

**Statement of Accounts 2011/2012  
Report of the County Treasurer**

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

**1. Recommendations – it is recommended that members:**

- i. Approve the Letter of Management Representation; and
- ii. Approve the Statement of Accounts for 2011/2012.

**2. Background**

- 2.1 The purpose of this report is to update members on the main changes that have been made to the accounts this year and to ask Members to approve the Letter of Management Representation and the Statement of Accounts for 2011/2012.

**3. Accounting policies and comparative information**

- 3.1 There are two changes this year that require comment:

**Heritage Assets**

For 2011/2012 the Council is required to change its accounting policy for heritage assets and recognise them at valuation. Previously, heritage assets were recognised as community assets (at cost) within the property, plant and equipment classification in the Balance Sheet. Assets that were previously carried at £0.043m are now carried at £2.3m. The prior year Balance Sheet and the Movement in Reserves Statement have been restated to apply the new policy retrospectively.

**Carbon Reduction Commitment**

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. Allowances are purchased and surrendered, currently retrospectively on the basis of emissions. The liability is measured at current market price and a provision of £0.409m recognised on the balance sheet.

**4. Letter of Representation**

- 4.1 The Draft Letter of Management Representation is attached as Appendix 1.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers

Contact for Enquiries: Angie Sinclair  
Tel No: (01392) 38 0711 Room 180

<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
-------------------------	-------------	-----------------

There are no equality issues associated with this report

**Draft management representation letter**

Mr Alun Williams  
Audit Commission  
3-4 Blenheim Court  
Matford Business Park  
Lustleigh Close  
Exeter  
EX2 8PW

**Devon County Council - Audit for 2011/12 ended 31<sup>st</sup> March 2012**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of officers of Devon County Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2012. All representations cover the Council's Accounts and Pension Fund 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 Accounts and Audit (England) Regulations 2011 and 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.

***Supporting records***

I have made available all relevant information and access to persons within the Council for the purpose of your audit. I have properly reflected and recorded in the financial statements all the transactions undertaken by the Council.

***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***

There are no 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.

With regard to the valuation of Property, Plant and Equipment, Provisions, Pension Liability, PFI deferred liability and Debtor assumptions, I confirm:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the method;
- the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures;
- the disclosures relating to the accounting estimate are complete and appropriate under the Code; and
- that no subsequent event requires the Council to adjust the accounting estimate and related disclosures included in the financial statements.

***Related party transactions***

I confirm that I have disclosed the identity of the 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 Code.

***Subsequent events***

I have disclosed in the financial statements all relevant events subsequent to the date of the financial statements.

Signed on behalf of Devon County Council

I confirm that the this letter has been discussed and agreed by the Audit Committee on 21<sup>st</sup> September 2012

Signed

Name

Position

Date