

Section 5

c) Explanations of significant variances on the Accounting Statements

We require explanations for significant variances (increases or decreases) of more than 15% between 2015 and 2016 in Boxes 2, 3, 4, 5, 6 and 9. Variances of less than 15% or less than £250 need not be explained.

Your explanations must be quantified, i.e. state how much of the variance is covered by each specific explanation. Your explanations must ensure that the variances for each Box are explained and quantified to within 15%.

Guidance is available at paragraph 6 on the back of the 2016 Annual Return and in the *Practitioners' Guide* – available on line at the NALC website.

You can set out your explanations of variances in any way you wish, but they should be clear and complete and easy to follow.

Our suggested method of how to identify variances that require explanation, and suggested layout for providing explanations are set out below and on page 12.

Identifying which variances require explanation

Positive and negative variances must be explained

Box on Section 2	2015 £	2016 £	Variance Increase (+) or decrease (-) (2016 less 2015) £	% (Variance divided by 2015 figure multiplied by 100)	Explanation required? Less than £250? - NO Less than 15% - NO More than 15% - YES
Box 2 Precept or Rates or Levies	3367	3429	+62.00	1.84	NO
Box 3 Total other receipts	9023	3515	-5508	59.7	YES
Box 4 Staff costs	1413	1516	+103	7.3	NO
Box 5 Loan interest/ capital repayments	NIL	NIL	NIL	NIL	NIL
Box 6 All other payments	12104	3057	-9047	74.8	YES
Box 9 Total fixed assets plus long term investments and assets	39626	39876	+250	0.6	NO

Section 5

c) Explanations of significant variances on the Accounting Statements - continued

Suggested layout for explanations

One sheet to be prepared for **each variance** that requires explanation.

BOX NO <u>3</u>	£
Figure in 2016 column	3515
Figure in 2015 column	9023
Variance (2016 figure less 2015 figure) A positive figure is an increase, a negative figure is a decrease	-5508

Reasons (as many as are applicable)	Amount £
Reason 1 GRANT FOR PLAY EQUIP IN FY14/15 - NONK IN FY15/16	4997
Reason 2 WWI BURNT GRANT IN FY14/15 NONK IN FY15/16	511
Reason 3	
Reason 4	
Unexplained	NIL
Confirm unexplained amount is less than 15% of 2015 figure	N/A

Council Tax Support Grant (Applies only to Parish Councils and Meetings)

The Council Tax Support Grant, if received, is paid over at the same time as the Precept. Please note that **only the Precept should be recorded in Box 2 (Precept or Rates and Levies)** on the Annual Return.

Council Tax Support Grant must be included in Box 3 (Total other receipts).

The Council Tax Support Grant, if paid, may be annotated separately on the documentation sent to the Council by the District/Borough Council when the payments are made. If it is not you will need to contact your District/Borough Council to find out how much Council Tax Support Grant has been paid for 2015/16.

Section 5

c) Explanations of significant variances on the Accounting Statements - continued

Suggested layout for explanations

One sheet to be prepared for **each variance** that requires explanation.

BOX NO <u>6</u>	£
Figure in 2016 column	3057
Figure in 2015 column	12104
Variance (2016 figure less 2015 figure) A positive figure is an increase, a negative figure is a decrease	-9047

Reasons (as many as are applicable)	Amount £
Reason 1 PLANT & EQUIPMENT PURCHASES IN FY 14/15 NONR IN FY 15/16	7009
Reason 2 WWI COMMEMORATIONS IN FY 14/15 NONR IN FY 15/16	1190
Reason 3 BONIFIRE + FIREWORKS IN FY 14/15 NONR IN FY 15/16	678
Reason 4	
Unexplained	170
Confirm unexplained amount is less than 15% of 2015 figure	$170 \div 9047 = 1.89\%$

Council Tax Support Grant (Applies only to Parish Councils and Meetings)

The Council Tax Support Grant, if received, is paid over at the same time as the Precept. Please note that **only the Precept should be recorded in Box 2 (Precept or Rates and Levies)** on the Annual Return.

Council Tax Support Grant must be included in Box 3 (Total other receipts).

The Council Tax Support Grant, if paid, may be annotated separately on the documentation sent to the Council by the District/Borough Council when the payments are made. If it is not you will need to contact your District/Borough Council to find out how much Council Tax Support Grant has been paid for 2015/16.