



**Town Hall
Bridge Street
Peterborough
PE1 1HG**

Dear Sirs

Representation letter – audit of Peterborough City Council’s (the Authority) Statement of Accounts for the year ended 31 March 2014

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts of the Authority give a true and fair view of the affairs of the Authority as at 31 March 2014 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 2013/14 supported by the Service Reporting Code of Practice 2013/14.

I acknowledge my responsibilities as Executive Director, Strategic Resources (Chief Financial Officer) 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 2013/14 supported by the Service Reporting Code of Practice 2013/14; 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 2013/14 requires adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the Statement of Accounts as a whole. A list of the uncorrected misstatements is attached to this letter.
- The restatement made to correct a material misstatement in the prior period Statement of Accounts that affects the comparative information has been appropriately accounted for and disclosed in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

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 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.

Related party transactions

I confirm that the attached appendix 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 2013/14.

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 2013/14.

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 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.

Bank accounts

I confirm that I have disclosed all bank accounts to you including those that are maintained in respect of the pension fund.

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.

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 no plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- 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.
- Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the year-end have been properly valued and that valuation incorporated into the statement of accounts. When appropriate, open positions in off-balance sheet financial instruments have also been properly disclosed in the Statement of Accounts.

Financial Instruments

- All embedded derivatives have been identified and appropriately accounted for under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.
- Where hedging relationships have been designated as either firm commitments or highly probable forecast transactions, I confirm that our plans and intentions are such that these relationships qualify as genuine hedge arrangements.
- 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.

Retirement benefits

- All 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:

Rate of inflation	2.8%
Rate of Increase in Salaries	4.6%
Rate of Increase of Pensions	2.8%
Discount Rate	4.3%
Longevity at 65 for current pensioners	
Men	22.5
Women	24.5
Longevity at 65 for future pensioners	
Men	24.4
Women	26.9

- The authority participates in the Teachers' Pension Scheme that is a defined benefit scheme. I confirm that the authority's share of the underlying assets and liabilities of this scheme cannot be identified and as a consequence the scheme has been accounted for as a defined contribution scheme.

Using the work of experts

I agree with the findings of Wilks, Head and Eve, experts in evaluating the valuation of property and 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.

Other matters

I have taken appropriate legal advice to satisfy myself that the accounting treatment adopted for the Local Authority Mortgage Scheme does not contravene the requirements of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

As minuted by the Audit Committee at its meeting on 22 September 2014

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Executive Director, Strategic Resources
For and on behalf of Peterborough City Council

Date

Appendix 1 - Related parties and related party transactions

Cambridgeshire Police and Crime Panel	Residents of Ravensthorpe
Combined Fire Authority	Riverside Residents Association
Community Cohesion Partnership	South Bretton Community Association
Greater Peterborough Partnership Executive Board	South Grove Community Association
Safer Peterborough Partnership	Southfields Community Association
Local Government Association	Stanground Community Association
Local Government Association - Rural Commission	Walton Community Association
Local Government Association - Urban Commission	Werrington Community Association
East of England Regulatory Services Partnership	Werrington Neighbourhood Council
Eastern Shires Purchasing Organisation (ESPO)	Westwood and Ravensthorpe Community Association (Stafford Hall Management Committee)
Great Fen Project Steering Committee	Woodston Community Association (Belsize Centre)
Greater Cambridgeshire Greater Peterborough Local Transport Body	Barn Youth Centre
Greater Cambridgeshire Local Nature Partnership Board	Bedford Hall (Thorney Community Association)
Local Government Employers Panel	Copeland Community Centre (Copeland Community Association)
Regional Transport Forum	Atlantis Furniture
Cambridgeshire and Peterborough Road Safety Forum	Broadway Properties
Cambridgeshire and Peterborough Waste Partnership (Recap Board) - formerly Waste and Environment Forum	Bromco Property Rentals Limited
Cross Keys Homes Board	Cap Radio Production & Media Buying Services Ltd
Greater Cambridge and Greater Peterborough Local Enterprise Partnership	Cereste Consultancy
Opportunity Peterborough Audit Committee	Cereste Holdings Ltd
Opportunity Peterborough Board	Cereste Property Holdings
Pensions Committee - Cambridgeshire County Council	CJH Electrical - Electrical Contracting
Peterborough and Stamford NHS Foundation Trust	DMK Management LTD
Peterborough Museum and Art Gallery	Energy Park Investment Ltd
Standing Advisory Committee for Religious Education	Energy Park Peterborough Ltd
University Board	Eye Care Club
Vivacity - Peterborough Culture and Leisure Trust	Green Energy Park Consulting Ltd
Anglian Northern Regional Flood and Coastal Committee - Environment Agency	Green Energy Parks Ltd
Cresset - Council of Management	Haris Properties Limited
Inspire Peterborough Board	JE & VM Dalton Ltd
Nene Park Trust	M Nadeem and M Yousaf Properties
North Level Internal Drainage Board	M.J Immigration
Peterborough Association for the Blind	Mint Consulting Peterborough
Peterborough Cathedral Trust	Nadeem Constuction LTD
Peterborough Racial Equality Council	Nadeem Properties
Peterborough Workspace	NM Creations Ltd
Railworld	Opportunity Peterborough Ltd
Welland and Deeping Internal Drainage Board	Peterborough Environment City Trust
Charity consisting of cups etc of former 336 Field Battery RA (TA) Board of Trustees	Peterborough Fishing & Mailing Services Ltd
Dogsthorpe Landfill Local Liaison Committee	Peterborough Italian Social Club Ltd
Eye Quarry Local Liaison Committee	Peterborough Regional College
James Bradfield Trust (Helpston)	Peterborough Renewable Energy Ltd
Maxey Quarry Liaison Committee	Prestige Classic Cars
Pode Hole Quarry Local Liaison Committee	Prestige Transport Logistics Limited
Thornhaugh 1 Local Liaison Committee	Prime Properties Peterborough
Dogsthorpe Community Association	Renewable Energy Parks Ltd
East Community Association	Renewable Technology Consultants Ltd
Gladstone District	Russell Street Developments
Glinton Community Association	Saxon Antiques
Italian Community Association	Sheila Scott (Consultancy)
Longthorpe Community Association	St Josephs Day Nursery Ltd
Millfield and New England Regeneration Partnership	Train 2B Limited
Millfield Community Association	Windtech Solutions Ltd
Newborough and Borough Fen Community Association	Worldwide Travel Training
North Bretton Community Association	Yasmeen Maqbool Ehsaas Consultants
Northborough Community Association	
Pakistan Community Association	
Paston and Gunthorpe Community Association	

Appendix 2 – Summary of uncorrected misstatements

No	Description of misstatement	Income statement		Balance sheet	
		Dr £'000	Cr £'000	Dr £'000	Cr £'000
1i)	Dr income Cr accounts receivable Being an adjustment to remove a duplicate invoice raised in error	4	-	-	4
Total uncorrected misstatements		4	-	-	4

No	Description of misstatement	Income statement		Balance sheet	
		Dr £'000	Cr £'000	Dr £'000	Cr £'000
1ii)	Dr income Cr accounts receivable Being an adjustment to remove a duplicate invoice raised in error	380	-	-	380
Total uncorrected misstatements		380	-	-	380

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