



Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Ein Cyf / Our ref:

Eich Cyf / Your ref: 201125

Dyddiad/Date: 25th November 2020

Gofynnwch am / Please ask for:

Llinell Uniongyrchol / Direct Line:

e-bost / e-mail:

Ellis Cooper

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Dear Sir

REPRESENTATIONS REGARDING THE 2019-20 FINANCIAL STATEMENTS

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Merthyr Tydfil County Borough Council for the year ended 31st March 2020 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

MANAGEMENT REPRESENTATIONS

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Code of Audit practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

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- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Merthyr Tydfil County Borough Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

FINANCIAL STATEMENT REPRESENTATIONS

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

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.

A restatement of the prior expenditure was required due to the material reclassification of costs between the People and Performance and Place and Transformation directorates to bring into line with the current year reporting format.

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

The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

A summary of these items is set out below:

- Five assets with a total NBV of £261,000 that should be removed from the asset register have not been adjusted on the grounds of immateriality, they will be removed during 2020-21.
- A timing difference resulting in us recognising £230,000 grant income from the Welsh Government in 2019-20 in advance of the related expenditure. This will be corrected in 2020-21 as the expenditure is incurred.

REPRESENTATIONS BY THE MEMBERS OF MERTHYR TYDFIL COUNTY BOROUGH COUNCIL

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Merthyr Tydfil County Borough Council on 25th November 2020.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

D S Jones
Chief Finance Officer

Councillor Howard Barrett
Chair of Council

Date: 25th November 2020

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