing potential income and expenditure: what events and occurrences do we need to consider? Internal, external, definite and uncertain
- Nature and behaviour of costs
- Understanding different costing methods and their relevance to decision making and budgeting
- Stock forecasting and how to calculate the minimum quantity needed
- Apportioning overheads
- Budgeting for risk and contingencies
- Break-even analysis for simple decision making

Facing the Actuals

- What are the variances and why are they important?
- The budget is the plan, i.e. understanding the need to proactively work towards budget and adhere to budget.
- Comparing actual costs to monthly and year to date budget
- Understanding the significance of changes in variances
- Flexing the budget

The Cash Budget

- Why they are needed. Do high profits necessarily mean everything is going well?
- Case study: preparing a cash budget

Presenting the Departmental Budget

- Giving clear information
- Presenting the main variables
- Getting agreement - ensuring you agree an achievable budget in the face of potential budget cuts

Personal Development

- Action planning - the essential next steps
- Continuous professional development - what next?

EXTRA NOTES

Further Development:

Introduction to Company Accounts (ICA1)

An equivalent course is available in Arabic. Please call us for details.