

Resources Directorate

Financial Services

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Our ref: AT

27 September 2011

Dear Karen

CARLISLE CITY COUNCIL – AUDIT FOR THE YEAR ENDED 31 MARCH 2011

I confirm to the best of my knowledge and belief, having made appropriate enquiries of Directors and other officers of Carlisle City Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2011. All representations cover the Council's accounts included within the financial statements.

Compliance with the statutory authorities

I have fulfilled 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 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 of the uncorrected financial statements misstatement is not material to the financial statements. The misstatement relates to the debtor provision made for unpaid Penalty Charge Notices and the corresponding bad debt provision in relation to the same. The estimation technique was incorrect which resulted in the gross income being understated by £113,000 and the gross expenditure being understated by £91,000. The net impact of this is not material to the accounts and as the calculation is made annually there is no cumulative effect of this non-adjustment in future years.

Supporting records

All relevant information and access to persons within the Council has 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 financial statements.

Internal Control

I acknowledge my responsibility for ensuring that the Council has a sound system of internal control and for the system of internal control to be reviewed for effectiveness at least once a year. Other than those disclosed within the financial statements, there have been no further significant areas of weaknesses identified.

Irregularities

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

I also confirm that I have disclosed:

- 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;
- 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
- 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.

Transactions and events have been carried out in accordance with 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 financial instruments and the pension scheme assets and liabilities assumptions, I confirm:

- the appropriateness of the measurement method;
- the basis used by management to overcome the presumption under the financial reporting framework;

- the completeness and appropriateness under the financial reporting framework; and
- subsequent events which do not require adjustment to the fair value measurement.

Assets

During the course of the audit four assets were identified as not having title registered with the Land Registry, nor any other evidence to support ownership e.g. deeds. These assets were as follows:

- Cemetery lodge, 153 Richardson Street
- Court Square Public Convenience
- Old Town Hall Tourist Information Centre
- Petrol Filling Station, Morton

I believe that these assets are owned by the Council and as such it is appropriate to include them within the fixed asset register and on the Council's balance sheet. I can confirm that steps are in place to register all four assets based on continuance occupation and control.

Contingent liabilities

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

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

Related party transactions

I confirm that I have disclosed the identity of Carlisle City 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 requirement of the framework.

Subsequent events

All events subsequent to the date of the financial statements, which would require additional adjustment or disclosure in the financial statements, have been adjusted or disclosed.

Signed on behalf of Carlisle City Council

I confirm that this letter has been discussed and agreed by the Council's Audit Committee on 27 September 2011

Yours sincerely



INVESTOR IN PEOPLE

P Mason

Assistant Director (Resources)