

**Pelton Parish Council**  
**Financial Year Ending 31<sup>st</sup> March 2018**

**Variances for External Auditor**

Variances, by box number.

Section 2	2016/17 £	2017/18 £	Variance (+/-)	Detailed Explanations
Box 2 Precept	£155640	£166567	+£10927	See 1 below
Box 3 Other income	£27008	£10245	-£16843	See 2 below
Box 4 (*16/17) Staff costs	*£18345	£19384	-£500 +£1039	See 3 below
Box 5 Loan	0	0	0	
Box 6 Other payments	£139626	£149053	+£8427	See 4 below
Box 7 Balances c/f	£62050	£71426	+£9376	See 5 below
Box 9 (*16/17) re-stated Fixed Assets	£35211*16/17 £33778	-£33778 £35175	-£1433 +£1397	See 6 below See 7 below
Box 10 borrowing	0	0	0	

1. Precept –

- a. New house building in the area has increased the precept.
- b. Additionally, the council identified areas which were carried in to the medium to long term financial plan for developing the council's effectiveness in communication and community facilities, some of which will be project managed over a three-year period. This includes web site development which will shortly be in place.

2. Other Income

- a. 2017/17 income of £27,008 included £14,060 of previous 3 years unclaimed VAT, as well as £3280 for that year in VAT. (There had not been any VAT reclaims received for 3 years, despite attempts being made. This was because HMRC had the council with 2 codes. The previous clerk administered 3 other councils and there had been an error at HMRC in issuing extra codes, which weren't being recognised for the council. A new code was issued and 3 years back VAT paid, as it was their error). £ VAT periods = £17,340, a balance of £9668, which would be representative of usual annual other income.

- b. 2017/18 allotment payments for one site had been processed by the bank on 31<sup>st</sup> March 2017, despite being posted only on 30<sup>th</sup> March– making the 2017/18 figure £450 lighter than it should be.
3. Staff Costs
  - a. 2016/17 Box 4 and box 6 were restated\* at the end of the financial year. This was because, this, having been the first year of using the Rialtas accountancy system, during set up members and staff training costs were coded to staff budget heading (box 4). This was changed at the year end to accurately calculate staff costs. Box 6 – other payments. The amount was therefore decreased by £500.
4. Other payments
  - a. See 3 above re 16/17 re-stated\*. The amount was therefore increased by £500 to reflect the transfer between codes.
  - b. Much of the increase is representative of contractors increased costs passed on to us for them to establish e.g. NEST / similar pension schemes and other costs.
5. Balances to c/f –

Reserves are low. Council transferred monies from the general account to general reserves b/f at the beginning of the year, increased +£9380. This was from the sum remaining at the end of the previous year.

There are ear marked reserves, Election of £10,000, By-election of £8000. Emergency Funds of £5,520. The remainder is general reserves £47,915. The council has regularly carried member vacancies over recent years.
6. Fixed Assets
  - a. 2016/17 – The external auditor noted that the asset register had been incorrectly stated – based on the 2015/16 register. The council was advised to re-state the asset register and this was duly done in October upon receipt of the auditors comments. Surplus fixtures and fittings from the principal authority had been incorrectly valued at replacement cost and were re-evaluated as a gift £1. A lap top on loan from the community centre had been recorded as an asset, when in fact, it was not, so was removed and returned to the community centre.
  - b. 2017/18 – The council decommissioned and disposed of a lap top (£600) and the county council took control of 2 salt bins £320. Christmas lights and decorations were broken or obsolete (£520) and 4 items of gifted furniture only lasted a short while and were removed from the asset register (£10) -£1450.
  - c. 2017/18 – New items were purchased, noticeboards +£2010, recorder and telephones £100 and the lease increase of £500 on one site are included in the increases = +£2610

I hope that his answers much of what you need.

Kindest regards

Maxine Robinson Clerk

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