

27 September 2010

To PricewaterhouseCoopers LLP  
80 Strand,  
London,  
WC2R 0AF

This representation letter is provided in connection with your audit of the financial statements of Peterborough City Council for the year ended 31 March 2010.

Your audit is conducted for the purpose of expressing an opinion as to whether the financial statements of the authority give a true and fair view of the state of affairs of the Authority as at 31 March 2010, of its income and expenditure and cash flows for the year then ended, and have been properly prepared in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

My responsibilities as Chief Financial Officer for preparing the financial statements are set out in the Statement of Responsibilities for the Statement of Accounts. I am also responsible for the administration of the financial affairs of the authority. I also acknowledge 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 Peterborough City Council with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation, 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.

#### **Accounting records**

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, including that:

- All the accounting records, whether for the purposes of financial reporting or any other purpose, have been made available to you for the purposes of your audit and all the transactions undertaken by the authority have been properly reflected and recorded in the accounting records.
- All other records and related information which might affect the fair presentation of, or necessary disclosure in, the financial statements, including minutes of the Council and relevant management meetings, have been made available to you and no such information has been withheld.

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 the financial statements are the most appropriate to give a true and fair view for the authority's particular circumstances, as required by the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

## **Related party transactions**

I confirm that the Authority has disclosed all related party transactions relevant to the Authority and that I am not aware of any other such matters required to be disclosed in the financial statements under the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

## **Employee benefits**

I confirm that the Authority has 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 with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

## **Laws and regulations**

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 financial statements.

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 financial statements.

## **Fraud**

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

I have disclosed to you:

- i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- ii) my knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by members, employees, former employees, analysts, regulators or others.
- iii) my knowledge of fraud or suspected fraud affecting the Authority involving:
  - members



- management
- employees who have significant roles in internal control, or
- others where the fraud could have a material effect on the financial statements.

### **Misstatements detected during the audit**

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

I confirm that the financial statements are free from material misstatement, including omissions.

I confirm that the reasons why the misstatements that you have brought to the attention of the Audit Committee in your ISA 260 Report have not been adjusted in the financial statements are as follows:

Those charged with governance believe their effect both individually and in aggregate is not material to the financial statements either taken as a whole or in connection with the ability properly to assess the performance and/or the financial position of Peterborough City Council.

### **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.

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.

### **Impairments**

The assumptions used to estimate the realisable value of the investments held with the Heritable Bank and Kaupthing Singer & Friedlander in my view would lead to the best estimate of the future cashflows that will arise under them.

**Litigation**

I am not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations which may result in significant loss to authority except as follows/other than the matters listed in the memorandum supplied to you by the Monitoring Officer.

**Subsequent events**

Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

As minuted by the Audit Committee at its meeting on 27 September 2010

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(Chief Financial Officer)

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Date

**For and on behalf of Peterborough City Council**