

Explanation of variances

Working out what variances need to be explained

| Line in section 1 | Last Year £ | This Year £ | Variance Increase (+) or decrease (-) (This Year minus Last Year) £ | % (Variance divided by Last Year figure multiplied by 100) | Explanation required? Less than 15% - NO More than 15% - YES |
|--|----------------|----------------|---|--|---|
| Line 3 Total other receipts | 7596 | 253 | -7343 | -96.66 | Yes |
| Line 4 Staff costs | 5011 | 6257 | 1246 | 24.86 | Yes |
| Line 5 Loan interest/ capital repayments | 0 | 0 | 0 | 0 | |
| Line 6 Total other payments | 11083 | 5649 | -5434 | -49.03 | Yes |
| Line 8 Debtors and stock balances | 0 | 0 | 0 | 0 | |
| Line 10 Creditors | 0 | 0 | 0 | 0 | |
| Line 12 Total fixed assets and long term assets | 18638 | 18638 | 0 | 0 | |
| Line 13 Total borrowing | | | | | |

Suggested layout for explanations

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

| | |
|---|--------|
| Line <u>3</u> | £ |
| Figure in This Year column | 253 |
| Figure in Last Year column | 7596 |
| Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease | - 7343 |

| Reasons (as many as are applicable) | Amount £ |
|---|-------------|
| Reason 1 YR ENDING 2022 PURCHASE OF PLAY EQUIPMENT | - 7251 |
| Reason 2 | |
| Reason 3 | |
| Reason 4 | |
| Unexplained | - 92 |
| Confirm unexplained amount is less than 15% of Last Year figure | YES |

Please note that explanations should be quantified. An explanation that 'expenditure increased because the Council spent more' will not be accepted.

Suggested layout for explanations

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

| | |
|---|--------|
| Line <u>4</u> | £ |
| Figure in This Year column | 6257 |
| Figure in Last Year column | 5011 |
| Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease | + 1246 |

| Reasons (as many as are applicable) | Amount £ |
|---|-------------|
| Reason 1 <u>PREVIOUS CLERK HANDOVER COSTS</u> | 880 |
| Reason 2 <u>INCREASE IN SALARY FOR NEW CLERK</u> | 102 |
| Reason 3 | |
| Reason 4 | |
| Unexplained | 264 |
| Confirm unexplained amount is less than 15% of Last Year figure | YES. |

Please note that explanations should be quantified. An explanation that 'expenditure increased because the Council spent more' will not be accepted.

Suggested layout for explanations

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

| | |
|---|--------|
| Line 6 | £ |
| Figure in This Year column | 5649 |
| Figure in Last Year column | 11083 |
| Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease | - 5434 |

| Reasons (as many as are applicable) | Amount £ |
|--|-------------|
| Reason 1 YR ENDING 2022 ALL WALES PLAY OPPORTUNITY GRANT RECEIVED FOR PLAY EQUIPMENT | - 6468 |
| Reason 2 | |
| Reason 3 | |
| Reason 4 | |
| Unexplained | + 1034 |
| Confirm unexplained amount is less than 15% of Last Year figure | YES. |

Please note that explanations should be quantified. An explanation that 'expenditure increased because the Council spent more' will not be accepted.