

COUNCIL

25 July 2019

Report of the Head of Resources

LETTER OF REPRESENTATION 2018/19

PURPOSE OF REPORT

This report requests that Members consider the draft Letter of Representation as part of their responsibility for approving the financial statements.

RECOMMENDATION

That the draft Letter of Representation be endorsed for signature.

WARDS AFFECTED

All

STRATEGIC LINK

The Letter of Representation is an important aspect of the Council's corporate governance arrangements. As such, it contributes towards the achievement of all the Council's aims, priorities and targets.

1 REPORT

- 1.1 The International Standard on Auditing (U.K. & Ireland) 580 (ISA 580) requires the external auditor to obtain evidence that the Council's management acknowledges its responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework, and has approved the financial statements. The auditor can obtain evidence of management's acknowledgement of such responsibility by obtaining a written representation from management and a signed copy of the financial statements.
- 1.2 ISA 580 gives guidance on matters which might be included in a management "Letter of Representation". The Head of Resources' Letter of Representation has been prepared in accordance with that guidance and is given in Appendix 1. In preparing the letter, the Head of Resources has consulted with members of the Council's Corporate Leadership Team, and has discussed the draft contents with the External Auditor. The letter contains no matters of concern which need to be brought to the attention of Members.
- 1.3 In addition, ISA 580 requires the external auditor to obtain evidence that those charged with governance acknowledge their collective responsibility for the preparation of, and have approved, the financial statements. Consideration of the Letter of Representation by the Council prior to receiving the external auditor's Annual Governance Report contributes to that evidence.

2 RISK ASSESSMENT

2.1 Legal

There are no legal risks arising from the report.

2.2 Financial

There are no financial risks arising from the report.

3 OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental, health, legal and human rights, financial, personnel and property considerations.

4 CONTACT INFORMATION

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5 BACKGROUND PAPERS

International Standard on Auditing (UK & Ireland) 580 – Management Representations

6 ATTACHMENTS

Appendix 1 – Letter of Representation 2018/19