

Explanation of significant variances in the accounting statements - Section 1

Local council name: WEST DEREHAM 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	6909	15569	+8660	Precept increased to allow for improvement works at Cemetery, Allotments + Grounds Maintenance Contract extended.
Box 3 Other income	4205	4570	+365	-
Box 4 Staff costs	3207	6227	+3020	New clerk employed for additional hours at higher rate of pay.
Box 5 Loan interest/capital	NIL	NIL	-	-
Box 6 Other payments	7987	8752	+765	-
Box 7 Balances carried forward	4901	10061	+5160	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. £2660 earmarked for new Cemetery, gate + pillars £1000 for parish improvements £1000 for possible election costs £500 increase to reserves
Box 9 Fixed assets & long term assets	165	165	-	-
Box 10 Total borrowing	NIL	NIL	-	-