



## **UNIX Trainers & Consultants**

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### **Skills Enhancement on Effective Budgeting, Planning & Control in the Public Sector**

#### **Course Overview:**

Budgets are an essential financial tool, which aid, planning, decision-making, resource allocation, coordination, and control. Without the necessary skills, Budgets can be badly prepared and/or implemented leading to poor decisions, mid-use of vital resources, poor coordination, and a lack of control or even too much control resulting in missed opportunities.

#### **Course Objectives:**

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

- Develop the skills to Plan Budgets within a sound Strategic Plan
- Develop the skills to Prepare Budgets using:
  - Appropriate Forecasting Techniques including Time Series Models,
  - Exponential Smoothing, Regression and Correlation Analysis and
  - Costing Methods such as Activity Based Costing
- Develop the skills to effectively implement Budgets
- Become aware of the problems/limitations of budgets and the conditions required for their success
- Integrate the budgeting process with the development of the company's long-term strategic vision
- Identify key performance indicators for effective and focused decision making
- Perform "What If" and Sensitivity Analysis to evaluate the implications of changes in major factors of production and consumption
- Recommend various courses of action to manage the implications of "What If" and Sensitivity Analysis.
- Implement advanced planning and control techniques
- Develop the skills to effectively Manage & Control the budgeting process

#### **Course Coverage:**

##### **Topic1: The Essentials of Budgeting:**

- Strategic Planning, Forecasting, Budgeting, and Costing – Defined
- The inter-relationship of Strategic Planning, Forecasting, Budgets and Costing
- The Benefits & Limitations of Budgets and the Essential Features & Conditions Required
- An Evaluation of Various Types of Budgets:
  - Fixed
  - Variable
  - Zero Based
  - Activity-Based
  - Capital Budget
  - The Essential Features of Activity-Based Budgeting
  - Developing the ABB application model
  - Budgeting for Processes rather than Departments
  - Defining Key Cost Drivers
  - Defining Key Activities
  - Development of ABB Cost Standards
  - Developing the Activity-Based Budget
  - Preparing The Master Budget using Excel
  - Sales Budgets
  - Production Budgets
  - Cash Budgets
  - Capital Budgets
  - The Master Budget

## **Topic 2: Forecasting Future Sales, Costs, Exchange Rates, and Interest Rates:**

- Determine the Purpose or Objective of Forecasting
- Methods of Forecasting Using Qualitative and Quantitative/Statistical Analysis
- including the Exploratory Data Analysis Tools Available in Excel
- Their Use & Limitations
- Recognizing the Basic Patterns Inherent in Historical Data
- Time Series Analysis
- Exponential Smoothing
- Correlation and Regression Analysis
- Presenting initial forecasts to decision-makers
- Forecasting future Market/Sector developments using Qualitative Analysis – SWOT Analysis and LEPESTE & Co Analysis
- Implementing Forecasts into the Budget
- Considering Hedging Strategies where variables such as Exchange Rates and Interest Rates cannot be forecast accurately
- Forwards, FRA's, Futures, Options and Swaps

## **Topic 3: Preparing and Implementing Budgets Based on Forecasts:**

- Preparing the Sales Budget
- Determining the price, credit policy, discount policy, and currency
- Preparing the Production Budget
- Preparing the Cash Budget
- Make finance and investment decisions
- Preparing Capital Budgets
- Use Excel to evaluate various Capital Projects using the Present

- Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return and Discounted Payback models
- An Introduction to “What If” and Sensitivity Analysis to evaluate the implications of changes in major factors of production and make strategic decisions
- Implementing Budgets Successfully
- The Conditions Required
- The Management Skills Required

#### **Topic 4: Break-Even Analysis, Sensitivity Analysis, and What-If Analysis:**

- Break-Even Analysis, Cost Behavior and Sensitivity Analysis
- Identifying Fixed, Variable and Semi-variable costs
- Identification of the level of sales/profit to break even
- Identification of critical costs
- Determining resources requirements
- What if Analysis using Excel and leading software
- Performing “What If” and Sensitivity Analysis to evaluate the implications of changes in major factors of production and consumption on the Cash Budget and Profit & Loss Account
- Identification of key performance indicators for effective and focused decision making
- Recommend various courses of action to manage the implications of “What If” and Sensitivity Analysis.
- Developing Budget Re-Projection and Best Case / Worst Case Scenario Models
- Planning for contingencies
- Developing various scenarios
- Using the Scenario tool in Excel® to explore the variable sets of assumptions while tracking the impact on the base model.
- Building the financial simulation model using probabilistic (Monte Carlo) simulation
- Building the financial simulation model using deterministic simulation

#### **Topic 5: Variance Analysis, Reporting, Control, and Decision Making:**

- Accounting Systems, Accountability and Responsibility Systems
- Essential Elements of a Costing System
- Establishing and Implementing a Costing System
- Undertaking Variance Analysis and Presenting a Variance Report to decision-makers
- Evaluation of the results
- Making Strategic Decisions based on the Variance Report/Business Planning

#### **Targeted Groups:**

- Financial Managers
- Financial Planning and Control Staff
- Executives with Financial Responsibilities
- Executives who are responsible for the cost and strategic analysis
- Project Managers
- Employees who want to gain new knowledge to improve their career