

Budget and Administration Committee

Financial regulations - Profiling of budget

Background

1. Standing Order 18 (b) requires that Financial Regulations be reviewed annually for fitness of purpose.
2. The Responsible Financial Officer proposes to undertake this review at council during quarter 3 of this financial year. This is a matter which is within the power of the RFO as Responsible Officer.
3. The RFO proposes to bring forward, at that meeting, one amendment to the Financial regulations.
4. Financial regulation 3.8 requires that the draft budget each year shall be profiled; that is to say, it should contain estimates for each heading, showing how the spending or income received under that heading should be distributed throughout the year. Budget Profiling is the matching of the year to date budget with expenditure that relates to the same period in previous years. The idea behind requiring budget monitoring is clear; it is not easy to analyse trends or variances unless you are able to compare actual spend with expected spend for a time of year.
5. In a large organization budget profiling is good practice, supported as it usually is by specialist accountants deploying enterprise level software. Berwick Town Council is not a large organization, does not have enterprise level accounting software and does not require an in house accountant.
6. The RFO therefore proposes to bring forward a modified regulation 3.8 that will enable the RFO to identify those items of spending which require to be profiled, and to apportion all other spending on an equal parts basis.

Recommendations

1. Committee is invited to consider these proposals, and to make their views known to the RFO.