

6 October 2023

Ms Linh Dao  
BDO Audit Pty Ltd  
Level 7, BDO Centre  
420 King William Street  
ADELAIDE SA 5000

Dear Linh

## AUDIT FOR YEAR ENDED 30 JUNE 2023 OF CITY OF ADELAIDE

This representation letter is provided in connection with your audit of the financial report of City of Adelaide for the year ended 30 June 2023, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

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

### Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 17 January 2023, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them other than the accounting for library books as we have disclosed to you.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.

8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.
10. We acknowledge the existence of, and have disclosed to you all information in relation to restatements made to correct any material misstatements in the prior period financial report that affects the comparative information.
11. We acknowledge that valuations of Infrastructure, Property, Plant & Equipment have been appropriately undertaken so as to ensure that the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting. Individual classes of Infrastructure, Property, Plant & Equipment are assigned to the appropriate level in the AASB 13 fair value hierarchy.

#### **Books, records and documentation**

12. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
  - All minutes of meetings held by Council and relevant Committees since the end of the previous reporting period have been given to you for your inspection;
  - Additional information that you have requested from us for the purpose of the audit;
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
13. All transactions have been recorded in the accounting records and are reflected in the financial report.

#### **Uncorrected misstatements**

14. We acknowledge that you have brought to our attention uncorrected misstatement detected during the course of your audit (Schedule attached). We have considered the effect of any uncorrected misstatements on the financial statements. We consider the effect of the uncorrected misstatements to be immaterial, individually and in aggregate, to the financial report taken as a whole.

#### **Related parties**

15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
16. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

#### **Fraud**

17. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
18. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
19. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where fraud could have a material impact on the financial report.
20. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.



**Litigation and claims**

21. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

**Compliance with laws and regulations**

22. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
23. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.  
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

**Subsequent events**

24. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

**Other information**

25. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
26. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

**Electronic presentation of Financial Report**

27. We are responsible for the electronic presentation of the financial report.
28. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
29. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
30. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
31. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

**Clare Mockler**  
**Chief Executive Officer**

**Michael Sedgman**  
**Chief Operating Officer**



**SCHEDULE 1 - UNCORRECTED MISSTATEMENT**  
**CITY OF ADELAIDE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

| Description   | Assets    | (Liabilities) | Reserves      | (Profit)/Loss |
|---|-----------|---------------|---------------|---------------|
| Adjustment to recognise grant income as Council satisfies its performance obligations under relevant agreements | \$395,857 | \$1,163,525   | (\$2,246,610) | \$687,228     |
| Net effect of corrected misstatements   | \$395,857 | \$1,163,525   | (\$2,246,610) | \$687,228     |