

**Committee:** Audit and Standards

**Date:** Monday, 23  
February 2026

**Title:** 2024/25 Statement of Accounts

**Portfolio Holder:** Cllr Hargreaves, Portfolio Holder for Finance and the Economy

**Report Author:** Lance Porteous, Director of Finance, Revenues and Benefits

[lporteous@uttlesford.gov.uk](mailto:lporteous@uttlesford.gov.uk)

---

## Summary

1. Enclosed with the agenda is the audited Statement of Accounts for 2024/25 which the Committee is now requested to approve for publication.
2. The auditors have given these accounts a disclaimed opinion. This reflects the work still to be carried out in building back assurance of balances in the financial statements prior to 2024/25, which were previously completed and audited in compliance with the backstop requirements.
3. The approval of the accounts should be considered in the context of the External Auditor's findings, as set out in their report earlier on this agenda.
4. At the time of issuing this report the audit of the accounts was believed to be complete. It is possible that additional issues may arise before the Committee meeting, if so these will be verbally reported.
5. Assuming the accounts are approved by the Committee, the Chairman will be asked to sign the accounts to confirm that they have been approved. The auditor will sign the audit opinion shortly afterwards.
6. As is standard practice, the Council is required to issue a Letter of Representation to the External Auditor. The Committee is required to consider and approve the wording of this Letter. Accordingly, a draft letter is attached (Appendix A) to this report, which requires signing by Section 151 Officer.

## Recommendations

7. The Committee is recommended to approve the;
  - a. Audited 2024/25 Statement of Accounts as presented with this report.
  - b. Letter of Representation as attached to this report (appendix A).

## Appendix A

KPMG LLP  
15 Canada Square  
London  
E14 5GL

23 February 2026

Please ask for Adrian Webb on 01799 510421  
email: [awebb@uttlesford.gov.uk](mailto:awebb@uttlesford.gov.uk)

Dear Sarah

This representation letter is provided in connection with your audit of the financial statements of Uttlesford District Council (“the Council”), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these give a true and fair view of the financial position of the Council and Group as at 31 March 2025 and of the Council’s income and expenditure for the year then ended;
- ii. whether the Council and Group’s financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (“CIPFA/LASAAC Code”).

These financial statements comprise the following: the Group and Council Comprehensive Income and Expenditure Statement, Group and Council the Balance Sheet, the Movement in Reserves Statement, the Group and Council Cash Flow Statement, Housing Revenue Account, Collection Fund and the notes, comprising material accounting policies and other explanatory information and the Expenditure and Funding Analysis.

The Council confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Council confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

### Financial statements

1. The Council has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2024, for the preparation of financial statements that:

- i. give a true and fair view of the financial position of the Council and Group as at 31 March 2025 and of the Council and Group's income and expenditure for the year then ended;
- ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

### **Information provided**

5. The Council has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Council for the purpose of the audit; and
  - unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Council confirms the following:

The Council has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Council has disclosed to you all information in relation to:
- a) Fraud or suspected fraud that it is aware of and that affects the Council and involves:
    - management;
    - members;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, members, analysts, regulators or others.

In respect of the above, the Council acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Council acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

9. The Council has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Council has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Council has disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

12. The Council confirms that:
- a) The financial statements disclose all of the matters that are relevant to the Council's ability to continue as a going concern, including the key risk

factors, assumptions made and uncertainties surrounding the Council's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 *Presentation of Financial Statements*.

b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Council to continue as a going concern.

13. On the basis of the process established by the Council and having made appropriate enquiries, the Council is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 Employee Benefits.

The Council further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
- statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,
- have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Audit and Standards Committee on 23 February 2026

Yours sincerely

Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer)

## **Appendix to the Council Representation Letter of Uttlesford District Council:** **Definitions**

### **Financial Statements**

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

A housing authority must present a Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information.

The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;

- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.”

## **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

## **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

## **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

## Related Party and Related Party Transaction

### Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- A person or a close member of that person’s family is related to a reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  
- An entity is related to a reporting entity if any of the following conditions applies:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - The entity is controlled, or jointly controlled by a person identified in (a).
  - A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a government that has control or joint control of, or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

**Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## Attachment – Summary of uncorrected audit misstatements

Uncorrected audit misstatements (£'000s)				
No.	Detail	CIES Dr/(cr)	Balance Sheet Dr/(cr)	Comments
1 (Projected misstatement)	Dr Fees, charges and other service income Cr Short-term debtors	286	(286)	During our testing of other service income, we identified two factual misstatements (one of which is included in corrected misstatements on the following page). From this, we have calculated a projected net misstatement of £286k throughout the population. It is not expected for management to correct a projected misstatement.
2 (Judgemental misstatement)	Dr Land and Other Buildings Cr Revaluation reserve	191	(191)	We noted that management's valuer determined the DRC valuations by applying the 31 December 2024 BCIS rate and then increasing the values by a flat 1% for the period January to March 2025. We recalculated the valuation using the actual 31 March 2025 BCIS indices for the key building components. Our recalculation resulted in an uplift of approximately £191k, indicating that management's valuation is slightly cautious, although not materially so.
<b>Total</b>		<b>£477</b>	<b>(£477)</b>	