

Explanation of significant variances in the accounting statements - Section 1

Local council name: SULHAMSTEAD PARISH COUNCIL

The Practitioners' Guide (paragraphs 2.15 to 2.27) provides guidance on explaining significant variances. (This is not just a matter for the audit, as it is good practice for the Council to be provided with explanations for differences between one year's income/expenditure and the next, and between budgeted and actual income/expenditure in a year, as part of the normal budgetary control arrangements and when setting the precept.)

Please explain any variances of more than 15% between the totals for individual boxes in Section 1. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. We also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below, or complete a separate schedule if more space is required.

Section 1	2013/14 £	2014/15 £	Variance (+/-) £	Detailed explanation of variance (please include monetary values (to nearest £10))
Box 2 Precept	14,000	15,020	+ 1,020	Increased Clerk's hours salary to £4279 = Increased website costs = £488 + 1920 Increased Leisure Centre Contribution = 243.
Box 3 Other income	2,973	2,138	-835	No compensation received = 250 LESS VAT = 66 LESS COUNCIL GRANT = 520
Box 4 Staff costs	3,280	4,868	-1,588	Increased Clerk's hours & salary
Box 5 Loan interest/ capital	-	-	-	
Box 6 Other payments	11,236	13,105	-1869	Playpark repairs 1182 Website costs 488 Increased Leisure Centre Contribution 243
Box 7 Balances carried forward	25,350	24,535	-380	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. See Boxes 4 & 6
Box 9 Fixed assets & long term assets	44,484	44,484		
Box 10 Total borrowing	-	-	-	