



## ***Better budgeting***

### **10 – Interpreting the report**

Once we're happy that our numbers are accurate we can interpret them.

Start off with the big picture. Are you under or over your YTD budget?

Before you get too complacent (or worried), remember we only spend money to achieve our objectives. Your report is a financial report, which ignores what we've delivered or achieved.

For example, if you're 10% under budget (that's good!), but have only achieved 50% of what you'd planned, you've got a problem!

So you need to understand what you've achieved or delivered against your plan. If you've done things early, how much budget was allocated to them? You won't need to spend that money later: how does that make your over or underspend look?

If you haven't done things, and need to do them later, how much budget was allocated to them? If you've spent that money without achieving the objectives, what's your plan now?

Identify the timing differences. If you paid your annual maintenance bill this month, but it's in next month's budget, that's fine (if the amount's right).

Understand what additional tasks have been allocated to you. If these were on top of all your existing tasks, how much of your overspend is due to the additional tasks? How does this stack up against what you said they'd cost? If you didn't communicate the cost earlier, you haven't got a leg to stand on now!

Your aim with the report is to understand your budget spend in the context of what you've delivered.

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