

<b>COMMITTEE:</b>	NORTH WALES FIRE AUTHORITY
<b>DATE:</b>	20 DECEMBER 2004
<b>REPORT OF:</b>	TREASURER
<b>SUBJECT:</b>	LETTER OF REPRESENTATION- 2003-2004 STATEMENT OF ACCOUNTS

1. Attached to this report are copies of correspondence between the District Auditor and myself in respect of the above. The District Auditor's letter explains the reason for a letter of representation.
2. As the Authority approves the Statement of Accounts under Regulation 8 of the Accounts and Audit Regulations 1996, the Authority is required to formally acknowledge the Letter of Representation sent to the District Auditor.

3 December 2004

(CTTEES : NWFS-006)

DFPS/sf/M.27

1 December 2004

K W Finch

01492 576201

David Jones  
Audit Commission in Wales  
1<sup>st</sup> Floor, Unit A  
Parkway Business Centre  
Deeside Industrial Park  
Flintshire  
CH5 2LE

Dear David

#### **Letter of Representation for the 2003-2004 Final Accounts**

Further to your letter dated 25 November 2004, I confirm that, to the best of my knowledge and belief and having made appropriate enquiries, the following representations are given to you in connection with your audit for the year ended 31 March 2004. Please note that I am not making my representation about any matter that I am not aware of.

1. There are no significant contingent liabilities/assets or post balance sheet events, except as disclosed in the financial statements. In particular, there are no significant items pending litigation nor are there any material commitments or contractual issues, other than those already disclosed in the accounts.
2. All the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records.
3. There are no plans or intentions that may affect the valuation or classification of assets and liabilities and that any permanent diminution of fixed assets has been identified.
4. There have been no:
  - Irregularities involving management who have significant roles in the system of internal accounting control. In making this representation, I have taken the assumption that 'irregularity' means of a fraudulent nature.
  - Irregularities involving other employees that could have a material effect on the financial statements.
  - Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
5. There are no subsidiaries, associates, joint ventures or joint arrangements other than those disclosed in the accounting statements and associated notes.
6. The financial statements and/or the notes to the accounts include any, if appropriate, and necessary:

- Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - Other material factor that would influence the readers view of the statements.
7. The assets of the Authority have not been used in any way as security for loans.
  8. All obligations under finance leases or hire purchase contracts have been disclosed in the accounts.
  9. No financial guarantees have been given to third parties.
  10. The Authority has complied with all aspects of contractual agreements that would require adjustment to, or disclosure in, the financial statements.
  11. There are no other material transactions with related parties (as defined by FRS 8 and the LG SORP), other than those recorded and disclosed.
  12. All unfunded benefits (such as discretionary added years) have been considered in the compilation of the FRS17 figures included in the financial statements.

This letter has been copied to the Monitoring Officer and the Chief Fire Officer.

Yours sincerely

Treasurer

Copy to:        Ian Miller, Monitoring Officer  
                     Simon Smith, Chief Fire Officer

Ken Finch  
Treasurer to N Wales Fire Authority  
c/o Conwy County Borough Council  
Council Offices  
Bodlondeb  
Conwy  
LL32 8DU

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<b>Date</b>	25 November 2004
<b>Our reference</b>	Man Reps
<b>Your reference</b>	
<b>Tel No</b>	01244 288530
<b>Fax No</b>	01244 288531
<b>Email</b>	d-jones@audit- commission.gov.u k
<b>Pages</b>	4 of 5

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Dear Ken

### **Management Representations regarding the 2003/2004 Statement of Accounts**

In accordance with our normal annual audit procedure and SAS 440 (Management Representations) I would be grateful if you could provide me with formal representations on a number of matters connected with the financial accounts as set out below:

1. There are no significant liabilities/assets or post balance sheet events, except as disclosed in the financial statements. In particular,
  - there are no significant items pending litigation, other than those already disclosed in the financial statements;
  - there are no material commitments or contractual issues, other than those already disclosed in the financial statements.
2. All the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records.
3. There are no plans or intentions that may affect the valuation or classification of assets and liabilities and that any permanent diminution of fixed assets has been identified.
4. There have been no:
  - Irregularities involving management who have significant roles in the system of internal accounting control;
  - Irregularities involving other employees that could have a material effect on the financial statements;
  - Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

5. There are no subsidiaries, associates, joint ventures or joint arrangements other than those disclosed in the accounting statements and associated notes.
6. The financial statements and/or the notes to the accounts disclose any –
  - Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency;
  - Other material factors that would influence the readers view of the statements.
7. The assets of the Authority have not been used in any way as security for loans.
8. All obligations under finance leases or hire purchase contracts have been disclosed in the accounts.
9. No financial guarantees have been given to third parties.
10. The Authority has complied with all aspects of contractual agreements that would require adjustment to, or disclosure in, the financial statements.
11. There are no other material transactions with related parties (as defined by FRS 8 and the LG SORP), other than those recorded and disclosed in the financial statements.
12. All unfunded benefits (such as discretionary added years) have been considered in the compilation of the FRS17 figures included in the financial statements.

With respect to item 1 above I would also be grateful if you could provide me with details of any significant items which have not been included in the accounts and your justification for their treatment, if there are any.

If you are unable to provide representations in relation to any of the above points please provide the relevant details and we can then use them as a basis for further discussion. This information will aid the completion of our audit and provide added assurance as to the accuracy and completeness of the Authority's statement of accounts.

I would request that the Committee responsible for approving the accounts under regulation 8 of the Accounts and Audit Regulations formally acknowledge this letter and your reply to me.

Please confirm in your reply that these representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy yourself that you can properly make these representations to us.

If you have any queries or would like to discuss any of these points please do not hesitate to contact me.

Yours sincerely

David Jones  
Audit Manager