

Mid and West Wales Fire and Rescue Authority

To Wales Audit Office

30 October 2006

Representations Regarding the 2005/2006 Financial Statements

This representation letter is provided in connection with your audit of the financial statements of the Mid and West Wales Fire Authority for the year ended 31 March 2006. It is required for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2006. This includes the result of its operations and its cash flows for the year then ended in accordance with the Accounts and Audit (Wales) Regulations 2005 and the 2005 Local Government Statement of Recommended Practice (the LG SORP).

Representations made by Management

Overall Representations

All the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records.

There are no pooled budget projects arising from any partnership agreements entered into under section 31 of the Health Act 1999, associates, joint ventures or joint arrangements other than those disclosed in the accounting statements and associated notes.

The Authority has complied with all conditions imposed by relevant grant paying organisations and can reasonably expect to receive the amounts of grant included within the accounts.

The Authority has complied with all aspects of contractual agreements that would require adjustment to, or disclosure in, the financial statements.

The financial statements are free of material misstatements, including omissions.

All books of account and supporting documentation and all minutes of meetings of the Authority and the Cabinet and Scrutiny Committees have been made available to you.

The Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The measurement methods, including the related assumptions, used in determining fair values are appropriate and have been applied consistently. Disclosures relating to fair values are complete and appropriate.

All the financial statements misstatements aggregated by the auditor during the audit were immaterial, both individually and in the aggregate, to the financial statements taken as a whole and have all been corrected.

ASSETS

General

All assets included in the balance sheet were in existence at the balance sheet date and owned by the Authority, and free from any lien, encumbrance or charge, except as disclosed in the accounts. The balance sheet includes all tangible assets owned by the Authority.

Fixed Assets

All assets over £5,000 are capitalised. Land and buildings are revalued every five years by a professional valuer via a rolling programme. The basis of revaluation used is in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Authority's operations.

Current Assets

On realisation in the ordinary course of the Authority's operations the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Authority which are known, or may be expected, to be irrecoverable.

There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

LIABILITIES

General

All liabilities, both actual and contingent, have been recorded and disclosed as appropriate as well as all guarantees that we have given to third parties.

There is no pending litigation which may result in significant loss to the Authority, and which have not been disclosed in the financial statements, either as current or contingent liabilities.

All obligations under finance leases or hire purchase contracts have been disclosed in the accounts.

All unfunded benefits (such as discretionary added years) have been considered in the compilation of the FRS17 figures included in the financial statements.

Results

Except as disclosed in the financial statements, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Authority, or circumstances of an exceptional or non-recurring nature.

Internal Control

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect error.

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; and
- communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

Post Balance Sheet Events

There have been no material changes since the date of the balance sheet affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should have been brought to the notice of the auditor.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework.

We acknowledge our collective responsibility for the preparation of the financial statements, which were approved by the Authority on 24 July 2006.

We have disclosed to you all known or possible non-compliance with laws and regulations whose effects should have been considered when preparing the financial statements.

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.

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud and 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.

We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated to the Authority by employees, former employees, regulators or others.

We have disclosed to you our knowledge of fraud or suspected fraud affecting the Authority involving:

- those charged with governance;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements.

Any misstatements which you brought to our attention have been corrected.

We confirm, to the best of our knowledge and belief, that the above 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 ourselves that we can properly make each of the above representations to you.

Signed by

S.151 Officer

Chair of meeting considering this letter

Date

Date