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Watch Out for Spreadsheet Malpractice

**Learn from Denbighshire County
Council's £21 million mistake**



A Near-Costly Spreadsheet Error

In October 2010, Denbighshire County Council (Denbigh is located close to Liverpool), faced a significant financial setback due to an accounting error.

Prior to the council's annual audit, staff discovered a mistake in the valuation of the council's assets, which, when combined with other adjustments, resulted in:

- Denbighshire County Council's £21 million accounting error
- 3.5% reduction in council's total assets
- Double-counted assets on a spreadsheet



Swift Action & Damage Control

Fortunately, the error was detected internally before the audit, and corrective measures were taken immediately.

The council's auditors have since reviewed and approved the corrected figures, and the council spokesperson has reassured stakeholders that the error had no effect on the council's financial position.

- Council took corrective measures immediately
- Auditors reviewed & approved corrected figures
- No effect on council's financial position
- Error highlighted the need for better practices



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Industry Best Practices

Follow these guidelines
to avoid costly mistakes



1

Data Validation

- Use data validation tools to restrict input
- Check for errors in data entry
- Ensure consistency and integrity of data





Clear Documentation

- Document your spreadsheet's purpose and structure
- Provide explanations for formulas, functions, and assumptions
- Use comments to clarify cell content



3

Version Control

- Implement version control systems to track changes
- Avoid multiple, conflicting copies
- Retain a clear history of revisions



4

Cell Protection

- Lock critical cells to prevent accidental edits
- Allow editing access to necessary users only
- Protect sensitive data

Protected



5

Training & Reviews

- Train employees on best practices
- Conduct regular spreadsheet reviews
- Implement peer review processes



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