



**MANCHESTER**  
CITY COUNCIL

City Treasurer

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To reply please contact:

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Date: 25 September 2008

Dear Sirs

We are writing to confirm to the best of our knowledge and belief, and having made appropriate enquiries of other officers of the Authority, the following representations given to you in respect of your audit of the above financial statements for the year ended 31 March 2008.

- i we acknowledge our responsibilities for ensuring that financial statements are prepared which present fairly the financial position of the Authority and for making accurate representations to you
- ii as far as we are aware:
  - a there is no relevant audit information of which you are unaware
  - b we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information
- iii all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records
- iv all other records and related information, including minutes of all Authority and Committee meetings, have been made available to you
- v we acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the 2007 SORP, we selected the estimation technique considered to be the most appropriate to the Authority's particular circumstances for the purpose of giving a "presents fairly" view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
  - i. to reduce debtors to their estimated collectable amounts
  - ii. for any impairment losses identified in relation to tangible fixed assets

- vi on the basis of the process we established to enable us to include the information required by FRS 17 "Retirement benefits" in our financial statements, and having made appropriate enquiries, we confirm that we are satisfied that the actuarial assumptions underlying the valuation of scheme liabilities are consistent with our knowledge of the business. 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 the financial statements are free of material misstatements, including omissions
- viii we acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud
- ix 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
- x we are not aware of any irregularities, including fraud, involving management or employees of the authority; nor are we aware of any instances of actual or possible non-compliance with laws, regulations, contracts, agreements or the Authority's constitution that might result in the Authority suffering significant penalties or other loss. No allegations of such irregularities, including fraud, or such non-compliance have come to our notice.
- xi we have disclosed to you all related parties and there were no transactions with officers, members or other related parties which should be disclosed in the financial statements except as disclosed in note 13
- xii except as stated in the accounts:
  - a there are no unrecorded liabilities, actual or contingent
  - b none of the assets of the Authority 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
- xiii there are no claims, legal proceedings or other matters which may lead to a loss falling on the Authority or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements
- xiv the Authority 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 regulatory authorities that could have a material effect on the financial statements in the event of non-compliance

- xv we have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements
- xvi no significant events having an effect on the financial position of the Authority have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto
- xvii as far as we are aware:
  - a the housing assets transferred under Private Finance Initiative contracts should not be recognised as assets in the balance sheet based on accounting opinions of our financial advisors with reference to Application Note F of Financial Reporting Standard 5 as interpreted by Treasury Taskforce Guidelines
  - b appropriate estimation techniques have been used to calculate bad debt provisions included within the accounts
  - c valuations of investments in companies included in the accounts are based on appropriate estimation techniques
  - d all known liabilities in respect of equal pay have been recognised in the accounts
  - e all accounting entries in relation to post year end Large Scale Voluntary Transfers have been appropriately accounted for in the period to which they relate
- xviii we have compiled our accounts in accordance with FRS 5 Application note G ('revenue recognition'). We have recognised income when we have obtained the right to consideration following the fulfilment of contractual obligations concerning the supply of goods and services
- xix 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 as at 25 September 2008 no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

## Approval

The approval of this letter of representation was minuted by the Audit Committee at its meeting on 25 September 2008.

Signed on behalf of Manchester City Council.

Name .....

Position .....

Date .....

