



Via Email

**David Northey**  
**Director of Finance**  
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15 July 2024

Dear Paul

### **Plymouth City Council Financial Statements for the year ended 31<sup>st</sup> March 2021**

This representation letter is provided in connection with the audit of the financial statements of Plymouth City Council for the year ended 31st March 2021 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **Financial Statements**

1. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
2. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Council has complied with all aspects of contractual agreements 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 any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.

6. Except as disclosed in the financial statements:
  - a) there are no unrecorded liabilities, actual or contingent
  - b) none of the assets of the Council has been assigned, pledged or mortgaged
  - c) there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
7. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
8. 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.
9. 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.
10. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
11. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached within appendix I. We have not adjusted the financial statements for these misstatements brought to our attention as they are either immaterial to the results of the Council and its financial position at the year-end or for the reasons noted on the schedule.
12. The financial statements are free of material misstatements, including omissions.
13. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
14. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
15. We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

### **Information Provided**

16. We have provided you with:
  - a) access to all information of which we are aware that is relevant to the preparation of the Council financial statements such as records, documentation and other matters;
  - b) additional information that you have requested from us for the purpose of your audit; and
  - c) unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.

17. We have communicated to you all deficiencies in internal control of which management is aware.
18. All transactions have been recorded in the accounting records and are reflected in the financial statements.
19. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
20. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
  - a) management;
  - b) employees who have significant roles in internal control; or
  - c) others where the fraud could have a material effect on the financial statements.
21. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
23. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
24. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Governance Statement**

25. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

### **Narrative Report**

26. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council financial statements.

### **Approval**

27. The approval of this letter of representation was minuted by the Council's Audit and Governance Committee at its meeting on 23 July 2024.

With best regards



David Northey  
Service Director of Finance and Section 151 Officer

OFFICIAL

Name Cllr Sarah Allan  
Position Audit & Governance Committee Chairperson  
Date  
Signature

Name David Northey  
Position Service Director for Finance  
Date  
Signature

Signed on behalf of the Audit and Governance Committee

## Appendix I

## D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

### Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2022/23 audit which have not been made within the final set of financial statements. The Audit & Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Errors identified as part of our PPE revaluations testing in respect of the floor area discrepancies on three assets. These are Plymouth Guildhall, Plymouth Library, Ballard House and Windsor House. This has caused an overall understatement to the assets.	Revaluation reserve (1,391)	PPE 1,391	(1,391)	1,391	Not material
Errors noted in relation to the REFCUS Key Items samples	Revaluation reserve 1,434	PPE (1,434)	1,434	(1,434)	Not material
Errors noted in relation to the REFCUS Key Items samples where errors identified which relate to prior years were corrected in 2020-21	REFCUS (5,474)	PPE Additions 4,093 Investment Property Additions 1,381	(5,474)	5,474	Not material
Error identified in the income cut off testing from the bank. The total amount not accrued for is £290,800. An extrapolation has been performed which shows that the impact of the error over the entire population is unlikely to be material. Total extrapolation is £884k. The amount is in relation to the new burdens grant amount for the 2020-21 year. Although the amount relates to the 2020-21 financial year, and was received after the year end. The client has confirmed that no accrual was processed for this amount.	Grant Income (884)	Debtors 884	(884)	884	Not material
Error identified with the accounting treatment of the Local restrictions grant (Open) which has been accounted for on an agency basis when it should have been principle in line with the guidance. This means that income has been misstated by the value of the grant. The in-year amount is £417,827 with the unspent amount of £662,109 which should be treated as a grant received in advance.	Expenditure 418 Grant Income (418)	Creditors 662 Grants received in advance (662)	0	0	Not material
<b>Overall impact</b>	<b>£(6,315)</b>	<b>£6,315</b>	<b>£(6,315)</b>	<b>£6,315</b>	