



DERBY CITY COUNCIL

AUDIT AND ACCOUNTS COMMITTEE
24 SEPTEMBER 2009

ITEM 6

Report of the Corporate Director of Resources

LETTER OF REPRESENTATION 2008/09

RECOMMENDATION

- 1.1 To note the letter of representation in relation to the 2008/09 Accounts to be signed by the Corporate Director Resources and the Chief Executive.

SUPPORTING INFORMATION

- 2.1 As part of the accounts closure process local authorities are required to submit a letter of representation to their external auditors.
- 2.2 The Letter of Representation in Appendix 2 sets out assurances from the Council to the Audit Commission that relevant accounting standards and disclosure requirements have been complied with.

For more information contact: Carolyn Wright, Head of Accountancy, 01332 255360
e-mail Carolyn.wright@derby.gov.uk

Background papers: None

List of appendices: Appendix 1 – Implications
Appendix 2 - Letter of Representation

IMPLICATIONS

Financial

- 1.1 None directly arising

Legal

- 2.1 Compliance with the International Standard on Auditing (UK & Ireland), (ISA 580), 'Management Representations' and the Local Government Accounting Code of Practice (issued by CIPFA).

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Corporate objectives and priorities for change

- 5.1 The areas that are to be subject to external audit or inspection are generally relevant to delivery of corporate objectives and priorities.

Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham
B3 2HJ

24 September 2009

Dear Sirs

DERBY CITY COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other officers of Derby City Council ('the Council'), with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements.

- i We acknowledge our responsibilities for ensuring that financial statements are prepared which present fairly the financial position of this Council and for making accurate representations to you.
- ii As far as we are aware:
 - a there is no relevant audit information of which you are unaware; and
 - b we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.
- iii All the accounting records of the Council have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly recorded in the accounting records and reflected in the financial statements.
- iv All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.
- v The financial statements are free of material misstatements, including omissions.

- vi We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- vii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- viii We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
 - a management;
 - b employees who have significant roles in internal control; or
 - c others where the fraud could have a material effect on the financial statements;
- ix We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees or others.
- x Except as stated in the accounts:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Council has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xi All related parties have been identified to you and there were no transactions with related parties other than those disclosed in the financial statements.
- xii Except as stated in the accounts, there are no claims, legal proceedings or other matters which may lead to a loss falling on the Council or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements except as disclosed in the accounts.
- xiii The Council has complied with all aspects of contractual agreements 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.
- xiv We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- xv We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xvi We have no plans or intentions that will result in any obsolete tangible fixed assets or inventory other than as already recognised in the accounts.

- xvii We confirm that income is accounted for by applying the accruals convention. Where income has been received for a specific activity to be delivered in the following financial year, that income is deferred.
- xviii Other than disclosed in the financial statements, no significant events having an effect on the financial position of the Council have taken place since the balance sheet date, which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.
- xix We have adjusted the misstatements brought to our attention on the audit differences and adjustments summary and in the ISA260 report with the exception of the non-consolidation of the Council's 50% shareholding in Connexions Derbyshire Ltd which is not considered material to the group accounts.
- xx No events have occurred since the balance sheet date that lead us to believe that any items previously recognised as income in the accounts are now repayable.
- xxii We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of financing will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Audit Committee at its meeting on 24 September 2009.

Signed on behalf of the Council

Name	Name
Position	Position
Date	Date

(The Chief Executive and the Corporate Director of Resources should sign letter)