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

25 February 2026

Dear Sirs/Madam

**East Hertfordshire District Council  
Financial Statements for the year ended 31 March 2025**

This representation letter is provided in connection with the audit of the financial statements of East Hertfordshire District Council (the "Council") for the year ended 31 March 2025.

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 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 2024/25 (the 2024/25 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 of material misstatements and misclassifications including omissions.
- iv. 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 2024/25 Code A summary of the main disclosure changes is at appendix 1.

v. 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.

vi. 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.

vii. 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.

viii. 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 2025 reflected in the financial statements.

ix. 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 nonrecurring items requiring separate disclosure.

x. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable law and accounting standards.

xi. All events subsequent to the date of the financial statements and which require adjustment or disclosure have been adjusted or disclosed.

xii. 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.

xiii. 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**

xiv. 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.

xv. 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 2024/25 of 27 February 2026. The National Audit Office Code of Practice 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. It has not been possible to provide you with the all the required information for you to complete your audit for the year ending 31 March 2025 by the statutory backstop date.

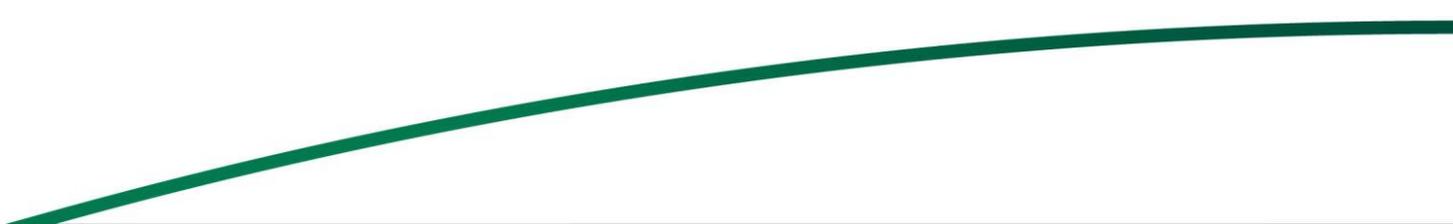
This includes providing you with:

- a. access to all information of which I am aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
- b. all additional information that you might have requested for the purpose of your audit; and
- c. access to all persons within the Council from whom you determined it necessary to obtain audit evidence.

xvi. I have communicated to you all deficiencies in internal control of which management is aware.

xvii. 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.

xviii. 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.
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xix. 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.

xx. I have disclosed to you all known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

xxi. 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.

xxii. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

xxiii. All transactions undertaken by the Council have been recorded in the accounting records and are properly reflected in the financial statements.

#### **Narrative Report**

xxiv. 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.

#### **Annual Governance Statement**

xxv. I am satisfied that the Annual 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: Brian Moldon

Position: Director of Finance, Risk and Performance

Date: 25/02/2026

## Appendix 1

### Audit Adjustments

#### Misclassification and disclosure changes

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

Disclosure / issue / omission	Outcome	Adjustment agreed?
<b><u>Narrative statement</u></b>  -Narrative statement states £6.7m capital expenditure; Note 7 shows total capital spend £7.064m including intangibles and CERA.	Management has agreed to make the necessary changes.	Y
<b><u>Short-term investments presentation</u></b>  -Balance Sheet shows £2,942k short-term investments; Financial Instrument note appear to show only £903k FVOCI without clearly showing remaining £2,039k amortised cost.	Management has agreed to make the necessary changes.	Y
<b><u>Borrowings disclosure in Note 12. Financial Instruments Note</u></b>  -We identified a disclosure issue relating to borrowings. The total short-term borrowings disclosed on the balance sheet amount to £63m; however, this does not agree with the figures presented in the financial instruments note. The note incorrectly shows short-term borrowings of £13m. In addition, long-term borrowings have been misstated in the financial instruments note as £51.5m instead of £1.5m. Accordingly, adjustments to the note are required.	Management has agreed to make the necessary changes.	Y
<b><u>Net Pension Asset (23/24)</u></b>  -The comparative figure is an asset and therefore should be presented within the asset section of the Balance Sheet	Management has agreed to make the necessary changes.	Y
<b><u>Cashflow statement</u></b>  -The net cash inflow from operating activities for 2023/24 should be £2,384k, not £2,374k, to ensure consistency with the signed 2023/24 accounts.	Management has agreed to make the necessary changes.	Y

-The cash figure disclosed in the cash flow statement differs from the figure disclosed in the balance sheet and does not agree with the signed 2023/24 accounts.		
<b><u>Audit fees:</u></b>  - The audit fee disclosed in the accounts does not agree to the published scale fee. The council has disclosed a fee of £165k, whereas the applicable scale fee is £180.9k.	Management has agreed to make the necessary changes.	Y
<b><u>Minor presentational, formatting and disclosure issues</u></b>  - We proposed a number of minor changes and narrative amendments to improve the presentation of the accounts.	Management has agreed to make the necessary changes.	Y

Disclosure / issue / omission	Outcome	Adjustment agreed?
<p><b>Summary of Identified Differences in Prior-Year Comparative Figures</b></p> <ul style="list-style-type: none"> <li>• Total Net Assets / Total Reserves have reduced from £122,156k in the signed 2023/24 accounts to £118,536k in the 2024/25 comparatives, a difference of £3,620k.</li> <li>• Capital Adjustment Account comparatives have similarly decreased by £3,620k (from £61,619k to £57,999k), reflecting the same movement noted above.</li> <li>• Earmarked Reserves have increased by £1,104k, from £20,912k to £22,016k.</li> <li>• Short-term Borrowing has increased by £3,620k, from £48,500k to £52,120k.</li> <li>• The Pension Reserve has changed marginally, decreasing by £16k (from £5,266k to £5,250k).</li> <li>• Other Comprehensive Income (OCI) reported in the Movement in Reserves Statement has decreased by £973k (from £18,576k to £17,603k).</li> <li>• Total Unusable Reserves Movement has increased by £4,593k, from £16,440k to £21,033k.</li> <li>• Net cash inflow from operating activities has changed from £2,384k to £2,374k.</li> <li>• The cash figure disclosed across the statements is inconsistent, with a reduction from £8,944k to £4,156k, a difference of £4,788k.</li> <li>• Depreciation charges have changed, including:</li> </ul>	Management has agreed to make the necessary changes.	Y

<ul style="list-style-type: none"> <li>- Other Land &amp; Buildings: increased by £4,719k (from £36,821k to £41,540k)</li> <li>- Vehicles, Plant &amp; Equipment: increased by £1,368k (from £20,191k to £21,559k)</li> <li>• Note 8 – Analysis of Fixed Assets shows incorrect comparative figures, with changes totalling £12,617k.</li> <li>• Note 12 – Borrowing at amortised cost differs by £3,620k, consistent with the change in short-term borrowing.</li> <li>• Note 6 – Earmarked Reserves is also misstated by £1,104k, consistent with the movement identified above.</li> </ul>		
<p><b>Prior period adjustments</b></p> <p>-The council will need to update the column headings for the comparative figures to indicate that they have been restated, and include a note explaining the changes made to those comparative figures</p>	<p>Management has agreed to make the necessary changes.</p>	<p>Y</p>