

## Appendix 2

# Summary of corrections made to the draft financial statements which should be drawn to the attention of the Audit Committee

During the audit the Wales Audit Office identified the following misstatements that have been corrected, but which should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 1: summary of corrections made to the draft financial statements

Nature of correction	Reason for correction	Impact
<p>The <b>'Cash Flow Statement'</b> was amended:</p> <ul style="list-style-type: none"> <li>'Adjustment to surplus or deficit on the provision of services for non-cash movements' from £58,996,000 to £62,551,000.</li> <li>'Net cash flows from financing activities' from £42,661,000 to £39,106,000.</li> </ul>	<p>The Cash Flow statement was amended to fully comply with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 (the Code) as non-cash movements were included in error.</p>	<p>Corresponding adjustments were made to the associated sub-totals in the Cash Flow Statement. The changes had no other impact on the Council's financial statements.</p> <p><b>Presentation disclosure only.</b></p>
<p><b>Note 37 'Future Capital Commitments'</b> was amended to include 'Total Commitments' of £14,894,000.</p>	<p>The Council excluded the disclosure of capital commitments, contrary to Code requirements.</p>	<p>The change had no other impact on the Council's financial statements.</p> <p><b>Presentation disclosure only.</b></p>
<p><b>Note 38 'Leasing – Operating Leases – Minimum lease payments due under operating leases in future years – EFS Fleet Contract'</b> was amended:</p> <ul style="list-style-type: none"> <li>'Later than one year and not later than five years' from £13,660,000 to £12,128,000.</li> <li>'Later than five years' from £0 to £1,532,000.</li> </ul>	<p>The analysis of minimum lease payments for the Essential Fleet Services Contract did not agree with supporting records.</p>	<p>The change had no other impact on the Council's financial statements.</p> <p><b>Presentation disclosure only.</b></p>
<p><b>Note 41 'Pensions – Basis of Estimating assets and Liabilities – Impact of Increase on Defined Benefit Obligation'</b> - 'Longevity (increase/decrease in 1 year)' was amended from £(18,061,000) to £(18,741,000).</p>	<p>The disclosure was amended as the analysis incorrectly excluded unfunded teachers amounts.</p>	<p>The change had no other impact on the Council's financial statements.</p> <p><b>Presentation disclosure only.</b></p>

Nature of correction	Reason for correction	Impact
<p>The <b>'Housing Revenue Account – Income and Expenditure and Movement in Reserves Statement – Income'</b> was amended:</p> <ul style="list-style-type: none"> <li>• 'Non- dwelling rents' from £1,470,000 to £364,000.</li> <li>• 'Charges for services and facilities' from £0 to £1,058,000.</li> <li>• 'Reimbursement of costs' from £0 to £48,000.</li> </ul>	<p>The analysis of income was miss-classified as it did not agree to supporting records.</p>	<p>The change had no other impact on the Council's financial statements. <b>Presentation disclosure only.</b></p>
<p>The <b>'Group Comprehensive Income and Expenditure Statement – Service Expenditure Analysis – Theatre Clwyd'</b> was amended for:</p> <ul style="list-style-type: none"> <li>• 'Gross Expenditure' from £7,252,000 to £4,661,000.</li> <li>• 'Gross Income' from £(7,130,000) to £(4,539,000)</li> </ul>	<p>The Group Comprehensive Income and Expenditure Statement contained transposition errors that arose from the consolidation process. Theatre Clwyd Productions Company expenditure was incorrectly added to the Flintshire County Council's gross expenditure rather than netting it off the Council's income. The same error was applied to gross income.</p>	<p>Adjustments below the Wales Audit Office reporting threshold were also made to the gross expenditure and income of 'Community and Enterprise' for NEW Homes. Corresponding adjustments were made to the Gross Expenditure and Income for the 'Cost of services'. The error overstated both gross income and gross expenditure by corresponding amounts, which netted off the adjustment having no other impact on the Council's financial statements. <b>Presentation disclosure only.</b></p>
<p>The <b>'Group Cash Flow Statement'</b> was amended for:</p> <ul style="list-style-type: none"> <li>• 'Adjustment to surplus or deficit on the provision of services for non-cash movements' from £59,406,000 to £62,764,000.</li> <li>• 'Net cash flows from investing activities' from £(37,554,000) to £(33,353,000).</li> <li>• 'Net cash flows from financing activities' from £50,217,000 to £42,640,000.</li> </ul>	<p>The movements in the draft Group Cash Flow Statement did not reconcile to movements in the group accounts.</p>	<p>Corresponding adjustments were made to the associated sub-totals in the Group Cash Flow Statement. The changes had no other impact on the Council's financial statements. <b>Presentation disclosure only.</b></p>