

Sir Graham Bright
Police and Crime Commissioner
Office of the Police and Crime Commissioner for Cambridgeshire
South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridge CB23 6EA

14 September 2015

Ref:
Your ref:

Direct line:

Email: MHodgson@uk.ey.com

Dear Sir Graham

Office of the Police & Crime Commissioner for Cambridgeshire Police – 2014/15 financial year

Request for a letter of representation

International Standards on Auditing set out guidance on the use by auditors of management representations (ISA (UK&I) 580) and on possible non-compliance with laws and regulations (ISA (UK&I) 250). Key points from that guidance are:

- auditors may wish to obtain written representation where they are relying on management's representations in respect of judgemental matters (for example the level of likely incidence of a claim), which may not be readily corroborated by other evidence;
- auditors are likely to request written representations on the completeness of information provided;
- auditors may wish to obtain written representation on issues other than those directly related to the Statement of Accounts;
- the letter is dated on the date on which the auditor signs the opinion and certificate; and
- the letter is signed by the person or persons with specific responsibility for the financial statement

Accordingly, I would ask that your letter of representation includes the following matters, which are true to the best of your knowledge and belief.

This representation letter is to be provided in connection with our audit of the financial statements of The Office of the Police and Crime Commissioner for Cambridgeshire Police ("the Office") for the year ended 31st March 2015. Confirm you recognise that obtaining representations from you concerning the information contained in this letter is a significant procedure in enabling us to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Office of the Police and Crime Commissioner for Cambridgeshire Police as of 31st March 2015 and of its expenditure and income for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Confirm you understand that the purpose of our audit of your financial statements is to express an opinion thereon and that our audit was conducted in accordance with International Standards on

Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent we 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.

A. Financial Statements and Financial Records

1. That you have fulfilled your responsibilities, under the relevant statutory authorities, for the preparation of the financial statements, including Group Accounts, in accordance with the CIPFA Code of Practice on Local Authority Accounting (CIPFA Code).

2. That you acknowledge your responsibility for the fair presentation of the financial statements. You believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Office in accordance with the CIPFA Code and are free of material misstatements, including omissions. You have approved the financial statements. You confirm that the Responsible Officer has:

- Reviewed the accounts
- Reviewed all relevant written assurances relating to the accounts, and made other enquiries as appropriate.

3. That the significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

4. That you believe that the Office of the Police & Crime Commissioner and Group (the Office) has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA Code that are free from material misstatement, whether due to fraud or error.

5. That there are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. You acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud

2. You have disclosed to us the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

3. That you have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Office's internal controls over financial reporting. In addition, you have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. You have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Office

C. Compliance with Laws and Regulations

1. You have disclosed to us all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. You have provided us 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 as agreed in terms of the audit engagement.
- Additional information that we have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.

2. That all material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. That you have made available to us all minutes of the meetings of the Office and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year.

4. That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Office related parties and all related party relationships and transactions of which you 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 period 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 financial statements.

That you have disclosed to us, and the Office has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-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 us and are appropriately reflected in the financial statements.

2. That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that you have given to third parties.

F. Subsequent Events

1. That other than described in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Accounting Estimates

1. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.

2. In respect of accounting estimates recognised or disclosed in the financial statements:

- That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.
- That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- That the assumptions you used in making accounting estimates appropriately reflects your intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H Segmental reporting

1. That you have reviewed the operating segments reported internally to the Board and that you are satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8:Operating Segments, they are similar in each of the following respects:

- The nature of the products and services
- The nature of the production processes
- The type or class of customer for their products and services
- The methods used to distribute their products

I Going Concern

1. That you have made us aware of any issues that are relevant to the Office's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

J Retirement Benefits

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

K Use of management experts

1. That you agree with the findings of the experts engaged to evaluate the values of the land and buildings and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the financial statements and the underlying accounting records. That you did not give or cause any instructions to be given to the experts with respect to

the values or amounts derived in an attempt to bias their work, and that you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

L Specific Representations

We do not require any specific representations in addition to those above.

I would be grateful if you could provide a letter of representation, which is appropriately signed and dated on the proposed audit opinion date, on formal headed paper.

Yours faithfully



Mark Hodgson
Executive Director
Ernst & Young LLP
United Kingdom