

Mike Thomas
District Auditor
Audit Commission Office
3rd Floor, Millennium House
60 Victoria Street
Liverpool L1 6LD

Halton 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 other Directors and Officers of Halton Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31st March 2011. All representations cover the Council's accounts and Group 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.

Uncorrected misstatements

The effects of uncorrected financial statements misstatements summarised in the attached schedule are not material to the financial statements, either individually or in aggregate. These misstatements have been discussed with those charged with governance within the Council. The reasons for not correcting these items are, the amounts although significant are not material in terms of total spending, and to do so would have taken a disproportionate amount of time to effect the number of subsequent amendments required to a number of other statements and notes within the Abstract.

Supporting records

All relevant information and access to persons within the Council have 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.

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. In respect of Note 13 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
- that subsequent events do not require adjustment to accounting estimates and disclosure included within the financial statements.

Related party transactions

I confirm that I have disclosed the identity of Halton Borough Council's 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.

Signed on behalf of Halton Borough Council

I confirm that this letter has been discussed and agreed by the Business Efficiency Board on 28th September 2011.

Signed

Name Councillor M. Lloyd Jones

Position Vice-Chairman of the Business Efficiency Board

Date 28th September 2011

Schedule of Uncorrected Misstatements**Short Term Debtors**

The Short Term Debtors balance within the Balance Sheet (and within Note 16) includes £1.5m in respect of a transport capital grant. It subsequently emerged that this grant had already been received during 2010/11 and should therefore not have been included as a year-end debtor.

Valuation of Land and Buildings

The value of Property, Plant and Equipment within the Balance Sheet (and within Note 9) is understated by £1.9m. This is the net effect of two transposition errors (£0.5m and £2.4m) when preparing the Abstract.

The accounting treatment of both of these items will be corrected for the 2011/12 accounts. They have not however been amended within the 2010/11 Abstract, because the amounts although significant are not material in terms of total spending and to do so would have taken a disproportionate amount of time to effect the number of subsequent amendments required to a number of other statements and notes within the Abstract.