



Town Hall
 Bridge Street
 Peterborough
 PE1 1HG

Dear Sirs

Representation letter – audit of Peterborough City Council’s Statement of Accounts for the year ended 31 March 2015

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts of Peterborough City Council (the Authority) give a true and fair view of the affairs of the Authority as at 31 March 2015 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 supported by the Service Reporting Code of Practice 2014/15.

I acknowledge my responsibilities as Corporate Director: Resources for preparing the Statement of Accounts as set out in the Statement of Responsibilities for the Statement of Accounts. I also acknowledge my responsibility for the administration of the financial affairs of the Authority and that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of the Authority with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief, and having made the appropriate enquiries, the following representations:

Statement of Accounts

I have fulfilled my responsibilities for the preparation of the Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 supported by the Service Reporting Code of Practice 2014/15; in particular the Statement of Accounts give a true and fair view in accordance therewith.

All transactions have been recorded in the accounting records and are reflected in the Statement of Accounts.

Significant assumptions used by the Authority in making accounting estimates, including those surrounding measurement at fair value, are reasonable.

All events subsequent to the date of the Statement of Accounts for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 requires adjustment or disclosure have been adjusted or disclosed.

Information Provided

I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that you, the authority’s auditors, are aware of that information.

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the Statement of Accounts such as records, documentation and other matters, including minutes of the Authority and its committees, and relevant management meetings;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

So far as I am aware, there is no relevant audit information of which you are unaware.

Accounting policies

I confirm that I have reviewed the Authority's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of Statement of Accounts are appropriate to give a true and fair view for the Authority's particular circumstances.

Fraud and non-compliance with laws and regulations

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

I have disclosed to you:

- the results of our assessment of the risk that the Statement of Accounts may be materially misstated as a result of fraud.
- all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the Statement of Accounts.
- all information in relation to allegations of fraud, or suspected fraud, affecting the Authority's Statement of Accounts communicated by employees, former employees, analysts, regulators or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Statement of Accounts.

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Authority conducts its business and which are central to the Authority's ability to conduct its business or that could have a material effect on the Statement of Accounts.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the Statement of Accounts.

The Authority pension fund has not made any reports to the Pensions Regulator nor am I aware of any such reports having been made by any of our advisors. I confirm that I am not aware of any late contributions or breaches of the schedule of contributions that have arisen which I considered were not required to be reported to the Pensions Regulator. I also confirm that I am not aware of any other matters which have arisen that would require a report to the Pensions Regulator.

There have been no other communications with the Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.

Related party transactions

I confirm that the attached Appendix 1 to this letter is a complete list of the Authority's related parties. All transfer of resources, services or obligations between the Authority and these parties have been

disclosed to you, regardless of whether a price is charged. We are unaware of any other related parties, or transactions between disclosed related parties.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Section 3.9 of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

We confirm that we have identified to you all senior officers, as defined by the Accounts and Audit Regulations 2011, and included their remuneration in the disclosures of senior officer remuneration.

Employee Benefits

I confirm that we have made you aware of all employee benefit schemes in which employees of the Authority participate.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the Authority have been properly reflected in the accounting records or, where material (or potentially material) to the statement of accounts, have been disclosed to you.

Litigation and claims

I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statement of accounts and such matters have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Taxation

I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest and I have made full disclosure regarding any Revenue Authority queries or investigations that we are aware of or that are ongoing.

In particular:

- In connection with any tax accounting requirements, I am satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.
- I have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken for the authority's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Authority or any associated company for whose taxation liabilities the Authority may be responsible.

Pension fund registered status

I confirm that the Cambridgeshire County Council Pension Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the scheme should change.

Pension fund assets and liabilities

All known assets and liabilities including contingent liabilities, as at the 31 March 2015, have been taken into account or referred to in the Statement of Accounts.

Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the 31 March 2015 have been properly valued and that valuation incorporated into the Statement of Accounts.

The pension fund has satisfactory title to all assets and there are no liens or encumbrances on the pension fund's assets.

Retirement benefits

All significant retirement benefits that the Authority is committed to providing, including any arrangements that are statutory, contractual or implicit in the authority's actions, wherever they arise, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.

All settlements and curtailments in respect of retirement benefit schemes have been identified and properly accounted for.

The following actuarial assumptions underlying the valuation of retirement benefit scheme liabilities are consistent with my knowledge of the business and in my view would lead to the best estimate of the future cash flows that will arise under the scheme liabilities:

Description	Local Government Pension Scheme
Rate of Inflation	2.4%
Salary Increase Rate	4.3%
Pension Increase Rate	2.4%
Discount Rate	3.2%

Local Government Pension Scheme - Average future life expectancies at age 65		
	Men	Women
Current Pensioners	22.5	24.5
Future Pensioners	24.4	26.9

Bank accounts

I confirm that I have disclosed all bank accounts to you.

Subsequent events

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the statement of accounts or in the notes thereto.

Provisions

Provisions for depreciation and diminution in value including obsolescence have been made against property, plant and equipment on the bases described in the statement of accounts and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its

probable useful life in the authority's business. In this respect I am satisfied that the probable useful lives have been realistically estimated and that the residual values are expressed in current terms.

Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments (in particular in relation to redundancy plans) and contingencies where the items are expected to result in significant loss. Other such items, where in my opinion provision is unnecessary, have been appropriately disclosed in the Statement of Accounts.

Assets and liabilities

The Authority has no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the Statement of Accounts.

In my opinion, on realisation in the ordinary course of the business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.

The Authority has satisfactory title to all assets and there are no liens or encumbrances on the Authority's assets, except for those that are disclosed in the Statement of Accounts.

I confirm that we have carried out impairment reviews appropriately, including an assessment of when such reviews are required, where they are not mandatory. I confirm that we have used the appropriate assumptions with those reviews.

Using the work of experts

I agree with the findings of Wilks, Head & Eve LLP ("WH&E"), experts in evaluating the valuation of investment property and property, plant and equipment and Hymans Robertson, experts in evaluating the net pensions liability. I have adequately considered the competence and capabilities of the experts in determining the amounts and disclosures used in the preparation of the Statement of Accounts and underlying accounting records. The Authority did not give or cause any instructions to be given to experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an impact on the objectivity of the experts.

Financial Instruments

Where fair values have been assigned to financial instruments, I confirm that the valuation techniques, the inputs to those techniques and assumptions that have been made are appropriate and reflect market conditions at the balance sheet date, and are in line with the business environment in which we operate.

Accounting for Schools Non-Current Assets

I confirm that the Authority has determined a proper application of CIPFA's guidance, as detailed within LAAP Bulletin, on accounting for schools' non-current assets. I consider the judgements made by the Authority in assessing whether the assets are within the Authority's control are appropriate and reflect underlying supporting documentation. In relation to the voluntary aided and voluntary controlled schools non-current assets for which the Authority holds legal title, I am satisfied that the judgements made to exclude these from the Balance Sheet is appropriate based on the Authority's circumstances and legislation in place.

Items specific to Local Government

I confirm that the Authority does not have plans to implement any redundancy/early retirement programmes for which we should have made provision in the Statement of Accounts.

I confirm that the Authority has determined a prudent amount of revenue provision for the year under the Prudential Framework.

I confirm that the Authority has determined a proper application of the statutory provisions for the neutralisation of the impact of accumulating compensated absences on the General Fund balance.

As minuted by the Audit Committee at its meeting on 21 September 2015.

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Corporate Director: Resources

For and on behalf of the Audit Committee

Date

Appendix 1 - Related parties and related party transactions

Cambridgeshire Police and Crime Panel	South Bretton Community Association
Cambridgeshire and Peterborough Fire Authority	South Grove Community Association
Peterborough Investment Partnership LLP	Southfields Community Association
Blue Sky Peterborough Ltd	Stanground Community Association
Cohesion and Diversity Forum	Walton Community Association
Greater Peterborough Partnership Executive Board	Werrington Community Association
Safer Peterborough Partnership	Werrington Neighbourhood Council
Youth Justice Board	Westwood and Ravensthorpe Community Association (Stafford Hall Management Committee)
Local Government Association	Woodston Community Association (Belsize Centre)
Eastern Shires Purchasing Organisation (ESPO)	Barn Youth Centre
Great Fen Project Steering Committee	Bedford Hall (Thorney Community Association)
Greater Cambridgeshire Greater Peterborough Local Transport Body	Herlington Community Centre (Herlington Community Association)
Local Government Employers Panel	Hodgson Community Centre (Hodgson Community Association)
London Stansted Cambridge Consortium	Loxley Community Centre (Loxley Community Association)
Natural Cambridgeshire	Manor Farm Community Centre – Eye Community Association
Regional Transport Forum	Matley Community Centre (Salvation Army)
Cambridgeshire and Peterborough Road Safety Partnership	Orton Goldhay Community Centre Management Committee
Cambridgeshire and Peterborough Road Safety Forum	Parnwell Community Centre (Parnwell Community Association)
Cambridgeshire and Peterborough Waste Partnership (Recap Board) - formerly Waste and Environment Forum	Riverside Community and Sports Centre Interim Committee
Cross Keys Homes Board	St Johns Hall Mayors Walk (West Town Community Association)
Greater Cambridge and Greater Peterborough Local Enterprise Partnership	Thorney Community Association
Opportunity Peterborough Audit Committee	Wistow Community Centre (Orton Wistow Community Association)

Opportunity Peterborough Board	Atlantis Furniture
Pensions Committee - Cambridgeshire County Council	Broadway Properties
Peterborough and Stamford NHS Foundation Trust	Bromco Property Rentals Limited
Peterborough Museum and Art Gallery	Cap Radio Production & Media Buying Services Ltd
Peterborough Safeguarding Adults Board	Cereste Consultancy
Peterborough Safeguarding Children Board	Cereste Holdings Ltd
Standing Advisory Committee for Religious Education	Cereste Property Holdings
Vivacity - Peterborough Culture and Leisure Trust	Energy Park Investment Ltd
Anglian Northern Regional Flood and Coastal Committee - Environment Agency	Energy Park Peterborough Ltd
Inspire Peterborough Board	Green Energy Park Consulting Ltd
Nene Park Trust	Green Energy Parks Ltd
North Level Internal Drainage Board	Jumped Up Theatre Company
Peterborough Association for the Blind	M Nadeem and M Yousaf Properties
Peterborough Cathedral Trust	M.J Immigration
Peterborough Local Access Forum	Mint Consulting Peterborough
Peterborough Racial Equality Council	Nadeem Constuction LTD
Railworld	Nadeem Properties
Welland and Deeping Internal Drainage Board	NM Creations Ltd
Charity consisting of cups etc of former 336 Field Battery RA (TA) Board of Trustees	Opportunity Peterborough Ltd
Dogsthorpe Landfill Local Liaison Committee	Orton Longueville Parish Council
Eye Quarry Local Liaison Committee	Peterborough Community Radio Ltd
James Bradfield Trust (Helpston)	Peterborough Environment City Trust
Maxey Quarry Liaison Committee	Peterborough Fishing & Mailing Services Ltd
Pode Hole Quarry Local Liaison Committee	Peterborough Regional College
Thornhaugh 1 Local Liaison Committee	Peterborough Renewable Energy Ltd
Dogsthorpe Community Association	Prestige Classic Cars
East Community Association	Prestige Transport Logistics Limited

Gladstone District	Prime Properties Peterborough
Glington Community Association	Renewable Energy Parks Ltd
Hampton Vale Community Association	Renewable Technology Consultants Ltd
Italian Community Association	Russell Street Developments
Longthorpe Community Association	Saxon Antiques
Millfield and New England Regeneration Partnership	Sheila Scott (Consultancy)
Millfield Community Association	St Josephs Day Nursery Ltd
Newborough and Borough Fen Community Association	Train 2B Limited
North Bretton Community Association	Windtech Solutions Ltd
Northborough Community Association	Thomas Deacon Academy
Pakistan Community Association	Worldwide Travel Training Ltd
Paston and Gunthorpe Community Association	Worldwide Training Partnership
	Yasmeen Maqbool Ehsaas Consultants

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