

**LOCAL COUNCIL NAME**

**LITTON PARISH COUNCIL**

**COUNTY**

**DERBYSHIRE**

**BANK RECONCILIATION YEAR ENDED 31 MARCH 2015**

|                          |  | £                |
|--------------------------|--|------------------|
| <b>A</b>                 | Balance on the bank statement at 31 March 2015 (taken from bank statement)   | <u>21,287.93</u> |
| <b>Outstanding items</b> |  |                  |
| <b>B</b>                 | Less unpresented cheques (to agree with attached list)   | <u>54.00</u>     |
| <b>C</b>                 | Plus uncleared payments into bank (to agree with attached list)  |                  |
| <b>D</b>                 | Petty cash<br>Plus any petty cash balance held at 31 March 2015  | <u>0.00</u>      |
| <b>E</b>                 | Balance in the cash book (council's own records) at 31 March 2015<br>(Calculated as A-B+C+D=E and agrees with Box 8 on the Annual Return ) | <u>21,233.93</u> |

## Explanations of significant variances

We require explanations for significant variances (increases or decreases) of more than 15% between 2014 and 2015 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, ie 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 2015 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.

### Identifying which variances require explanation

Positive and negative variances must be explained

| Box on section 1                              | 2014<br>£ | 2015<br>£ | Variance<br>Increase (+)<br>or decrease (-)<br><br>(2015 less<br>2014)<br>£ | %<br>(Variance<br>divided by<br>2014 figure<br>multiplied<br>by 100) | Explanation<br>required?<br>Less than<br>£250? - NO<br>Less than<br>15% - NO<br>More than<br>15% - YES |
|---|-----------|-----------|---|--|--|
| Box 2<br>Annual Precept                       | 7,310     | 7,206     | 104   | 1.4%   | No   |
| Box 3<br>Total other receipts                 | 8,582     | 16,622    | 8,040   | 93.7%  | Yes  |
| Box 4<br>Staff costs                          | 3,598     | 2,463     | 1,135   | 31.5%  | Yes  |
| Box 5<br>Loan interest/<br>capital repayments | -         | -         | -   | -  | -  |
| Box 6<br>All other payments                   | 12,033    | 14,629    | 2,596   | 21.6%  | Yes  |
| Box 9<br>Total fixed assets                   | 97,853    | 97,853    | 0   | 0  | No   |

## Explanations of significant variances - continued

### Suggested layout for explanations

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

|   |          |
|---|----------|
| <b>BOX NO .....3.....</b>               | <b>£</b> |
| Figure in 2014 column                   | 8,582    |
| Figure in 2015 column                   | 16,622   |
| Variance (2014 figure less 2015 figure) | 8,040    |

|   |                     |
|---|---------------------|
| <b>Reasons (as many as are applicable)</b>                        | <b>Amount<br/>£</b> |
| Reason 1 BIG Lottery Grant –<br>WW1 Commemorations                | 7,200               |
| Reason 2 Donations towards building of<br>A Garden of Remembrance | 1,400               |
| Reason 3  |                     |
| Reason 4  |                     |
| Unexplained   | (560)               |
| Confirm unexplained amount is less than<br>15% of 2014 figure     | Yes (6.5%)          |

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

|   |          |
|---|----------|
| <b>BOX NO .....4.....</b>               | <b>£</b> |
| Figure in 2014 column                   | 3,598    |
| Figure in 2015 column                   | 2,463    |
| Variance (2014 figure less 2015 figure) | 1,135    |

|   |                     |
|---|---------------------|
| <b>Reasons (as many as are applicable)</b>                    | <b>Amount<br/>£</b> |
| Reason 1 Permanent Clerk appointed saving<br>temp clerk rates | 1,180               |
| Reason 2  |                     |

|  |            |
|--|------------|
| Reason 3   |            |
| Reason 4   |            |
| Unexplained  | (45)       |
| Confirm unexplained amount is less than 15% of 2014 figure | Yes (1.3%) |

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

|   |          |
|---|----------|
| <b>BOX NO .....6.....</b>               | <b>£</b> |
| Figure in 2014 column                   | 12,033   |
| Figure in 2015 column                   | 14,629   |
| Variance (2014 figure less 2015 figure) | 2,596    |

|   |                     |
|---|---------------------|
| <b>Reasons (as many as are applicable)</b>                    | <b>Amount<br/>£</b> |
| Reason 1 One-off Counsel's fee                                | 1,200               |
| Reason 2 Cost of building a wall in the Garden of Remembrance | 2,695               |
| Reason 3  |                     |
| Reason 4  |                     |
| Unexplained   | (1,299)             |
| Confirm unexplained amount is less than 15% of 2014 figure    | Yes (10.8%)         |

## Reconciliation between boxes 7 and 8 on section 1 of the Annual Return

It is only necessary to reconcile boxes 7 and 8 if they are different.

Boxes 7 and 8 will be different if the council uses income and expenditure accounting and there are debtors and/or creditors at 31 March 2015.

If the council uses receipts and payments accounting boxes 7 and 8 will be equal and there is no need to provide a reconciliation between boxes 7 and 8.

It is helpful if the reconciliation between boxes 7 and 8 is set out and submitted to us on the attached schedule.

### RECONCILIATION BETWEEN BOXES 7 AND 8 ON THE ANNUAL RETURN

|          |   | £         |
|----------|---|-----------|
| <b>A</b> | Figure in <b>Box 8</b> of 2015 column of the Annual Return                          | 21,233.93 |
| <b>B</b> | <b>Less</b> Creditors at 31 March 2015 (please supply a detailed list of creditors) | 54.00     |
| <b>C</b> | <b>Plus</b> Debtors at 31 March 2015 (please supply a detailed list of debtors)     | 0.00      |
| <b>D</b> | Figure in <b>Box 7</b> of 2015 column of the Annual Return<br>(A-B+C=D)             | 21,287.93 |

