

STEVENAGE BOROUGH COUNCIL

**STATEMENT OF ACCOUNTS COMMITTEE  
MINUTES**

Date: Tuesday, 11 February 2025

Time: 6.00pm

Place: Council Chamber

**Present:** Councillors: Jeannette Thomas (Chair), Myla Arceno, Leanne Brady, Kamal Choudhury and Simon Speller

**Start / End Time:** Start Time: 6.00pm  
End Time: 6.50pm

**1 APPOINTMENT OF PERSON TO PRESIDE**

It was **RESOLVED** that Cllr Carolina Veres be appointed to preside over the joint element of the meeting.

**2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

At this Juncture, the Democratic Services Officer outlined the procedure that would be followed for the joint meeting.

Apologies for absence were received from Councillors Sandra Barr, Akin Elekolusi and Robin Parker.

There were no declarations of interest.

**3 2023/24 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT**

The Audit Committee and Statement of Accounts Committee meeting jointly received a presentation from Assistant Director (Finance) on the Statement of Accounts 2023/24.

The presentation from the Assistant Director (Finance) included the following information:

- The 2023/24 balance sheet showed a decrease from £691M to £669.5M, primarily due to asset revaluation and movements in investments.
- Long-term investments decreased by £2.3M, while investment properties increased by £1.8M.
- £8.6M moved from long-term to short-term assets.
- £13M borrowed for 2024/25, with an additional £7.5M long-term borrowing in 2023/24.
- Pension liabilities fluctuated but did not impact general fund or HRA directly.
- General fund remained resilient, with no cuts made this year, but the HRA faced financial challenges and required future savings.

The Assistant Director (Finance) stated that the Council aimed to improve financial reporting and valuations in 2024/25 to move towards an unqualified audit opinion.

The External Auditor (Azets) were invited to address the Committee.

Azets advised the Committee that:

- Achieving a clean audit opinion required full assurance over two prior years plus the current year. Due to delays, disclaimers were likely for 2024/25 and 2025/26.
- Assurance over pensions depended on the next triennial valuation, complicated by a change in the pension fund auditor.
- Unlike private sector accounts, local government reserves were affected by statutory overrides, making it harder to verify opening balances.
- Audit firms were working together to establish an acceptable approach, but regulatory endorsement was needed to ensure consistency.
- A proposed Local Audit Office was being considered to provide clearer direction, while a statutory override to accept past balances was considered but risked undermining financial accuracy.
- The focus for 2024/25 would be on fully auditing certain balances, identifying areas requiring retrospective review, and assessing the feasibility of back-auditing key figures like property, plant, and equipment.

Responding to a question regarding the Council's pension liability, the Chief Finance Officer advised that the valuation process took various factors into account, such as age and life expectancy projections. Those factors influenced liabilities, which fluctuated over time due to market conditions. The triennial valuation determined the level of employer contributions required to maintain the fund's stability.

Responding to a question regarding complexities of Local Government finances and the subsequent challenges that might arise in a potential transition, Officers commented that each council in Hertfordshire had a different financial position, which added further complexity to any potential transition. The Committee heard that the issue of disclaimed accounts was not unique to Stevenage—it was a national problem. Officers advised that a pragmatic approach would be required, as historical challenges in the audit process had impacted councils across the country.

A Member asked a question regarding the significant work required to resolve the audit disclaimers and whether there was the capacity to complete this work. Officers responded that a key issue was a lack of resources both within councils and among external auditors. The Committee heard that, over the past decade, financial constraints had significantly reduced finance team capacity, while the complexity of local government finance had increased.

A Member asked the external auditors a question regarding the support required from the Council to help resolve outstanding audits. In response, Azets informed the Committee that the Council's finance team had been highly responsive and knowledgeable. The main challenge would be retrieving historical financial information, particularly relating to asset purchases and disposals dating back to

2021. The Committee heard that this was a challenge many councils faced, but that Stevenage was as well-placed as any to manage the process.

At 18:43hrs the Statement of Accounts Committee **RESOLVED** to adjourn until the rise of the Audit Committee.

At 18:45hrs, following the conclusion of the Audit Committee meeting, the Members of the Statement of Accounts Committee returned.

The Assistant Director (Finance) reported that the Audit Committee had expressed thanks to the auditors and Officers involved in producing the accounts. They added that the Audit Committee had supported the recommendations contained in the report.

It was **RESOLVED** that:

- The 2023/24 Statement of Accounts for Stevenage BC be received and approved for signing by the Chair of Audit Committee/Statement of Accounts Committee and the CFO.
- The delegation of authority to the CFO following consultation with the Chair of Audit Committee/Statement of Accounts Committee to make any minor amendments to the accounts as required prior to the completion of the audit be approved.
- The 2023/24 Annual Governance Statements, which form part of the statement of accounts be approved.
- The CFO be authorised, after consultation with the Chair of Audit Committee, to sign the letters of representation required as part of the 2023/24 external audit process.

4 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

5 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

6 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

**CHAIR**