

Date and address to be inserted and on headed paper.

Ernst & Young

Dear Neil,

This letter of representations is provided in connection with your audit of the financial statements of *Bedfordshire Fire & Rescue Service/Authority* for the year ended *31<sup>st</sup> March 2020*. 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 financial statements give a true and fair view of the financial position of our Authority as of *31<sup>st</sup> March 2020* and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. (See *Note A below*.)

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), 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 the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.<sup>1</sup>

We acknowledge, as members and management of the Authority, our responsibility for the fair presentation of the financial statements.

---

<sup>1</sup> ISA (UK) 580.10

We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and are free of material misstatements, including omissions. We have approved the financial statements.

2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
3. As members/management of the Authority, we believe that the Authority has 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 2019/20, that are free from material misstatement, whether due to fraud or error. *There have not been* any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
4. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

**B. Non-compliance with law and regulations, including fraud**

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

2. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
  - involving financial statements;
  - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
  - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.<sup>2</sup>

**C. 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.<sup>3</sup>
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, there are no material transactions related to the COVID-19 pandemic. The Authority did receive the first tranche funding in March 2020, however this was treated as a receipt in advance.
3. We have made available to you all minutes of the meetings of the Fire and Rescue Authority and Audit & Standards Committee held through 2019/20 to the most recent FRA Executive Meeting held on 24<sup>th</sup> April 2020.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's 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 period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.

---

<sup>2</sup> ISA (UK) 240.39(c),(d), and ISA (UK) 250A.16

<sup>3</sup> ISA (UK) 580.11(a), ISA (UK) 210.6(b)(iii)

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.<sup>4</sup>
6. We have disclosed to you, and the Authority 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.
7. We have disclosed to you any cybersecurity breach that either occurred or that third parties (including regulatory agencies, law enforcement agencies and security consultants) had brought to our attention during the period under audit that could potentially be material to the financial statements.

**D. 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 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.<sup>5</sup>
3. We have recorded and/or disclosed, as appropriate, any liabilities related litigation and claims, both actual and contingent.<sup>6</sup>

**E. Subsequent Events**

1. Other than the Covid-19 pandemic, that is described in the introductory narrative to 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.<sup>7</sup>

**F. Other information**

---

<sup>4</sup> ISA (UK) 540.22

<sup>5</sup> ISA (UK) 501.12

<sup>6</sup> ISA (UK) 501.12

<sup>7</sup> ISA (UK) 560.9

1. We acknowledge our responsibility for the preparation of the other information. There are none to report or draw your attention to.

**Going Concern<sup>8</sup>**

1. The Going Concern note the financial statements, on page 48, discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

**Environmental Liabilities** – none to report.

**Other illustrative representations**

**Ownership of Assets**

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet(s).
2. We have no plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

**Reserves**

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

---

<sup>8</sup> ISA (UK) 570.16(e)

**Contingent Liabilities**

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

**Purchase and Sales Commitments and Sales Terms**

1. Losses arising from purchase and sales commitments, should there be any, have been properly recorded and adequately disclosed in the financial statements.
2. At the 2019/20 year end, the Authority had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Authority (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil, sales commitments, etc.).

**Income and Indirect Taxes**

1. We acknowledge our responsibility for the tax accounting methods adopted by the Authority, which have been consistently applied in the current period, and for the current year income tax provision calculation.
2. We also acknowledge our responsibility for the plans with respect to future taxable income, which represent our estimates as to the outcome of those plans, based on available evidence, and for the significant assumptions used in our analysis. We would implement such strategies as necessary to prevent a tax operating loss or credit carry forward from expiring.

3. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.

**Use of the Work of a Specialist**

1. We agree with the findings of the specialists that we engaged to evaluate the Property Valuations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the 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.

**Estimates**

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) for pensions, have been consistently applied and are appropriate in the context of *the applicable financial reporting framework*.
2. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s) are complete, including any known effects of the COVID-19 pandemic and are made in accordance with *the applicable financial reporting framework*.
3. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements due to subsequent events, including due to the COVID-19 pandemic.

**Retirement benefits<sup>9</sup>**

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 sincerely,*

---

Gavin Chambers, Chief Financial Officer

---

Cllr Michael Headley, Chair of the Audit & Standards Committee

---

<sup>9</sup> Suggested by APB PN22, para 81