Skills for Budget Preparation in the Public Sector

Course Overview:

Budget Preparation Skills is a comprehensive program that focuses on the essential skills required to understand the processes of costing and budgeting within organizations. The program is designed to address all the relevant issues concerning cost analysis, budget preparation, and performance measurement. This course is necessary for all professionals who need to master their budgetary skills by learning how costs behave so that realistic business plans can be produced.

Course Objectives:

At the end of this course, the participants will be able to:

- Identify the key factors required to understand business processes
- Develop a proper system of cost analysis for budgeting purposes
- Master the budgeting and financial skills required for better decision-making
- Identify sources of financial and operational data to support the budgeting process
- Learn new best practices to manage organizational performance
- Learn costing and budgeting terminology used in business
- Understand the importance of a well-defined costing and budgeting process
- Determine the full costs of outputs for the goods and services provided
- Master traditional techniques and recent best practices
- Link finance and operation for budgeting purposes and strategy execution
- Learn how to build a comprehensive performance measurement system

Course Coverage:

Topic 1: Budgeting and Its Role within the Management Process:

- The role of budgeting within management accounting
- Linking costing and budgeting to strategy and performance measurement
- The process of value creation: implications for budgeting
- What is a budget and why costing is fundamental
- Budgets - the financial expression of the operating plan
- Linking financial and operational issues
- Behavioral Implications of Budgeting

Topic 2: The Framework for Budgeting:

- Elements of the budgetary framework
- Key concepts and terminology
- Advantages and disadvantages: critical issues to be discussed
- Overview of the financial statements
- Balance sheet, Income statement and cash-flow statement
- Introducing cost analysis for decision making
- The importance of understanding full costs

Topic 3: Costs Analysis for Budgetary Purposes:

- Costing for budgeting: Why?
- Cost terms and purposes
- Fixed and Variable costs
- Cost, profit and volume relationships
- The key concept of contribution margin
- Direct and indirect cost – the avocation problem
- Traditional Methods VS Activity-Based Costing

Topic 4: Flexible Budgets and Variance Analysis:

- Budgeting for management control purposes
- Describe the difference between a static budget and a flexible budget
- Compute flexible-budget variances and sales-volume variances
- Explain why standard costs are often used in variance analysis
- How to interpret variance analysis
- Integrate continuous improvement into variance analysis
- Is budgeting enough?

Topic 5: Beyond Budgeting: Broadening Performance Measurement Systems:

- Shortcomings of traditional approaches to budgeting and measurement
- Linking Financial to operational issues
- The Balanced Scorecard and Six-sigma
- Linking Strategy execution to Performance Measurement
- Financial perspective, Customer perspective
- Internal Business Process Perspective, Learning and growth perspective
- Developing and adapting the scorecard

Targeted Groups:

- Finance Professionals
- Accountants
- General Accounting Professionals
- Business Unit Professionals
- Anyone who wants to understand the basics of budgeting and costing