

REPORT OF: CHIEF FINANCIAL OFFICER
TO: ACCOUNTS AND AUDIT COMMITTEE
DATES: 25th July 2017

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LETTER OF REPRESENTATION 2018/19

PURPOSE OF REPORT

1. The purpose of this report is to inform the Accounts and Audit Committee of the requirement for the Chief Financial Officer (as the Council's Section 151 Officer) to provide the External Auditors with a Letter of Representation in relation the Council's Statement of Accounts for 2018/19.

RECOMMENDATIONS

It is recommended that:

- a) the Accounts and Audit Committee formally acknowledges the requirement for the Chief Financial Officer to provide the External Auditors with a Letter of Representation in relation to the Statement of Accounts for 2018/19, and that
- b) the Chairperson of the Committee countersigns the letter accordingly.

REASONS FOR RECOMMENDATION

2. To comply with the requirement to provide a Letter of Representation.

ISSUE

Background

3. To comply with relevant Auditing Standards, the Council's External Auditors require a 'Letter of Representation' from the person with specific responsibility for the financial statements which, in this Council is the Chief Financial Officer (as the officer designated under Section 151 of the Local Government Act 1972). The purpose of the letter is to obtain written representations on matters where the Auditors are relying on the judgement of management rather than corroborative evidence.

4. It is also a requirement that the letter is formally acknowledged by the appropriate Committee of the Council in relation to our Statement of Accounts (i.e. this Committee as the committee charged with governance). Given its remit, the Committee is requested to formally acknowledge the Letter of Representation in relation to the Statement of Accounts for 2018/19 and agree that the Chairman of the Committee signs the letter accordingly.
5. The draft Letter of Representation for 2018/19 is provided at [Appendix A](#).
6. The letter reflects the position as at the time of writing this report. Should this position change in the period up to the Committee the draft letter may need to be amended.
7. The letter does refer (in paragraph x) to an unadjusted misstatement as per the bullet point below. This relates to the decision not to amend the accounts to reflect the Actuary's re-valuation undertaken after 31/03/2019 which increased the Net pension Liability by £357,000. The decision not to adjust was due to the fact that the change was not material to the results of the Council and its financial position at the year-end. This matter is also referred to in the External Auditor's Audit Findings Report and the Statement of Accounts 2018/19 Report both included elsewhere on this agenda. For clarity, materiality for the financial statements is set at £1.006m as per page 4 of The Audit Finding Report.
 - ***we have not amended the financial statements for the revised actuarial statement received on 11/7/19, which incorporates the 'McCloud judgement' pension liabilities, as we do not consider an overall increase of £217,000 in the Net Pension Liability to be material.***

IMPLICATIONS

Policy

8. There are no policy implications arising directly from the recommendations of this report.

Financial

9. There are no financial implications arising directly from the recommendations of this report.

Legal

10. There are no legal implications arising directly from the recommendations of this report.

Risk Management

11. There are no risk management implications arising from this report.

Health and Safety:

12. There are no health and safety issues arising from this report.

Sustainability:

13. There are no sustainability issues arising from this report.

Community Safety:

14. There are no community safety issues arising from this report.

Equality and Diversity:

15. There are no equality and diversity issues arising from this report.

APPENDICES

[Appendix A](#) – Letter of Representation 2018/19.