OurRef:

Your Ref:

Ms C Spencer

Auditor General

Office of the Auditor General

7th Floor, Albert Facey House

469 Wellington Street

PERTH WA 6000

Dear Ms Spencer

**REPRESENTATION LETTER IN RESPECT OF THE *ABC AUTHORITY/DEPARTMENT* FINANCIAL STATEMENTS, *CONTROLS AND* *KEY* *PERFORMANCE INDICATORS* FOR THE YEAR ENDED *30 JUNE* *20XX***

We submit the following representations for the year ended *30 June 20XX* after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

**1. GENERAL**

1. We have fulfilled our responsibilities for the preparation and fair presentation of the financial statements *and key performance indicators* in accordance with *the Financial Management Act 2006, Treasurer’s Instructions,* and Australian Accounting Standards.
2. We have advised your auditors of all material contentious methods used in the presentation of the financial statements and key performance indicators.
3. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, *except as disclosed in Note XX to the financial statements*.
4. The prior period comparative information in the financial statements *and key performance indicators* have not been restated except as disclosed in note XX to the financial statements *or indicated in paragraph XX of the key performance indicators*.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. We have established and maintained an adequate internal control structure and adequate financial records and performance measurement data as we have determined is necessary to facilitate the preparation of financial statements *and key performance indicators* that are free from material misstatement, whether due to fraud or error.
7. We have provided your auditors with:
   1. Access to all information of which we are aware that is relevant to the preparation of the financial statements and key performance indicators, and the operation of controls, such as records, documentation and other matters
   2. Additional information that your auditors have requested for the purpose of the audit
   3. Unrestricted access to persons within the *Authority/Department* from whom the auditors determined it necessary to obtain audit evidence.
8. All transactions have been recorded in the accounting and other records and are reflected in the financial statements *and key performance indicators*.
9. All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the control environment and the fair presentation of the financial statements and *key performance indicators*, including, where relevant, minutes of meetings, have been brought to your auditors’ attention and made available to them.
10. We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
11. We have provided to your auditors the results of our assessment of the risk that the financial statements *and key performance indicators* may be materially misstated as a result of fraud.
12. No frauds or suspected frauds affecting the Authority/Department involving:
    1. Management;
    2. Employees who have significant roles in internal control; or
    3. Others where the fraud could have a material effect on the financial statements *and key performance indicators*

have occurred to the knowledge of management of the *Authority/Department*.

[OR]

We have provided information to your auditors of our knowledge of fraud or suspected fraud affecting the *Authority/Department* involving:

* 1. Management;
  2. Employees who have significant roles in internal control; or
  3. Others where the fraud could have a material effect on the financial statements *and key performance indicators*.

A summary of these is *provided* *below/attached*.

1. To our knowledge no allegations of fraud or suspected fraud affecting the *Authority’s/Department’s* financial statements *and key performance indicators* have been communicated to us by employees, former employees, analysts, regulators or others.

[OR]

We have provided information to your auditors of our knowledge of any allegations of fraud or suspected fraud affecting the *Authority’s/Department’s* financial statements *and key performance indicators* communicated by employees, former employees, analysts, regulators or others.

Details are *as follows/attached*.

(n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

**2. CONTINGENT LIABILITIES**

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial statements.

**3. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE**

Other than those commitments reported in the Notes to the financial statements, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

**4. FINANCIAL LIABILITY FOR CONTAMINATED SITES**

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the *Authority/Department* that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial statements as appropriate.

**5. RELATED ENTITIES**

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* to give written notice to you if any of the *Authority’s/Department’s* functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided your auditors with details of all related entities in existence at *30 June 20xx*.

**6. RELATED PARTIES**

We have disclosed to your auditors the identity of the *Authority’s / Department’s* related parties, as defined in Australian Accounting Standards, of which we are aware and all the related party relationships and transactions of which we are aware. This includes related party transactions with any Minister who held office during the financial year, their close family members (as defined in Australian Accounting Standard 124 *Related Party Disclosures*), or any entity in which any of those Ministers or their close family members have control or joint control. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the Australian Accounting Standards.

**7. REMUNERATION OF THE *ACCOUNTABLE AUTHORITY* *AND* SENIOR OFFICERS**

We confirm *the* *Accountable Authority* *and* senior officers of the *Authority/Department* have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the remuneration disclosed in the Notes to the financial statements.

**8. SUBSEQUENT EVENTS**

(a) All events subsequent to the date of the financial statements and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.

(b) We have informed your auditors of any events subsequent to 30 June 20XX that could have a significant effect on your opinion on controls.

[OR]

No matters or occurrences have come to our attention up to the present time which would materially affect the financial statements or disclosures therein, *your opinion on controls*, or which are likely to materially affect the future results or operations of the *Authority/Department.*

**9. CONTROLS**

1. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud.
2. We have identified the risks that threaten achievement of control objectives described in the Financial Management Act, *Treasurer’s Instructions* and other relevant legislation, and designed, implemented and maintained controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives, and therefore the stated control objectives will be achieved.
3. Where we are aware of the following matters, we have disclosed them to your auditors:

* All deficiencies in the design of controls to achieve the identified control objectives
* All deficiencies in the implementation of controls as designed
* All instances where controls have not operated effectively as designed
* The identity of any third parties who operate controls on behalf of the *Authority/Department*

1. We have maintained proper accounts and records of all the transactions and affairs of the *Authority/Department* and have established and maintained adequate policies and procedures to ensure the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with legislative provisions.

**10. *KEY PERFORMANCE INDICATORS*** *(Where applicable)*

We have reported the key performance indicators of effectiveness and efficiency in accordance with the Treasurer’s Instructions, that are relevant and appropriate for assisting users to assess the *Authority’s /Department’s* performance.The information disclosed also fairly represents indicated performance for the year ended *30 June 20XX.*

**11. INSURANCE**

We confirm that risk management techniques are used and the assistance of appointed consultants is arranged in assessing insurable risk and in managing the *Authority’s/Department’s* insurance portfolio. In our judgment, all reasonable commercial considerations are included in arriving at insurable risk. The *Authority’s/Department’s* insurable risks are securely covered by appropriate insurances.

**12. RISK MANAGEMENT**

We acknowledge our responsibility to identify the risks the *Authority/Department* is exposed to and to measure, assess and develop a prioritised action plan. We confirm that we have established, maintained, operated and demonstrated an appropriate framework of business controls, to cover all our operational, technical, commercial, financial and administrative activities.

**13. ACCOUNTING AND KPI MISSTATEMENTS** (NOTE: The tables and words in italics are only to be used if it is necessary to disclose any misstatements)

(a) The effects of uncorrected misstatements in the financial statements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole*. A summary of these uncorrected misstatements is listed below.*

|  |  |  |  |
| --- | --- | --- | --- |
| *Account* | *Reported balance* | *Actual balance* | *Variance* |
|  |  |  |  |
|  |  |  |  |

1. The effects of uncorrected misstatements in the KPIs are immaterial, both individually and in the aggregate, to the key performance indicators*. A summary of these uncorrected misstatements is listed below.*

|  |  |  |  |
| --- | --- | --- | --- |
| *KPI* | *Reported Measure* | *Actual Measure* | *Variance* |
|  |  |  |  |
|  |  |  |  |

**14. ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS *AND KEY PERFORMANCE INDICATORS*, AND AUDIT OPINION**

1. We acknowledge that we are responsible for the electronic presentation of the financial statements *and* *key* *performance indicators*.
2. We will ensure that the electronic version of the audited financial statements *and* *key* *performance indicators*, and the audit opinionpresented on the *Authority’s/Department’s* web site are the same as the final signed versions of the audited financial statements *and key performance indicators*, and the audit opinion.
3. We have clearly differentiated between audited and unaudited information in the construction of *Authority’s/Department’s* web site and understand the risk of potential misrepresentation in the absence of appropriate controls.
4. We have assessed the security controls over audited financial *and performance* information and the audit opinion and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
5. We will ensure that where the audit opinion on the financial statements *and* *key* *performance indicators* is provided on the web site, the financial statements *and* *key* *performance indicators* are also provided in full.

**15. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT**

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.

***Chief Executive Officer* Date**

***Chief Finance Officer* Date**