

## Extract from August 2013 Financial Regulations

### **C2.1 Budget Controllers**

Budget controllers are responsible to the Chief Financial Officer and the Finance Committee for the management of budgets within their control. As such they are expected to:

- a) Review with budget holders' income and expenditure progress during the year;
- b) Ensure the production of forecasts of expected out-turn for the current year and budgets for the following year, and that such information is produced on time;
- c) Advise the Finance Director of strategic resource requirements/ discontinuation of requirement affecting budgets under their control;
- d) Advise the Finance Director of perceived weaknesses in the current budgetary control headings/procedures which require action;
- e) Ensure that Procurement Procedures are carried out in accordance with Procedure 1.4;
- f) Ensure that they secure best value for money;
- g) Obtain advice on the financial and legal wording of contracts for goods and services from the Purchasing Manager;
- h) Consult with the Purchasing Manager as Budget Controllers do not have the authority to sign contracts on behalf of the School, except where explicitly permitted elsewhere in the Financial Regulations;
- i) Ensure that staffing commitments including new hires, replacement of retiring staff and temporary staff are within MSL or cash budgets.

### **C2.2 Budget Holders**

Budget holders are members of staff who are responsible for the day-to-day administration of the budgets they hold. They will be responsible to their budget controller (normally head of division/department) for the administration of those budgets.

They will normally be personally responsible for authorising expenditure against the budget. Budget holders are responsible to their budget controller for the preparation of budget submissions. A budget holder is also expected to:

- a) Monitor expenditure and maintain records of outstanding purchase orders and known future items of unavoidable expenditure to ensure that the total budget for the year is not exceeded;
- b) Ensure that the budget is used for the purposes for which it was created;
- c) Budget holders who are responsible for income budgets are also required to monitor activity against that budget, and to notify their budget controller and the Chief

Financial Officer of both actual and potential negative and positive material variances as soon as information becomes available;

- d) On request, provide information to the Chief Financial Officer on the most likely outturn for the year (on both income and expenditure budgets) to assist the preparation of accurate Financial Forecasts;
- e) Report as soon as possible to their budget controller and the Chief Financial Officer if it is foreseen that the budget for the year (either expenditure or income) will be subject to a variance of +/- £5,000;
- f) Ensure that Procurement Procedures are carried out in accordance with Procedure 1.4;
- g) Monitor performance of suppliers and advise the Purchasing Manager on alternatives where appropriate costs reductions/efficiency gains can be made;
- h) Ensure that they have secured best value for money;
- i) Monitor commitments against the MSL2 forms that control Staffing Budgets and advise the Director of Human Resources and the Chief Financial Officer of potential issues. The Finance Division maintain cash based payroll forecasts and budgets against which spend to date is monitored on a regular basis. Budget controllers are required to assist the Finance division in this process of review by, when required, providing accurate and timely responses to requests for clarification and explanation
- j) Ensure that year-end accounts procedures are carried out in accordance with the Annual Accounts procedures sent out in June. Particular attention should be paid to the recording of all relevant expenditure at the year-end and the completion where appropriate of the blue sundry creditor forms.
- k) Contracts should be referred to the Purchasing Manager as budget holders do not have the authority to sign contracts on behalf of the School except where explicitly permitted elsewhere within the Financial Regulations.