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South  
Cambridgeshire  
District Council

Mark Hodgson  
Audit Director  
Ernst & Young LLP  
One Cambridge Business Park  
Cowley Road, Cambridge  
CB4 0WZ

25 September 2015

Dear Mr Hodgson

**Letter of Representation -South Cambridgeshire District Council – 2014/15 financial year**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers and members of South Cambridgeshire District Council, (“the Authority”); that the following representations given to you in connection with your audit of the consolidated and parent financial statements of the Authority for the year ended 31 March 2015 are correct. All representations cover the Authority’s accounts included in the financial statements.

I recognise that obtaining representations from us enables you to form an opinion as to whether the consolidated and parent financial statements give a true and fair view of the financial position of the Authority as of 31 March 2015 and of its income and expenditure for the year then ended in accordance with, for the Group and Council, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

I understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent considered necessary in the circumstances, and is not designed to identify – nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

**Financial Statements and Financial Records**

I have fulfilled my responsibility under the relevant statutory authorities for the preparation of the Group and Council financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Council and, are free of material

misstatements, including omissions. I confirm that I have approved the consolidated and council financial statements.

I confirm that I, as Responsible Financial Officer, have:

- reviewed the consolidated and council accounts, I have properly reflected and recorded in the financial statements all the transactions undertaken by the Group and Council
- reviewed all relevant written assurances relating to the consolidated and council financial statements, and
- made other enquiries as appropriate
- that the significant accounting policies adopted in the preparation of the consolidated and council financial statements are appropriately described in the financial statements

I believe that as members of management of the Group and Council, the Group and Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

I believe that the effects of any unadjusted audit differences, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in aggregate, to the consolidated and council financial statements taken as a whole. The unadjusted difference of £170,000 is included in the accounts as a net creditor figure, treatment consistent with previous years. I have agreed that future accounts will be analysed in greater depth.

#### **Fraud**

I acknowledge responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

I have disclosed to you the results of our assessment of risk that the consolidated and council financial statements may be materially misstated as a result of fraud.

I confirm that I have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Group or Council internal controls over financial reporting. In addition, I have no knowledge of any fraud or suspected fraud affecting the entity involving other employees in which the fraud could have a material effect on the consolidated and council financial statements. I have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by “whistleblowers”) which could result in a misstatement of the consolidated and council financial statements or otherwise affect the financial reporting of the Council.

#### **Compliance with Laws and Regulations**

I confirm that I have disclosed all known or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated and council financial statements.

### **Information Provided and Completeness of Information and Transactions**

I have provided:

- Access to all information of which we are aware that is relevant to the preparation of the consolidated and council financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.

That all material transactions have been recorded in the accounting records and are reflected in the consolidated and council financial statements.

I have made available to you all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 25 September 2015.

I can confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended 31 March 2015, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and council financial statements.

I disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

### **Liabilities and Contingencies**

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and council financial statements.

I have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

I have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the consolidated and council financial statements all guarantees that have been given to third parties.

### **Subsequent Events**

That other than described in the consolidated and council financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

### **Accounting Estimates**

I believe that the significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

In respect of accounting estimates recognised or disclosed in the consolidated and council financial statements:

- I believe the measurement processes, including related assumptions and models, used in determining accounting estimates is appropriate and the application of these processes is consistent.
- That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- That the assumptions used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

#### **Going Concern**

I confirm that I have made you aware of any issues that are relevant to the Group and Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

I believe there are no significant restrictions on our ability to distribute the retained profits of the group because of statutory, contractual, exchange control or other restrictions other than those indicated in the accounts.

I confirm that necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst parent, subsidiary undertakings and associated undertakings.

#### **Segmental Reporting**

I have reviewed the operating segments reported internally to the Cabinet and I am satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8: Operating Segments, they are similar in each of the following respects:

- The nature of the products and services
- The nature of the production processes
- The type or class of customer for their products and services
- The methods used to distribute their products

#### **Retirement Benefits**

That on the basis of established processes and having made appropriate enquiries I am satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with my knowledge of the Council and that all significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

**Use of management experts**

I agree with the findings of the experts engaged to evaluate the values of the Group and Council's land and buildings and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the consolidated and council financial statements and the underlying accounting records. That I did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and that I am not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

I confirm that this letter has been discussed and agreed by the Corporate Governance Committee of South Cambridgeshire District Council on 25 September 2015.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Colyer', written over a horizontal line.

**Alex Colyer**  
Executive Director – Corporate Services