



MERSEYSIDE WASTE DISPOSAL AUTHORITY

Michael Thomas
District Auditor
The Audit Commission
3rd Floor, Millennium House
60 Victoria Street
Liverpool, L1 6DL

23 September 2011

Dear Mr Thomas

Merseyside Waste Disposal Authority – Audit for the year ended 31 March 2011

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Merseyside Waste Disposal Authority, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2011. All representations cover the Authority's Group Accounts include within the financial statements.

Compliance with statutory authorities

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and the financial performance of the Authority, for the completeness of information provided to you, and for making accurate representations to you.

Uncorrected misstatements

There are no misstatements that remain uncorrected in the accounts.

Supporting records

All relevant information and access to persons within the Authority has been made available to you for the purpose of your audit, and all the transactions undertaken by the Authority have been properly reflected and recorded in the financial statements.





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Irregularities

I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements;
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others; and
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Law, regulations, contractual arrangements and codes of practice

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

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.

Accounting estimates including fair values

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

Legal claim against the group

Together with Mersey Waste Holdings Ltd (MWHL) the Authority has been party to a legal dispute with the landfill provider, WRG. The legal dispute has now been settled in favour of WRG and in consequence the Authority has to provide for the costs of settling the dispute. The Authority increased its provisions in respect of MWHL's share of the settlement to £5.9M and has also provided £1.3M relating to the Authority's own direct costs relating the settlement. MWHL has provided for the costs of settlement in its accounts and due to the nature of the dispute this amount will be paid for by the Authority



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when MWHL seeks payment. No further amounts are expected to be paid and no similar claims have been received.

Related party transactions

I confirm that I have disclosed the identity of Merseyside Waste Disposal Authority related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirement of the framework.

Subsequent events

All events subsequent to the date of the financial statements, which would require additional adjustment or disclosure in the financial statements, have been adjusted or disclosed.

In July 2011 Orchid Environmental Ltd ended their lease of land, buildings, plant and machinery at Stretton Way, Huyton from the Authority. This has been disclosed in the accounts as a post balance sheet event as it has a potential impact on the value of the plant and machinery. I confirm that I have given full disclosure of all the relevant information concerning this event.

Comparative financial statement

A restatement of £40million was made to the prior period financial statements. This reflects the change in the accounting treatment of cash balances held by St Helens on behalf of the Authority. It affects the comparative information for cash and debtors. Representations previously made in respect of the prior period remain appropriate.

Signed on behalf of Merseyside Waste Disposal Authority

I confirm that the this letter has been discussed and agreed by the Authority on 23 September 2011

Signed

Name

Position

Date