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Please ask for: Adam Broome

Date 23 September 2011

My Ref ACCT/SW

Your Ref

Dear Sirs

**Plymouth City Council**  
**Financial statements for the year ended 31 March 2011**

This representation letter is provided in connection with the audit of the financial statements of Plymouth City Council and the group for the year ended 31 March 2011 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards.

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other officers and members with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements.

**Financial statements**

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code") as adapted for International Financial Reporting Standards; in particular the financial statements give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions and these matters have been appropriately reflected and disclosed in the financial statements.
- iii We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- iv Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- v We are satisfied that the material judgements used by us 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 further material judgements that need to be disclosed.
- vi We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 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 retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).
- vii Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- viii All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- ix There are no unadjusted misstatements that were brought to our attention through the course of the audit, and the financial statements are free of material misstatements, including omissions.
- x Except as stated in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent;
  - b. none of the assets of the Council or group have been assigned, pledged or mortgaged; and
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xi We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xii We believe that the Council and group'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 and group's needs. We believe that no further disclosures relating to the Council and group's ability to continue as a going concern need to be made in the financial statements.

### **Information provided**

- xiii We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the 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 entity from whom you determine it necessary to obtain audit evidence.
- xiv 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.
- xv We have communicated to you all deficiencies in internal control of which management is aware.
- xvi All transactions have been recorded in the accounting records and are reflected in the financial statements.

- xvii We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
  - 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.
  
- xviii We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
  
- xix 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.
  
- xx We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Other statements**

- xxi We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and group'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.

**Approval**

The approval of this letter was minuted by the Council at its Audit Committee meeting on 23 September 2011.

Signed on behalf of the Council

Adam Broome  
Director of Corporate Support  
Date 23 September 2011

Cllr Dr J Mahoney  
Chair of Audit Committee  
Date 23 September 2011