



**Jane Thomas**  
**Head of Financial Services/**  
**Pennaeth Gwasanaethau Ariannol**

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

County Hall / Neuadd y Sir,  
Llandrindod Wells,  
Powys.  
LD1 5LG  
If calling please ask for / Os yn galw gofynnwch am  
**Jane Thomas**

Tel / Ffôn (01597) 826 789  
Email /Ebost: jane.thomas@powys.gov.uk  
Your ref / Eich cyf:  
Our ref / Ein cyf:  
Date / Dyddiad: 29th September 2021

## **Representations regarding the 2020-21 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 Powys County Council for the year ended 31 March 2021 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 Practice on Local Authority Accounting in the United Kingdom 2020-21; 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
  - 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 Powys County 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.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 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.
- The financial statements are free of material misstatements, including omissions. The effect of the uncorrected misstatement identified during the audit is immaterial to the financial statements taken as a whole. There is one item that remains uncorrected which relates to Note 16 'Short Term Debtors'. A summary is set out below:
  - A £694k Welsh Government (WG) debtor, which relates to the new primary school Welshpool constructed as part of the 21st Century Schools Programme. This is funded 50% WG and 50% Powys County Council. This scheme was impacted by the collapse of Dawnus which has increased the costs above the original agreed funding envelope. Officials from WG are aware of this increase and a variation form has been submitted to WG to drawdown the remaining funding. There is sufficient funding within the overall agreed 21st Century School Programme to fund this increase. We believe this is a valid debt, but currently await confirmation of this to confirm the validity of the debt. It is for this reason that we have not amended this item.

**Representations by those charged with governance**

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

We acknowledge our responsibility for ensuring that Powys County Council maintains adequate accounting records.

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 the Governance and Audit Committee on 29 September 2021.

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:

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Head of Finance

Chair of Governance and Audit Committee

Date: 29 September 2021

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