

Contact:
E-mail:
Date: 16 January 2025

Azets Audit Services
Regis House
45 King William Street
London
EC4R 9AN

Dear Sirs,

**Stevenage Borough Council
Financial Statements for the year ended 31 March 2024**

This representation letter is provided in connection with the audit of the financial statements of Stevenage Borough Council (the "Council") and group for the year ended 31 March 2024

I confirm that to the best of my knowledge and belief having made such inquiries as I considered necessary for the purpose of appropriately informing myself:

Financial Statements

- i. I have fulfilled my responsibilities as Section 151 Officer for the preparation of the Council's and group's financial statements in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code), for being satisfied that they give a true and fair view and for making accurate representations to you.
- ii. I have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The financial statements are free from material misstatements and misclassifications including omissions.
- iv. I have reviewed and approved all audit adjustments made in the financial statements. Any unadjusted misstatements identified during the audit are not considered to be material. (See appendix 1 for details of audit adjustments and unadjusted misstatements).

- v. Prior year adjustments have been made to the financial statements where required and these are appropriately disclosed in the financial statements. (See appendix 1 for details of such audit adjustments).
- vi. I confirm I have considered the impact on the financial position of unadjusted misstatements brought forward from prior years and I am satisfied that there are no prior year unadjusted misstatements that not impact on the current year.
- vii. I have reviewed and approved all disclosures made in the financial statements and I am not aware of any other matters which require disclosure in order to comply with the requirements of UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code.
- viii. The Council 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 any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- ix. I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and I believe that I have appropriately fulfilled these responsibilities.
- x. The methods, data and significant assumptions used by us in making accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework. I am satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- xi. The Council has satisfactory title to all assets. The Council has no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities as at 31 March 2024 reflected in the financial statements.
- xii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Council has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xiii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable law and accounting standards.
- xiv. All events subsequent to the date of the financial statements and which require adjustment or disclosure have been adjusted or disclosed.
- xv. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK adopted international accounting

standards, and as interpreted and adapted by the Code.

- xvi. I believe that the Council's financial statements should be prepared on a going concern basis. I do not expect the Council to demise in its current organisational form; however, my basis for going concern acknowledges that if that situation arose the services would be transferred to another body. I believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xvii. I acknowledge the Council's legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as I am aware, there is no relevant audit information needed by you for the purposes of your audit of which you are unaware.
- xviii. On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These Regulations set a publication date for financial statements in respect of 2023/24 of 28 February 2025. The new National Audit Office Code of Practice (2024) requires that where auditors are unable to conclude their work by this statutory backstop date they should issue either a qualified audit opinion or a disclaimer of opinion.
- xix. We have provided you with:
- i. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
 - ii. all additional information that you might have requested from us for the purpose of your audit; and
 - iii. access to all persons within the Council from whom you determined it necessary to obtain audit evidence.
- xx. I have communicated to you all deficiencies in internal control of which management is aware.
- xxi. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxii. I have disclosed to you all information in relation to known fraud or suspected fraud that I am aware of and that affects the Council and involves:
- a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxiii. I have disclosed to you all information in relation to instances of, or allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- xxiv. I 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 financial statements.
- xxv. I have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which I am aware.
- xxvi. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- xxvii. All transactions undertaken by the Council have been recorded in the accounting records and are properly reflected in the financial statements.

Management Commentary

- xxviii. The disclosures within the Narrative Report fairly reflect my understanding of the Council's financial and operating performance over the period covered by the financial statements.

Corporate Governance Statement

- xxix. I am satisfied that the Corporate Governance Statement fairly reflects the Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks or weaknesses in governance or internal control that are not disclosed within the Statement.

Yours faithfully

Signature: 

Name: Clare Fletcher

Position: Strategic Director (Chief Financial Officer)

Date: 16/01/2025

Appendix 1

Audit adjustments

We are required to report all non-trivial misstatements identified during the audit to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

Details of items corrected following discussions with management are as below.

Detail	Comprehensive Income and Expenditure Statement		Balance Sheet		Impact on general fund £000
	Dr £000's	Cr £000's	Dr £000's	Cr £000's	
Cash and Cash equivalents			403		-
Short- Term Investments				(403)	-
<i>Reclassification of money market fund treated as short-term investment</i>					
Short Term Debtors			1,568		
Short Term Creditors				(1,568)	
<i>Client adjustment due after the receipt of draft accounts: Incorrect overstating of debtors and creditors as a result of HRA internal recharges.</i>					
2023-24 Total overall impact			1,971	(1,971)	

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit.

Disclosure change	Auditor recommendation	Adjustment agreed Y/N?
IAS 19 Other assumptions <ul style="list-style-type: none"> Incorrect percentages were used for other assumptions The percentages for the defined benefit obligations were incorrectly apportioned 	Management should update to reflect the percentage per the IAS 19 results schedule/	Yes
Comprehensive Income and Expenditure Statement (CIES) Due to a coding error on the CIES Environmental services expenditure is overstated by £651k (net) and housing services understated by £651k (net).	Management should update the final accounts to correct for this error.	Yes
Financial Instruments Note <ul style="list-style-type: none"> The PWLB loan fair value for 2023/24 needs to be adjusted to £222.525m as per the PWLB website The council to disclose the Fair value of the loan including the Aviva Loan. This is required under the Code. 	Management should amend to reflect the correct fair value in the financial statements	Yes
Age of Sundry Debt table The total for 31 March 2024 is incorrectly stated. It should be £2,307k and not £23,078k	Management should amend to reflect the correct value in the note	Yes
Formatting of accounts Pages 47 to 74 of the accounts are incorrectly headed up "Housing Revenue Account statement" rather than "Notes to the Core Financial statements".	Management should correct for this error	Yes

Disclosure change	Auditor recommendation	Adjustment agreed Y/N?
The Expenditure and Funding Analysis (EFA) Management has presented the EFA as a primary statement. Para 3.4.2.17 [3.4.2.17] of the CIPFA Code sets out the content of the financial statements and separately lists the four prime statements. (The EFA is not included as it forms part of the notes to the financial statements (under e)). There is more detail on the four prime statements in the subsequent Code sections which follow. The notes to the accounts fall under sections 3.4.2.85 [3.4.2.85] of the Code onwards. Para 3.4.2.99 [3.4.2.99] makes it clear that segmental information should be presented in the notes and that the EFA forms this segmental information in LG accounts. The EFA therefore should form part of the notes to the accounts and should not be presented as a prime statement.	Management should make the necessary adjustments for the financial statements to be in line with the Code requirements	Yes
Minor presentational, formatting and disclosure issues We proposed a number of minor changes and narrative amendments to improve the presentation of the accounts.	Management should adjust for all minor presentational, formatting and disclosure issues identified by the audit team	Yes