Explanation of variances – pro forma

Name of smaller authority:

County area (local councils and parish meetings only):

Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:
• variances of more than 15% between totals for individual boxes (except variances of less than £200);
• **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
• a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/ rates & levies value (Box 2).

	2021/22 £	2022/23 £	Variance £	Variance %				Explanation Required?	Automatic responses trigger below based on figures input, **DO NOT OVERWRITE THESE BOXES**	Explanation from smaller authority **(must include narrative and supporting figures)**	
1 Balances Brought Forward	6,730	9,355							Explanation of % variance from PY opening balance not required - Balance brought forward agrees		
2 Precept or Rates and Levies	10,000	13,500	3,500	35.00%	0	1	1	YES		The precept was increased by £3,500 to ensure that the Parish Council had sufficient funds to pay for the external auditor investigation cost which was £8,640. The Parish Council had planned over a period of two years to ensure that reserves were built sufficiently to afford the EA investigation	
3 Total Other Receipts	7,721	8,808	1,087	14.08%	0	1	0	NO			
4 Staff Costs	3,774	5,446	1,672	44.30%	0	1	1	YES		The staff cost increased by £1,642 mainly down to extra work needed in relation to the external auditor investigation, the work needed to manage various complaints from local residents and to produce regular newsletters (to increase transparency and communication) to the community. The Parish Council felt it was required to ensure that there was more information of governance available and accurate council projects. In total there was approximately 120 hours of over time to cover the above which equated to £1,585.	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	0	0	0	NO			
6 All Other Payments	11,322	20,450	9,128	80.62%	0	1	1	YES		The majority of the variance of £9,128 was the one off External Auditor investigation cost of £8,640 - if this amount was not included the variance would be £488 and only 4.31% variance.	
7 Balances Carried Forward	9,355	5,767						NO	VARIANCE EXPLANATION NOT REQUIRED		
8 Total Cash and Short Term Investments	9,355	5,767							VARIANCE EXPLANATION NOT REQUIRED		
9 Total Fixed Assets plus Other Long Term Investments and Ass	5,719	7,219	1,500	26.23%	0	1	1	YES		The £1,500 variance is because the Parish Council received a donation totalling £1,500 from two local businesses that purchased a new noticeboard to replace the previous one which was beyond repair	
10 Total Borrowings	0	0	0	0.00%	0	0	0	NO			

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Explanation for 'high' reserves					
(Please complete the highlighted boxes.)					
Box 7 is more than twice Box 2 because the authority held the followin					
			£	£	£
Earmarked reserves:					
	Reserve 1				
	Reserve 2				
	Reserve 3				
	Reserve 4				
	Reserve 5				
	Reserve 6				
	Reserve 7				
				0	
General reserve					
				0	
Total reserves (must agree to Box 7)					0