

Allerdale Borough Council

Audit Committee – 30 July 2019

Letter of Representation 2018-19

The Reason for the Decision	To present to members the Letter of Representation made in connection with the audit of the Authority's 2018-19 statement of accounts.
Recommendations	<ol style="list-style-type: none">i. That members approve the 2018-19 Letter of Representation.ii. That the s151 Officer signs the Letter of Representation on behalf of the Council.
Financial / Resource Implications	None
Legal / Governance Implications	Compliance with statutory requirements
Community Safety Implications	None
Health and Safety and Risk Management Implications	None
Equality Duty considered / Impact Assessment completed	N/A
Wards Affected	None directly
The contribution this decision would make to the Council's priorities	None directly
Is this a Key Decision	No
Portfolio Holder	Councillor Mike Johnson
Lead Officer	Catherine Nicholson, Head of Financial Services, 01900 702503 catherine.nicholson@allerdale.gov.uk

Report Implications.

Community Safety	N	Employment (external to the Council)	N
Financial	N	Employment (internal)	N
Legal	Y	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N

1.0 Introduction

1.1 The purpose of this report is to obtain members approval of the 2018-19 Letter of Representation. The Letter of Representation is included at Appendix 1.

2.0 Background

2.1 Auditing standards (ISA (UK) 580 Written Representations) require the auditor to obtain, from management, audit evidence in the form of written representations. ISA (UK) 580 also requires the auditor to communicate to those charged with governance, the written representations which the auditor has requested from management. The purpose of this is to ensure those charged with governance are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on the financial statements.

2.2 The purpose of obtaining this form of audit evidence is essentially twofold:

- (i). to obtain representations that management and those charged with governance, have fulfilled their responsibilities for the preparation of the financial statements, including:
 - preparing the financial statements in accordance with proper practices
 - providing the auditor with all relevant information and access to records
 - recording all transactions and reflecting them in the financial statements.
- (ii). to support other audit evidence relevant to the financial statements if determined necessary by the auditor or required by auditing standards.

2.3 Items included in the Letter of Representation in relation to the second of these two purposes include confirmation that:

- the Authority has no plans or intentions that may affect the carrying value of its assets or liabilities
- significant assumptions used by the Authority in making accounting estimates are reasonable

- all related parties have been identified and transactions with them disclosed in the financial statements
- all events subsequent to the balance sheet date have been appropriately considered in preparing the financial statements
- the statement of accounts should be prepared on a going concern basis.

3.0 Recommendations

- 3.1 That members approve the 2018-19 Letter of Representation.
- 3.2 That the s151 Officer signs the Letter of Representation on behalf of the Council.

Catherine Nicholson
Head of Financial Services