

Summary of Adjusted Errors

Summary of Adjusted Errors: - Consolidated Revenue Account, Housing Revenue Account, Balance Sheet and Cashflow Statement

Our audit has identified the following misstatements in the financial statements which management are to adjust.

Error £	Comments
	Payments on account/Development costs/Fixed asset – land and buildings
478,332	The cost of the new customer contact centre needs to be shown as being constructed rather than as a finished asset in the accounts. These entries are presentational adjustments to comply with accounting requirement and have no impact on reserves/the bottom line.
254,995	
223,337	
	Creditors/Payments on account and fixed assets/Service expenditure analysis
430,000	A payment for work undertaken on the customer contact centre was included in the 2003/04 accounts but relates to next year. The entries will therefore appear in next year's accounts and have been taken out of this year's accounts. There is a £50,000 decrease of expenditure affecting the bottom line as fees have not been charged to the revenue account this year.
	Fixed asset valuations/depreciation
783,113	This is an amendment to a note only to comply with accounting requirements. There is no adjustment on reserves or the bottom line.
	Fixed asset revaluation/fixed asset restatement reserve
301,500	Assets retained from the housing revenue account need to be increased in value. There is no impact on the bottom line.
	Housing fund expenditure/Capital reserves
76,427	The amount of grant money receivable is too high and needs to be adjusted. There is a corresponding adjustment to the balance sheet note 4. This has no effect on the bottom line.
	Government department debtors/creditors
107,783	Amounts owing and due to the same government department were shown separately. An adjustment is needed so the accounts show a single balance due. This has no impact on the bottom line.
	Sundry/Other debtors
431,048	This is a presentational entry so that the amount due to the authority from Cumbria County Council is shown in line with accounting requirements for details of debtors. This has no impact on the bottom line.

274,202	Government department debtors/creditors Amounts owing and due to the same government department for council tax benefit were shown separately. An adjustment is needed so the accounts show a single balance due. This has no impact on the bottom line.
44,732	Capital reserves/Consolidated revenue account This is an accounting entry relating to capital reserves to ensure compliance with accounting guidance. This was an error in the amount kept in reserve to repay debt per legislation (known as the minimum revenue provision or MRP) which was wrongly shown as income in the revenue account. This amount affects the bottom line as the income cannot be included in the revenue account.
171,000	Cash/Capital reserves/Sundry debtors Cash was received before the year end but had been shown in the accounts as received after the year end. There are also presentational corresponding adjustments to capital reserves to comply with accounting guidance. This has no impact on the bottom line.
4,889,906	Usable capital receipts/Deferred capital receipts Presentational entry only on capital reserves to comply with accounting guidance. This amount relates to money due from Carlisle Housing Association for right to buy receipts due to the council that are not been received in the financial year. This has no impact on the bottom line.
212,303	Capital/specified reserves This is an accounting entry between reserves to show correctly which reserves were used to pay for capital expenditure. This has no impact on the bottom line.
149,292	Consolidated revenue account/Fixed assets Kerbside recycling costs written off need to be included as plant and equipment in fixed assets. This has no impact on the bottom line.
233,974	Housing Revenue Account A number of adjustments have been made to the housing revenue account. A number of these items totalling £185,395 relate to transfers to the general fund and therefore have no impact on the bottom line. The total impact on the bottom line of these errors is £48,579.
Various	Cashflow statement The cashflow statement has no impact on reserves or the bottom line. It is included in the statement of accounts to show cash movements in the year. this will not be the same as the revenue account as this is prepared to show amounts relating to the financial year which is not always the same as when amounts are paid. An example of this is an electricity bill due for January to March 2003 which is paid in June 2003. the revenue account would not include this bill as it relates to the last financial year, but the cash has been paid in the year and would be shown in the cashflow statement. Adjustments are required for various lines on the cashflow statement to ensure that amounts received and paid in the year are shown accurately. This has no effect on any other parts of the accounts and no effect on the bottom line. A table summarising the overall movements is attached.

Total impact on reserves

The overall impact of the above is a credit to the bottom line of £43,961.