



**West
Northamptonshire
Council**

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Dear Sirs,

This letter of representations is provided in connection with your audit of the consolidated and council financial statements of Northamptonshire County Council (“the group and council”) for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the information contained in this letter is significant procedure in enabling you to form an opinion as to whether the consolidated and council financial statements give a true and fair view of the Group and Council financial position of Northamptonshire County Council as of 31st March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/21.

We understand that the purpose of your audit of our consolidated and council financial statements is to express an opinion thereon and that your audit has been conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify – nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.:

A. Financial statements and Financial Records

1. we have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/21.
2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and council financial statements. We believe the consolidated and council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/21 and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements.

3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.

4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/21 that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies, and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.

5. We believe that the effects of any unadjusted audit differences, summarised by accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in aggregate, to the consolidated and council financial statements taken as a whole. [We have not corrected these differences identified and brought to our attention by the auditor because \(specify reasons for not correcting misstatement\).](#)

B. Non- compliance with law and regulations, including fraud

1. we acknowledge that we are responsible for determining that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. we acknowledge that we are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud.

3. we have disclosed to you the results of our assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.

4. *(When management is aware of the occurrence of non-compliance with laws or regulations, or has received allegations of non-compliance with laws and regulations)* We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance and law regulations, including fraud, known to us that may have affected the Group or Council (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") including non – compliance matters:

- Involving financial statements;
- Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or council's financial statements;
- Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties.
- Involving management, or employees who have significant roles in internal controls, or others: or
- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators, or others.

5. *(When management is not aware of the occurrence of non-compliance with laws or regulations or has not received allegations of non-compliance with laws and regulations)* We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Group or Council (regardless of the source or form and including without limitation, any allegations by “whistle-blowers”). Including non-compliance matters:

- Involving financial statements;
- Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Council’s financial statements;
- Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations for the Group or Council’s activities, its ability to continue to operate, or to avoid material penalties;
- Involving management, or employees who have significant roles in internal controls, or others; or
- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators and others.

C. Information provided and Completeness of Information and Transactions

1. We have provide you with:

- Access to all information which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. all material transactions have been recording in the accounting records and all material transactions, events and conditions are reflected in the consolidated and council financial statements, including those related to the COVID-19 pandemic.

3. we have made available to you all the minutes of the meetings of the Group, and committees (*add the full title of the relevant committees*) (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: (*list date*) and of the (Council), and committees (*add the full title of the relevant committees*) (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: (*list date*)

4. we confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council’s related parties and all related party relationships and transactions of which are aware, including sales, purchases, loans, transfer of assets, liabilities, and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and council financial statements.

5. We believe that the methods, significant assumptions, and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with applicable financial reporting framework.

6. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and council financial statements in the event of non-compliance, including all covenants, conditions, or other requirements of all outstanding debt.

7. From the date of our last management representation letter through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and (council) financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note (X) to the consolidated and council financial statements all guarantees that we have given to third parties.

4. The claim by (*name of claimant*) have been settled for the total sum of XXX which has been property accrued in the consolidated and (council) financial statements. No other claims in connection with litigation have been or are expected to be received.

E. Going Concern

1. Note XXX to the consolidated and parent entity financial statements discloses all the matters of which we are aware that are relevant to the Group and Council's ability to continue as going concern, including significant conditions and events, our plans for future action, and feasibility of those plans.

F. Subsequent Events

1. Other than..... described in Note (X) to the consolidated and council financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the consolidated and council financial statements or notes thereto.

G. Group Audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.

2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst (Council), subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the narrative statement.

2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Ownership of Assets

1. except for assets recognised in accordance with IAS 17 Leases, the Group and Council has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens of encumbrances on the Group and Council's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note (X) to the financial statements. All assets to which the Group and Council has satisfactory title appear on the balance sheet(s).

2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the consolidated and council financial statements.

3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net and realisable value.

4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in Note (X) to the consolidated and council financial statements, we have no other line of credit arrangements.

J. Reserves

1. We have properly recorded or disclosed in the consolidated and council financial statements the useable and unusable reserves.

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and council financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the consolidated and council financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:

(1) Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities *(Continue listing as appropriate)* none of which involves any allegations of non-compliance with laws or regulations that should be considered for disclosure in the consolidated and (council) financial statements or as a basis for recording a loss contingency.

(2)Matters referred to in the letters dated *(Date)* issued to you by the (council)'s Monitoring Officer and the (council)'s legal advisor.

(3)Matters referred to in the letter of comments received from the *(name of regulator)* regarding

(4)

L. Use of the Work of a Specialist

1. we agree with the findings of the specialists that we engaged to evaluate the Property, Plant and Equipment valuations, Investment Property Valuations, and Pensions IAS19 liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and council financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Estimates (Property, Plant and Equipment, Investment Property, Provisions, and Pension Liabilities)

1. We confirm that the significant judgements made in making the accounting estimates have taken into account the relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the accounting estimate.

3. We confirm that the significant assumptions used in making the accounting estimate appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the entity.

4. We confirm that the disclosures made in the consolidated and parent entity financial statements with respect to the accounting estimate(s) including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the applicable financial reporting framework.

5. We confirm that appropriate specialized skills or expertise has been applied in making the accounting estimate.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

N. Retirement Benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our

knowledge of the business. A;; significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Financial Officer)

(Chair of the Audit and Governance Committee)

