

# Glossary of Terms

Accounts Payable	The computerised system used to pay money to an outside body for goods and services received.
Accrual	The recording of transactions when they take place not when payment is made.
Actual	The cost of a unit, item or service.
Budget	A plan of expected expenditure and income over a set period of time for example the Council's revenue budget covers a financial year.
Budget Holder	A nominated officer in a Directorate who has responsibility for the control and monitoring of a particular budget.
Budget Manager	A nominated officer in a Directorate who has responsibility for the control and monitoring of the budgets within a service area.
Budget Monitoring	The analysis and reporting of expenditure/ income against budget. Budget monitoring is carried out by Directorates and by Strategic Finance on a monthly basis.
Budgetary Control	The use of budget monitoring information to manage the budget and bring spend in on target for the year
CEI	Change, Efficiency and Improvement Programme
CLG	Department for Communities and Local Government
Cost Centre	A code created in General Ledger to record expenditure and income for a particular activity. For example a library a school
DCSF	Department for Children Schools and Families (now DfE)
DfE	Department for Education
DWP	Department for Work and Pensions
Fees and Charges	Income arising from the provision of a service.
Financial Regulations	Rules which set out the financial policies of the Council and help to ensure that the assets of the Authority are protected and properly deployed.
Financial Year	1 April to 31 March .
Forecast Out-turn	A prediction of the final income and expenditure based at the year end.
General Ledger (GL)	The prime financial record for the Authority. The General Ledger records all the

## APPENDIX I

	expenditure incurred and all the income generated by the Council.
IFRS	International Financial Reporting Standards – the basis on which the 2010/11 accounts will be applied, with certain elements applying to PFI in 2009/10
Journal Transfer	A journal transfer is used to correct miscoded transactions or to allocate costs/income within or across Directorates.
LGPS	Local Government Pension Scheme
Non essential spend	Any expenditure that is not for “life or limb” services.
Outturn	The final expenditure and income position on a cost centre at year-end.
PFI	Private Finance Initiative
Profiling	A method by which budgets are profiled to reflect patterns of spend.
Projections	A forecast of expenditure and income to the year-end based on known commitments and trends
Prudential Borrowing	See Unsupported Borrowing
Revenue Expenditure	Expenditure on the day-to-day running costs of a service for example employees transport.
Reprogramming	Refers to changes to the timing of projects in the Capital Plan between years
Service Area	Groups of related cost centres.
SHIP	Social Housing Investment Pot
SLT	Senior Leadership Team
Subjective	A subjective shows the type of expenditure incurred for example employees. A subjective can be used to record the type of income generated, for example rent and fees
Supported Borrowing	This is borrowing to fund expenditure in the capital plan where the annual financing costs of such borrowing is supported by government through formula grant. No new supported borrowing has been awarded since 2009/10
Suspense Account	A cost centre used when costs or income are not readily identifiable. The account is used temporarily until additional information on the transaction can be found
Unsupported Borrowing	This relates to borrowing to fund expenditure where the annual financing costs have to be met from the Council’s own revenue resources. This is also known as Prudential borrowing.
Variance	The difference between budgeted expenditure

## APPENDIX I

	and income compared to actual expenditure and income.
Virement	A transfer of budgets from one area of the budget to another.