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Copeland Borough Council
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Karen Murray
District Auditor
Audit Commission
Aspinall Close
Middlebrook
Horwich
Bolton
BL6 6QQ

19th September 2011

Dear Karen

Copeland Borough Council - Audit for the year ended 31 March 2011

I confirm to the best of my knowledge and belief, having made appropriate enquiries of Directors and other officers of Copeland Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2011. 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 which 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.

Unadjusted misstatements

The effects of unadjusted misstatements to the financial statements summarised in the attached schedule are not material to the financial statements, either individually or in aggregate. The reasons why the Council has decided not to adjust these misstatements are as follows;

- The three individual property leases are the only ones that required re-classification from operating leases to finance leases as a result of the change to International Financial Reporting Standards. The capital value of the assets totals £196,500 which is not material. The change in the accounting treatment to finance leases would not materially change the carrying value of investment property within the balance sheet.

- There a number of vehicle leases that are currently classed as operating leases with a capital value of £115,000, which under IFRS should be classified as finance leases and be brought on to the balance sheet. The Council is not adjusting these leases within the financial statements as they all expired in the 2010/11 financial year. The changes required to 2010/11 and the comparators for earlier financial years are therefore deemed to not to materially affect the value of the non-current assets shown in financial statements of the Council.

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.

Internal control

I have communicated to you all deficiencies in internal control of which I am aware. These are contained within the Council's Annual Governance Statement, which is included within 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 in the event of non-compliance.

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. During 2010/11, the basis of estimating the pension liability of the Council changed and the Consumer Price Index, rather than the Retail Price Index, is now used to value pensions increases. This has reduced the value of the pension liability shown in the balance sheet by £3.77m. For assumptions in relation to financial instruments, the Council's PFI project and non-current assets, I confirm:

- 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;
- the completeness and appropriateness under the financial reporting framework; and
- if subsequent events do not require adjustment to accounting estimates and disclosure included within the financial statements.

Other Representations

With respect to the Council's interest in the Whitehaven Rugby League Football Club, the club went into administration during 2010/11. The Council has had verbal confirmation that there is no liability outstanding with regards to standing as guarantor for the Club's overdraft facility with Barclays Bank.

Related party transactions

I confirm that I have disclosed the identity of Copeland Borough Council 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.

Comparative financial statements

A restatement of the accounting entries in relation to the Council's PFI project was made to correct a material misstatement in the prior period financial statements. This affects the comparative information for the financial year 2009/10 and the 1 April 2009 and 31 March 2010 balance sheets. Written representations previously made in respect of the prior period remain appropriate.

Yours sincerely



Joanne Wagstaffe

Corporate Director Resources and Transformation

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