

Lindsey Mallors
District Auditor
Audit Commission
Millbank Tower
Millbank, London
SW1P 4HQ

Royal Borough of Kingston upon Thames - Audit for the year ended 31 March 2011

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Royal Borough of Kingston upon Thames, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2011. 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 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

I confirm that I believe that the effect of the uncorrected financial statements misstatement detailed in Appendix 3 to your Annual Governance Report is not material to the financial statements. These misstatements have been discussed with those charged with governance within the Council and the reasons for not correcting these items are as follows:

- Treatment of vehicle operating leases. This was not adjusted as the Council believes more technical work is required to understand the nature of the lease before a correct treatment in the accounts can be confirmed. The potential adjustment was immaterial and the correct accounting treatment will be confirmed in liaison with the auditors in time for the 2011/12 Statement of Accounts
- Treatment of prior year depreciation for restated property, plant & equipment. The transition to International Financial Reporting Standards (IFRS) required a high volume of prior year restatements and whilst the Council recognises the incorrect treatment, the amount was immaterial and non-adjustment does not affect the ability of the reader to understand the accounts.
- Analysis of financial assets past due date not impaired. The transition to IFRS required a high volume of additional disclosures. The Council recognises that this new disclosure was not made, however, the disclosure relates to a minor area of a note to the accounts. Relevant information was not available but this disclosure will be made in the 2011/12 Statement of Accounts.

- Analysis of contingent rents for operating leases. The transition to IFRS required a high volume of additional disclosures. The Council recognises that this new disclosure was not made, however, the disclosure relates to a minor area of a note to the accounts. Relevant information was not available but this disclosure will be made in the 2011/12 Statement of Accounts.
- Inconsistencies between Notes 7 and 12 in respect of 2009/10 comparators. The Council recognises that there are inconsistencies between the disclosure of movements in these balances in respect of the prior year, which have been affected by the transition to International Financial Reporting Standards (IFRS). However, the amounts of inconsistency are immaterial and non-adjustment does not affect the ability of the reader to understand the accounts.

Supporting records

All relevant information and access to persons within the entity has 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.

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.

For material estimates (depreciation, accruals, annual leave accrual, fair value disclosures, valuation of fixed assets and actuarial valuations), 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 Royal Borough of Kingston upon Thames' 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 Royal Borough of Kingston upon Thames

I confirm that this letter has been discussed and agreed by Policy & Resources Committee on 29 September 2011.

Leigh Whitehouse
Director of Finance

Councillor Derek Osbourne
Leader of the Council and Chair of the
Policy and Resources Committee

29 September 2011

29 September 2011