

**Management Representation Letter**

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

**South Hams District Council - Audit for the year ended 31 March 2012**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of South Hams District Council, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2012.

***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 on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Authority, 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 set out in the Annual Governance Report are not material to the financial statements, either individually or in aggregate.

These misstatements have been discussed with those charged with governance within the Authority and the reasons for not correcting these items are as follows.

- Creditors (income in advance) - *The £15,000 income received in advance, where the rent was not split between 2011/12 and 2012/13, has not been corrected due to the amount not being material.*

- Housing Benefit expenditure (& associated income) - The effect of the Council's methodology is an understatement of £1,000 in the Comprehensive Income & Expenditure Account (CIES). *This has not been corrected due to the net amount not being material.*
- Non Housing Benefit Expenditure –*the transactions identified from the sample testing have not been corrected due to the net effect on the Council's financial statements not being material.*

### ***Supporting records***

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

### ***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 Authority 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.

***Contingent Liabilities***

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

***Related party transactions***

I confirm that I have disclosed the identity of South Hams District 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 requirements of the Code.

***Subsequent events***

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

**Signed on behalf of South Hams District Council**

I confirm that this letter has been discussed and agreed by the Audit Committee on 27 September 2012.

**Signed:**

**Name:** Councillor T Pennington

Mrs Lisa Buckle

**Position:** Chairman of the Audit Committee

Chief Finance Officer

**Date:** 27 September 2012

27 September 2012

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