

to Michael Thomas,  
District Auditor,  
Audit Commission,  
2<sup>nd</sup> Floor,  
Aspinall House,  
Aspinall Close,  
Middlebrook,  
Bolton,  
BL6 6QQ.

date To be after Audit  
Committee

your ref

my ref FA/TWS

service Finance

tel 0151 666 3407

Please ask for Tom Sault

email [tomsault@wirral.gov.uk](mailto:tomsault@wirral.gov.uk)

Dear Sir,

### **Wirral Council - Audit for the year ended 31 March 2012**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Wirral Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2012.

### **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 for Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Council, for the completeness of the information provided to you, and for making accurate representations to you.

### **Uncorrected misstatements**

The effect on the financial statements of the uncorrected misstatement relate to the 2010/11 financial year. This misstatement has been previously discussed with those charged with governance within the Council and the reasons for not correcting this item are as follows:

The deficit on the Revaluation of Property, Plant and Equipment assets line in the Consolidated Income & Expenditure Statement – in 2010/11 the balance remaining on this line included £6 million relating to the treatment of capital grants for which no amendments were made to the 2010/11 accounts. This was due to the complex nature of this activity and that this was not considered to be a material item. This is explained in note 49 to the Financial Statements. Action has been taken in 2011/12 to correctly account for capital grants and a reoccurrence of this item has not taken place.

I also confirm that not correcting the misstatement has had no impact upon the 2011/12 financial year and no impact upon the level of balances, reserves or provisions of the Council at 31 March 2012.

### **Supporting records**

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

### **Internal control**

I have communicated to you all deficiencies in internal control of which I am aware.

### **Irregularities**

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

I also confirm that I have disclosed:

- a) 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;
- b) my knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others; and
- c) the results of our assessment of the risk that 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.

Other than the breach of regulations identified in respect of the Merseyside Pension Fund, transactions and events have been carried out in accordance with the law, regulation or other authority. The Council 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 known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

## **Accounting estimates including fair values**

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

For the accounting estimate of historical infrastructure asset values, I confirm:

- a) the appropriateness of the measurement method, including related assumptions and models, the consistency in application of the method;
- b) the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures;
- c) the disclosures relating to the accounting estimate are complete and appropriate under the Code; and
- d) that no subsequent events requires the Council to adjust the accounting estimate and related disclosures included in the financial statements.

## **Use of experts**

The Council has used experts in specific areas to assist in the preparation of the Statement of Accounts, and discussed and disclosed these to you during the audit.

## **Financial guarantees**

I confirm that the Council has given no financial guarantees in the financial year to 31 March 2012.

## **Finance leases – Income**

The Council believes that rental income from its properties held under finance lease arrangements is not impaired. This reflects either the past payment of rents or the judgement that a lease in default at a new development such as New Brighton would be re-assigned.

## **Related party transactions**

I confirm that I have disclosed the identity of Wirral Council 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 Wirral Council**

I confirm that this letter was agreed by the Audit and Risk Management Committee of Wirral Council on 19 September 2012.

Tom Sault  
Acting Director of Finance