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East Midlands  
DE74 2UZ

Your ref:  
Our ref: PD/CLS  
Date: Date  
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Dear Sirs

This representation letter is provided in connection with your audit of the Statement of Accounts of Derby City Council for the year ended 31 March 2006.

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement presents fairly the financial position of Derby City Council as at 31 March 2006 and its income and expenditure for the year then ended.

My responsibilities as Chief Financial Officer for preparing the Statement of Accounts are set out in the Statement of Responsibilities for the Statement of Accounts. I am also responsible for the administration of the financial affairs of the Authority. I also acknowledge that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of Derby City Council with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation, to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief and having made the appropriate enquiries, the following representations:

### **Accounting records**

All the accounting records have been made available to you for the purposes of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which might affect the fair presentation of, or necessary disclosure in, the Statement of Accounts, including minutes of the Council and relevant management meetings, have been made available to you and no such information has been withheld.

cont'd/

## **Accounting policies**

I confirm that I have reviewed the Authority's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the Statement of Accounts are the most appropriate to present fairly the Authority's particular circumstances, as required by the 2005 Code of Practice on Local Authority Accounting in the United Kingdom (A Statement of Recommended Practice (the SORP)).

## **Related Party Transactions**

I confirm that Authority has disclosed all related party transactions relevant to the Authority and that I am not aware of any other such matters required to be disclosed in the Statement of Accounts whether under the requirements of the 2005 SORP.

## **Employee benefits**

We confirm that we have made you aware of all employee benefit schemes in which employees of the Authority and the group participate.

## **Contractual arrangements/agreements**

All contractual arrangements entered into by Derby City Council with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the Statement of Accounts, have been disclosed to you.

## **Laws and regulations**

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations governing the transactions of the Authority or that could have a material effect on the financial statements.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

## **Fraud**

I acknowledge responsibility for the design and implementation of internal control to prevent and detect fraud.

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I have disclosed to you:

- i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- ii) my knowledge of fraud or suspected fraud affecting the Authority involving:
  - members
  - management
  - employees who have significant roles in internal control, or
  - others where the fraud could have a material effect on the Statement of Accounts;
- iii) my knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's Statement of Accounts communicated by members, employees, former employees, regulators or others.

### **Misstatements detected during the audit**

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect error.

I confirm that the financial statements are free from material misstatement, including omissions.

### **Subsequent events**

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

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(Chief Financial Officer)

Date

For and on behalf of .....