

Section 4

Information required for audit

a) Bank Reconciliation

What is a bank reconciliation?

A bank reconciliation is a control schedule prepared by the council that agrees the balance per the bank statement at the year end (31 March) to the bank balance per the council's own records. It is good practice for bank reconciliations to be prepared regularly throughout the year and approved by the council.

More than one bank account?

The bank reconciliation(s) should cover all the council's bank accounts. If the council has more than one bank account it is helpful if you can provide a summary of the bank reconciliations that agrees to box 8 on the Annual Return in addition to the detailed reconciliations prepared for each account.

It is helpful if the year-end bank reconciliation is set out and submitted to us based on the suggested format below.

If there are no outstanding items at the year-end you must still supply a bank reconciliation. A zero or "Nil" should be included in the relevant lines on the schedule or a clear statement should be made to that effect.

LOCAL COUNCIL NAME EAKRING PARISH COUNCIL

COUNTY NOTTINGHAMSHIRE

BANK RECONCILIATION YEAR ENDED 31 MARCH 2015

		£
A	Balance on the bank statement at 31 March 2015 (taken from bank statement)	1436.88
		5424.83
		1460.68
	TOTAL	8322.39
	Outstanding items	
B	Less unrepresented cheques (to agree with attached list)	
C	Plus uncleared payments into bank (to agree with attached list)	
D	Petty cash	
	Plus any petty cash balance held at 31 March 2015	
E	Balance in the cash book (council's own records) at 31 March 2015 (Calculated as A-B+C+D=E and agrees with Box 8 on the Annual Return)	8 322.39

Section 4

Information required for audit

b) 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 £	2015 £	Variance Increase (+) or decrease (-) (2015 less 2014) £	% (Variance divided by 2014 figure multiplied by 100)	Explanation required? Less than £250? - NO Less than 15% - NO More than 15% - YES
Box 2 Annual Precept	3500	3550			
Box 3 Total other receipts	171	306			YES
Box 4 Staff costs	906	933			
Box 5 Loan interest/ capital repayments	NIL	NIL			
Box 6 All other payments	2196	2205			
Box 9 Total fixed assets	6230	1957			YES

SEE
SHEET

SEE
SHEET

Section 4
Information required for audit

b) Explanations of significant variances - continued

Suggested layout for explanations

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

BOX NO 3	£
Figure in 2014 column	171
Figure in 2015 column	306
Variance (2014 figure less 2015 figure)	135 increase.

Reasons (as many as are applicable)	Amount £
Reason 1	In 2014-15 the Parish Council received a grant of £300 from County Council for towards purchase of a defibrillator.
Reason 2	
Reason 3	
Reason 4	
Unexplained	
Confirm unexplained amount is less than 15% of 2014 figure	

Council Tax Support Grant

The Council Tax Support Grant, if received, is paid over at the same time as the Precept. Please note that **only the Precept should be recorded in box 2 (Annual Precept)** on the Annual Return.

Council Tax Support Grant should be included in box 3 (Total other receipts).

The Council Tax Support Grant, if paid, may be annotated separately on the documentation sent to the Council by the District/Borough Council when the payments are made. If it is not you will need to contact your District/Borough Council to find out how much Council Tax Support Grant has been paid for 2014/15.

Section 4
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b) Explanations of significant variances - continued

Suggested layout for explanations

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

BOX NO 9	£
Figure in 2014 column	6230
Figure in 2015 column	1957
Variance (2014 figure less 2015 figure)	- 4273

Reasons (as many as are applicable)	Amount £
Reason 1	The Parish Council became aware that last years figure was the Insurance value of their Assets and not the acquisition value. This has now been amended.
Reason 2	
Reason 3	
Reason 4	
Unexplained	
Confirm unexplained amount is less than 15% of 2014 figure	

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