

**Economy, communities and corporate**

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Your Ref:

Our Ref:

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29th September, 2014

Dear Sirs

**Herefordshire Council**

**Financial Statements for the year ended 31 March 2014**

This representation letter is provided in connection with the audit of the financial statements of Herefordshire Council for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards.

We confirm that 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**

1. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code") as adapted for International Financial Reporting Standards; in particular the financial statements give a true and fair view in accordance therewith.
2. We have complied with the requirements of all statutory directions and these matters have been appropriately reflected and disclosed in the financial statements.
3. 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.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

6. We are satisfied that the material judgements used by us in the preparation of the financial statements are soundly based, in accordance with the Code, and adequately disclosed in the financial statements. There are no further material judgements that need to be disclosed.
7. Except as stated in the financial statements:
  - 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.
8. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant retirement benefits have been identified and properly accounted for.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
10. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
11. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
12. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
13. 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 funding or support 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.
14. We can confirm that included in the Council's 2013/14 year end accounts were contingent liabilities that could fall due following the conclusion of three on-going litigation cases. A reliable estimate cannot be made of these liabilities as of today's date. We are not aware of any other possible significant litigation claims and no equal pay claims have been raised.

### **Information Provided**

15. We have provided you with:
  - a 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;

- b additional information that you have requested from us for the purpose of your audit; and
  - c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- 16 We have communicated to you all deficiencies in internal control of which management is aware.
- 17 All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 18 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.
- 19 We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
- 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.
- 20 We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.
- 21 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- 22 We have disclosed to you the entity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- 23 We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Governance Statement**

- 24 We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

### **Approval**

The approval of this letter of representation was minuted by the Council's Audit and Governance Committee at its meeting on 29th September 2014.

Signed on behalf of the Council

Name Peter Robinson

Position Chief Finance Officer

Date 29.09.14

Name Councillor John Jarvis

Position Chairman: Audit and Governance Committee

Date 29.09.14