

TOPIC	GAAP REPORTING	SUB-SECTION 27.40.50
SECTION	SUPPLEMENTARY SCHEDULES	ISSUANCE DATE June 28, 2013
SUB-SECTION	REPRESENTATION LETTER	REVISED - 2019

REPRESENTATION LETTER

The responsibility for the accurate and complete presentation of the financial and other information contained in the CAFR belongs to DFA **and** each agency submitting GAAP packets to DFA. The responsibility does not belong to the State Auditor.

The Agency Representation Letter (Form 27.40.50) is written confirmation from the agency to the auditor about the fairness of various financial statement elements. The purpose of the letter is to emphasize that the financial statements are the agency's representations, and thus, the agency has the primary responsibility for their accuracy. Auditing standards dictate that certain written representations be made to the auditor to confirm oral understandings and reduce the probability of misunderstandings.

The opinion letter in the CAFR is based on individual agency audits, as well as the compilation prepared by DFA. In addition to the State Auditor, the representation letter is addressed to the executive director of DFA because DFA must rely on the information submitted by the agencies via the GAAP packets.

The representation letter, presented as Form 27.40.50, should be typed on agency letterhead with the blanks completed as necessary. The business area is required in the top right corner of the document. Each must be typed exactly as it appears, except items that explicitly states "Omit this item if..." An example of an exception is below.

- 41) Special and extraordinary items are appropriately classified and reported. [Omit this item if there are no special or extraordinary items.]

Can be substituted with:

- 41) [Omit this item if there are no special or extraordinary items.]

Schedule A is prepared as a part of the representation letter. The first paragraph of the representation letter references Schedule A. Each Treasury fund and bank account fund should be listed on Schedule A. OFR will provide the Schedule A attachments with the GAAP packet information distributed in July. One Schedule A will list the Treasury funds that the agency is responsible for and another Schedule A lists any authorized bank accounts. Add bank accounts that are not listed on the provided schedule.

The representation letter should **not** be sent directly to the DFA Executive Director or to the Office of the State Auditor. The letter and Schedule A should be submitted to OFR. OFR distributes the letter to the appropriate parties once all letters have been collected.

The representation letter can be found at the Office of Financial reporting webpage <http://www.dfa.ms.gov/dfa-offices/financial-reporting/> under Letters and Other Correspondence.