

## *Financial training For non financial staff*



*The financial training specialists*

### **I wasn't expecting that! (Budgeting)**

Another in my blog series on "What surprised you most about the financial training?"

One reply was "The importance of agreeing the scope as well as the amount of the budget."

We'd talked about how managers have objectives for the year, and a budget. These two targets need to be co-ordinated. Managers need to have a plan for how they will achieve their objectives within their budget.

As the budget is the money they have been allocated, to finance the resources available to them, this becomes a question of "What resources do I need in order to achieve my budget?"

This often falls down during the course of the year when managers are asked to do additional tasks as well. But this very rarely comes with additional budget allocation.

So by the end of the year, they have achieved their objectives (including the additional tasks allocated to them), but are over their budget.

Therefore when budgets are set, managers need to be clear about the scope of their budget, as well as the amount. "I can deliver these objectives within this budget."

If they are given additional objectives during the year, then there probably needs to be additional budget. If there's no spare money there needs to be a discussion around "What shall I stop doing, in order to do this additional task, with no additional resources?"

Things will always change, resulting in additional tasks. But we can't pretend that we can do more and more, without costs changing.