

To: Tony Corcoran  
Appointed Auditor  
1st Floor,  
No.1 Friarsgate 1011 Stratford Road,  
Shirley Solihull,  
West Midlands,  
B90 4BN

### **Newcastle under Lyme Borough Council - Audit for the year ended 31 March 2011**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Newcastle under Lyme 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 2011. All representations cover the Authority'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 and International Financial Reporting Standards which give a true and fair view of the financial position and financial performance of the Authority, for the completeness of the information provided to you, and for making accurate representations to you.

#### **Uncorrected misstatements**

The effects of uncorrected financial statements misstatements summarised in the schedule to your Annual Governance Report are not material to the financial statements, either individually or in aggregate.

#### **Supporting records**

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

#### **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 entity'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 Authority 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.

I confirm:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the process;
- the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures;
- the completeness and appropriateness under the financial reporting framework;
- subsequent events do not require adjustment to accounting estimates and disclosure included within the financial statements; and
- that the selection, and application, of accounting policies are appropriate.

### **Related party transactions**

I confirm that I have disclosed the identity of Newcastle under Lyme Borough Council's 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.

### **Items not to be Adjusted**

I have considered your view that the accounts should be amended to remove an accrual of £13,150 and have concluded that, in my view, no amendment should be made. I have come to this conclusion on the grounds that the amount concerned is immaterial.

I have also considered your view that the accounts should be amended by the input of an additional accrual to take account of an amendment of £63,000 to the National Non Domestic Rates Return (NNDR3) following its audit. Again, I have concluded that, in my view, no amendment should be made. I have come to this conclusion on the grounds that the amount concerned is immaterial, that this is a timing issue, the return being compiled and audited after the accounts are compiled and in previous years no such amendment has been subsequently made and that the position will be corrected in 2012/13 as part of the process of balancing the Collection Fund Account in relation to NNDR transactions.

### **Signed on behalf of Newcastle under Lyme Borough Council**

I confirm that the this letter has been discussed and agreed by the Audit and Risk Committee on 26 September 2011

Signed

Kelvin Turner

Executive Director (Resources and Support Services)

26 September 2011