

# **Letter of Representation**

**Tyne and Wear Fire and Rescue Authority**

**Audit 2007/08**

# Letter of Representation

## **Tyne and Wear Fire and Rescue Authority - Audit for the year ended 31 March 2008**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers and members of the Tyne and Wear Fire and Rescue Authority the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2008.

### **Compliance with the statutory authorities**

I acknowledge 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: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Authority, and for making accurate representations to you.

### **Misstatements in the accounts**

I confirm that the accounts have been amended as follows:

- To reclassify £8.16m reduction in past pension costs as an actuarial gain rather than revenue income.
- To include additional narrative in notes 11 and 30.

There are no identified errors in the financial statements, which remain uncorrected.

### **Supporting records**

All the accounting records 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 accounting records. All other records and related information, including minutes of all committee meetings, have been made available to you.

### **Going Concern**

I am satisfied that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

### **Irregularities**

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

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

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; and
- 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.

### **Law, regulations, contractual arrangements and codes of practice**

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Authority.

So far as I am aware, 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. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

### **Fair Values**

I confirm the reasonableness of the significant assumptions within the financial statements for pensions disclosures under FRS17 and national arrangements for firefighter pensions. I am satisfied that no significant disclosures are required in respect of financial instruments.

### **Group entities**

I am satisfied that the requirement for group accounting does not apply in respect of transactions during 2007/08 in respect of the regional management board or the regional control centre initiative.

**Assets**

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

**Compensating arrangements**

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts and we have no other lines of credit arrangements.

**Contingent liabilities**

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, including capital commitments, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

**Related party transactions**

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

**Post balance sheet events**

Since the date of approval of the financial statements, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements, other than those already disclosed.

**Specific representations:**

The following have been properly reflected in the financial statements:

- The cost of services provided to the Authority by Sunderland City Council
- The value of cash balances, loans and investments relating to the Authority which are administered by Sunderland City Council on its behalf

I am satisfied that the allocation of revenue costs between community fire safety and firefighting / rescue operations in the income and expenditure accounts is reasonably based.

I am not aware of any overpayments which have been made in respect of firefighter pensions or injury payments.

Signed on behalf of Tyne and Wear Fire and Rescue Authority

I confirm that the this letter has been discussed and agreed by the Governance Committee on 22 September 2008

Iain Bathgate, Chief Fire Officer

Keith Beardmore, Finance Officer

Dave Smith, Acting Clerk to the Authority

Mr G N Cook, Chairman of Governance Committee (on behalf of those charged with governance)

22<sup>nd</sup> September 2008