# EXERCISING BUDGETARY CONTROL AND MONITORING

## The annual plan and budget approval

The nominated Trustee will draft a business plan in the form of a budget to present to the board of trustees for discussion and approval at their February or March meeting each year. This will include sections detailing the resources required to deliver the plan, a budget which matches this and a cash flow forecast.

The nominated Trustee will draw up the budget section following discussions with other Trustees and staff. This section will include written explanations of the estimates and assumptions underlying the figures, and identify potential risks.

If opportunities arise mid-year, the budget for those projects will be prepared by the relevant staff member in consultation with the Trustees. The Trustees must approve a project budget before it is included in an application for funds.

## Reporting and monitoring income and expenditure

The nominated Trustee or staff member will produce regular reports which provide clear financial information to underpin decision making and support trustees to discharge their responsibilities and staff to manage their work.

Reports to each trustee meeting will include:

* comparison of income and expenditure to date against budget, and forecast income and expenditure to year-end against budget
* explanations of any material variances from plan, and suggestions for corrective action where necessary
* impacts on cashflow compared to budget, and cashflow for the following 12 months.

Budget holders are expected to manage their projects within the approved budget and to notify Trustees immediately if they foresee any material differences in income or expenditure.

Staff will be given suitable training on an on-going basis to help them manage project finances successfully.