

# Allerdale Borough Council

## Audit Committee – 24 November 2020

### Letter of Representation 2019-20

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<b>Portfolio holder</b>	Councillor Jim Lister PH Finance and Legal
<b>Report from</b>	Catherine Nicholson, Head of Financial Services, tel: 01900-702503 email: catherine.nicholson@allerdale.gov.uk
<b>Wards affected</b>	None directly
<b>Is this a key decision</b>	No

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#### **1.0 The reason for the decision**

- 1.1 The purpose of this report is to present to members of the Audit Committee the Letter of Representation made in connection with the audit of the Authority's 2019-20 statement of accounts. The Letter of Representation is included at Appendix 1.

#### **2.0 Recommendations**

- 2.1 Following consideration of the Letter of Representation included in Appendix 1, members of the Audit Committee are recommended to:
- (i). Approve the 2019-20 Letter of Representation.
  - (ii). Approve that the s151 Officer signs the Letter of Representation on behalf of the Council.

#### **3.0 Background and Introduction**

- 3.1 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. This is to ensure that 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.

#### **4.0 Content**

- 3.2 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.

3.3 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.

## **5.0 Delivery arrangements**

5.1 Not applicable to this decision/report

## **6.0 Implications and Impact**

### **Contribution to Council Strategy Priorities, Outputs and Outcomes**

6.1 Not applicable to this decision/report.

### **Finance/Resource implications**

6.2 Financial issues and implications are included within the main body of this report.

### **Legal and governance implications**

6.3 Legal and governance issues are set out in the main body of this report.

### **Risk analysis**

6.4 Not applicable to this decision/report.

### **Increasing satisfaction and service**

6.5 Not applicable to this decision/report.

**Equality impacts**

6.6 Not applicable to this decision/report.

**Health and Safety impacts**

6.7 Not applicable to this decision/report.

**Health, wellbeing and community safety impacts**

6.8 Not applicable to this decision/report.

**Environmental/sustainability impacts**

6.9 Not applicable to this decision/report.

**Other significant implications**

6.10 There are no other significant implications arising from report.

**Appendices attached to this report**

Appendix	Title of appendix
1	Letter of Representation 2019-20

**Background documents available**

Name of background document	Where it is available
None	N/A

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