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**St Edmundsbury Borough Council - Audit for the year ended 31 March 2016**

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 2016. 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 the Council as of 31 March 2016 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 2015/16 ("the CIPFA Code").

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.

**Financial Statements and Financial Records**

We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the CIPFA Code.

We acknowledge our responsibility for the fair presentation of the financial statements which, we believe, give a true and fair view of the financial position, financial performance and cash flows of the Council in accordance with the CIPFA Code and are free of material misstatements, including omissions. We have approved the financial statements.

We confirm that the Responsible Officer has:

- Reviewed the accounts;
- Reviewed all relevant written assurances relating to the accounts; and
- Made other enquires as appropriate.

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

As members of management of the Council, we 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.

### **Fraud**

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud, and that we have disclosed to you the results of your assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Council.

### **Compliance with Laws and Regulations**

We 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.

### **Information Provided and Completeness of Information and Transactions**

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

We have recorded all material transactions in the accounting records and reflected them in the financial statements.

We 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 on the following date: 21 September 2016.

We confirm the completeness of information provided regarding the identification of related parties and that we have disclosed the identity of the Council related parties and all the related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. We have appropriately accounted for and disclosed such relationships and transactions in the financial statements.

We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

We have disclosed to you, and 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, including all covenants, conditions or other requirements of all outstanding debt.

### **Liabilities and Contingencies**

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

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

We 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 we have given to third parties.

### **Subsequent Events**

Other than described in the financial statements, there have been no events subsequent to the period end which require adjustment of or disclosure in the financial statements or notes thereto.

### **Accounting Estimates**

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

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

- That we 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 our 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**

We can confirm that we have reviewed the operating segments reported internally to the Council and that we are satisfied that these segments have been aggregated in accordance with the requirements of IFRS 8: Operating Segments.

### **Going Concern**

We are satisfied that we have made you aware of any issues that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

### **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.

### **Use of Management Experts**

We agree with the findings of the experts engaged to evaluate the values of the Council's land and buildings, and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

**Signed on behalf of St Edmundsbury Borough Council**

We confirm that this letter has been discussed and agreed by the Performance and Audit Scrutiny Committee on 21 September 2016.

Signed

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Rachael Mann  
Chief Financial Officer

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Cllr Sarah Broughton  
Chairman of the Performance  
and Audit Scrutiny  
Committee

Date.....

Date.....