

Date: 19 September 2012  
Your Ref: DA05612A/LoR/SB  
Our Ref: SM/RB/LoR  
Contact: Sally Marshall  
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Dear Mr Hodgson

## **AUDIT OF ACCOUNTS 2011-12 LETTER OF REPRESENTATION**

We set out below details of the Council's letter of representation in relation to the audit of accounts 2011/12 as requested. The signatories to this letter, being those charged with governance at the Council, can confirm the following:

### **Compliance with the Statutory Authorities**

We acknowledge responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice for Local Authority Accounting in the United Kingdom which present a true and fair view of the financial position and financial performance of the Council and for making accurate representation to the external auditor.

### **Uncorrected misstatements**

We confirm the effects of any uncorrected misstatements within the financial statements are not material to the financial statements, either individually or in aggregate, and any uncorrected misstatements have been discussed with those charged with Governance.



## **Supporting records**

We confirm that all accounting records, other records and related information, including the minutes of all council and committee meetings have been made available to you for the purposes of your audit, and that all the transactions undertaken by the Council have been properly reflected and recorded in the accounting periods.

## **Going Concern**

We confirm that it is appropriate to adopt the going concern basis in the preparation of the financial statements and that the financial statements include all necessary disclosures relating to going concern.

## **Irregularities**

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud or error, and confirm that there have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

We can further confirm that we have no knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control, or others where fraud could have a material effect on the financial statements. Nor do I have any knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

## **Law, regulations, contractual arrangements and codes of practice**

We confirm that we are aware of no instances of non-compliance with laws, regulations and codes of practice, which are likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

## **Accounting Estimates Including Fair Values**

We can confirm that the significant assumptions within the financial statements covering investments, provisions, depreciation and accruals are reasonable; specifically in relation to:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the method;
- the assumptions appropriately reflect the management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures;
- the disclosures relating to accounting estimates are complete and appropriate under the code; and
- that no subsequent event requires the Council to adjust the accounting estimates and related disclosures included in the financial statements.

## **Compensating arrangements**

We confirm that there are no formal or informal compensating balancing arrangements with any of the Council's cash and investment accounts.

## **Provisions and Contingent liabilities**

We confirm that there are no other provisions or contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular that:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

In respect of Mutual Municipal Insurance (MMI), we have concluded that whilst there is an increased likelihood that the Scheme of Arrangement will be triggered, we do not consider that a reliable estimate of the cost to the Council can be made at this time, and therefore under International Accounting Standard 37 a contingent liability is appropriate.

## **Related party transactions**

We can confirm the completeness of the information disclosed regarding the identification of related parties and that the Council's registers of interest are complete and up to date in respect of Directors and senior staff.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

### **Post balance sheet events**

We confirm that since the date of approval of the financial statements by the Council, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements and that the Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements

### **Heritage Assets**

We confirm that appropriate enquiries and investigations have been made to identify all material heritage assets held by the council.

Yours sincerely

**Sally Marshall**  
**Corporate Director (Finance & Governance)**

**Steve Baker**  
**Assistant Director (Legal, Democratic & Regulatory)**

**Cllr Roger Taylor**  
**Chair of Audit Committee**