

# Appendix 2

Misstatements - Numerical

No.	Area of Accounts	Description	Value	Type of error	Other areas affected	Affects Prior year	To Be Corrected	Extrapolation (if required)
1	Investment Property	Demolition of St Mary's Parade and Cook road site. Both included in the FAR and the accounts.	1,200,900	Overstated investment property	land / buildings depreciation	Yes	Yes	N/A
2	HRA Debtors Debtors Note	debtors understated, as Housing creditors advance payments being made to a number of tenants and overpayments made by tenants' balance held in the HRA debtors	3,812,409	Classification - Debtor Balance understated	Creditors	No	Yes	N/A
3	Long term borrowings	loan with Wycombe DC incorrectly classified as long term borrowing	5,000,000	Classification error	short term borrowing	No	Yes	N/A
4	Aged debtors Note	Aged debt report includes £771,281 of credit balances and one TB code is mapped to debtors which is the cycle scheme of £18,683 which need to be reclassified to creditors	750,464	Classification - Debtor Balance understated	Creditors	No	Yes	N/A
5	Grants - DFG	Income and expenditure has been grossed up	194,724,707	overstated income and expenditure - CIES	I & E	No	Yes	N/A
6	Investments	short term investments have been incorrectly classified	37,600,000	classification error	long term investments	No	Yes	N/A
7	Income - receipted services (Fees, charges and other service income)	rebate of £2.6m had incorrectly been added to income as opposed to being deducted from expenditure - process was due to an unusual contract is solely focused on one provider - Adecco	2,600,000	overstated income - CIES	receipted services - expenditure	No	Yes	N/A
8	Capital grants RIA	Incorrect classification of an Intercompany grant that had been included as a grant receivable by the Council	1,346,509	classification error	Short term creditors - £1,075,000 Capital grants unapplied - £46,509 Revenue grants RIA - £225,000	No	Yes	N/A
9	Capital grants RIA	A number of the grants should be classified as long term liabilities due to the time they have been outstanding	456,308	classification error	long term liabilities	Yes	Yes	N/A
10	Creditors - accruals	employment tax creditors included a balance of £290k which could not be identified - Council propose to write these off	290,269	Overstated creditor - accruals	bad debt write off	No	Yes	N/A
11	Leases	Finance lease journal incorrectly posted in creditors	326,450	classification error	Dr Short term creditors £236,450 Cr long term creditors £66,777 Cr CAA £26,672	No	Yes	N/A
12	PPE	Assets valued in the prior year were valued as at 1/10/2017, with no consideration of movement up to year end. Giving a expected understatement in their value (we note this is for properties valued using EUIV). There are assets valued using DRC and MV, but the differences are trivial.	-1,092,333	understated - PPE	revaluation reserve	Yes	No	N/A
13	Grants	Independent living fund grant incorrectly identified as ring fenced over non-ring fenced - classification error (between above the Cost of Services and Deficits (Surplus) on Provision of Services	457,128	classification error	non-ring fenced	No	No	479,002
14	PPE - disposals	one item in disposals was incorrectly included in VPE but should be recorded within intangibles in the prior year accounts and then recorded as a disposal	1,511,460	classification error	Intangible assets (INV) - £605,000	Yes	No	N/A
15	PPE - AUC	Spend of £527k incurred on a school in 2015/16, which was initially included in assets under construction, was not reallocated to other land and buildings when the asset became operational and is still sitting in assets under construction as at 31/03/2019. As such, assets under construction is overstated by £527k and other land and buildings gross value is understated by £527k. There will also be a depreciation impact of this adjustment.	527,000	overstated PPE - AUC	other land and buildings depreciation impairment revaluation	Yes	No	541,535
16	PPE - Heritage assets	Depreciation for 22 assets was not completed for 2018/19. However these were heritage assets so no depreciation should have been applied	97,496	overstated heritage assets	depreciation - CIES	Yes	Yes	N/A
17	PPE - depreciation	depreciation has been incorrectly calculated for five assets from our sample of 19.	14,081	overstated PPE - Depreciation	CIES	No	No	886,575
18	PPE - valuation	one asset Garages has been incorrectly valued by the Council's valuers.	1,471,000	overstated PPE - OLAB	OLAB revaluation	No	Yes	N/A
19	PPE - additions	additions have been overstated due to the figures of underlying records not agreeing to invoices or costs did not relate to the correct year.	810,128	overstated PPE - Additions	PPV Capital Finance Requirement	No	No	2,568,877
20	Income	cost savings has been incorrectly credited to income which needs to be adjusted	80,133	overstated income - CIES	2017-18 DR RIA £80133 CR I&E £80133 CR Earmarked Reserve £80133 DR MRS £80133 2018-19 DR Earmarked Reserve £80133 CR MRS £80133	Yes	No	200,957
21	HRA income	Number of reconciling items on the Capita to Oracle reconciliation of HRA income which the Council cannot explain. The largest two items for E342k and E74k are going in opposite directions and net to £422k.	422,000	Not determined yet	Most likely HRA debtors, but difficult to say without knowing what these items are	Possible	No	N/A
22	HRA supervision and management expenditure	3 cut off errors identified on supervision and management expenditure	27,176	Overstated Expenditure - CIES	(£6,437) prior year accruals 29,261 current year prepayments	Yes	No	261,208 expenditure (542,454) accruals 281,246 prepayments
23	HRA repairs and maintenance expenditure	1 cut off error identified on repairs and maintenance expenditure	24,492	Overstated Expenditure - CIES	Prior year accruals	Yes	No	1,375,406
24	HRA repairs and maintenance expenditure	1 error on repairs and maintenance expenditure sample arising due to a purchase order being incorrectly receipted in the year. My understanding is that this is part of a wider 'top picked up elsewhere in the audit, and additional testing has been/is being performed in response to this.	36,565		Creditors	No	Not sure	N/A
25	Creditors	Parent Pay residual amount which is unidentified, and has been agreed that the total creditor should be written back to revenue - the amount represents admin / vat top ups made by LBBD in respect of amounts deducted by Parent Pay. It does not represent any amounts owed to parents, and therefore shouldn't be a creditor.	1,805,801	overstated creditor	Debit Creditor - 1,805,800 Credit Income - 1,805,800 Debit MRS - 1,805,800 Credit Reserve - 1,805,800	No	Yes	See Creditors / Debtors
26	Creditors	Two receiving invoices where value was taken at the gross amount (totaling £1,480,071.03) rather than the net amount presented on the invoices (totaling £255,916.94). As such, this resulted in a creditor balance that was not accurate as the amount previously paid by the Council as shown on the invoices.	1,480,071	Overstated creditor - accruals	Sample #17 Debit Creditor - £1,181,341.03 Credit Expenditure (Capital) - £1,181,341.03 Sample # NEW 2 Debit Creditor - £295,000 Credit Expenditure (Capital) - £295,000 Sample # 22 Debit Creditor - £3,730 Credit Expenditure - £3,730 Total Error -£1,480,071.03	No	Yes	See Creditors / Debtors
27	Creditors	Grant was received by LBBD during 17/18 and was documented as a receipt in advance. As at year end 18/19 the grant was still recognised as a RIA as it was unspent, although, the grant actually relates to up to March 19 per the S31 Grant determination letter (dated 25/01/17), therefore the grant should be recognised as income during 18/19. This is an error and will be amended	60,000	Overstated creditor - RIA	Dr Correct receipt in adv - 60,000 Cr I&E - 60,000 Debit MRS - 60,000 Credit reserve - 60,000 Dr Correct receipt in adv - £2894.88 Cr I&E - £2894.88	No	Yes	See Creditors / Debtors
28	Creditors	This was unspent income which was mistakenly treated as a receipt in advance. Purpose of income was for project from 2017 to end of 18/19 and have obtained Barking Healthy New town proposed expenditure document to confirm income isn't a receipt in advance.	52,895	Overstated creditor - RIA	Debit MRS - £2894.88 Credit reserve - £2894.88 Dr Correct receipt in adv - 10744.71 Cr I&E - 10744.71	No	Yes	See Creditors / Debtors
29	Creditors	This was unspent income which was mistakenly treated as a receipt in advance. Funding received in advance from Participation city for a 12 week programme. Evidence shows receipt of income but email from Service confirms it relates to 18/19 part of project.	10,745	Overstated creditor - RIA	Debit MRS - 10744.71 Credit reserve - 10744.71 Cr I&E expenditure - 1,660	No	Yes	See Creditors / Debtors
30	Creditors	VP - accrual gross (9,960, Invoice value 8,330), over accrued by 1,660.	1,660	Overstated creditor - accruals	Dr Other creditors (Other entities and individuals) - 1,660	No	Yes	See Creditors / Debtors
31	Creditors	Unspent grant income mistakenly treated as a receipt in advance. Total value of the income received was £21,390k and was for 18/19, therefore shouldn't be classified as a receipt in advance.	4,805	Overstated creditor - RIA	Dr Correct receipt in adv -4805.13 Cr I&E - 4805.13 Debit MRS - 4805.13 Credit reserve - 4805.13	No	Yes	See Creditors / Debtors
32	Creditors	Creditor isn't valid as it is variance from actual to budget and not actually expenditure due in the future, which has been agreed to invoice number 1804184-18 from University of East London.	466		LBBD confirmed no error.			
33	Creditors	Unspent grant income mistakenly treated as a receipt in advance. Total value of the income received was £824k for the Basic need grant and LA school condition allocation and was for 18/19, therefore shouldn't be classified as a receipt in advance.	824,698	Overstated creditor - RIA	Dr Correct receipt in adv - 824,697.58 Cr I&E - 824,697.58 Debit MRS - 824,697.58 Credit reserve - 824,697.58	No	Yes	See Creditors / Debtors
34	Creditors	RIA posted twice in error	27,593	Overstated creditor - RIA	Debit Creditor - 27,593 Credit Income - 27,593 Dr other creditors - 27,593 Cr I&E - 27,593	No	Yes	See Creditors / Debtors
35	Creditors	Creditor isn't valid due to insufficient evidence. Therefore the client has confirmed the creditor will be written off	107,594	Overstated creditor	Credit Expenditure - 107,593 Dr Correct receipt in adv - 615,291.22 Cr I&E - 615,291.22	No	Yes	See Creditors / Debtors
36	Creditors	This net underspend from the Taxi Card scheme was carried forward to cover budget shortfall on 2019-20 Freedom Passer contribution to TfL. A receipt in advance was processed to carry forward this money, but this should have been treated as a roll forward and transferred via reserves. We have agreed the underspend to the 18/19 final budget and confirmed this is an error.	615,291	Overstated creditor - RIA	Debit MRS - 615,291.22 Credit reserve - 615,291.22	No	Yes	See Creditors / Debtors
37	Creditors	Unspent grant income mistakenly treated as a receipt in advance. This grant income was for the EA flood risk and the total value of grant income has been agreed to reserves at year end.	142,300	Overstated creditor - RIA	Dr Correct receipt in adv - 142,300 Cr I&E - 142,300 Debit MRS - 142,300 Credit reserve - 142,300	No	Yes	See Creditors / Debtors
38	Creditors	Invoice raised for incorrect amount, and no credit note processed until 19/20, therefore a creditor was raised to offset the incorrect invoice, however on reflection, this should have reduced the debtors value as the incorrect invoice had overstated the receivables control account.	157,568	Overstated creditor - RIA	Dr Correct receipt in adv - 157,568 Cr Debtors - 157,568	No	Yes	See Creditors / Debtors
39	Creditors	The invoices were raised for the rent during March 2019 - some of which related to April to June. The full income is recognised in the expense account in March on raising the 48 invoice (but a debtor balance on the receivables control account at year end accounted for any rent charged but not yet paid). This RIA adjustment moves the income charged which relates to April to June from 2018/19 to 2019/20 in the expense account.	1,096,793		LBBD confirmed no error.			
40	Creditors	Over-accrued by £16,986.60 as £45,297.60 covers the year to end June 2019.	16,987	Overstated creditor - accruals	Dr other creditors - 16,986.60 Cr I&E Expenditure - 16,986.60	No	Yes	See Creditors / Debtors
41	Creditors	Accrual was made using gross value of invoice, and for the full amount, however invoice includes Apr-Jun of 19/20 so accrual was overstated.	31,932	Overstated creditor - accruals	Dr other creditors - 31,932 Cr I&E Expenditure - 31,932	No	Yes	See Creditors / Debtors
42	Creditors	£11k error that was inappropriately booked to earmarked reserves rather than creditor. It was judgementally determined to be trivial adjustment by the accounting team and could wait until 19/20 to correct.	18,988	Overstated creditor	Dr Creditor - 18,988 Cr Expenditure - 18,988 Dr MRS - 18,988 Cr Reserve - 18,988 Dr Creditor - 38,078 Cr Expenditure - 38,078	No	Yes	See Creditors / Debtors
43	Creditors	The creditor is overstated by £38k against the records from the Sails Finance Statement. On inspecting the arrangement of the loan and duration the creditor should be recorded as long term creditor.	38,078	Overstated creditor	Dr Short Term Creditor - 279,293 Cr Long Term Creditors - 279,293 Debit BOP - £770,680 Debit I&E Exp - £606,671 Credit Debtor - £1,497,351	No	Yes	See Creditors / Debtors
44	Debtor Accruals	Insufficient evidence - write off both debtor and BOP.	1,427,351	Overstated debtor - accruals	Debit Income - 136,367 Credit Debtor - 136,367	No	Yes	See Creditors / Debtors
45	Debtor Accruals	Error - write off	136,367	Overstated debtor - accruals	Debit Income - 136,367 Credit Debtor - 136,367	No	Yes	See Creditors / Debtors
46	Debtor Accruals	Shouldn't be any debtors between LA and schools.	205,755	Overstated debtor - accruals	Debit Income - 8,605 Credit Debtor - 205,755	No	Yes	See Creditors / Debtors
47	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - write off	101,933	overstated debtor - PIA	Debit Income - 101,933 Credit Debtor - 101,933	No	Yes	See Creditors / Debtors
48	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should transfer to reserve as carry forward	5,544	understated debtor - PIA	Debit Debtor - 5,544 Credit Reserve (MRS) - 5,544	No	Yes	See Creditors / Debtors
49	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should transfer to reserve as carry forward	-48,000	understated debtor - PIA	Debit Debtor - 48,000 Credit Reserve (MRS) - 48,000	No	Yes	See Creditors / Debtors

50	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should be RIA	-57,724	understated debtor - PIA	Debit Debtor - 577,724 Credit Creditor (RIA) - 577,724	No	Yes	See Creditors / Debtors	
51	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should be RIA	-123,592	understated debtor - PIA	Debit Debtor - 123,592 Credit Creditor (RIA) - 123,592	No	Yes	See Creditors / Debtors	
52	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should be RIA	-51,840	understated debtor - PIA	Debit Debtor - 51,840 Credit Creditor (RIA) - 51,840	No	Yes	See Creditors / Debtors	
53	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should transfer to reserve as carry forward	-20,000	understated debtor - PIA	Debit Debtor - 20,000 Credit Reserve (MRS) - 20,000	No	Yes	See Creditors / Debtors	
54	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - should transfer to reserve as carry forward	-207,740	understated debtor - PIA	Debit Debtor - 207,740 Credit Reserve (MRS) - 207,740	No	Yes	See Creditors / Debtors	
55	DEBTOR - other	Relates to board member payments prior to incorporation of Be First which were not coded until 2018/19. They were invoiced to BF who refused to pay. Credit note entered to cancel out receivables invoice. Debtor raised to move into 19/20 to sort what to do with this balance. Error - write off	100,623	overstated debtor	Debit Income - 100,623 Credit Debtor - 100,623	No	Yes	See Creditors / Debtors	
56	DEBTOR - other	Invoice raised in May for £787k - included in the accounts as \$60,000	73,333	overstated debtor	Debit CGU - 73,333 Credit Debtor - 73,333	No	Yes	See Creditors / Debtors	
57	Debtors - PAYMENTS IN ADVANCE - OTHER ENTITIES AND INDIVIDUALS	Error - write off	13,500	overstated debtor - PIA	Credit Income - 3,658 Debit Creditor (RIA) - 17,158 Credit Debtor - 13,500	No	Yes	See Creditors / Debtors	
58	DEBTOR - HOUSING RENTS	Oracle balance at balance sheet date differs from balances retrieved from Capita debt (Housing System) Reports. Reports do not reconcile	274,718	overstated debtor	Debit Income HRA Rent - 274,718 Credit Debtors - 274,718	No	Yes	N/A	
59	DEBTOR - HOUSING RENTS D IMPAIRMENT	Impact on BDP as a result of the revised debtor balances	622,476	understated debtors - BDP	Debit BDP - 622,476 Credit Expenditure - 622,476	No	Yes	N/A	
60	DEBTOR - LEASEHOLDER SERVICE CHARGE	Oracle balance at balance sheet date differs from balances retrieved from Capita debt (Housing System) Reports. Reports do not reconcile	183,091	overstated debtor	Debit Income HRA Rent - 183,091 Credit Debtors - 183,091	No	Yes	N/A	
61	DEBTOR - ACCRUALS OTHER ENTITIES AND INDIVIDUALS	The council is of the view there is a remote chance the majority of the balance will be unrecoverable. Therefore they have recommended a write off of £248,389	248,389	overstated debtor	Credit Debtor - 248,389 Debit Income - 248,389	No	Yes	See Creditors / Debtors	
62	DEBTOR - PRIVATE SECTOR LANDLORDS	Oracle balance at balance sheet date differs from balances retrieved from Capita debt (Housing System) Reports. Reports do not reconcile	343,352	understated debtors	Debit Income - 343,352 Credit Debtors - 343,352	No	Yes	N/A	
63	DEBTOR - ACCRUALS OTHER ENTITIES AND INDIVIDUALS	£13,127 relates to brought forward balances that should have been invoiced to the schools by the services in previous years. However due to insufficient evidence to substantiate these amounts the council have proposed to write-off these amounts.	82,882	overstated debtors - accruals	Credit: F01.F0100.134600 - 82,882 - Debtors Debit: DSG School Income - 82,882 - Income	Yes	Yes	See Creditors / Debtors	
64	DEBTOR - ACCRUALS OTHER ENTITIES AND INDIVIDUALS	97,352 difference A holding code exists in the council's ledger whereby transactions are processed which relate to Elevate. The transactions are then reviewed on a quarterly basis and then invoice the charges to Elevate. Backing documentation is received for each subjective line and the Elevate business office manager reviews and confirms the charges as for Elevate. This confirmation occurs in a meeting which occurs after the year end. Ordinarily, the council raised an EDY debit for the whole amount on the holding code and only raise invoices for amounts in the new year which are agreed by Elevate. From these works only £81,244 were agreed by Elevate. Thus leaving £97,352 as an overstatement of errors. The council recommended that this balance be written off as a one-off, isolated, adjustment. Credits: F01.F0100.134600 - £97,352 Debit: F01.F23480 - £97,352	97,352	overstated debtors - accruals	Credit: F01.F0100.134600 - £97,352 Debit: F01.F23480 - £97,352	No	Yes	See Creditors / Debtors	
65	DEBTOR - HOUSING RENTS	Difference in the total debtor associated to temporary accommodation receipted within the Capita Housing System; information used to determine the Provision (Total debtor - £5,648,368) was run on the 16/04/19 from Capita housing system for 2018/19 transactions; however the value of the total debtor noted from Capita was found to be lower at - £4,701,203 as in 02.04.01 the difference was as a result of the changes which were not captured; and the council is unable to substantiate why the figure are different; debt provision was initially calculated, as a result of this difference the provision is overstated by £796k.	709,377	understated debtor - BDP	DR Bad Debt Provision - £709,377 Cr Expenditure - £709,377	No	Yes	N/A	
66	DEBTOR - ACCRUALS OTHER ENTITIES AND INDIVIDUALS	On review it was established that only £48,168 is recoverable debt	248,390	overstated debtors - accruals	Debit F23280.J42820 (bad debt write off) - 248,390 Credit Debtor - 248,390	No	Yes	See Creditors / Debtors	
67	DEBTOR - ACCRUALS OTHER ENTITIES AND INDIVIDUALS	£13,127 relates to brought forward balances that should have been invoiced to the schools by the services in previous years. However due to insufficient evidence to substantiate these amounts the council have proposed to write-off these amounts.	82,882	overstated debtors - accruals	Credit: F01.F0100.134600 - 82,882 - Debtors Debit: DSG School Income - 82,882 - Income	No	Yes	See Creditors / Debtors	
68	Grants - DSG (comparative)	Income and expenditure was grossed up in prior year	168,108,973	overstated Income and expenditure - CES, PFA	Grants note ISE by nature note	Yes	Yes	N/A	
69	PPE - valuation	Valuation movements have been incorrectly accounted for between CES and reserves. Asset returns were estimated by the actuary at 7.8% based on MP data. Outturn returns were 5.2%. Estimated impact on estimate:		Overstated reveal loss in provision of service and overstated gain in revaluation reserve.	CES Revaluation Reserve Capital Adjustment count	Yes	Yes	N/A	
70	LGPS pension asset value (and net liability)	Fair value of opening plan assets Actual investment return @ 2.5% Investment returns estimated per IAS 19 report Overstated investment returns/plan assets	£731,933k £36,426k £36,907k £18,541k	18,541,000	Understated net liability valuation estimate	Balance sheet Pension note CES MRS	No	Yes	N/A
71	Loan receivable	Material impact on estimate so adjustment required. Recommend revised actuarial report to avoid manual adjustments going forward.	238,000	Understated loan asset	Balance sheet Financial Instruments	No	TBC	N/A	
72	Net pension liability	Double counting of loan receipts from subs and Weavers	6,622,000	Understated net liability valuation estimate	Balance sheet Pension note CES MRS	No	Yes	N/A	
73	Groups accounts	Adjustment required to pension liability to reflect McCloud judgement and GMP some specific adjustments concerning interest on investments transferred to asset: - Prior year values to be properly consolidated across group statements - Consolidation adjustments revisited generally from draft 1 to ensure correct elimination of intragroup items e.g. elimination of loan interest - Comparatives required for MRS - Reside Regen LLP - £12m PPE should be valued at EUVSH (£3m) at group level but currently consolidated at £12m - Finance income and expenditure netted in cash flow statements across Reside entities - need to be shown gross - Cash flow - Movement in payables in operating activities not adjusted for capital balances in Reside/Regen LLP - Roding - Highly material property accounted for as PPE may need to be accounted for as revenue/CoS - not yet concluded - Reside Abbey CFS should not include line for bad debt provision - Group statements to be revised for differences between single entity statements used for consolidation and those submitted for audit. - Be First £6.1m intragroup capital transaction with no PURP adjustment - Be First balance sheet adjustment for intragroup loan is larger than its total loan balance - BDP CFS consolidation includes intragroup adjustment of £6.1m capital to Council accounts in operating activities but would have been recorded in investing activities in Council accounts - BDP - various audit adjustments to be factored into consolidation, most notably the £11m reclassification from PPE to investment property - BDP £14.5m intragroup capital transaction consolidated with no PURP adjustment - BDP CFS - inconsistent treatment of adjustment for London East (provision rates owed) compared to balance sheet - BDP CFS - £21m loan to sub should be adjusted from investing activities from Council perspective, not financing activities - BDP CFS - £14.5m adjusted out of provision for services from council perspective but was capital so never hit council's ISE - should be adjusted out of investing activities - BD Energy - Financing IBE adjustments to be made in Finance IBE line of CES, not Core service line. Intragroup finance cost also erroneously added to group numbers on consolidation instead of being eliminated - BD Energy CFS - income and expenditure erroneously added together for net surplus adjustment, should have been netted. - BD Energy CFS - intragroup adjustments in operating activities are added to sub's single entity values instead of being eliminated. - BD Energy CFS - Elimination for intragroup loan is £2.3m, however sub's total cash flows from new loans are just £1.3m, cannot be right. - BD Energy CFS - Sub financing costs are in investing activities but should be financing activities. There are no intragroup adjustments for financing income/expenditure in CFS despite loan between sub and council.	TBC	TBC	Respective group notes	Yes (group)	Yes	N/A	
74	PD adjustments	Be First balance sheet adjustment for intragroup loan is larger than its total loan balance LBBB made a concentrated effort in addressing this. LBBB has proposed not to adjust for the errors noted in respect of HRA and Capital of £5,466k and this has been recognised as an unadjusted error under No 74 (a) LBBB has proposed to correct £5,948k Of this (CY error - £141k), and PF error - (£5,807k) LBBB had already moved £4,993k worth of surplus (relating to the PD over-receiving adjustments) in 2018/19 therefore propose to reverse this adjustment of surplus to earmarked reserve Dr Receivers - 4,993k Cr MRS - 4,993k and replace this with in 2018/19 Dr CES Expenditure (General Fund) - 5,806k Cr Creditors Accruals - 5,806k Putting through the £5,806k impact in PY 2017/18 based on services they relate to & moving them to reserve Dr Creditors Accrual - 5,806,926 Cr CES - SD Comm Directorate - 969,434 Cr CES - Core Directorate - 223,569 Cr CES - Central Directorate - 468,708 Cr CES - Early Years Children Directorate - 31,186 Cr CES - Law, Governance & HR Directorate - 412,269 Cr CES - People and Policy Directorate - 114,326 Cr CES Care and Support Directorate - 2,075,282	5,948,000	Over and Under receipting of PDs	Prior Period Adjustment note Prior Year MRS Prior Year Balance Sheet	Yes	Yes	N/A	
74 (a)	Creditors Note	PD adjustments - The balance on the accrual control account had been increasing over the years and at the start of 2018/19 it had a negative £35m balance. This large variance between the values was due to the receipted amount and invoiced amount being different. £11,416k in total was identified as over-receipting across a 7 year period.	5,469,000	Over and Under receipting of PDs	Prior Period Adjustment note Prior Year MRS Prior Year Balance Sheet	Yes	No	N/A	
75	PPE Note	Valuation of Street Purchases (included as Council Dwellings) for 2018/19 purchases included at valuers estimation value and not at cost.	-6,468,199	Overstatement of Council Dwellings	Balance Sheet PPE Note	No	Yes	N/A	
76	PPE Note	Valuation of Community Assets Revaluation remaining community assets.	47,738,143	Understatement of Community Assets	Balance Sheet PPE Note CAA Reserve & RR Reserve	No	Yes	N/A	
77	Long Term Debtors	Interest should have rolled up at the year end and included in the long term debtor line.	151,884	Understated Long Term Debtors	Balance Sheet	No	Yes	N/A	
78	CES - Social Care Expenditure	Cut off Error of £13k in our sample where the expenditure relates to 2017/18 where an accrual was not recognised.	13,470	Overstating Expenditure	CES	No	No	778,165	
79	Capital Grants	Capital Grant income was received in 19/20, however the payment was funding for Capital Project that the Council had undertaken in 18/19. No accrual had been posted, therefore the income was incorrectly recognised in 19/20.	2,924,000	Understating Income	CES	No	No	N/A	
80	PPE Note	work on revaluations over Community Assets revealed instances where the areas used to determine assets values used by the valuers differed to the areas based on Council's plans.	610,650	Overstatement of Community Assets	Balance Sheet PPE Note CAA Reserve & RR Reserve	No	No	686,984	
81	PPE Note	work on revaluations over Surplus Assets revealed instances where the areas used to determine assets values used by the valuers differed to the areas based on the Council's plans.	93,029	Understatement of Surplus Assets	Balance Sheet PPE Note CAA Reserve & RR Reserve	No	No	109,122	
82	PPE Note	work on revaluations over of Other Land & Building revealed instances where the areas used to determine assets values used by the valuers differed to the areas detailed on the Council's plans.	383,754	Overstatement of SOLB Assets	Balance Sheet PPE Note CAA Reserve & RR Reserve	No	No	882,791	
83	Investment Properties	Asset valued using incorrect measurement value (area calculation). This is concluded to be an isolated error due to the error of the valuer.	790,500	Overstatement of Investment Property	Balance Sheet CAA Reserve & RR Reserve	No	Yes	N/A	

84	Investment Properties	Asset demolished in 2014 has been incorrectly revalued in 2018/19	248,800	Overstatement of Investment Property	Balance Sheet Reserve & RR Reserve	Yes	No	621,629
85	PPE Note	HRA AUC Asset Overstated. The asset was not regularly reviewed to ensure completed projects are reclassified to other asset categories upon completion of projects. This impacts prior year depreciation and revaluations.	31,802,831	Reclassification from AUC to Council Dwelling	Depreciation Revaluation	Yes	Yes	N/A
86	Expenditure	2 errors noted where spend in 19/20 tested related to 18/19 but not accrued for (understating 18/19 liabilities)	73,420	Understating Expenditure	Creditors	No	No	N/A

Creditor Extrapolations

	Type of Error	Sample No's (Mistatement Tab Ref) with Errors	Value of Samples with Errors	Extrapolation = (Extrapolation - Errors Corrected)
1	Creditors - Overstated	25, 35, 42, 43	1,970,461.00	652,420.71
2	Creditors - Overstated Accruals	26, 30, 40, 41	1,530,649.63	7,112,644.59
3	Creditors Overstated Receipts in Advance	27, 28, 29, 31, 33, 34, 36, 37, 38	1,895,895.00	691,597.55
				8,456,662.85

Creditor Extrapolations after additional testing

	Type of Error	Sample No's (Mistatement Tab Ref) with Errors	Value of Samples with Errors	Extrapolation = (Extrapolation - Errors Corrected)
1	Creditors - Overstated	25, 35, 42, 43	1,970,461.00	1,197,188.95
2	Creditors - Overstated Accruals	26, 30, 40, 41	1,530,649.63	4,228,094.01
3	Creditors Overstated Receipts in Advance	27, 28, 29, 31, 33, 34, 36, 37, 38	1,895,895.00	691,597.55
				6,116,880.52

Debtor Extrapolations

	Area	Sample No's (Mistatement Tab Ref) with Errors	Value of Samples with Errors	Extrapolation = (Extrapolation - Errors Corrected)
1	Overstated Debtors	55, 56, 61	422,345.00	889,744.73
2	Overstated Debtors Accruals	44,45,46,63,64,66 ,67	2,404,032.42	7,610,706.10
3	Overstated & Understated Debtors PIA	47,57, 48,49,50,51,52,53 ,54	- 919,007.00	- 97,906.40

Debtor Extrapolations - After Additional Testing

	Area	Sample No's (Mistatement Tab Ref) with Errors	Value of Samples with Errors	Extrapolation = (Extrapolation - Errors Corrected)
1	Overstated Debtors	55, 56, 61	422,345.00	889,744.73
2	Overstated Debtors Accruals	44,45,46,63,64,66 ,67	2,404,032.42	2,152,789.70
3	Overstated & Understated Debtors PIA	47,57, 48,49,50,51,52,53 ,54	- 919,007.00	- 97,906.40

Misstatements -Narrative

No.	Area of Accounts	Description	Other areas affected
1	CIES	Demolition of St Mary's Parade and Cook road site. Incorrectly included in the FAR and the financial statements.	
2	Pension Scheme liability	Opening balance on defined benefit pension scheme liability does not agree to the closing balance per prior year signed accounts - difference of £1.6m. Council understand this to be a prior year error. As not material, currently not planning on correcting for this error. Current proposal is to amend the opening the balance to agree to last years value and make an in-year adjustment for the amount	B/S
3	HRA note - depreciation and impairment	Figures referenced are currently incorrect and do not match the PPE note	PPE note
4	Financial instruments	Financial instruments disclosures include the following errors a. Cash balance disclosed is incorrect b. Short term finance lease liability has been double counted c. Adjustments for debtors/creditors need to be put through this note d. Cost centre relating to subsidiary needs to be excluded e. Current outstanding debtors within the receivables control account need to be added f. All borrowings need to be included in the maturity table	
5	HRA - PPE	figures included within the HRA PPE assets note are incorrect	
6	Interest payable (I&E analysed by nature)	the interest payable in I&E analysed by nature does not agree to the financing and investment income and expenditure note - £11.6m to be moved from interest expense to Other service expenses.	financing and investment income and expenditure note
7	Revaluation reserve	The movement in the revaluation reserve as a result of revaluations during the year was £173,331k increase per the PPE note and £22,054k decrease per the revaluation reserve note. The movement in the capital adjustment account was £172,653k decrease per the PPE note and £22,733k increase per the capital adjustment account note and CIES. The movement on the revaluation reserve should be an increase of £36,881k in all notes, whilst the movement in the capital adjustment account should be a decrease of £36,203k in all notes	CAA
8	Group accounts additional disclosures	Correct language regarding relationships with component/other entities in group and related party notes Add disclosure notes where materially differ to LBBB single entity e.g. PPE, financial instruments Cash flow statement note uses 'Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities' as sub total heading for non-cash adjustments in operating activities. This should be the heading for the adjustments that follow.	

9	Employee benefits	The payroll control was incorrectly mapped to employee benefits expenditure. It should be mapped to other entities and individuals creditors. An adjustment therefore needs to be made to move £796k from employee benefits to other entities and individuals within this note.	
10	PFI	The values in respect of PFI within the PPE note are incorrect and need amending to be aligned with the FAR.	PPE note
11	PPE - Council dwellings	The reclassification of Council Dwellings to other assets in the PPE note is not correct. The totals of the columns is therefore incorrect - value should be £26,795,000	
12	I&E analysed by nature note	<p>Within the expenditure and income analysed by nature note, the gain on disposal of fixed assets is included in expenditure, and needs to be reallocated to income.</p> <p>£17,946,933 to be reclassified from fees and charges income to government grants.</p> <p>To be re-worked generally to reflect adjusted CIES e.g. Other service expense to be revised for prior year DSG double counting adjustment of £169m and current year DSG double counting adjustment of £194.7m.</p>	
13	PPE note	The revaluation figures disclosed in the PPE note in respect of community assets are incorrect in respect of both the revaluation reserve and the provision of services -	
14	Senior officer remuneration note	Senior office Matthew Cole is missing from the note	
15	infrastructure assets	the UEL for infrastructure assets should be 20 years and is currently disclosed as 25 years	
16	Debtors and Creditors	The format of the notes is not in line with the new requirements of the code.	
17	Cash flow	<p>V4 of SoA -</p> <p>Operating activities reconcile to 14,314k in note 18 but are 10,980k in face of statement.</p> <p>Net cash flows from investing activities is 192,807k in note 18 whereas per cash flow statement this is 196,141k</p>	