

Area of study: Accounting and Finance

## Budgetary Control (ACC05)

### Introduction

Besides decision-making, planning for the future and analysing results against plans are also crucial roles of managers. Managers are expected to help set the strategic direction of the organisation, make operational plans within that strategy and then analyse whether the plans were achieved. They use the performance information as an input to the next iteration of the planning and control cycle. Financial control, which is often executed through the budgeting process, is the most widely used control tool in many organisations.

#### Target Audience

- Business owners
- Executives who want to implement an effective budgetary control system
- Executives who prepare and implement budgets

#### Benefits

Upon completion of this module, you will be able to

- explain the role of budgets in the organisation's planning and control cycle
- apply common techniques to prepare a master budget for an organisation
- analyse the actual outcomes compared to budgeted outcomes to discuss the causes of off-budget performance and the implications of these analyses for future planning
- explain the link between budget outcomes, departments and managers responsible for those outcomes

#### Topics

**Planning a Budget** introduces the concepts of budgeting within a planning and control cycle. It explores the use of forecasting as a tool for planning, and the process of testing the budgets by varying the key assumptions and variables to check the impact of these changes on the outcomes.

**Preparing a Budget** explains the preparation of a budget, including sensitivity analysis, aligned with an organisation's strategic objectives.

**Budget Variance Analysis** discusses the use of budget variances to diagnose influences on past performance so as to improve future performance.

**Responsibility Accounting** is introduced as a mean to linking budgets with responsibility and accountability structures throughout the organisation.

#### Duration

Approximately 9 hours over 3 weeks

#### Course Progression

Elective module for Certificate in Cost Management

#### Certificate

Completion certificate awarded by U21Global with the crests of the partner universities