



PFT CORPORATE TRAINING SERIES

COURSE TITLE

BUDGETARY CONTROL AND THE INTERPRETATION OF VARIANCES (Course code: PCTS0007)

LEARNING OUTCOMES

This course will enable participants to understand the concept of variances and how the interpretation of variances gives a meaningful insight into the factors affecting financial performance. At the end of the course, participants will be able to identify the reasons for variances that they observe and be able to pinpoint where accountability for a particular variance should be allocated. This skill set will ensure fair evaluation of the performance of budget holders and will help to fulfil the control objective of a good budgetary system.

COURSE CONTENT

- Standard costs in a budgetary control system
- Flexed budgets and their role in control
- Understanding Material variances including mix and yield variances
- Interpreting Labour variances including idle time
- Understanding how Overhead variances work under different costing systems
- Drivers and interpretation of sales variances
- The controllability factor- Planning and operational variances.
- Limitations of variance analysis in the modern environment of JIT and TQM

WHO SHOULD ATTEND?

This course will be of relevance to anybody involved in performance or management reporting as it provides useful insights into how variances identified are to be interpreted and used to ensure a fair evaluation of budget holders. The course is also relevant to non-financial managers who are budget-holders and to small/medium size business owners who need to understand the underlying factors either driving or holding back financial performance. It will help them to thereby focus attention on performance optimization in the identified areas.

DURATION

6 hours (this is run as 2 sessions of 3 hours each or 1 full day of 6 hours)

