

Strategic Director Scott Crudgington

Mark Hodgson
The Audit Commission
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Our Ref:
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Date: ___ September 2008

Dear Mark

Stevenage Borough Council - Audit for the year ended 31 March 2008

We confirm to the best of our knowledge and belief, having made appropriate enquiries of other officers of the Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2008.

We acknowledge our responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom : A Statement of Recommended Practice which present fairly the financial position and performance of the Council and for making accurate representations to you.

We confirm that there are no material uncorrected misstatements relating to the financial statements of the Council.

Specific representations:

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council, Executive and Committee meetings, have been made available to you.

Related party transactions

We confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded in the Council's register of interests and where appropriate, adequately disclosed in the financial statements. The Council has also ensured that all senior staff are aware of the requirement to declare all interests relevant to the Council, including interests of families, partners and entities controlled by them.

Fair values

We confirm the assumptions within the financial statements covering investments, provisions, depreciation and accruals are reasonable, specifically in relation to the following:

- The measurement method used is appropriate in estimating fair value;
- The basis used in arriving at the fair value is reasonable;
- All areas requiring fair values to be considered have been reviewed by the Council;
- The impact of subsequent events have been considered in arriving at the fair value of all relevant areas.

Contingent liabilities

There are no contingent liabilities. In particular:

- there is no significant pending or threatened litigation;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements 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 even of non-compliance.

Irregularities

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

We further acknowledge that any knowledge of the following have been adequately disclosed:

- fraud or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements
- allegations of fraud or suspected fraud affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Post balance sheet events

Since the date of approval of the financial statements by the Council, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements. The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Long term investments

We confirm that the Council has the ability and the intention to continue to hold the investments classified in the balance sheet as long term for periods in excess of one year.

Group entities

We confirm that there are no other material group entities requiring the preparation of group accounts other than those included in the financial statements and that all joint arrangements have been properly and accurately reflected in the financial statements.

Going concern

We confirm the financial statements have been prepared on a going concern basis and that this basis is appropriate.

Accounting practice & Financial Reporting

The Financial Statements do not include any debts in respect of claimants still in receipt of housing benefits. These are held within the housing benefits system and are deducted from the claimants' future entitlement. The housing benefits system does not allow these overpayments to be identified. This has been disclosed in the accounting policies. We confirm this has no material impact on the financial statements.

Cash at Bank

The balance on the Council's bank account is regularly set off against the balance on it's overdraft account. We confirm this arrangement has been existence for the whole of the financial year 2007/08 and continues to be in existence as at the date of this letter. In our view, the accounting treatment reflects the commercial substance of the arrangements in place, as required by Financial Reporting Standard 5 (FRS 5) "Reporting the Substance of Transactions", and that the conditions for such an offset, as specified in FRS 5, have been satisfied.

Signed on behalf of Stevenage Borough Council

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Councillor Mrs Joan Lloyd

Portfolio Holder (Resources)

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Councillor Ralph Raynor

Chair of Audit Committee

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Scott Crudgington

Strategic Director