

County Borough Supplies

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Cyflenwi'r Fwrdeistref Sirol

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Pen-y-bont ar Ogwr
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Our Ref: CBS/
KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX

Date: 28th September 2011

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Catalogue Supplies Service Joint Committee for the year ended 31 March 2011, for the purpose of expressing an opinion as to whether these:

- i. give a true and fair view of the financial position of Catalogue Supplies Service Joint Committee as at 31 March 2011 and of Catalogue Supplies Service Joint Committee's expenditure and income for the year then ended;
- ii. have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

These financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes.

The Catalogue Supplies Service Joint Committee (the "Joint Committee") confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Joint Committee confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Joint Committee has fulfilled its responsibilities, as set out in Accounts and Audit (Wales) Regulations 2005 as amended by Accounts and Audit (Wales)(Amendment) Regulations 2010, for the preparation of financial statements that:

- give a true and fair view of the financial position of Catalogue Supplies Service Joint Committee as at 31 March 2011 and of Catalogue Supplies Service Joint Committee's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Joint Committee in making accounting estimates, including those measured at fair value, are reasonable.

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3. All events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 require adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is shown below:

Credit notes issued in 2011/12 relating to the year ending 31 March 2011

£5,000 of credit notes were issued after 31 March 2011, which related to the financial year 2010/11. These credit notes should be recognised in the 2010/11 financial statements. The impact of this on the Income and Expenditure account would be to decrease turnover (sales) by £5,000 and decrease cost of sales by £4,300, with a resulting overall increase in the deficit for the year of £700.

Information provided

5. The Joint Committee has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested for the purpose of the audit; and
- unrestricted access to persons within Catalogue Supplies Service Joint Committee from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Joint Committee acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Joint Committee acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Joint Committee has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud. Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Joint Committee has disclosed to you all information in relation to:

- (a) Fraud or suspected fraud that it is aware of and that affects the Joint Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
- (b) allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

9. The Joint Committee has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements. Further, the Joint Committee has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC

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Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Joint Committee has disclosed to you the identity of the Joint Committee's related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as the Joint Committee understands them and as defined in IAS 24, except where interpretations or adaptations to fit the public sector are detailed in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11.

11. The financial statements have been prepared on the going concern basis. This is considered appropriate by the Joint Committee, which has committed to the continuation of trading of County Borough Supplies for at least 12 months from the date of signing the financial statements.

This letter was tabled and agreed at the meeting of the Joint Committee on 28 September 2011.

Yours faithfully,

Chairperson of the Joint Committee

(Member who signs on behalf of those charged with governance)

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Appendix A to the Management Representation Letter of Catalogue Supplies Service Joint Committee: Definitions

Financial Statements

A complete set of financial statements comprises:

- Movement in Reserves Statement for the period
- Comprehensive Income and Expenditure Statement for the period
- Balance Sheet as at the end of the period
- Cash Flow Statement for the period
- Notes, comprising a summary of significant accounting policies and other explanatory information, and
- Balance Sheet as at the beginning of the earliest comparative period (i.e. a third Balance Sheet) when an authority applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

A local authority/ joint committee is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11.

Material Matters

Certain representations in this letter are described as being limited to matters that are material. Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue, and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

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Related party

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- a) entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the authority (ie subsidiaries);
- b) associates;
- c) joint ventures in which the authority is a venture;
- d) an entity that has an interest in the authority that gives it significant influence over the authority;
- e) key management personnel, and close members of the family of key management personnel; and
- f) post-employment benefit plan (pension fund) for the benefit of employees of the authority, or of any entity that is a related party of the authority.

Key management personnel are all chief officers (or equivalent), elected members, chief executive of the Joint Committee and other persons having the authority and responsibility for planning, directing and controlling the activities of the Joint Committee, including the oversight of these activities.

The following are deemed not to be related parties by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11:

- a) providers of finance in the course of their business in that regard and trade unions in the course of their normal dealings with a Joint Committee by virtue only of those dealings; and
- b) an entity with which the relationship is solely that of an agency.

Related party transaction

Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

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