

JEL Classification: G21, E52

ARRANGEMENT OF BANK BUDGET FULFILMENT CONTROL

Olha M. BARTOSH

Senior Lecturer of Banking Department of Cherkasy Institute of Banking of the University of Banking of the National Bank of Ukraine (Kyiv)

Summary. The article deals with the system of budgetary control, the types of controls and procedures for its realization by the reports. The types of deviations and the procedures of the analysis by the flexible budget are studied.

Key words: *budgetary control, report on the budget, flexible budget controlling.*

Statement of the problem. Budgeting – the foundation of financial discipline, which increases the responsibility of managers management achieved financial results. Budget execution achieves its goals, allowing time to identify deficiencies and take appropriate decisions to address them effectively and motivate personnel. Organization and definition of methods for monitoring the implementation of the budget is the main task of banking institutions.

Issues related to the study of enforcement budgets, variance analysis and decision-making in the scientific literature developed enough. However, the importance of these studies underscores the many academic economists. The system of budgeting – a process of continuous improvement, including improving the monitoring, analysis and management for deviations. Banks lack of experience in practical applications of budget planning and con.

The objective of the article is to highlight the approaches and methods of budgetary control based on documentary disclosure that determine the specificity of the banking business, and use of information for decision-making

Justification of scientific results. Budgeting – the foundation of financial discipline, with the increased management responsibility for financial results obtained. Budgets are developed in order to identify weak links in the organizational structure.

Today, the banking institutions to high demands on the organization of their activities. These forces focus more on cost optimization and effective management of available resources. The last stage of the budget process is to monitor and analyze its performance. Control feature provides the department budgeting. Budgetary control is performed to de-

tect deviations from the actual results of operations planned. It is needed in order to take timely measures to ensure the implementation of budgets.

Control is divided into two types: permanent and final. Permanent monitoring is performed during the plan period. The technology allows for continuous monitoring to detect trends early stage to a breach of the plan and take action to correct the financial situation. Based on the analysis of the financial performance budgeting, banks can continually assess the financial performance of individual banking products, types of businesses, and the final result overall. To monitor the use primary documents, information, analytics, operational reporting, budget execution report.

For management decisions using different methods of providing information: contracts, budgeting, benchmarking, monitoring, audit, report on the results of implementation of the budget. Final inspection upon completion of the plan period on the basis of budget reports Bank. Budgetary control is based on the compilation of the budget figures and is carried out by calculating the deviation of the actual value of the planned budget figure.

Methods of control of budget execution consists of the steps: Identification and assessment of deviations; Analysis of the causes of variation; Management decisions.

Deviations from the budget are reflected in the report may be favorable (positive) or unfavorable (negative). Negative (negative) is the deviation where the actual income is less than the planned or actual costs are greater than budget. Favorable (positive) deviation is when the actual income exceeds the planned and actual costs were lower than budget. Report on

the financial performance provides feedback, drawing attention manager to significant deviations from the expected results, which in turn makes it possible to manage for deviations. Depending on the cause, the deviations are divided into two groups: Deviation due to planning; As a result of the deviation.

Deviations due to planning – a deviation from the budget-related errors and failures in the process of forecasting. Deviations due to the result of the actions of staff (bad faith performance of official duties, insufficient knowledge, skills) or specific events (changes in demand, price volatility, exchange rates, the limit restrictions, etc.). If there are significant variations depending on the reasons for the possible alternative solutions: Adjustment or revision of the budget, if monitoring results indicate that implement it more impractical; Making appropriate adjustments in the actions to ensure achievement of the planned objectives.

To ensure effective control through performance report should compare actual results with the budget, adjusted for certain factual indicators: sales of products, prices and actual costs. This budget is called dynamic or flexible budget. It can be made in the process of planning and under control. When planning it will help choose the best option volume of transactions, and in the analysis to evaluate the actual results.

As you can see, control and analysis detects errors, deviations, failures and problems of past events in order to find the perpetrators, eliminate weaknesses and monitor the process of correction. In order to manage future events Banks should in-

troduce a system of governance as controlling. Controlling aims to coordinate and control all activities of the bank in order to successfully achieve strategic objectives. Controlling encompasses the creation, processing, verification and presentation of management reporting system. It allows you to advance the development model of banking based on various issues and the impact of various factors on budget items. Controlling ensures the adaptation of banking innovation, new financial instruments and innovative banking products information requirements of the officials who make decisions.

Conclusions. Development of monitoring budget execution – one of the most important aspects of the entire financial planning and management of the bank as a whole. The process of constructing a system of enforcement budgets complicated and time-consuming, banks realize it with the help of automation, which highlighted the level of accumulation and processing of information from source documents to a report on budget execution. The choice of control methods, evaluation of the system parameters unique to each individual bank and directly depend on the strategic goals that have been set and the specificity of its activity.

When quality control banks are able to plan resource requirements and reduce the risk of unexpected expenses, get savings in resources by coordinating all aspects of business. With control of critical factors for decision making in a complex scene consisting transparent for analysis. Budgeting identifies the role of each of these factors to achieve corporate goals.

References

1. Volkova O. N. Bjudzhetirovanie i finansovyy kontrol v kommercheskih organizacijah [Performance Budgeting and financial control in the commercial organizations]. — M. : Finansy i statistika, 2005. — 275 c.
2. Kosarev O. Y., Volyk V. M. Metodolohiia biudzhetyuvannia diialnosti pidpriemstv [Budgeting Methodology of activity of enterprises] — K. : NAU, 2004. — 96 p.
3. Kuzmin O. Ye., Melnyk O. H. Biudzhetyuvannia na pidpriemstvi [Budgeting in the enterprise]. — K. : Kondor, 2008. — 312 p.
4. Liubun O. S., Denysenko M. P. Biznes – planuvannia u banku [Business – planning in the Bank] — K. : Ataka, 2006. — 288 p.
5. Tabachuk H. P. Upravlinskyi oblik u bankakh [Management Accounting in the Banks] — K. : UBS NBU, 2007. — 178 p.
6. Finansove planuvannia ta prohnouzuvannia diialnosti bankiv [Financial planning and forecasting of banking activities] : Monohrafiia — K. : UBS NBU, 2009. — 323 p.