

Appendix 2

Management representation letter

To:

Karen Murray
District Auditor
Audit Commission
2nd Floor
Aspinall House
Aspinall Close
Middlebrook
Bolton
BL6 6QQ.

West Lancashire Borough Council - Audit for the 2011/12 financial year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of West Lancashire Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for 2011/12. All representations cover the Council's accounts included within the financial statements.

Compliance with the statutory authorities

I have fulfilled 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 so that they give a true and fair view of the financial position and financial performance of the Council, for the completeness of the information provided to you, and for making accurate representations to you.

Supporting records

All relevant information and access to persons within the entity has been made available to you for the purpose of your audit, and all the transactions undertaken by the Council have been properly reflected and recorded in the financial statements.

Irregularities

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

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;

- 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; and
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Law, regulations, contractual arrangements and codes of practice

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements.

All known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

Accounting estimates including fair values

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

I confirm for material estimates:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the process;
- the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures;
- their completeness and appropriateness under the financial reporting framework; and
- if subsequent events require adjustment to accounting estimates this is disclosed within the financial statements.

Related party transactions

I confirm that I have disclosed the identity of West Lancashire Borough Council's related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirement of the framework.

Subsequent events

All events subsequent to the date of the financial statements, which would require additional adjustment or disclosure in the financial statements, have been adjusted or disclosed.

Municipal Mutual Insurance Costs

I confirm that I have reviewed the accounting treatment used for potential Municipal Mutual Insurance costs and that it is my opinion that it continues to be appropriate to treat this issue as a contingent liability given the ongoing uncertainty regarding the value, timing and likelihood of making any payments.

I confirm that this letter was discussed and agreed by the Audit and Governance Committee on 25 September 2012.

Signed on behalf of West Lancashire Borough Council.

Signed

Name	Marc Taylor
Position	Borough Treasurer
Date	25 September 2012