



Report to Audit Committee

Meeting Date 17 September 2024

Key Decision No

Public/Private Public

Portfolio Cllr Barbara Cannon, Executive Member - Financial Planning & Assets

Directorate Resources

Lead Officer Catherine Bell, Chief Finance Officer

Allerdale Borough Council - Letter of Representation 2022-23

Summary:

The purpose of this report is to present to members of the Audit Committee the Letter of Representation made in connection with the audit of Allerdale Borough Council's 2022-23 statement of accounts. The Letter of Representation is included at Appendix 1.

Recommendations:

Following consideration of the Letter of Representation included in Appendix 1, members of the Audit Committee are recommended to:

- (i). Approve the 2022-23 Letter of Representation.
- (ii). Approve that the s151 Officer signs the Letter of Representation on behalf of the Council.

Reason for Recommendation:

The reason for this recommendation is to ensure members of the Audit Committee (those charged with governance) are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on the financial statements of Allerdale Borough Council for the year ended 31 March 2023.

Tracking

Audit Committee	17 September 2024
Scrutiny:	N/A
Council:	N/A

1. Introduction and Background

1.1 Auditing standards require the auditor to:

- obtain, from management, audit evidence in the form of written representations (ISA (UK) 580 - Written Representations) and
- ensure that those charged with governance are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on the financial statements, by communicating to those charged with governance, the written representations which the auditor has requested from management (ISA (UK) 260 - Communication with Those Charged with Governance).

2 Content

2.1 The purpose of obtaining this form of audit evidence is essentially twofold:

(i). to obtain representations that management and where appropriate, those charged with governance, have fulfilled their responsibilities for the preparation of the financial statements, including:

- preparing the financial statements in accordance with proper practices
- providing the auditor with all relevant information and access to records
- recording all transactions and reflecting them in the financial statements.

(ii). to support other audit evidence relevant to the financial statements or specific assertions in the financial statements, if determined necessary by the auditor or required by auditing standards.

2.2 By way of examples, items included in the Letter of Representation in relation to the second of these two purposes include confirmation that:

- the Authority has no plans or intentions that may affect the carrying value of its assets or liabilities
- the methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework
- related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code

- all events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed
- the statement of accounts should be prepared on a going concern basis.

3. Alternative options considered

3.1 Not applicable to this decision/report.

4. Conclusion and reasons for recommendations

4.1 Members are asked to note the content of the Letter of Representation included in Appendix 1 and that following consideration of the Letter are recommended to:

- (i). Approve the 2022-23 Letter of Representation
- (ii). Approve that the s151 Officer signs the Letter of Representation on behalf of the Council.

4.2 The reason for this recommendation is to ensure members of the Audit Committee (those charged with governance) are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on the financial statements of Allerdale Borough Council for the year ended 31 March 2023.

5. Implications

Contribution to the Cumberland Plan Priorities - Not applicable to this decision/report.

Relevant Risks - Not applicable to this decision/report

Consultation / Engagement - Not applicable to this decision/report.

Legal - Legal and governance issues are set out in the main body of this report.

Finance - Financial issues and implications are included within the main body of this report.

Information Governance - There are no information governance issues arising from this decision/report.

Impact Assessments - Not applicable to this decision/report.

6. Contact details:

Contact Officer: Barry Lennox, Senior Manager - Finance

Email: Barry.Lennox@cumberland.gov.uk

7. Appendices attached to this report:

Appendix 1 Letter of Representation 2022-23

8. Background papers - None.