



Budget management and monitoring

The issue

It was difficult for the trustees and company to keep a handle on fees as there was no formal budget in place for the scheme. Also, with an increase in project work, **neither party had real transparency** on the amount of out of scope work being approved and the likely associated costs.

What we did

We felt the budget was only one part of the issue. There also needed to be a process in place to set out the expected work, which would then shape the trustee budget.

We suggested:

- **introducing an annual business planning meeting** to agree the regular and project work for the forthcoming year
- **setting an agreed annual budget** to cover all advisers and providers
- **changing detail on adviser invoices** to support the new processes
- **streamlining the invoice approval process**, so budgeted fees have a quick path to approval and out of scope work still follows a tiered approval process

The outcome

There is now **absolute clarity** on the agreed work and budget for the scheme. Both the company and trustee are pleased with the **transparency and robustness** with which pension scheme costs are now managed. At one glance the budget tracker enables everyone to see what work has been done and how it compares with the agreed budget.

The revised fee approval process ensures **scope and budget are always agreed before work starts**. Without this, an invoice will not be paid. Budgets and procedures are monitored at each quarterly trustee meeting and further refinements continue to be made.