



**POLICE & CRIME
COMMISSIONER**
for Leicestershire

Your voice in Leicester,
Leicestershire & Rutland

19 September 2016

Stephen Clark
Partner
Ernst & Young
No 1 Colmore Square
Birmingham
B4 6HQ

Dear Stephen

**Office of the Police and Crime Commissioner for Leicestershire Police and Group
– 2015/16 Letter of Representation**

This letter of representations is provided in connection with your audit of the consolidated and single entity financial statements of the Police and Crime Commissioner for Leicestershire Police (PCC and Group) for the year ended 31st March 2016. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and single entity financial statements give a true and fair view of the PCC and Group financial position of the Police and Crime Commissioner for Leicestershire Police as of 31st March 2016 and of its financial performance and its cash flows for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

We understand that the purpose of your audit of our consolidated Group and PCC single entity financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and PCC, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We acknowledge, as members of management of the Group and PCC, our responsibility for the fair presentation of the consolidated Group and PCC single entity financial

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statements. We believe the consolidated Group and PCC single entity financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and are free of material misstatements, including omissions. We have approved the consolidated Group and PCC single entity financial statements.

3. The significant accounting policies adopted in the preparation of the consolidated Group and PCC single entity financial statements are appropriately described in the consolidated Group and PCC single entity financial statements.
4. As members of management of the Group and PCC, we believe that the Group and PCC have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 for the Group and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 for the PCC that are free from material misstatement, whether due to fraud or error.¹
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.²
2. We have disclosed to you the results of our assessment of the risk that the consolidated Group and PCC single entity financial statements may be materially misstated as a result of fraud.³
3. We have disclosed to you all significant facts relating to any frauds, suspected frauds or allegations of fraud known to us that may have affected the consolidated Group and PCC single entity (regardless of the source or form and including, without limitation, allegations by “whistle-blowers”), whether involving management or employees who have significant roles in internal control. Similarly, we have disclosed to you our knowledge of frauds or suspected frauds affecting the entity involving others where the fraud could have a material effect on the consolidated Group or PCC single entity financial statements. We have also disclosed to you all information in relation to any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the consolidated Group or PCC single entity financial statements.⁴

¹ ISA (UK and Ireland) 210.6(b)(ii)

² ISA (UK and Ireland) 240.39(a)

³ ISA (UK and Ireland) 240.39(b)

⁴ ISA (UK and Ireland) 240.39(c),(d)



C. Compliance with Laws and Regulations

1. We are not aware of any non-compliance with laws and regulations whose effects should be considered when preparing the consolidated Group and PCC single entity financial statements.⁵

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.⁶
2. All material transactions have been recorded in the accounting records and are reflected in the consolidated Group and PCC single entity financial statements.⁷
3. We have made available to you all minutes of the meetings of the Strategic Assurance Board and the Joint Audit Risk and Assurance Panel held throughout the year to the most recent meeting held on 27 July 2016.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the consolidated Group and PCC single entity related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated Group and PCC single entity financial statements.⁸
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.⁹
6. We have disclosed to you, and the consolidated Group and PCC single entity has complied with, all aspects of contractual agreements that could have a material effect on the consolidated Group and PCC single entity financial statements in the event of non-

⁵ ISA (UK and Ireland) 250A.16

⁶ ISA (UK and Ireland) 580.11(a), ISA (UK and Ireland) 210.6(b)(iii)

⁷ ISA (UK and Ireland) 580.11(b)

⁸ ISA (UK and Ireland) 550.26

⁹ ISA (UK and Ireland) 540.22



compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated Group and PCC single entity financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.¹⁰
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the consolidated and financial statements all guarantees that we have given to third parties.¹¹

F. Subsequent Events

1. There have been no events subsequent to year end which require adjustment of or disclosure in the consolidated Group and PCC single entity financial statements or notes thereto.¹²

G. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group transactions.

H. Ownership of Assets

1. Except for assets capitalised under finance leases, the consolidated Group and PCC single entity has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Group and PCC's assets, nor has any asset been pledged as collateral. All assets to which the consolidated Group and PCC single entity has satisfactory title appear in the balance sheets.

I. Reserves

1. We have properly recorded or disclosed in the consolidated Group and PCC single entity financial statements the useable and unusable reserves.

J. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of Property, Plant and Equipment, IAS 19 Pension Valuations, and Insurance Fund Valuations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated Group and PCC single entity

¹⁰ ISA (UK and Ireland) 501.12

¹¹ ISA (UK and Ireland) 501.12

¹² ISA (UK and Ireland) 560.9



financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

K. Estimates

IAS 19, Property, Plant and Equipment and Accrual Estimates

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates have been consistently applied and are appropriate in the context of the applicable financial reporting framework.
2. We confirm that the significant assumptions used in making the estimates noted above appropriately reflect our intent.
3. We confirm that the disclosures made in the consolidated Group and PCC single entity financial statements with respect to the accounting estimates are complete and made in accordance with the applicable financial reporting framework.
4. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and single entity financial statements due to subsequent events.

L. Retirement benefits¹³

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Monitoring Officer)



(Chief Financial Officer)

(Chairman/ Deputy Chairman of the Joint Audit Risk and Assurance Panel)