

The Audit Findings for The West of England Combined Authority

Year ended 31 March 2022

26 October 2022



Contents



Your key Grant Thornton team members are:

Jon Roberts

Key Audit Partner

E jon.roberts@uk.gt.com

David Bray

Senior Manager

E david.bray@uk.gt.com

Flora Wood

Assistant Manager

E flora.c.wood@uk.gt.com

Section	Page
1. Headlines	3
2. Financial statements	5
3. Value for money arrangements	16
4. Independence and ethics	18
Appendices	
A. Action plan	20
B. Follow up of prior year recommendations	21
C. Audit adjustments	22
D. Fees	25
E. Audit Opinion	26
This is not part of the Audit Findings Report:	
F. Letter in respect of delayed VFM work	33

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit Committee.

Name : Jon Roberts
For Grant Thornton UK LLP
Date: 26 October 2022

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Combined Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of The West of England Combined Authority ('the Combined Authority') and the preparation of the Combined Authority's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Combined Authority's financial statements give a true and fair view of the financial position of the Combined Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work commenced in September 2022 and has been a combination of remote working and an on-site presence at the Combined Authority's offices.

The target date for the completion of Local Government audits is 30 November 2022 and, at the time of writing, that date was over five weeks away.

Our audit work is therefore very much still in progress. We will provide the Audit Committee with a verbal update of our progress at its meeting on 17 November 2022 and will provide a further Audit Findings Report on the completion of our work.

Our findings to date are summarised on pages 5 to 15.

Our audit work has focussed on the two significant risks in the audit plan, namely the management override of controls and the valuation of the pension fund net liability. Please see pages 7, 8 and 10 for more information.

We have also focussed our efforts on analysing the relevant populations in order to furnish management with details of the transactions we wish to test.

To date, we have not identified any adjustments to the financial statements that have impacted on the reported outturn for the year.

Audit adjustments to date are detailed in Appendix C and this will be updated if necessary on the conclusion of our audit.

We have also raised two recommendations for management as a result of our audit work to date in Appendix A. Our follow up of the recommendation from the prior year's audit are detailed in Appendix B.

Whilst our work is still in progress, our anticipated audit report opinion will be unqualified – please see Appendix E.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Combined Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Combined Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Combined Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

In our audit plan we advised the Audit Committee that we would undertake our risk assessment regarding the Combined Authority's arrangements to secure value for money in the 2021/22 financial year once our work for 2020/21 had been completed.

We expect to present our governance report for 2020/21 to the Combined Authority's Audit Committee on 17 November 2022 and will be in a position to issue our final Auditor's Annual Report for 2020/21, once the Combined Authority has formally responded to any statutory recommendations that are arising from that work.

This Auditor's Annual Report will include the findings from our detailed governance review as well as the findings on financial sustainability, improving economy, efficiency & effectiveness and governance previously reported to the Audit Committee on 28 April 2022 and 12 October 2022.

An audit letter explaining the reasons for the delay to our work for 2021/22 is attached in Appendix F to this report.

We expect to issue our Auditor's Annual Report for 2021/22 by 28 February 2023. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties in 2021/22, although anticipate that we will be issuing a number of statutory recommendations as part of our 2020/21 governance work.

We expect to certify the completion of the audit upon the completion of our work on the Council's VFM arrangements, which will be reported in our Annual Auditor's report in February 2023.

We also need to complete the Whole of Government Accounts (WGA) procedures set out by the National Audit Office. At the time of writing, the WGA guidance for 2021/22 had not been issued.

Significant Matters

To date, we have not encountered any significant difficulties or identified any significant matters during the course of our audit.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Combined Authority's business and is risk based, and in particular included:

- an evaluation of the Combined Authority's internal controls environment, including its IT systems and controls; and
- substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our audit plan, as communicated to you on 28 April 2022.

Conclusion

Our audit work is still in progress.

Based on the satisfactory completion of the outstanding testing we anticipate issuing an unqualified audit opinion following the Audit Committee meeting on 17 November 2022 as detailed in Appendix E.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We have revised the materiality for the Combined Authority to reflect the actual gross expenditure for year.

We detail in the table opposite our determination of materiality for The West of England Combined Authority.

	Amount (£)	Qualitative factors considered
Materiality for the financial statements	£2.575m	This is 1.8% of the Combined Authority's gross expenditure for the year.
Performance materiality	£1.674m	This is 65% of the headline materiality for the year.
Trivial matters	£128k	This is 5% of the headline materiality for the year.



2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk in all organisations that the risk of management over-ride of controls is present. Management override is one of the two presumed risks that under auditing standards have to be reflected in all audits, whether in the public or private sector.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement

We have:

- evaluated the design effectiveness of management controls over journals;
- analysed the journals listing and determined the criteria for selecting high risk unusual journals;
- provided management with a listing of the journals selected for testing;
- gained an understanding of the accounting estimates and critical judgments applied/made by management and considered their reasonableness with regard to corroborative evidence; and
- evaluated the rationale for any changes in accounting policies, estimates, or significant unusual transactions.

We still need to complete our testing of the potentially unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration. This could include, for example, large amounts or journals posted by officers that would not normally be expected to process journals.

Our audit work to date has not identified any issues in respect of management override of controls.



2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of pension fund net liability

The Authority's net defined benefit liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.

The pension fund liability is considered a significant estimate due to its size (£13.778m in the Authority's prior year balance sheet) and the sensitivity of the estimate to changes in key assumptions.

We have therefore identified the valuation of the Authority's pension fund liability as a significant risk

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's net defined benefit liability is not materially misstated and evaluated the design of the associated controls;
- evaluated the instructions issued by management to their management expert (the actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

We still need to:

- assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; and
- obtain assurances from the auditor of Avon Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data, and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. The Pension Fund audit has not yet been completed.

Our audit work to date has not identified any issues in respect of Combined Authority's Pension Fund net liability. Please see page 10 for additional commentary in this area.

2. Financial Statements - Significant risks

Risk	Commentary
<p>The revenue cycle includes fraudulent transactions (rebutted)</p>	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at WECA, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including WECA, mean that all forms of fraud are seen as unacceptable. <p>We therefore did not consider this to be a significant risk for The West of England Combined Authority.</p> <p>We have reconsidered our original assessment as part of our audit work on the Combined Authority’s financial statements and are satisfied that this rebuttal remains appropriate.</p>
<p>The expenditure cycle includes fraudulent transactions (rebutted)</p>	<p>Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom (PN10) states:</p> <p>"As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition". Public sector auditors therefore need to consider whether they have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit.</p> <p>We have rebutted this presumed risk for WECA because:</p> <ul style="list-style-type: none"> • expenditure is well controlled and the Authority has a strong control environment; • there is very little incentive for management to mis-represent expenditure; and • the Authority has clear and transparent reporting of its financial plans and financial position to those charged with governance. <p>We therefore did not consider this to be a significant risk for The West of England Combined Authority.</p> <p>We have again reconsidered our original assessment as part of our audit work on the Combined Authority’s financial statements and are satisfied that this rebuttal remains appropriate.</p>

2. Financial Statements - key judgements and estimates

Summary of management's approach

Net pension liability – £13.725m

The Authority's net pension liability at 31 March 2022 is £13.725mm (PY £13.8m) comprising the Avon Local Government Pension Fund defined benefit pension scheme obligation.

The Authority uses Mercer to provide actuarial valuations of the Authority's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed as at 31 March 2019 and was used for the three years from 2019/20 to 2021/22. The latest triennial valuation exercise is currently underway.

Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £2.59m net actuarial gain during 2021/22.

Audit Comments

- We formed an assessment of management's expert (Mercer). We considered that they are an appropriate expert to undertake the valuation of the pension liability.
- We undertook detailed work to assess the movement of the pension liability in the year and identified the need for a revised actuarial report to be produced.
- We utilised PwC as an auditor's expert to assess the actuary and their assumptions which were considered to be appropriate. See table below.

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2.80%	2.70% to 2.80%	●
Pension increase rate	3.20%	3.00% to 3.50%	●
Salary growth	1.5% more than CPI	0.5% to 2.5% p.a. above CPI	●
Life expectancy – Males currently aged 45 / 65	24.8 and 23.3	22.2 – 24.8 and 20.7 – 23.3	●
Life expectancy – Females currently aged 45 / 65	27.4 and 25.4	25.7 – 27.5 and 23.8 – 25.5	●

We are satisfied that the estimate has been properly disclosed in the Combined Authority's financial statements.

Please see page 8 for additional commentary in this area.

Assessment

Light Purple

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

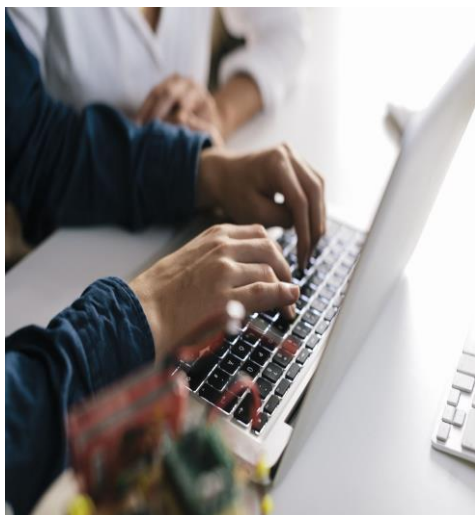
Significant matter	Commentary	Auditor view and management response
Processing of journals	<p>The Combined Authority strengthened its internal controls during the year and journals are now required to be approved within the ledger. Previously there was an inefficient manual process in place.</p> <p>However, the Authority was unable to provide a report listing the journals processed in the year, the poster and the approver.</p> <p>The Financial Accountant needed to undertake a manual exercise, which was completed under our observation, in order to provide this information. We also noted that a member of the finance team had administrative rights and was also able to process, but not authorise, journals. Whilst the Combined Authority is a relatively small organisation, this is unusual as normally staff with administrator access are not able to process journals.</p>	<p>In Appendix A we have recommended that the Combined Authority contacts its software provider in order to enable this bespoke report to be produced.</p> <p>Whilst we welcome this development to the approval process, we suggest the Combined Authority reviews the appropriateness of providing administrative rights to operational staff. We are of the view that the fact that all journals need to be independently reviewed mitigates the risks in this area.</p> <p>Management response</p> <p>We have agreed this recommendation as noted in Appendix A.</p>

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	<p>We have previously discussed the risk of fraud with the Audit Committee.</p> <p>We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.</p>
Matters in relation to related parties	<p>We are not aware of any related parties or related party transactions which have not been disclosed.</p>
Matters in relation to laws and regulations	<p>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work in 2021/22</p>
Written representations	<p>A letter of representation will requested from the Combined Authority, and a draft version will be included in the Audit Committee papers for 10 November 2022.</p> <p>We will update this draft letter of representation should any matters come to light during the remainder of our audit work.</p>

2. Financial Statements - other communication requirements



Issue	Commentary
Confirmation requests from third parties	<p>We requested from management permission to send confirmation requests to its bankers and those organisations with whom the Authority has funds invested. This permission was granted and the requests were sent.</p> <p>We have had a positive response from the Combined Authority's bankers.</p> <p>We have received responses from most of the organisations with whom the Authority has funds invested and are chasing the small number of outstanding items.</p> <p>As noted on page 3, at the time of writing the target date for the completion of Local Government audits is over five weeks away and these outstanding items are not a cause for concern at this stage.</p>
Accounting practices	<p>We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.</p>
Audit evidence and explanations/significant difficulties	<p>All information and explanations requested from management has been provided.</p>

2. Financial Statements - other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that, for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Combined Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Combined Authority and the environment in which it operates the Combined Authority's financial reporting framework the Combined Authority's system of internal control for identifying events or conditions relevant to going concern management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>We will review the Combined Authority's Annual Governance Statement once our governance report and Auditor's Annual Report for 2020/21 have been issued in order to ensure that any audit findings have been included.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement (AGS) does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters based on the work completed to date. We will review the AGS upon completion of our Value for Money work for 2020/21.</p> <p>As reported on page 4, we have not commenced our VFM work for 2021/22 and so are not in a position to issue our Auditor's Annual Report for that year.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures on behalf of the National Audit Office (NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>No additional work is required as the Combined Authority does not exceed the threshold set by the NAO.</p> <p>However, the NAO have not yet issued the instructions to auditors and so we have been unable to complete our work in this area.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2021/22 audit of The West of England Combined Authority in the audit report, as detailed in Appendix E, due to the fact that our work on the Combined Authority's Value for Money assessment has yet to be completed.</p> <p>We will also refer to the WGA submission as noted above.</p>



3. Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

In our audit plan we advised the Audit Committee that we would undertake our risk assessment regarding the Combined Authority's arrangements to secure value for money in the 2021/22 financial year once our work for 2020/21 had been completed.

We expect to present the our governance report for 2020/21 to the Combined Authority's Audit Committee on 10 November 2022 and will then be in a position to issue our final Auditor's Annual Report for 2020/21, once the Combined Authority has formally responded to any statutory recommendations that are arising from that work.

This final 2020/21 Auditor's Annual Report will include the findings from our detailed governance review as well as the findings on financial sustainability, improving economy, efficiency & effectiveness and governance previously reported to the Audit Committee on 28 April 2022 and 12 October 2022.

An audit letter explaining the reasons for the delay to our work for 2021/22 is attached in Appendix F to this report.

We expect to issue our 2021/22 Auditor's Annual Report by 28 February 2023. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report \[grantthornton.co.uk\]](https://www.grantthornton.co.uk)

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams and no non-audit services were identified which were charged from the beginning of the financial year to the time of writing.

Appendices

A. Action plan – Audit of Financial Statements

We have identified two recommendations for the Combined Authority as a result of issues identified during the course of our audit to date. We have agreed these recommendations with management and we will report on progress on these during the course of the 2022/23 audit.

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Low risk	<p>As reported on page 11, the Combined Authority strengthened its internal controls during the year and journals are now required to be approved within the ledger. Previously there was an inefficient manual process in place.</p> <p>However, the Authority was unable to provide a report listing the journals processed in the year, the poster and the approver and the Financial Accountant needed to produce this manually.</p>	<p>We recommend that the Combined Authority contacts its software provider in order to enable this bespoke report to be produced.</p> <p>Management response</p> <p>Our ICT Provider is in the process of arranging the bespoke report that is required.</p>
Low risk	<p>Also as reported on page 11, we noted that a member of the finance team had administrative rights and was also able to process, but not authorise, journals. Whilst the Combined Authority is a relatively small organisation, this is unusual as normally staff with administrator access are not able to process journals.</p>	<p>We recommend that the Combined Authority reviews the appropriateness of providing administrative rights to operational staff.</p> <p>Management response</p> <p>All admin access has been removed where feasible to do so taking into account the size of the current team.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Follow up of prior year recommendation

We identified the following issue in the audit of the Combined Authority's 2020/21 financial statements, which resulted in one recommendation being reported in our 2020/21 Audit Findings report.

We are pleased to report that this has been implemented.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>There were a number of issues identified regarding the accuracy of the Authority's creditors in 2020/21.</p> <p>We recommended that the Authority should improve the working papers and internal quality assurance arrangements for creditors and the associated figures such as grants received in advance and the agency creditor.</p> <p>We also recommended that consideration should be given to using auto-reversing journals for in-year accruals in order to improve the audit trail for the year-end figures.</p> <p>Management response</p> <p>We have implemented a newly developed reversing journal import template which the entire Finance Team have been instructed to use going forward. We are in the process of creating a detailed monthly balance sheet reconciliation review process for the accrued income and expenses and prepayments in order to improve the process throughout the year.</p>	<p>Our work on creditors and the associated figures such as grants received in advance and the agency creditor is still in progress. However, the work to date has not identified the level of issues reported in the previous year.</p> <p>The Combined Authority has implemented a reversing journal process which has strengthened its arrangements in this area.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Audit Adjustments

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

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
At the time of writing we have not identified any misstatements which impact on the Combined Authority's primary financial statements.	None.	None.	None.
Overall impact	£0	£0	£0

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified to date during the audit which have been made in the final set of financial statements.

Disclosure	Comments	Adjusted?
Note 5 – Expenditure & Income Analysed by Nature	The analysis of the gross expenditure and income in this explanatory note did not originally agree to the consolidated income and expenditure statement (CIES). Both income and expenditure in the CIES were increased by £179k (no net effect) and Note 5 has been updated by increasing Other service expenses by £392k and Government grants and contributions income by £392k. This is due to the Mayoral contribution which was previously netted out.	✓
Note 13 – External Audit Fees	Although trivial, the note to the financial statements setting out the External Audit Fees omitted the additional £16k charged in 2020/21. This is reported as audit fees are deemed to be a sensitive matter. Please see Appendix D for further information on the External Audit Fees for the year.	✓

C. Audit Adjustments

Misclassification and disclosure changes (cont'd)

Disclosure	Comments	Adjusted?
Note 10 – Capital grants	The capital grant income disclosed in note 10 had not been updated to reflect the figures in the Consolidated Income and Expenditure Statement (CIES). The CIES figures are correct.	✓
Note 27 - Pension liability sensitivity analysis	The pension liability sensitivity analysis originally disclosed the impact for each 1% p.a. inflation increase instead of 0.1% as recommended by the actuary. We asked for this to be updated so that the note clearly demonstrates how sensitive the figures are to movements in the assumptions.	✓

C. Audit Adjustments



Impact of unadjusted misstatements

At the time of writing we have not identified any misstatements which management have declined to reflect in the final version of the Combined Authority's financial statements.

Impact of prior year unadjusted misstatements

There were no adjustments identified during the prior year's audit which had not been made within the final set of 2020/21 financial statements.

D. Fees

In our audit plan we stated that the fees for 2021/22 were ‘to be confirmed’ on the basis that we has not undertaken our Value for Money risk assessment for the year.

Also, at the time our plan was issued, the Combined Authority’s draft financial statements were not available and so it was not possible to accurately determine the level of work required for that aspect of our work. The Combined Authority’s gross expenditure (per the draft accounts) increased by over 45% between 2020/21 and 2021/22. This clearly impacts on the complexity of the audit and also has a very real impact on the inputs required for the variable elements of the audit.

The table below sets out the latest position regarding our audit fees. The Audit Committee should note that any fee variations need to be approved by Public Sector Audit Appointments Ltd (PSAA).

We confirm there were no fees for the provision of non audit services.

Audit fees	2020/21 Fees	2021/22 Fees
Combined Authority Audit (per 2020/21 Plan)	£39,384	£39,384*
Additional fee for 2020/21 financial statements work due to errors identified (agreed by previous Chief Finance Officer and approved by PSAA)	£16,000	N/A
Estimated additional fee for 2021/22 financial statements work due to 45% increase in gross expenditure noted above	N/A	£7,500
Additional fee for 2020/21 Value for Money assessment and reporting**	TBC	N/A
Additional fee for 2021/22 Value for Money assessment and reporting***	N/A	TBC
Total estimated audit fees (excluding VAT)	£TBC	£TBC

* The fees within Note 13 to the financial statements include the £39,384 here plus the additional fees of £16,000 for 2020/21.

** We will confirm fee for the 2020/21 Value for Money work once we issue our Auditor’s Annual Report for the year. This fee will include the independent legal advice we obtained to inform our findings. This fee will be subject to approval by PSAA.

*** We will provide the Audit Committee with an update on the expected fees for our 2021/22 Value for Money work once our risk assessment for the year has been completed. Please see page 17 for further information in this respect.

E. Audit opinion

Our expected audit opinion is included below.

Although our audit is still in progress, we anticipate we will provide the Combined Authority with an unmodified audit report.

Independent auditor's report to the members of The West of England Combined Authority

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of The West of England Combined Authority (the 'Authority') for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

E. Audit opinion

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Finance Officer with respect to going concern are described in the 'Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

E. Audit opinion

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities set out on page 21, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

E. Audit opinion

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Local Government Act 1972.
- We enquired of senior officers and the Audit Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journals posted by senior officers
 - Journals processed by unauthorised users
 - Journals with a blank description
 - Journals with certain key words that could be indicative of inappropriate or fraudulent use

E. Audit opinion

- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;
 - journal entry testing, with a focus on large and unusual journals and those posted by senior officers;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of defined benefit pensions liability valuations;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimate related to the defined benefit pensions liability valuation.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector
 - understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

E. Audit opinion

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority’s arrangements in our Auditor’s Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor’s report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

E. Audit opinion

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for The West of England Combined Authority for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report'
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2022.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Jon Roberts, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

Date:

F. Letter in respect of delayed VFM work

Commercial in confidence



Grant Thornton UK LLP
2 Glass Wharf
Temple Quay
Bristol
BS2 0EL
T +44 (0)117 305 7600

Our ref.
Your ref.
Cllr G Gollop
Chair of Audit Committee
The West of England Combined Authority
via e-mail

13 September 2022

Dear Cllr Gollop

Value for Money (VFM) Reporting 2021/22

The original expectation under the approach to VFM arrangements work set out in the 2020 Code of Audit Practice was that auditors would follow an annual cycle of work, with more timely reporting on VFM arrangements, including issuing their commentary on VFM arrangements for local government by 30 September each year at the latest.

Unfortunately, due to the on-going challenges impacting on the local audit market, including the need to meet regulatory and other professional requirements, we have been unable to complete our work as quickly as would normally be expected.

The National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money.

The position at The West of England Combined Authority is further complicated by the fact that our VFM work for 2020/21 has yet to be finalised, although we anticipate being able to report this work to the November 2022 Audit Committee.

Taking into consideration the need for an appropriate window between the 2020/21 report and that for 2021/22, we now expect to publish our Annual Audit Letter for 2021/22 no later than 30 April 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours faithfully

Jon Roberts
Partner



[grantthornton.co.uk](https://www.grantthornton.co.uk)

© 2022 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.