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to Michael Thomas,
District Auditor,
Audit Commission,
The Heath Business and Technical Park,
Runcorn,
Cheshire,
WA7 4QF

date 28 September 2010

your ref
my ref FA/IEC
please ask for Ian Coleman

Dear Sir,

Wirral Borough Council - Audit for the year ended 31 March 2010

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Wirral Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2010.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which give a true and fair view of the financial position and financial performance of the Council and for making accurate representations to you.

Uncorrected misstatements

I confirm that I believe that the effects of the uncorrected financial statements misstatements listed in the report are not material to the financial statements, either individually or in aggregate. The misstatements have been discussed with those charged with governance within the Council and the reasons for not correcting these items are as follows;

- a) Private Finance Initiative (PFI) lifecycle costs
The recommendation is to consider these going forward which will require further information to be obtained from the PFI contractors. This information was not available in 2009/10 so no amendment was made to the accounts.
- b) BACS Payments at the end of March
This approach has been undertaken for at least 10 years in an account subject to annual review by the Audit Commission. There is no impact on revenue and the year-end processes to be revised for the 2010/11 financial year.
- c) Community Assets Derecognised
The assets were removed because the descriptions were not recognised between the different systems and the changes were approved by the Valuer. Greater explanations will be provided to support any future changes.
- d) Private Finance Initiative (PFI) Accumulated Depreciation
Relates to revaluations and are complex adjustments impacting upon a number of statements and supporting notes but not upon the financial position.
- e) Council Tax Bad Debt Provision
The provision covers 57% of the total arrears at 31 March 2010, which is an increase from 50% in 2008/09, and is deemed to be adequate by officers.
- f) Internal Rental Charges
The 'duplication' identified was one item for £25,000 which is not considered to be significant to adjust. Otherwise any internal recharges are excluded.
- g) Surplus arising from Fixed Assets
The item raised is around consistent treatment within the accounts. Further work will be done prior to producing 2010/11 accounts to ensure consistency within the accounts.

I also confirm that the adjustments have no impact upon the level of balances, reserves or provisions of the Council at 31 March 2010.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council, Cabinet and other Committee meetings, have been made available to you.

Irregularities

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

There have been no:

- a) irregularities involving management or employees who have significant roles in the system of internal accounting control;
- b) irregularities involving other employees that could have a material effect on the financial statements; or
- c) communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

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; and
- b) my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

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. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair Values

I confirm the reasonableness of the significant assumptions within the financial statements. I confirm:

- a) the appropriateness of the measurement method;
- b) the basis used by management to overcome the presumption under the financial reporting framework;
- c) the completeness and appropriateness under the financial reporting framework; and
- d) subsequent events do not require adjustment to the fair value measurement.

Assets

The following have been properly recorded and when appropriate adequately disclosed in the financial statements:

- a) losses arising from sale & purchase commitments;
- b) agreements and options to buy back assets previously sold; and
- c) assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts and we have no other lines of credit arrangements.

Contingent liabilities

There are no contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- a) there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- b) there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- c) no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded, and where appropriate, adequately disclosed in the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by the Audit & Risk Management Committee, one additional significant has occurred that has required an additional disclosure in the statements. This is detailed in note 34 to the accounts and follows the Government announcement on 22 June 2010 of the intention to increase public service pensions in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). This is a non-adjusting post balance sheet event. There have been no adjusting post balance sheet events.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Signed on behalf of Wirral Borough Council

I confirm that this letter was agreed by the Audit and Risk Management Committee of Wirral Borough Council on 28 September 2010.

Name Ian Coleman
Position Director of Finance
Date