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## CONTRIBUTE TO BUDGET PLANNING AND PRODUCTION

You will actively contribute to the process of planning and producing budgets. You will need to negotiate with others and resolve any outstanding issues in order to agree budgets. You must clearly communicate agreed budgets to the appropriate people and review budgets on a regular basis.

### TO PERFORM EFFECTIVELY YOU NEED TO:

- provide information to allow the creation of detailed and accurate budgets and cash flow forecasts
- understand the impact of forecasts on the wider organisation
- communicate agreed budgets to those who are responsible for administering or controlling funds
- update existing budgets on a regular basis in light of new information.

Achievement of this performance objective requires consistent performance over a period of time.

### EXAMPLES OF RELEVANT ACTIVITIES INCLUDE:

- contributing to meetings to discuss and agree budgets
- preparing budgets based on the best available information to an appropriate level of detail
- amending budgets to reflect changes in circumstances
- preparing forecasts and conduct sensitivity analysis to assess the potential impact of changes to the budget
- producing cash flow forecasts to project the organisation's future cash position.

These examples illustrate how you might demonstrate this performance objective. They are not obligatory – you may prefer to think of other ways that show how you perform effectively in this area.

### KEY KNOWLEDGE AND UNDERSTANDING: PERFORMANCE MEASUREMENT AND MANAGEMENT ACCOUNTING

- Identify, describe, calculate and forecast business costs and revenues and their behaviour
- Plan, monitor, and control the use of business and financial resources.

### LINKED EXAM PAPERS

Paper F2, Management Accounting

Paper F5, Performance Management

Paper P5, Advanced Performance Management.