



Grant Thornton

South West of Scotland Transport Partnership (SWestrans)

External Audit Annual Report to the Board and the Controller of Audit for the
financial year ended 31 March 2019

30 September 2019

Joanne Brown
Engagement Leader

John Boyd
Senior Manager



Our audit at a glance



We have fulfilled our responsibilities per International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work and this final report to the Board and the Controller of Audit concludes our work.



Materiality was set at 2% of gross expenditure within our plan, and was updated to reflect the draft financial statements at £98,000.



Significant audit risks identified in our annual audit plan were: management override of controls and the risk of fraud in expenditure recognition as set out in the Financial Reporting Council's Practice Note 10. Our risk assessment remained unchanged and we did not identify any adjustments in these areas in our work.

An audit underpinned by quality



We have built on our understanding and relationship with the South West Scotland Transport Partnership (SWestrans) during the year supporting our audit process.



Our work was undertaken in accordance with our agreed timetable. The draft financial statements were produced by officers in line with agreed timescales and supported with good supporting working papers. We thank officers for their support and assistance during our work.



A wider scope audit for SWestrans as set out in our plan, was considered not appropriate. However, we have considered your financial sustainability arrangements and governance statement disclosures as part of our audit. We have raised two recommendations around enhancing performance reporting within the Management Commentary within the financial statements and the role of Internal Audit.

Contents

Section	Page
1. Introduction	4
2. The financial statements audit	5
3. Financial sustainability and governance statement	9
Appendices:	
1. Audit plan and follow up of 2017/18 external audit recommendations	12
2. Audit adjustments	13
3. Fees, independence and fraud arrangements	14
4. Communication of audit matters to those charged with governance	15

Introduction

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2019.

Our work has been undertaken in accordance with International Standards of Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

In accordance with our reporting responsibilities the report is jointly addressed to the Controller of Audit and the SWestrans Board.

This report will be made publically available on the Audit Scotland website (www.audit-scotland.gov.uk).

We would like to thank officers for an effective year-end audit process and all their support and assistance in the audit process.

Structure of this report

As set out in our Audit Plan (March 2019), in accordance with the Audit Scotland Code of Practice, we consider SWestrans as a smaller body. Therefore full wider scope is not appropriate. Our report concludes on our financial statements audit and certain aspects of the SWestrans's arrangements as follows:

Financial statements – Section 2 and Appendix 1

Financial sustainability and governance statement – Section 2

Our Opinion

For the financial year ended 31 March 2019 we have issued an **unqualified** audit opinion on the financial statements and that:

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 code
- prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003
- Other information in the annual report including Annual Governance Statement
- Other prescribed matters

Basis of preparation

SWestrans' financial statements are prepared in accordance with the 2018/19 CIPFA Code of Practice on Local Authority Accounting ('the 2018/19 Code'). The 2018/19 Code introduced a number of changes including the adoption of new International Financial Reporting Standards (IFRS): IFRS 9: *Financial Instruments*, and IFRS 15: *Revenue from contracts with customers*. However, the introduction of these standards and other changes within the 2018/19 Code did not have a material impact on the financial statements.

The audit process

A complete set of financial statements were made available to the public by the 30 June 2019 statutory deadline.

The draft financial statements were supported by working papers and the audit was efficient.

We have no adjusted or unadjusted audit differences to report. We identified a number of disclosure enhancements and these have been reflected in the financial statements (see Appendix 2).



Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Board in January 2018. As set out in our plan, our materiality calculations were based on the audited 2017/18 financial statements. We subsequently updated our materiality calculation to be based on the draft 2018/19 financial statements. Overall materiality has been set at £98,000 (2% of gross expenditure) and performance materiality is set at £73,500. (75% of materiality). Our materiality reflects our professional judgement of the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. We report to management any audit difference identified over £2,900 (trivial as 5% of materiality).

The draft financial statements and supporting working papers were presented for audit inspection in line with agreed timescales. There were a number of disclosure adjustments required to the draft financial statements. These are detailed in appendix 2.

Audit opinion

Based on our audit procedures performed we have issued an unqualified audit opinion on the financial statements including:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code) of the state of the body's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code;
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003;
- the information contained in the Management Commentary is consistent with the financial statements and have been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement has been prepared in accordance with the Delivering good Governance in Local Government Framework (2016).

SWestrans does not employ any staff and does not remunerate Board members. Consequently, a Remuneration Report is not required for 2018/19.

Internal control environment

During the year we sought to understand SWestrans' overall control environment (design) as related to the financial statements. In particular we have:

- Sought to understand procedures and controls around related parties, journal entries and other key entity level controls including understanding of the controls in place at Dumfries and Galloway Council, who administer financial transactions on SWestrans' behalf.
- Performed procedures around entity level controls and there are no significant matters that we wish to draw to your attention.
- Performed walkthrough procedures on key controls around identified risk areas including revenue, expenditure

No material weaknesses in the accounting and internal control systems were identified based on our work undertaken during the audit which could have an adverse impact on SWestrans' ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements. We adopted a substantive based approach to the audit of the financial statements and therefore do our review is limited to the design of controls rather than the operating effectiveness of these.

Identified audit risks and our conclusions

Identified audit risk at planning	Work completed	Our conclusion
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risk of fraud in revenue</p>	<p>As set out in International Standards on Auditing 240: <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i> (ISA 240), there is a presumed risk that the financial statements may be misstated due to improper recognition of revenue.</p> <p>As noted in our annual audit plan, SWestrans is funded through grants and contributions. Given the funding is well forecast and agreed directly to funding confirmation letters and amounts received, it is our opinion that there is a lower risk of misstatement in revenue as there is limited opportunity or incentive for the risk to occur. We therefore rebut the presumed risk around revenue recognition. During our audit we have agreed revenue recognised to third party funding confirmation and are satisfied that these are free from material misstatement.</p>	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risk of fraud in expenditure</p>	<p>As set out in the Financial Reporting Council's Practice Note 10 (revised), which is applicable to public sector entities, there is a presumed risk that operating expenditure may be understated or not treated in the correct period (risk of fraud in expenditure).</p> <p>As payroll expenditure is well forecast and agreeable to underlying payroll systems there is less opportunity for the risk of misstatement in this expenditure stream. We therefore focus on non-pay expenditure. Given financial performance is predominantly measured based on year end outturn position, we consider the risk to be prevalent around the year end. Our risk is around understatement of expenditure and therefore focus our testing on completeness and cut-off of non-pay expenditure.</p>	<ul style="list-style-type: none"> • Developed our understanding of SWestrans' material expenditure streams including walkthrough of key transactions. • Performed cut-off at year end on post year end transactions and performed procedures to ensure expenditure allocated in appropriate financial year. Our testing included testing of up to two months post year end transactions and bank entries to confirm no unrecorded transactions. • Confirmed the completeness of creditors balances through testing for unrecorded liabilities. <p>From our audit procedures performed we are satisfied that expenditure is free from material misstatement. We are satisfied that transactions have been recognised in the appropriate financial year.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Management override of controls</p>	<p>As set out in ISA 240, across all entities there is a presumed risk of fraud being perpetrated by management through its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Override of controls risk is presumed across all financial statement audits.</p>	<ul style="list-style-type: none"> • Developed our understanding of the entity level controls in place at the SWestrans that reduce the risk of management override. • Performed review of journal transactions for unusual transactions or balances. • Evaluated key areas of judgement within the financial statements and the basis for these judgements / application of accounting policies. Given the nature of SWestrans accounts there is limited areas of estimation and judgement. • Reviewed unusual and/or significant transactions. <p>We did not identify any significant areas of bias in key judgements by management. The nature of the SWestrans's financial transactions there is limited areas of estimation within the financial statements. We are satisfied through testing performed that there was no indication of inappropriate management override of controls.</p>

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Accounts. We have considered the consistency of this narrative with our understanding and the financial statements and have set out our observations below.

Management Commentary

The information contained in the Management Commentary is consistent with the financial statements and have been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003.

The Management Commentary provides users of the accounts with information on SWestrans' financial and non-financial performance during the year and its financial outlook for 2019/20. While the Commentary includes a review of 2018/19 key developments and achievements the focus is predominantly on performance compared to prior year. We recommend the report could be enhanced through greater focus against performance targets to measure outcomes against plans.

Action plan point 1

Overall observations

SWestrans' financial statements continue to be developed to provide the reader of the accounts with an understanding of the organisation's financial and non-financial performance during the year.

Annual Report and accounts

Remuneration Report

SWestrans have no employees and Members do not receive remuneration therefore there is no requirement to prepare a remuneration report

Annual Governance statement

The Annual Governance Statement outlines SWestrans' scope of responsibility and governance framework in place, including effectiveness of governance arrangements in place.

The statement has been prepared in accordance with the Delivering good Governance in Local Government Framework (2016)

Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.

The SWestrans's accounting policies are in accordance with the CIPFA Code of Practice on Local Authority Accounting and we consider these to be appropriate to the organisation and consistent with those adopted in prior years. The 2018/19 Code introduced a number of changes including the adoption of new International Financial Reporting Standards (IFRS): IFRS 9: *Financial Instruments*, and IFRS 15: *Revenue from contracts with customers*. However, the introduction of these standards and other changes within the 2018/19 Code did not have a material impact on the financial statements.

The SWestrans's financial statements are not complex with **limited areas of judgement or estimation**. They provide transparent reporting of income and expenditure throughout the year.

In terms of uncertainties, SWestrans had **no material uncertainties** in the accounts

In relation to the audit risk of fraud in respect of expenditure, we tested SWestrans cut off arrangements in particular (timing of transaction) and identified no issues in accruals or prepayments which would indicate potential fraud. There are **no post balance sheet events or legal uncertainties** at year-end.

Going concern

SWestrans is funded primarily through contributions from Dumfries & Galloway Council (£4.29 million and Scottish Government grants (£259,000). SWestrans reported net expenditure for the year of £350,000. This related to depreciation charges on property, plant and equipment. As these costs are charged to the Capital Adjustment Account, the net impact on the general fund was £nil. This was consistent with SWestrans' budget.

As at 31 March 2019, SWestrans' had net assets of £1.464 million, primarily relating to property, plant and equipment.

Officers are satisfied that SWestrans will continue to receive funding from Dumfries & Galloway Council and the Scottish Government to meet annual operating obligations as they fall due over at least a period of 12 months from the date of signing the accounts. As a result they are satisfied that the entity continues to represent a going concern. We have obtained confirmation of SWestrans' funding for 2019/20 and concur with Officer's going concern assessment.



Financial management and governance statement

For smaller bodies we are allowed under the Audit Scotland Code of Practice to not apply the full wider scope audit. In our judgement, taking into account the nature of SWestrans and your income and expenditure streams we feel it is appropriate to treat you as a smaller body under the code. However, we will focus on financial sustainability considering your financial sustainability as well as the annual governance statement.

Key observations



Financial position & management

SWestrans reported a breakeven position for the year ended 31 March 2019, with the main expenditure from the subsidies in respect of the local bus network, which totalled £4.9 million. However, through spending controls and active budget management, SWestrans achieved a financial balance.

SWestrans face particular financial challenges in balancing public sector funding constraints alongside increasing pressures. Currently SWestrans, like other transport authorities, faces challenges in planning strategically as it is limited to annual funding settlements and unable to hold reserves.

While we recognise that SWestrans currently receive funding on an annual basis, we would encourage SWestrans to look to develop medium to longer term financial plans. SWestrans has developed a medium term capital plan covering the three year period 2019/20 to 2021/22. However, there is no medium term revenue plan.

Follow up action plan point 1

SWestrans delivered a breakeven position against budget for the year ended 31 March 2019. However, Officers recognise that the organisation faces financial challenges over the coming years.



SWestrans Governance Statement

SWestrans has an established governance framework in place consisting of policies, procedures and systems of internal control to support the delivery of partnership outcomes. In addition, The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the review of the National Transport Strategy and the Borders Transport Corridor Appraisal.

Key strategic risks are reported annually to the Partnership and internal audit provide assurance around the adequacy and effectiveness of SWestrans internal control framework. From review of corporate publications, the SWestrans board minutes and papers we have not identified any material concerns around governance arrangements in place.

Internal Audit

As set out in our external audit plan we have not placed formal reliance on the work of Dumfries & Galloway Council's Internal Audit Service, the SWestrans's internal audit provider. SWestrans use the financial systems and resources of Dumfries & Galloway Council. The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems. While we recognise that the assurance provided by the Council's Internal Audit services provides some assurance to Swestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. We recommend that SWestrans explore options, including utilising Internal Audit to obtain independent assurance over key areas of strategic risk. Areas could include financial and operational planning and governance arrangements.

Action Plan Point 2

SWestrans's annual governance statement has been prepared in accordance with Delivering Good Governance in Local Government Framework (2016).

Key observations



Openness and transparency

The SWestrans' Board minutes and papers are published through the SWestrans' website. We found that these are published in a timely manner and readily accessible. We found that Board papers are clear and concise and clearly articulate decisions taken.

SWestrans continues to demonstrate a commitment to openness and transparency in decision making.



EU Withdrawal

There is considerable uncertainty around the potential impact of EU withdrawal. We have used Audit Scotland's planning guidance to evaluate the SWestrans's readiness for EU withdrawal across workforce (People and Skills); Finance; and Regulations. While the direct impact of Brexit is limited in terms of workforce, finance and regulations, there could be downstream implications on SWestrans, in terms of government transport policy or future levels of Scottish Government funding following EU withdrawal. The organisation continues to monitor political developments and will respond accordingly.

While there is limited direct impacts on the SWestrans from EU withdrawal, Officers recognise the indirect potential implications on the organisation. We are satisfied that SWestrans is partly prepared to manage these risks with Officers continuing to monitor EU withdrawal developments.

Appendices

Action plan and follow up of 2017/18 recommendations

Audit adjustments

Independence, fees and fraud responsibilities

Communication of audit matters with the Board

Action plan and follow up of 2017/18 recommendations

We have set out below, based on our audit work undertaken in 2018/19, those risks and recommendations we consider are of a higher risk to SWestrans that Officers may wish to consider in the future.

Recommendation

Agreed management response

Management commentary

The Management Commentary provides users of the accounts with information on the SWestrans's financial and non-financial performance during the year and its financial outlook for 2019/20. While the Commentary includes a review of 2018/19 key developments and achievements, there is an opportunity to further develop the reporting in future years to provide performance against key performance outcomes.

We recommend that officers look to enhance the Management Commentary contained within the financial statements to provide quantifiable measures of performance against key priorities.

Management response: We will continue to review and enhance the commentary where appropriate that will look to add value to the document.

Timescale: March 2020

Action Owner: Douglas Kirkpatrick

Internal audit

The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems. While we recognise that the assurance provided by the Council's Internal Audit services provides some assurance to SWestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. We recommend that SWestrans explore options, including utilising Internal Audit to obtain independent assurance over key areas of strategic risk. Areas could include financial and operational planning and governance arrangements.

Management response: Options to obtain independent assurance over key areas will be explored.

Timescale: 2019/20

Action Owner: Douglas Kirkpatrick

We have also completed follow up of our 2017/18 recommendations and this is reflected below for information.

Follow up of 2017/18 External Audit Recommendations

Update as at September 2019

Strategic financial planning: Due to annual funding settlement as well as restrictions on the organisation's ability to hold reserves, SWestrans financial plans are primarily based on an annual basis. Given the financial pressures facing the organisation it is important that medium to longer term financial plans are in place to ensure that SWestrans has a sustainable operating model in place to support service delivery. With the draft Transport Bill, there is potentially opportunity for SWestrans to retain reserves in the future providing an opportunity for more strategic financial planning and investment decisions.

Management response: We will continue to track the progress of the Transport Bill and will look at longer term planning and consultation on any potential funding reductions.

Outstanding: The 2019/20 budget has been prepared for a single year only. While a medium term capital plan has been developed a medium term revenue budget has not been established. We recommend that SWestrans continue to look to develop more strategic financial plans.

Management response: We will review the introduction of a draft financial plan linked to the Councils 3 year plan.

Timescale: 2019/20

Action Owner: Douglas Kirkpatrick

Audit adjustments

Uncorrected and corrected misstatements

We are pleased to report that there were no corrected or uncorrected misstatements to the financial statements arising during our audit.

Disclosure misstatements

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow the Board to evaluate the impact of these matters on the financial statements. The significant disclosure adjustments made during the course of our audit are detailed below:

Item	Description	Corrected
1	Statement of Responsibilities Statement of responsibilities of both the SWestrans' Board and Treasurer to be updated to comply with the Cipfa Code of Practice on Local Authority Accounting 2018/19	✓
2	Accounting policies Accounting policies to be updated to reflect the 2018/19 Code of Practice on Local Authority Accounting 2018/19 (the 2018/19 Code)	✓
3	Annual Governance Statement Annual Governance Statement disclosures required updating to ensure compliance with the 2018/19 Code and applicable guidance.	✓

Fees, independence, fraud arrangements

External Audit Fee

Service	Fees £
External Auditor Remuneration	8,440
Pooled Costs	820
Contribution to Audit Scotland costs	530
Contribution to Performance Audit and Best Value	0
2018-19 Fee	9,790

The audit fee was calculated in accordance with guidance issued by Audit Scotland and agreed with Management.

The above fee has not changed and our final fee was £9,790.

Fees for other services

Service	Fees £
We can confirm there are no non-audit fees for the 2018/19 financial year	Nil

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 Auditing Practices Board's Ethical Standards and therefore we confirm that we 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 Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.

We can confirm no independence concerns have been identified.

Client service

We take our client service seriously and continuously seek your feedback on our external audit service. Should you feel our service falls short of expected standards please contact Joanne Brown, Head of Public Sector Assurance Scotland in the first instance who oversees our portfolio of Audit Scotland work (joanne.e.brown@uk.gt.com). Alternatively, should you wish to raise your concerns further please contact Jon Roberts, Partner and Head of Assurance, 30 Finsbury Square, London, EC2A 1AG. If your feedback relates to audit quality and we have not successfully resolved your concerns, your concerns should be reported to Elaine Boyd, Assistant Director, Audit Scotland Quality and Appointments in accordance with the Audit Scotland audit quality complaints process.

Fraud arrangements

In assessing our audit risks, the audit team was alert to the possibility of fraud at the Authority.

As part of our audit work we are responsible for:

- identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relation to management override of controls.
- Leading a discussion with those charged of governance (SWestrans' Board) on their view of fraud. We did this when presenting our audit plan.
- designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud
- responding appropriately to any fraud or suspected fraud identified during the audit. – None were identified in-year

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

It is **SWestrans'** responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we worked with the Authority to review specific areas of fraud risk, including the operation of key financial controls.

We also examined certain policies in place, strategies, standing orders and financial instructions, as relevant to the fraud framework, to ensure that they provide a reasonable framework of internal control.

No suspected frauds or irregularities have been identified by Management and reported in-year.

Anti-Money Laundering Arrangements

As required under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 there is an obligation on the Auditor General (as set out in the planning guidance) to inform the National Crime Agency if she knows or suspects that any person has engaged in money laundering or terrorist financing. Should we be informed of any instances of money laundering at SWestrans we will report to the Auditor General as required by Audit Scotland.

Communication of audit matters with the South West of Scotland Transport Partnership and the Accountable Officer

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
We are independent of the SWestrans and have not identified any conflicts of interest		
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
We have not incurred any non-audit fees during the year and no threats to independence identified		
Significant matters in relation to going concern	•	•
No significant going concern matters identified		
Views about the qualitative aspects of the SWestrans accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Set out in the Financial statements Section		
Significant findings from the audit		•
No significant findings from our audit		
Significant matters and issues arising during the audit and written representations that have been sought		•
Letter of representation will be signed by the relevant Officer. This is our standard, unmodified letter of representation.		
Significant difficulties encountered during the audit		•
No difficulties encountered		
Significant deficiencies in internal control identified during the audit		•
None identified		
Significant matters arising in connection with related parties		•
None identified		
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
None identified. We report identified frauds to Audit Scotland through quarterly fraud returns in line with the Audit Scotland Code. These were all nil returns throughout the year		
Non-compliance with laws and regulations		•
None noted		
Unadjusted misstatements and material disclosure omissions		•
None noted. Minor disclosure amendments only and these were not material in nature		
Expected modifications to the auditor's report, or emphasis of matter		•
None, an unqualified opinion		

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

We communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Treasurer or SWestrans' Board



Grant Thornton

grantthornton.co.uk

© 2019 Grant Thornton UK LLP. All rights reserved.

'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.