



MERSEYSIDE RECYCLING & WASTE AUTHORITY

**MERSEYSIDE... A PLACE  
WHERE NOTHING IS WASTED**

Grant Thornton UK LLP  
Grant Thornton UK LLP  
Royal Liver Building  
LIVERPOOL  
L3 1PS

17 July 2019

Dear Sirs

**Merseyside Waste Disposal Authority  
Financial Statements for the year ended 31 March 2019**

This representation letter is provided in connection with the audit of the financial statements of Merseyside Waste Disposal Authority and its subsidiary undertaking for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the group and parent Authority financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**The Authority and the Group Financial Statements**

We have fulfilled our responsibilities for the preparation of the Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.

- i. We have fulfilled our responsibilities for the preparation of the group and parent Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/19 ("the Code"); in particular the group and parent Authority financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and parent Authority and these matters have been appropriately reflected and disclosed in the group and parent Authority financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the group and parent Authority financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the group and parent Authority financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

**Merseyside Recycling and Waste Authority is the public facing name for Merseyside Waste Disposal Authority, which is a statutory Joint Waste Disposal Authority under the Local Government Act 1985**

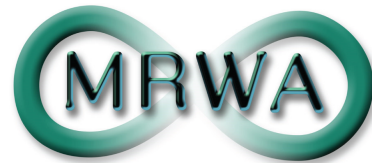


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- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Authority has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- viii. The Authority does not have its own bank account. All transactions are done through St Helen's Council's bank account and these are posted to a specific general ledger code allocated to the Authority. The Authority's bank balances have been confirmed to ensure the correct year-end balance has been used in the balance sheet.
- ix. A number of year-end accounts payable and receivable balances are based on estimates due to the relevant reconciliation process taking place later in the year. We confirm that we are satisfied with the estimates and assumptions in relation to accounts payable and accounts receivable balances.
- x. For the Knowsley and Wilton RRC assets, we changed the asset life from 31 in the prior year to 24.5 years as at 31 March 2019. This has resulted a significant change in the valuer's original valuation at the year-end. We confirm that we are satisfied with the valuation assumptions used in relation to the RRC assets and the related accounting entries, especially the useful economic lives of the assets concerned.
- xi. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- xii. All events subsequent to the date of the group and parent Authority financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- xiii. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and parent Authority financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xiv. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached. We have not adjusted the group and parent Authority financial statements for these misstatements brought to our attention as they are immaterial to the results of the group and parent Authority.
- xv. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

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- xvi. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the group and parent Authority financial statements.
- xvii. We believe that the group and parent Authority's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group and parent Authority's needs. We believe that no further disclosures relating to the group and parent Authority's ability to continue as a going concern need to be made in the financial statements.

#### **Information Provided**

- xviii. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the group and parent Authority financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- xix. We have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the group and parent Authority financial statements.
- xxi. We have disclosed to you the results of our assessment of the risk that the group and parent Authority financial statements may be materially misstated as a result of fraud.
- xxii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and parent Authority and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the group and parent Authority financial statements.
- xxiii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the group and parent Authority's financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxv. We have disclosed to you the identity of the group and parent Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxvi. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the group and parent Authority financial statements.

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**Annual Governance Statement**

xxvii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

**Narrative Report**

xxviii. The disclosures within the Narrative Report fairly reflect our understanding of the group and parent Authority's financial and operating performance over the period covered by the group and parent Authority financial statements.

**Approval**

The approval of this letter of representation was minuted by the Authority at its meeting on 26 July 2019.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

**Signed on behalf of the Authority**

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