

Date Published: 04 October 2011



GOVERNANCE & AUDIT COMMITTEE

29 SEPTEMBER 2011

SUPPLEMENTARY PAPERS

TO: ALL MEMBERS OF THE GOVERNANCE & AUDIT COMMITTEE

The following papers were circulated at the above meeting.

Alison Sanders
Director of Corporate Services

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7. ANNUAL GOVERNANCE REPORT	1 - 4
To receive a report which advises Members of a report by the Council's external auditor summarising the work carried out to discharge their statutory audit responsibilities. Phil Sharman, District Auditor will be present.	

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Appendix 3 Unadjusted misstatements in the financial statements

I identified the following misstatements during my audit, including uncorrected misstatements brought forward from earlier years, but management has not adjusted the financial statements. I bring them to your attention to help you in fulfilling your governance responsibilities and ask you to correct these misstatements. If you decide not to amend, please tell me why in the representation letter. If you believe the effect of the uncorrected errors, individually and collectively, is immaterial, please reflect this in the representation letter. Please attach a schedule of the uncorrected errors to the representation letter.

Table 8: Unadjusted errors in the financial statements

Description of error	Accounts affected	Comprehensive income and expenditure statement (CIES) and Movement in Reserves Statement (MIRS)		Balance sheet	
		Dr £'000	Cr £'000	Dr £'000	Cr £'000
1) Holiday and Flexitime accrual overstated	Dr - Leave creditor overstated			742	
	Cr Accumulated Absences Account - overstated				742
	Cr CIES in-year credit overstated		1,128		
	Dr CIES prior year debit - understated	386			
	Dr MIRS (Accumulated Absence Account) understated	742			

Description of error	Accounts affected	Comprehensive income and expenditure statement (CIES) and Movement in Reserves Statement (MIRS)		Balance sheet	
		Dr £'000	Cr £'000	Dr £'000	Cr £'000
2) Valuation of fixed asset Martins Heron - community centre and land values are included in the asset register but at no value	Dr Property Plant and Equipment Cr Revaluation Reserve			362	362
3) Assets capitalised incorrectly	Dr CIES Cr Property Plant and Equipment	56			56
4) Housing Benefit and Council Tax Subsidy Based on an extrapolation of errors found so far our initial sample for certification testing there is a potential over claim of subsidy. Overpaid benefit due to local authority error may also be recoverable from claimants	To reflect potential errors in subsidy claimed Dr CIES - Other Housing Services	150			
	Cr Creditors Government departments (note 30)				150
Overpaid benefit due to local authority error may also be recoverable from claimants	to reflect recovery of overpayments Dr Sundry debtors (note 28)			150	
	Cr CIES - Other Housing Services		150		

Description of error	Accounts affected	Comprehensive income and expenditure statement (CIES) and Movement in Reserves Statement (MIRS)		Balance sheet	
		Dr £'000	Cr £'000	Dr £'000	Cr £'000
5) Central government income in respect of 2011/12 has been incorrectly included in the 2010/11 accounts as a creditor rather than income in advance for 2011/12	Dr Crs (short term) Cr Receipts in Advance (short term)			99	99
6) misclassification of income property income	Dr CIES trading undertakings Cr CIES - investment income in relation to investment properties	156	156		
7) invoice not accrued to 10/11 (extrapolation)	Dr CIES Cr Creditors	442			442
8) Infrastructure assets Based on an extrapolation - we were unable to verify capital expenditure for part of a sample on infrastructure expenditure brought forward from previous years	Dr CIES Cr Infrastructure Dr Capital Adjustment Account Cr MIRS	322	322	322	322
9) Playing fields at two Voluntary Aided schools were not recognised in the balance sheet	Dr Property, Plant and Equipment Cr Revaluation Reserve			1,281	1,281

