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| Representations shaded in:   * blue are not explicitly required under Australian Auditing Standards * gold have been added as a result of COVID‑19 and, where applicable, to address other crises such as natural disasters. Please ensure this is tailored to fit the facts and circumstances of the entity.   Specific representations should be included if relevant to your entity.  To remove the shading:   * highlight the relevant text * click on the arrow next to the shading icon on the ‘Home’ ribbon * click no colour. |

(Letterhead of Council)

[Name of Director / Audit Leader, Financial Audit]  
[Director / Audit Leader], Financial Audit   
Audit Office of New South Wales  
GPO Box 12  
SYDNEY NSW 2001

[*date*]

Application for Payment of Pensioner Concession Subsidy

Representation Letter

[Council Name]

We provide this Representation Letter in connection with your audit of the Application for Payment of Pensioner Concession Subsidy (the Application) for the period [date] to [*date*] so you can express an opinion on whether the Application has been prepared, in all material respects, with the requirements of sections 575 and 577 of the *Local Government Act 1993* (LG Act).

We acknowledge our responsibility for:

* keeping proper accounts and records, and preparing the Application
* ensuring the Application is prepared in accordance with sections 575 and 577 of the LG Act.

We approved the Application on [*date*] and confirm it is free of material misstatements.

We confirm, to the best of our knowledge and belief, having made the enquiries we considered necessary to appropriately inform ourselves, the following representations made to you during your audit.

General

We believe, in all material respects, the Application presents a view that is consistent with our understanding of operations for the period [*date*] to [*date*].

We have fulfilled our responsibilities, as set out in the Annual Engagement Plan dated [*date*] and the [Terms of Engagement](https://www.audit.nsw.gov.au/our-stakeholders/local-government), for preparing the Application in accordance with the LG Act. The Application, in all material respects is prepared in accordance with these requirements.

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| Where a council does not comply with a requirement of the LG Act, management must disclose the exception here and select the appropriate option below. |

We confirm we have complied with the LG Act and there have been no deficiencies in financial reporting practices.

[OR]

We have disclosed to you all instances of non-compliance with the LG Act.

Accounting records and transactions[[1]](#footnote-1)

We have given you:

* all financial records and related data, other information, explanations and help necessary to conduct the audit
* minutes of all meetings (e.g. Council, Audit, Risk and Improvement Committee or other council and management meetings)
* all legal issues and legal opinions that may be relevant to the Application
* information about all deficiencies in internal control of which we are aware
* information about all changes in procedures and controls arising as a result of the COVID-19 pandemic or other crises (including natural disasters)
* all relevant information on the impact of COVID-19 or other crises (including natural disasters) on the Council
* additional information you have requested from us for the audit
* unrestricted access to all people in the entity from whom you determined it necessary to obtain audit evidence from.

All transactions have been recorded in the accounting records and are appropriately reflected in the Application. We confirm the Application is complete, valid and only includes claims for eligible pensioners.

We have examined all actions taken by the Council in response to COVID-19 or other crises (including natural disasters) and ensured that these are appropriately reflected in the Application.

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| Unless the audit team has been able to access council premises and sight original documentation, the audit team must include the following representations to address an increased reliance on electronic or scanned copies of documentation. |

For financial records and related data provided electronically to the audit team, we confirm:

* the information has been obtained directly from our accounting systems, and is complete and unaltered
* scanned information is complete and unaltered from the original source document
* we have put processes and controls in place to ensure that information that has been converted in a form that can be provided remotely (such as email) is complete and accurate.

Uncorrected accounting misstatements**[[2]](#footnote-2)**

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| Management and, where appropriate, those charged with governance must provide written representations regarding uncorrected misstatements for the Application. A summary of misstatements, other than those which the audit team has determined to be clearly trivial, must be included below or attached to this document. |

There were no monetary misstatements in the Application.

[OR]

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the Application. We conclude the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the Application.

Compliance with legislation and other requirements[[3]](#footnote-3)

We have reviewed legislation we are required to comply with, contracts, agreements and licensing conditions to detect breaches or possible breaches which may impact the Application.

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| Select the appropriate option. |

We have no knowledge of any breaches or possible breaches of legislation, contracts, agreements or licensing conditions, the effects of which should be considered when preparing the Application.

[OR]

We have disclosed to you all known or suspected instances of non‑compliance with legislation, contracts, agreements or licensing conditions, the effects of which we considered when preparing the Application.

With respect to our operations during the year, we have complied with all:

* cabinet and other government directives [including Ministerial orders issued under the LG Act]
* Office of Local Government (OLG) within the Department of Planning, Industry and Environment (the Department) guidelines, circulars and financial reporting requirements
* contractual agreements where non-compliance could materially affect the Application
* directions, regulation and requirements imposed by relevant regulatory bodies.

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| Select the appropriate option. |

There has been no communication to/from regulatory authorities or OLG concerning:

* breaches of, or non‑compliance with legislation, licensing conditions or other requirements
* deficiencies in financial reporting practices that could have a material effect on the Application.

[OR]

We have disclosed to you all communications to/from regulatory authorities or OLG concerning:

* breaches of, or non‑compliance with legislation, licensing conditions or other requirements
* deficiencies in financial reporting practices that could materially impact the Application.

We considered the substance of those communications when preparing the Application.

We have notified you of all Ministerial orders issued under the LG Act relevant to the Application.

Internal controls

We have established and maintained adequate internal control to:

* prepare a reliable Application
* maintain adequate financial records
* apply appropriate accounting policies
* record all material transactions in accounting records underlying the Application
* ensure security settings for remote connections and secure individual access mechanisms are in place and operating effectively
* monitor and detect unauthorised computer access to the network
* provide oversight of staff working remotely
* minimise the risk of fraud and errors
* detect fraud and errors should they occur
* minimise the risk of significant breaches of legislation and other mandatory requirements and detect breaches if they occur.

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| Select the appropriate option. |

We have no known deficiencies in internal controls impacting the Application.

[OR]

We have disclosed to you all known deficiencies in internal controls and their potential impact on the Application.

Fraud and Error

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

We have disclosed to you our assessment of the risk the Application may be materially misstated because of fraud.

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| Select the appropriate option. |

We have no knowledge of any fraud or suspected fraud affecting the Council involving:

* management
* employees who have significant roles in internal control
* others where the fraud could materially affect the Application.

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Council’s Application communicated to us by employees, former employees, analysts, regulators or others.

Fraud includes misstatements resulting from fraudulent financial reporting and misstatements resulting from the misappropriation of assets.

[OR]

We have disclosed to you our knowledge of any fraud or suspected fraud affecting the Council involving:

* management
* employees who have significant roles in internal control
* others where the fraud could materially affect the Application.

We have disclosed to you our knowledge of all allegations of fraud or suspected fraud affecting the Council’s Application communicated to us by employees, former employees, analysts, regulators or others.

The principal officer of the Council has reported any known or suspected fraud to the Independent Commission Against Corruption as required by section 11(2) of the *Independent Commission Against Corruption Act 1988*.

Internal audit

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| Where applicable, include the below. |

We operate an effective internal audit function and management promptly acts upon recommendations for improvement and rectifies reported shortcomings.

Events after the end of the reporting period[[4]](#footnote-4)

All events occurring between the end of the reporting period and the date of this letter that require adjustment or disclosure have been adjusted or disclosed in the Application.

[OR]

No events have occurred between the end of the reporting period and the date of this letter that require adjustment to, or disclosure in, the Application.

Litigation and claims

We confirm all known actual or possible litigation and claims that should be considered when preparing the Application, have been disclosed to you. The effects of these events have been accounted for and disclosed in accordance with the applicable financial reporting framework. [[5]](#footnote-5)

We have provided to you all information regarding material outstanding legal matters.

Service organisations[[6]](#footnote-6)

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| Only include the commentary below if the council uses a service organisation.  Select the appropriate option. |

We have:

* no knowledge of any fraud, non‑compliance with legislation or uncorrected misstatements attributable to the service organisation’s management or employees that materially affect the Application
* advised you of the impact of COVID-19 or other crises (including natural disasters) on our shared service arrangements including the impact on our service organisations.

[OR]

We have:

* notified you of all fraud, non‑compliance with legislation or uncorrected misstatements attributable to the service organisation’s management or employees that materially affect the Application
* advised you of the impact of COVID-19 or other crises (including natural disasters) on our shared service arrangements including the impact on our service organisations.

Going concern

We have considered the impact of COVID-19 or other crises (including natural disasters) on the Council and confirm the going concern basis [is / is not] appropriate for the Application.

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| Insert the following if events or conditions have been identified that may cast significant doubt on the council’s ability to continue as a going concern. |

We have given you our plans for future action, including our assessment of the feasibility of these plans[[7]](#footnote-7).

Other Information accompanying the Application

We have informed you of all documents we expect to issue accompanying the Application that may comprise ‘other information’ (financial and non-financial, excluding the Application and auditor’s report).

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| Select the appropriate option. |

We have provided you with the other information accompanying the Application (the General Manager’s Certificate). We confirm it is consistent with the Application and does not contain any material misstatements.

[OR]

We will provide you with other information that will accompany the Application (the General Manager’s Certificate) [by[*date*] / when available] so you can perform the procedures required by Australian Auditing Standards before its issue.

Other

We understand your examination of the Application was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the Application, and your tests of the financial records and other auditing procedures were limited to those you considered necessary for that purpose.

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| Where appropriate, this Representation Letter should also be signed by those charged with governance, or a separate Representation Letter(s) may be sought (paragraphs 8 and A2 of [ASA 580](http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards.aspx)). |

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[*Name*]  
[*General Manager or Chief Executive (or equivalent) Title*]

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[*Name*]  
[*Chief Financial Officer (or equivalent) Title*]

1. This representation is mandatory under Appendix 2 [**ASA 580**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/). [↑](#footnote-ref-1)
2. This representation is mandatory under paragraph 14 of [**ASA 450**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/). [↑](#footnote-ref-2)
3. This representation is mandatory under paragraph 17 of [**ASA 250**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/). [↑](#footnote-ref-3)
4. This representation is mandatory under paragraph 9 of [**ASA 560**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/). [↑](#footnote-ref-4)
5. This representation is mandatory under paragraph 6 of [**ASA 502**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/). [↑](#footnote-ref-5)
6. Under paragraph 40(c)(iii) of [**ASA 240**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/) management is required to disclose to the auditor their knowledge of fraud or suspected fraud affecting the entity involving ‘others where the fraud could have a material effect on the financial statements’. [↑](#footnote-ref-6)
7. **This representation is mandatory if an event or condition casts significant doubt on the entity’s ability to continue as a going concern under paragraph 16(e) of** [**ASA 570**](https://www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards/)**.** [↑](#footnote-ref-7)