

Identifying which variances require explanation

Positive and negative variances must be explained

Authority name and reference					
Box on Section 2 Accounting Statements	(a) 2016 £	(b) 2017 £	(c) Variance Increase(+) or decrease(-) (b - a) £	(d) Variance divided by 2016 figure times 100 (c / a * 100) %	Explanation required? Less than £250,000 or 15%? - NO More than 15%? - YES
Box 2 -Precept or Rates and Levies	3,174	3,348	(+)174	5.48%	NO
Box 3 -Total other receipts	1,244	1,202	(-)42	3.37%	NO
Box 4 -Staff costs	(2,000)	(1,690)	(-)310	15.5%	YES
Box 5 -Loan interest/ capital repayments	0	0	0	0	N
Box 6 -All other payments	(2,656)	(4,189)	(+)1,533	57.71%	YES
Box 9 -Total fixed assets plus long-term investments and assets	14,250	15,087	(+) 837	5.87%	NO
Box 10 - Total borrowings	0	0	0	0	NO

Suggested layout for explanations of individual variances

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

Authority name and reference	STAPLEFORD PARISH COUNCIL - WCT 219	
BOX NO	4	£
(b) Figure in 2017 column		1,690
(a) Figure in 2016 column		2,000
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		(-) 310

Reasons (as many as are applicable)	Amount £
Reason 1 payroll agency costs added to salary costs in error 2015/16	276
Reason 2	
Reason 3	
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	276
(f) Unexplained amount £ of total variance at (d - e)	34
Unexplained as % of 2016 figure (f / a *100) (must be below 15%)	1.7%
Confirm unexplained amount is less than 15% of 2016 figure YES - satisfactorily explained NO - provide further explanations	YES

Suggested layout for explanations of individual variances

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

Authority name and reference	STAPLEFORD PARISH COUNCIL - WLT 219	
BOX NO	6	£
(b) Figure in 2017 column		4,189
(a) Figure in 2016 column		2,656
(d) Total variance: 2017 figure less 2016 figure: (b - a) A positive figure is an increase (+) a negative figure is a decrease (-)		(+)1,533

Reasons (as many as are applicable)	Amount £
Reason 1 Purchase of marquee	837
Reason 2 Repairs to swings	503
Reason 3	
(e) TOTAL AMOUNT £ EXPLAINED (total of reasons above)	1,340
(f) Unexplained amount £ of total variance at (d - e)	193
Unexplained as % of 2016 figure ($f / a * 100$) (must be below 15%)	7.2%
Confirm unexplained amount is less than 15% of 2016 figure YES – satisfactorily explained NO – provide further explanations	YES