

## Explanation of variances      SUBJECT TO AUDIT

Name Baydon Parish Council\_

The NALC/SLCC "Practitioners' Guide 2008" provides guidance on explaining significant variances. This is not just a matter for the audit, as it is good practice for the RFO to provide the council with explanations for differences between one year's actual expenditure/income and the next, and between budgeted and actual expenditure/income 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. We do not require an explanation 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 - for example, where there was a major one-off project in 2007/08 (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in 2008/09 (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 would also ask you to explain any change where there is a movement to or from zero.

Section 1	2007/08 £	2008/09 £	Variance (+/-) £	Detailed explanation of variance (with amounts £)
<b>Box 2</b> <i>Precept</i>	5894	8335	2441	Budget 08/09 10335, 2000 transferred from Reserves. 1900 added for allotment project
<b>Box 3</b> <i>Other income</i>	3642	534	3108	Village Plan Grant 3426 received 07/08
<b>Box 4</b> <i>Staff costs</i>	2302	3568	1266	Under claim of 6 weeks salary in 07/08. Overtime And back pay 164.90 in 08/09
<b>Box 5</b> <i>Loan interest/ capital</i>	0	0	0	
<b>Box 6</b> <i>Other payments</i>	5335	7059	1791	Village Plan – cost to produce 2355
<b>Box 7</b> <i>Balances carried forward</i>	12613	10855	1758	3354 and 5000 (s106) both ring fenced for recreational facilities
<b>Box 9</b> <i>Fixed assets &amp; long term assets</i>	0	1803	1803	Approval of asset register for first time.
<b>Box 10</b> <i>Total borrowings</i>	0	0	0	

**Reconciliation between Box 7 and Box 8 in Section 1 (year ended 31 March 2009)**

Name of Council: \_\_\_\_\_

There should only be a difference between Box 7 and Box 8 where the accounts have been prepared on an income & expenditure basis and there have been year-end adjustments for debtors/prepayments and creditors/receipts in advance. Please provide details of the year-end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
<b>Total of Box 7: Balances carried forward</b>		
Deduct: Debtors		
•		
•		
•		
•		
•		
Deduct: Payments made in advance (prepayments)		
•		
•		
<b>Total deductions</b>		
Add: Creditors		
•		
•		
•		
•		
•		
Add: Receipts in advance		
•		
•		
<b>Total additions</b>		
<b>Total of Box 8: Total cash and investments (must agree to bank reconciliation)</b>		