

# TRANSFER PRICING AND BUDGET MANAGEMENT

Barclays Wealth

## OVERVIEW

### 1. Situation

- ✓ Barclays Wealth required enhancements in financial control processes related to Transfer Pricing to improve cost allocation accuracy. Additionally, they needed support in preparing their full-year cost budget for the upcoming financial year

### 2. Task

- ✓ As a Financial Consultant, I was responsible for redesigning the global recharge models, improving cost allocation methodologies and ensuring adherence to tax regulations to support effective financial management. I was also tasked with developing the full-year cost budget

### 3. Actions

- ✓ 1. Global Recharge Models:
  - Successfully redesigned the global recharge model for infrastructure and strategic investment costs, ensuring clear alignment with allocation drivers and strategic objectives
  - Enhanced the accuracy of cost allocation by rebuilding the Private Banker recharge model
  - Engaged in complex negotiations with financial controllers to refine cost allocation methodologies, ensuring alignment across all global legal entities and appropriately escalating challenges to the Finance Management team
- 2. Compliance and Budgeting:
  - Ensured all recharges complied with local tax regulations, minimising potential tax disallowances and regulatory risks
  - Established and gained agreement on the overhead budget for the following financial year, facilitating effective financial planning and resource allocation

### 4. Results

- ✓ - Enhanced financial control processes related to Transfer Pricing and Budget Management, ensuring alignment throughout the business and improving the payment of recharges while clearing old outstanding balances
- Improved accuracy and transparency in cost allocation, providing valuable insights for decision-making and cost optimisation

- Mitigated potential tax disallowances and regulatory risks through strict compliance with local tax regulations
- Facilitated effective financial planning and resource allocation by establishing overhead budgets for the following financial year

## 5. Affected parties

- ✓ - Senior Finance Management: Gained confidence in financial control processes, ensuring alignment with strategic objectives and compliance
- Financial Controllers: Benefited from improved cost allocation accuracy and clarity in recharge methodologies, resulting in more effective accounting and quicker recharge payments
- Business Units: Experienced enhanced financial transparency and accountability through the budget process, supporting informed resource allocation decisions