Audit adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Incorrect accounting treatment for capital grants received in advance. Management have corrected the balance for those grants where conditions have been met. (page 27)	(26,090)	Capital Grants unapplied (8,440) Capital Adjustment Accounts 34,530	(26,090)	Usable reserves (8,440) Unusable reserves 34,530
Overall impact	(26,090)	26,090	(26,090)	26,090

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Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Accounting Policies	Audit considered that there should be a critical judgement included to outline management's assessment of the group boundary which has now been included	✓
Bad debt provision – Note 20.3	Overall amount of bad debt provision as per trial balance agrees to disclosure made in Note 20.3. But provision relating to collection fund debtors as per trial balance is £10.546m whereas per note 20.3 is £12.233m and similarly provision for general fund is £4.821m and as per note 20.3 is £3.134m.	✓
Related parties – Note 31	In our group assessment work, we have ensured that balances with Plymouth CC considered in client's assessment agrees to Related party disclosure as per note 30. We noted that client has considered loan of £1.956m given to Plymouth Science Park in their group assessment but the same is not disclosed in related party disclosure note 30. We have agreed that amount to Plymouth Science Park's statement of accounts as well and also to the long term debtors listing.	✓
Related parties – Note 31	While performing debtor accruals testing, we have identified that there is a receivable balance of £2.364m from ARCA Limited which is subsidiary of the Council and that balance is not disclosed in related party disclosure note 30. We raised it with the client and they have agreed to update note 30.	✓
Operating Leases – 33.2	Testing identified that lease future receivable disclosures had been incorrectly calculated and required adjusting by £24.222m and that lease income received in the financial year had been duplicated. Management have updated the value and have removed the duplicate information	✓
Pensions – Note 35.6	Pensions - Note 34.6 - Proportion of assets has been updated to agree with IAS 19 report. Equities increased to 55%, Property increased to 19% and 'Other investments' reduced to 24%.	✓
Cash Flow Statement	An amount of £14,245k has been disclosed as Movement on the Dedicated Schools Grant Adjustment Account Note 24.1 and under Other Receipts from Financing Activities in Note 24.3. The DSG deficit has already been included in the creditors and liabilities line as the Council's borrowing has increased to fund the shortfall and hence this is not required to be reported separately.	✓

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Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Cash Flow Statement	An amount of £3,035k was originally reported as "Purchase of short-term and long-term investments" in Note 24.2. This balance included adjustments for movements in the fair value of investments classified as fair value through profit or loss. Accordingly, the amount has now been disaggregated into "Fair value movement" (£4,210k) and "Proceeds from sale of investments" (£1,175k).	✓
Right of Use Assets	While agreeing the Right of Use Asset note (33.1) to the Property, Plant and Equipment note (16), we identified a disparity between the two of £1,263k. The Council stated that it has included those ROU assets where the lease rentals are required to be paid and not the ROU assets from peppercorn leases. We are of the view that these should reconcile so have reported it as an uncorrected disclosure misstatement.	X
Right of Use Assets	We noted two minor disclosure changes which the Council have updated in the final statement of accounts: 1. The Total line of the Future Maturity of Leases Liability table in note 33 should state discounted and not undiscounted. 2. In note 33 the Council state additions when then should read adjustments on IFRS16 implementation.	✓
Throughout	A limited number of typographical errors have been identified throughout the financial statements.	✓
Throughout	One immaterial accounting policy and disclosure in relation to exceptional items has been included in the financial statements. This should be removed to avoid obscuring material information within the financial statements.	✓

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Audit adjustments

Impact of unadjusted misstatements

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

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Errors identified from testing of individual Investment Property assets (see pg 21)	(1,462)	1,462	(1,462)	1,462
Cash flows in relation to short term loan wrongly transferred from short term debtors to long term debtors (see pg 28)		Short term loan 1,298 Long term debtors (1,298)		1,298 (1,298)
Overstatement of depreciation expense (see pg 19)	1,965	(1,965)	1,965	(1,965)
Errors identified between the fixed asset register and the valuers report. (see pg 19)	SDPS (388) Revaluation reserve (1,945)	2,333	(388) (1,945)	2,333
Factual errors identified in testing of individual PPE assets (see pg 19)	(2,336)	2,336	(2,336)	2,336
Estimated extrapolated errors identified in testing of individual PPE assets (see pg 19)	(2,661)	2,661	(2,661)	2,661

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Audit adjustments

Impact of unadjusted misstatements

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

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Variance between FAR and valuation report for the shared Energy from waste asset (pg 20)	3,551	(3,551)	3,551	(3,551)
2023-24 Disabled facilities grant incorrectly recognised in 2024-25 (pg 28)	2,770	(2,770)	2,770	(2,770)
Pupil premium income incorrectly recognised within fees and charges instead of grant income	Grant Income 1,025 Fees and Charges (1,025)		1,025 (1,025)	
Variance between Right of Use assets and supporting documentation (pg 23)		ROUA (PPE) 1,713 ROUA lease liability 1,713		
Overall impact of current year unadjusted misstatements	**506**	**(506)**	**506**	**(506)**

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