



Introduction to costing and budgeting

Course objectives

This course has been designed to introduce participants to the techniques used by accountants for financial planning and financial management. The main focus of the course is on how these techniques can be used by lawyers to improve their personal financial management and to appreciate the impact of their decisions on the overall performance of their firm.

Typical content

- Introduction to budgeting and costing, the behavioural aspects and the relationship with strategic planning
- Cost control – understanding the different types of cost and how to control them
 - Fixed costs, variable costs, sunk costs and stepped costs
 - The concept of activity-based costing
 - Identifying efficiency savings and other opportunities
 - Cost control techniques including the use of management accounts and variance analysis
- Introduction to budgeting – for a single client matter and for a team or department
 - Types of budget including zero based and flexible budgets
 - Relationship between budgeting and cost control including standard costing systems

Typical practical work and case studies

- Understanding the types of costs relevant to a law firm and how these costs can be controlled
- Case study assessment of typical management accounts provided to lawyers looking at WIP levels, utilisation and recovery rates
- Short practical examples of all the different techniques introduced – setting a simple budget for a department
- Case study – assessment of performance of three separate departments operating within the same firm

Duration and guideline fee

3 hour course – £850

6 hour course – £1,700

Recommended maximum group size – 30