***Checking your budget***

Once you’ve worked out your budget, you need to check it’s accurate. There are several things to check!

**Mathematical accuracy**

You’ll have probably worked it out on a spreadsheet, so you can take the mathematical accuracy for granted. Or can you? Various surveys estimate that 70% to 88% of business spreadsheets contain errors…

Here’s some tips to check the accuracy of an Excel spreadsheet:

* Use F2 to check that the totals of rows and columns do include all the necessary cells
* Select a range of cells, and make sure the total shown at the right hand side of the bottom bar agrees with the total calculated on the spreadsheet
* Get your calculator out and check the spreadsheet integrity the old fashioned way

Mathematical inaccuracies can have a long lasting impact. For decades spinach was thought to be very rich in iron, due to the researcher misplacing the decimal point!

**Have you included everything?**

Have a careful look through last year’s actual figures, and this year’s year-to-date figures. Is there anything in there that perhaps should be in your budget?

Have you included allocated costs, like management overheads? Do you need to include depreciation?

**Accuracy of the assumptions**

Your budget calculation will only be as good as the assumptions underlying it. If you fail to achieve key assumptions, you won’t hit your budget.

You might have an assumption about improving productivity by 5%, for example. How will you make that happen?

So make sure you are confident that all the underlying assumptions are achievable. If you haven’t got a strategy to achieve a specific assumption, should you include that assumption as a plank in your budget?

**Availability of resources**

Will you actually have all the resources you need?

If your budget relies on you having a specific piece of software, for example, will that software be available for you?

If you expect to recruit a new team member, but there’s a ban in place on increasing headcount, what then?

**Does it feel right?**

If it looks too good to be true, it’s probably wrong!

Stand back from the detail and think about the big picture. How does it feel overall? How does it compare to last year’s budget, or colleague’s budgets?

Get a colleague to look through it and see what they think – a second view is always useful.

**Remember…**

If you sign up to your budget and then discover it’s inaccurate, it’s too late. You’re committed to a budget that you now can’t hit. Your professional reputation is under threat because of a mistake in your calculations.

It’s worth spending some time getting it right!