

Attachment 2

Mr Neil Harris
Director
Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

St Edmundsbury Borough Council - Audit for the year ended 31 March 2013

This representation letter is provided in connection with the audit of the financial statements of St Edmundsbury Borough Council ('the Council') for the year ended 31 March 2013. We recognise that obtaining representations concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of St Edmundsbury Borough Council as of 31 March 2013 and of its expenditure and income for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify – nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

I confirm that all material transactions have been recorded in the accounting records and are reflected in the financial statements and that the Responsible Officer has reviewed the accounts along with written assurances relating to the accounts and have approved the accounts for issue.

Compliance with the statutory authorities

I have fulfilled my 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 on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Authority,

for the completeness of the information provided to you, and for making accurate representations to you.

Supporting records

I have made available all relevant information and access to persons within the Authority for the purpose of your audit. I have properly reflected and recorded in the financial statements all the transactions undertaken by the Authority.

I have made available all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting.

Going Concern

I am satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements and the financial statements include, such disclosures, if any, relating to going concern to the Authority and to the Group.

Internal Control

I believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

Irregularities

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

I also confirm that I have disclosed:

- my 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;
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others; and
- the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

Law, regulations, contractual arrangements and codes of practice

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed and are appropriately reflected in the financial statements.

I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

I have recorded and / or disclosed, as appropriate, all liabilities-related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that I have given to third parties.

Accounting estimates including fair values

I can confirm that the significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

I can confirm that in respect of accounting estimates recognised or disclosed in the financial statements:

- That I believe the measurement processes, including related assumptions and models, used in determining accounting estimates are appropriate and the application of these processes is consistent.
- That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- That the assumptions used in making accounting estimates appropriately reflects my intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

Segmental reporting

I can confirm that I have reviewed the operating segments reported internally to the Council and that I am satisfied that it is reporting in accordance with IFRS 8: Operating Segments.

Retirement Benefits

On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Related party transactions

I confirm that I have disclosed the identity of the Authority’s related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the Code.

Subsequent events

I have adjusted for or disclosed in the financial statements all relevant events subsequent to the date of the financial statements.

Signed on behalf of St Edmundsbury Borough Council

I confirm that this letter has been discussed and agreed by the Performance and Audit Scrutiny Committee on 26th September 2013.

Signed

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Rachael Mann
Chief Financial Officer

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Cllr Christopher Spicer
Vice Chairman of the
Performance and Audit
Scrutiny Committee

Date.....

Date.....