

BUDGETING AND ANALYSIS IN HOLDING ENTERPRISES

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In the article the basic stages of working out the budget at holding enterprises consisting of three budgets - operational, investment and financial are presented. In article the budgeting system at holding enterprises is suggested as the information base of the analysis and sequence of carrying out the administrative analysis at the enterprise, allowing investigating and estimating the results of its activity.

A holding is a complex integrated structure including operating bodies, business units and other elements. The set of techniques, levers and management tools is developed for the efficient control over the holding. The main tools of holding management are budgeting and analysis.

Budgeting at the holding enterprises means structuring the information for budget preparations and making rational decisions for the purpose of profit increase and the financial stability of the organization.

Budgeting allows getting competitive advantages through the creation of an effective control system thanks to which there is a possibility to predict potential problems and plan preventive actions.

Now the enterprise budget is a complete scientifically well-founded system of gathering, analysis and processing the information received from internal and external sources, calculation of the basic and auxiliary indicators of the economic condition of the enterprise and control over their performance at all stages of the realization of the budget. The given system not only promotes the increase of enterprise productivity, providing trustworthy information about the results of economic activities, but also allows to solve the following problems:

- ◆ To plan financial and economic activity counting upon the achievement of a certain financial result;
- ◆ To define the purposes and control indicators of activity;
- ◆ To allocate the spheres of responsibility and to distribute administrative functions between the heads of divisions, to direct their activity on the achievement of the target financial result;
- ◆ To improve information exchange and interaction between structural divisions;

- ◆ To optimize financial streams, having defined the critical periods in the activity of the company and the necessity of financing;

- ◆ To find out management bottlenecks and make the necessary administrative decisions.

Quality of budgeting is defined by the structure of budgets, the structure of items in the budget, mutual coordination of budgets, and the quality of activity of the managers participating in the process of budgeting.

The budget information should be accessible and clear for users. Budget forms are not regulated and each enterprise can create its own form.

Here is a sample scheme of the budgeting system at the enterprises of holding (see figure).

As a result of the analysis of the operating scheme of budgeting in LLC "Agrofirma "Mordovzernoors" Holding" of the Republic of Mordovia, the basic drawback of the developed scheme of budgeting is the absence of the account of risk factors at the stage of the calculation of the planned values. Thus we suggest carrying out the account of risks at the stage of the formation of budgets under the following scheme. At first it is necessary to define to calculate risk level, such as budget articles, the budgetary plan as a whole, the processes, etc. After that we suggest to define the sales forecast. Thus the next step is to define the requirements for production. While predicting plant growing production, define the areas for the crops, productivity and total cultivated agricultural crops harvest. It is also necessary to consider the possibility of fulfillment of obligations under the concluded contracts, the requirements for cattle and poultry forages, the creation of necessary seed funds, insurance funds of seeds and forages, and the volumes of production to be sold to the workers of the organization.

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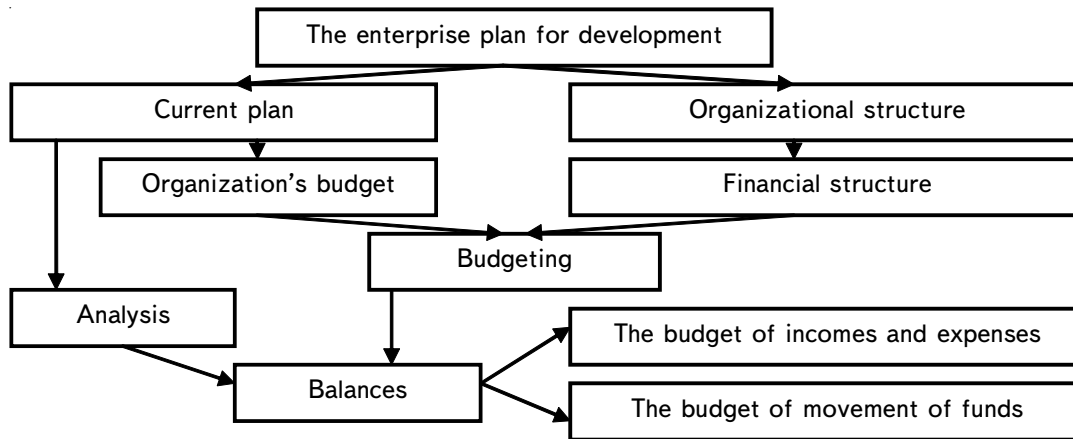


Fig. Budgeting system in holding enterprises

It is necessary to make up the manufacture budget for each kind of activity in the organization, which will allow carrying out the control

over production and expenses in the centers of economic responsibility.

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