

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	10523	10652	+ 129	1%	NO
Box 3 Total other receipts	1524	6754	+ 5230	343%	YES
Box 4 Staff costs	3811	4193	+ 382	10%	NO
Box 5 Loan interest/ capital repayments	NIL	NIL	NIL	NIL	NO
Box 6 All other payments	8302	19487	+ 11185	134%	YES
Box 9 Total fixed assets plus long term investments and assets	20931	21341	+ 410	2%	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 3	£
Figure in 2016 column	6754
Figure in 2015 column	1524
Variance (2016 figure less 2015 figure) A positive figure is an increase, a negative figure is a decrease	+ 5230

Reasons (as many as are applicable)	Amount £
Reason 1 GRANT RECEIVED FROM HISTORIC ENGLAND	2925
Reason 2 VAT RECLAIM FOLLOWING WAR MEMORIAL REPAIRS NEW PLAY EQUIPMENT & DEFIBRILLATOR	2353
Reason 3 PURCHASE.	
Reason 4	
Unexplained	+ 48
Confirm unexplained amount is less than 15% of 2015 figure	YES

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 6	£
Figure in 2016 column	19487
Figure in 2015 column	8302
Variance (2016 figure less 2015 figure) A positive figure is an increase, a negative figure is a decrease	+ 11185

Reasons (as many as are applicable)	Amount £
Reason 1 NEW PLAYAREA EQUIPMENT	3434
Reason 2 DEFIBRILLATOR PURCHASE	2320
Reason 3 STONEMASON FOR WAR MEMORIAL RENOVATIONS	5173
Reason 4 ARCHITECT FEES FOR WAR MEMORIAL RENOVATIONS	1100
Unexplained	- 842
Confirm unexplained amount is less than 15% of 2015 figure	YES

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

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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.