

	PAPER NO: AC.58(12)	
Board/Committee:	Audit Committee	
Date:	30 October 2012	
Paper title:	Letter of representation to the auditors	
Author:	Natalie Ferer, Financial Controller	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	The Executive recommends that the Audit Committee review and recommend approval of the attached Letter of Representation, which must be signed by the Chair of the Board of Governors at the time of signing the accounts.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability.	
Matter previously considered by:	N/A	
Further approval required?	Board of Governors	On:22 <sup>nd</sup> November 2012
Communications – who should be made aware of the decision?	N/A	

### **Executive summary**

The letter of representation to the auditors requires the Board of Governors to give specific assurances to the auditors over matters regarding the financial statements and the year audit. The attached letter contains standard representations only; there are no items that have been inserted specific to LSBU or relating to any matters arising as a result of the audit. The Executive recommends that the Audit Committee review and recommend approval of the attached Letter of Representation, which must be signed by the Chair of the Board of Governors at the time of signing the accounts.

**{\*\*Prepare on client letterhead\*\*}**  
Your Ref DB/CNH/L05822015/2012

Grant Thornton UK LLP  
Grant Thornton House  
202 Silbury Boulevard  
Central Milton Keynes  
MK9 1 LW

[Click [here](#) and enter **date of letter**]

Dear Sirs

**London South Bank University**  
**Financial Statements for the year ended 31 July 2012**

This representation letter is provided in connection with the audit of the financial statements of London South Bank University for the year ended 31 July 2012 for the purpose of expressing an opinion as to whether the group financial statements give a true and fair view in accordance with the Companies Act 2006.

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other members of the Board of Governors with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements, in accordance with the terms of your engagement letter dated 13 October 2011.

**Financial Statements**

- i As set out in the Statement of Responsibilities of the Board of Governors on page [xx], we acknowledge our responsibilities, in accordance with the University's Memorandum and Articles of Association, for preparing financial statements in accordance with the University's Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting for Further and Higher Education, and for making accurate representations to you.
- ii In addition, within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of the University, the Board of Governors of the University, through its designated officer holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.
- iii We are responsible for ensuring that funds from the Higher Education Funding Council for England, the Training and Development Agency for Schools, and the Skills Funding Agency are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Higher Education Funding Council for England and any other conditions which the Funding Council may from time to time prescribe.
- iv The University has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-

compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- v We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- vi Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vii Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Statement of Recommended Practice - Accounting for Further and Higher Education ('SORP'), and any subsequent amendments or variations to this statement.
- viii All events subsequent to the date of the University financial statements and for which the SORP and any subsequent amendments or variations to this statement require adjustment or disclosure have been adjusted or disclosed.
- ix We have not adjusted the misstatements brought to our attention on the audit differences and adjustments summary, attached to this letter, as they are [\*\*immaterial to the results of the University and its financial position at the year-end / for the reasons noted on the schedule / other reasons\*\*]. The University financial statements are free of material misstatements, including omissions.

#### **Information Provided**

- i We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the University 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 entity from whom you determine it necessary to obtain audit evidence.
- ii We have disclosed to you the results of our assessment of the risk that the University financial statements may be materially misstated as a result of fraud.
- iii All transactions have been recorded in the accounting records and are reflected in the University's financial statements.
- iv We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the University's financial statements.
- v We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the University's financial statements communicated by employees, former employees, analysts, regulators or others.

- vi 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 University's financial statements.
- vii We have disclosed to you the identity of the University's related parties and all the related party relationships and transactions of which we are aware.

Yours faithfully

On behalf of the Board of Governors of London South Bank University