

B. Audit Adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2021/22 audit which have not been made within the final set of financial statements. The Audit, Compliance and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting
<p>Grants received in advance</p> <p>The Council receives certain types of grant funding expenditure where certain conditions need to be met to ensure that this funding will not need to be repaid to the funding body. These are recognised in the accounts over a number of years and the income released as the conditions are met. We identified one instance where the Council was unable to provide evidence to support the initial receipt of the grant. Two further instances were identified where the Council was unable to demonstrate that conditions applied and as such there was no requirement not to recognise this income on receipt. As our testing was on a sample basis and does not cover the entire population, we have extrapolated the error to determine the likely impact of a material misstatement arising.</p> <p>This issue was also identified in 2020/21.</p>	(260)	260	(260)	On the basis that this is a projected misstatement based on a balance that cannot be evidenced
<p>Valuation of council houses</p> <p>A number of errors were identified in the calculations provided by the Council's external valuation expert, where incorrect indices were applied. The impact is to understate the value of council dwellings by £736,000.</p>	(736)	736	(736)	Immateriality
<p>Pension Liability</p> <p>Increase in salary assumption in the net defined benefit obligation, not in accordance with our expectations.</p>	(438)	438	(438)	Immateriality
Overall impact	(736)	1,434	(1,434)	