

London Councils

Report to those charged with governance

Report to the Audit Committee on the audit for the year ended 31 March 2014 (*ISA (UK&I) 260*)

Government and
Public Sector

September 2014

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

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An audit of the Statement of Accounts is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters. We have issued a number of reports during the audit year, detailing the findings from our work and making recommendations for improvement, where appropriate.

Executive summary

Background

This report tells you about the significant findings from our audit. We presented our plan to you in March 2014; we have reviewed the plan and concluded that it remains appropriate.

Audit Summary

- We have completed the majority of our audit work and expect to be able to issue an unqualified audit opinion on the Statement of Accounts on 26 September 2014.
- The key outstanding matters, where our work has commenced but is not yet finalised, are:
 - approval of the Statement of Accounts and letters of representation;
 - receipt of outstanding bank and investment confirmations; and
 - completion procedures including subsequent events review.
- There are two key judgments which require the Audit Committee's attention – further details are set out on pages 6-9.

Please note that this report will be sent to the Audit Commission in accordance with the requirements of its standing guidance.

We look forward to discussing our report with you on 26 September 2014. Attending the meeting from PwC will be Ciaran McLaughlin.

Audit approach

Our audit approach was set in our audit plan which we presented to you in March 2014.

We have summarised below the significant risks we identified in our audit plan, the audit approach we took to address each risk and the outcome of our work.

Risk	Categorisation	Audit approach	Results of work performed
Management override of controls ISA (UK&I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit. In every organisation, management may be in a position to override the routine day to day financial controls. Accordingly, for all of our audits, we consider this risk and adapt our audit procedures accordingly.	Significant ●	<p>As part of our assessment of your control environment we considered those areas where management could use discretion outside the financial controls in place to misstate the financial statements.</p> <p>We performed the following procedures to:</p> <ul style="list-style-type: none"> • Test the appropriateness of journal entries and other adjustments to the general ledger. • Test accounting judgements that affect the General Fund for bias, such as bad debts, accruals and provisions. • Consider if there were significant transactions outside the normal course of business, and if there were, whether their rationale suggested fraudulent financial reporting or asset misappropriation. • Test that expenditure was recorded in the correct financial year. • Consider whether any segregation of duties weaknesses gave rise to a significant risk of material misstatement. • Test that the reversal of items debited or credited to the Comprehensive Income and Expenditure Statement were in accordance with statute. • Review the appropriateness of accounting policies and estimation bases, focusing on any changes not driven by amendments to reporting standards; and • Perform unpredictable procedures targeted on fraud risks. <p>We also understood and evaluated controls relevant to management override risks identified above.</p>	<p>Audit work performed as per the planned audit approach stated.</p> <p>No significant misstatements or control deficiencies were identified as a result the procedures performed.</p>

Risk	Categorisation	Audit approach	Results of work performed
Risk of fraud in revenue and expenditure recognition Under ISA (UK&I) 240 there is a presumption that there are risks of fraud in revenue recognition. We extend this presumption to the recognition of expenditure in local government.	Significant ●	<p>We obtained an understanding of revenue and expenditure controls.</p> <p>We evaluated and tested the accounting policy for income and expenditure recognition to ensure that this was consistent with the requirements of the Code of Practice on Local Authority Accounting.</p> <p>We reviewed accounting estimates relating to the recognition of income and expenditure (for example deferred income and accruals).</p> <p>We performed detailed testing of revenue and expenditure transactions, focussing on the areas we considered to be of greatest risk.</p> <p>In respect of revenue, we focussed on revenue streams other than Borough subscription fees and rental income as these revenue streams are predictable in nature.</p> <p>In respect of expenditure, we focussed on expenditure streams other than highly predictable expenses such as payroll costs, property rental, business rates and European Social Fund grant expenditure.</p>	<p>Audit work performed as per the planned audit approach stated.</p> <p>No significant misstatements or control deficiencies were identified as a result of the procedures performed.</p>

Intelligent scoping

In our audit plan presented to you in March 2014 we reported our planned overall materiality, determined using reported gross expenditure for the year ended 31 March 2013, which we used in planning the overall audit strategy. Our materiality for the performance of audit work was revised to reflect actual expenditure for the year ended 31 March 2014. This did not result in a significant change from our planned overall materiality and therefore had no effect on our testing strategy.

Our revised materiality levels are as follows:

Committee	Overall materiality £	Clearly trivial reporting de minimis £
Joint Committee	1,418,000	70,000
Transport and Environment Committee	944,000	47,000
Grants Committee	181,000	9,000

Overall materiality has been set at 2% of actual expenditure for the year ended 31 March 2014.

ISA (UK&I) 450 (revised) requires that we record all misstatements identified except those which are “clearly trivial” i.e. those which we do expect not to have a material effect on the financial statements even if accumulated. We agreed the de minimis threshold with the Audit Committee at its meeting in March 2014.

Significant audit and accounting matters

Auditing Standards require us to tell you about relevant matters relating to the audit of the Statement of Accounts sufficiently promptly to enable you to take appropriate action.

Accounts

We have completed our audit, subject to the following outstanding matters:

- review and agreement of final disclosures in respect of income and expenditure associated with Parking on Private Land Appeals (POPLA) contract;
- approval of the Statement of Accounts and letters of representation;
- identification of contingencies and commitments relating to legal matters notified by the Comptroller and City Solicitor; and
- completion procedures including subsequent events review.

Subject to the satisfactory resolution of these matters, the finalisation of the Statement of Accounts and their approval of them we expect to issue a modified audit opinion. The opinion will draw the readers' attention to the note about the POPLA contract and the disclosures made therein, but unless agreement cannot be reached with management, it will not constitute a qualification.

We will not however, be able to issue the completion certificate in respect of our 2013/14 audits of TEC or the Consolidated accounts until we have completed our work into an objection relating to the 2012/13 accounts. We hope to complete our work on this objection by 31 October 2014.

Accounting issues

The following significant accounting issues requiring amendment to disclosures in the Statement of Accounts were identified:

- *Parking on Private Land Appeals Service*
A disagreement with management was identified regarding the lawfulness of income and expenditure relating to the Parking on Private Land Appeals service operated by the Authority under contract for the British Parking Association. We recognise that Management is taking action to ensure that the powers necessary to make the operation of the contract lawful going forward are appropriately delegated by the London local authorities. Further details of the disagreement are included in the Disagreement with management section below.
- *Related Parties – British Parking Association (BPA)*
It was identified that the British Parking Association was a related party due to a common director. The related party transaction disclosure was revised to include all transactions with the BPA as detailed in the Related parties section below.

Changes to IAS 19: Employee Benefits

From 2013/14 there have been changes to the accounting for defined benefit schemes and termination benefits. These changes have been appropriately reflected in the Authority's financial statements.

Misstatements and significant audit adjustments

We have to tell you about all uncorrected misstatements we found during the audit, other than those which are trivial. We also bring to your attention misstatements which have been corrected by management but which we consider you should be aware of in fulfilling your governance responsibilities.

No misstatements were identified during the audit which were required to be brought your attention.

Significant accounting principles and policies

Significant accounting principles and policies are disclosed in the notes to the Statement of Accounts. We will ask management to represent to us that the selection of, or changes in significant accounting policies and practices that have, or could have, a material effect on the Statement of Accounts have been considered.

Judgments and accounting estimates

The Authority is required to prepare its financial statements in accordance with the CIPFA Code. Nevertheless, there are still many areas where management need to apply judgement to the recognition and measurement of items in the financial statements. The following significant judgements and accounting estimates were used in the preparation of the financial statements:

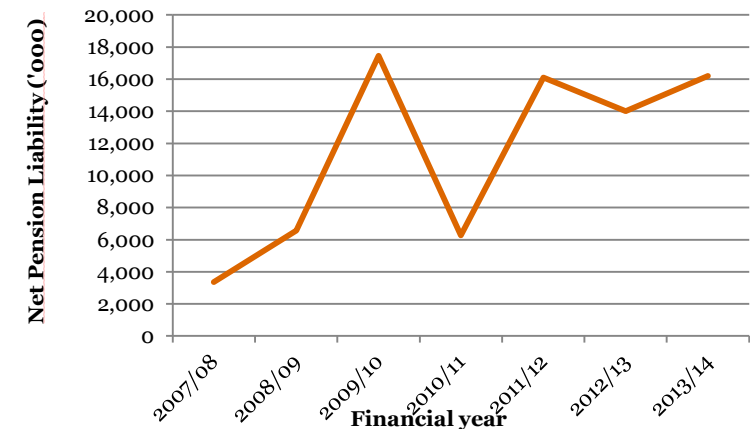
Valuation of Pensions Liability

The most significant estimate in the Statement of Accounts is in the valuation of net pension liabilities for employees in the pension fund. Your net pension liability at 31 March 2014 was £16.2 million (2013 - £14.0 million).

London Councils engaged the actuary Barnett Waddingham LLP to estimate the value of the Pension Liability on the balance sheet at 31 March 2014.

The calculation involves a number of complex judgements, including appropriate discount rates to be used, mortality rates, expected return on pension fund assets, salary changes and estimates of future retirement ages.

The following chart shows the movement in the Authority's net pension liability over the last few years.



We reviewed the reasonableness of the assumptions underlying the pension liability, and we are comfortable that the assumptions are within an acceptable range. We validated the data supplied to the actuary on which to base their calculations.

Central Recharges

In the year ended 31 March 2014, there was a change in accounting policy for recharging central overhead costs.

We have documented and evaluated the process to calculate the recharges and reviewed the accuracy of the calculation of

the amount to be recharged for all recharges in the year ended 31 March 2014.

The above procedures have also been performed for all material restatements of the 2012/13 comparatives resulting from the change in accounting policy.

Payments in Advance

The Consolidated Statement of Accounts include payments in advance of £2.1 million at 31 March 2014. This balance was substantively tested on a sample basis, with all sampled prepayments agreed directly to supporting documentation or recalculated based on the details of the supporting evidence obtained.

Accruals

The Consolidated Statement of Accounts accrued expenditure of £2.7 million at 31 March 2014. This balance was substantively tested on a sample basis, with all sampled accruals corroborated using appropriate supporting documentation.

Receipts in Advance

The Consolidated Statement of Accounts include receipts in advance of £5.2 million at 31 March 2014. These balances all relate to grants or contributions in excess of expenditure for related expenditures. These balances are carried forward to be matched against expenditure in future periods. This balance was substantively tested on a sample basis. For each sampled balance, the decision to carry forward the excess income was assessed for reasonableness and the amount deferred was recalculated.

Disagreement with management

The following disagreement with management, could be significant to the entity's Statement of Accounts or our audit report.

Parking on Private Land Appeals Service

In September 2013, an objection was raised on the London Councils accounts for 2012/13 by an interested person residing in London. The objection stated that the Transport and Environment Committee (TEC) did not have the legal powers to provide an appeals service for parking on private land for the British Parking Association under contract.

Having taken our own independent legal advice, we are of the view that TEC did not have the legal powers to enter into the contract. It is common ground that local authorities have a general power of competence under section 1 of the Localism act 2011, which could provide them with the power to enter into such an arrangement and to delegate this to TEC. It is our view that such a delegation was not properly secured the income and expenditure derived from the contract and recorded within the accounts is therefore unlawful. It is the view of management that the service was and is currently being delivered by TEC on behalf of all the participating authorities with their consent and proper authority.

Income and expenditure in respect of the contract included in the Statement of Accounts was immaterial for year ended 31 March 2013. However, amounts recognised in the year ended 31 March 2014 were material.

We recognise that Management is taking action to ensure that the powers necessary to make the operation of the contract lawful going forward are appropriately delegated by the London local authorities.

Appropriate disclosure of the disagreement between management and the auditors has been made in the Statement of Accounts and a liability correctly included in respect of all income recognised in respect of this contract up to 31 March 2014.

This disclosure will be explicitly referred to in our audit report but this does not constitute a qualification of our opinion.

Management representations

The final draft of the representation letter that we ask management to sign is attached in Appendix 1.

Related parties

In forming an opinion on the financial statements, we are required to evaluate:

- whether identified related party relationships and transactions have been appropriately accounted for and disclosed; and
- whether the effects of the related party relationships and transactions cause the financial statements to be misleading.

We identified the following matters during the course of our work of which we believe the Audit Committee should be aware:

A related party relationship was identified between London Councils and the British Parking Association (BPA) since London Councils' Corporate Director of Services is a Director of the British Parking Association (BPA). London Councils are contracted by the BPA to deliver the Parking on Private Land Appeals (POPLA) service. The value of income received from this contract in the year ended 31 March 2014 was material to the Statement of Accounts. Adequate disclosure has been included in the Statement of the Accounts in respect of these transactions.

The audit team have obtained assurance over the completeness of related party disclosures by searching relevant databases for details of all positions held at other organisations by London Councils management. Sales and purchase ledger records were then searched for evidence of transactions with identified related parties.

Audit independence

We are required to follow both the International Standard on Auditing (UK and Ireland) 260 (Revised) "Communication with those charged with governance", UK Ethical Standard 1 (Revised) "Integrity, objectivity and independence" and UK Ethical Standard 5 (Revised) "Non-audit services provided to audited entities" issued by the UK Auditing Practices Board.

Together these require that we tell you at least annually about all relationships between PricewaterhouseCoopers LLP in the UK and other PricewaterhouseCoopers' firms and associated entities ("PwC") and the Authority that, in our professional judgement, may reasonably be thought to bear on our independence and objectivity.

Relationships between PwC and the Authority

We are not aware of any relationships that, in our professional judgement, may reasonably be thought to bear on our independence and objectivity and which represent matters that have occurred during the financial year on which we are to report or up to the date of this document.

Relationships and Investments

We have not identified any potential issues in respect of personal relationships with the Authority or investments in the Authority held by individuals.

Employment of PricewaterhouseCoopers staff by the Authority

We are not aware of any former PwC partners or staff being employed, or holding discussions in respect of employment, by the Authority as a director or in a senior management position covering financial, accounting or control related areas.

Business relationships

We have not identified any business relationships between PwC and the Authority.

Services provided to the Authority

The audit of the Statement of Accounts is undertaken in accordance with the UK Firm's internal policies. The audit is also subject to other internal PwC quality control procedures such as peer reviews by other offices.

In addition to the audit of the Statement of Accounts, PwC has also undertaken the following non audit services for London Councils:

Agreed upon procedures - AR27 return

We provide these services in order to assist the directors of London Councils in fulfilling its obligation to report under the Trade Union and Labour Relations (Consolidation) Act 1992 (the "Act").

Services performed are as follows:

- agreeing that amounts in the return are accurately extracted from the annual financial statements.
- agreeing the classification of each line in the revenue account, by agreeing the mapping of the general ledger transaction listing to the AR27.

These non audit services are not considered to give rise to an independence threat since fees in respect of the engagement are trivial in comparison with audit. Furthermore balances stated on the return are traced to the financial statements and general ledger and not substantively tested. Therefore there is no threat of self review.

Fees

The analysis of our audit and non-audit fees for the year ended 31 March 2014 is included on page 15. In relation to the non-audit services provided, none included contingent fee arrangements.

Services to Directors and Senior Management

PwC does not provide any services e.g. personal tax services, directly to directors, senior management.

Rotation

It is the Audit Commission's policy that engagement leaders at an audited body at which a full Code audit is required to be carried out should act for an initial period of five years. The Commission's view is that generally the range of regulatory safeguards it applies within its audit regime is sufficient to reduce any threats to independence that may otherwise arise at the end of this period to an acceptable level. Therefore, to safeguard audit quality, and in accordance with APB Ethical Standard 3, it will subsequently approve engagement leaders for an additional period of up to no more than two years, provided that there are no considerations that compromise, or could be perceived to compromise, the auditor's independence or objectivity.

Gifts and hospitality

We have not identified any significant gifts or hospitality provided to, or received from, a member of Authority's Executive, senior management or staff.

Conclusion

We hereby confirm that in our professional judgement, as at the date of this document:

- we comply with UK regulatory and professional requirements, including the Ethical Standards issued by the Auditing Practices Board; and
- our objectivity is not compromised.

We would ask the Audit Committee to consider the matters in this document and to confirm that they agree with our conclusion on our independence and objectivity.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS), which is consistent with guidance issued by CIPFA / SOLACE: “Delivering Good Governance in Local Government”. The AGS was included in the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA / SOLACE “Delivering Good Governance in Local Government” framework and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Economy, efficiency and effectiveness

Our value for money code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

Audit Commission guidance specifies the criteria for our value for money conclusion as:

- reviewing the annual governance statement (AGS);
- reviewing the results of the work of other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditor’s responsibilities at the audited body; and
- other local risk-based work as appropriate, or any work mandated by the Commission.

We determined a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

We anticipate issuing an unqualified value for money conclusion.

Internal controls

Accounting systems and systems of internal control

Management are responsible for developing and implementing systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. As auditors, we review these arrangements for the purposes of our audit of the Statement of Accounts and our review of the annual governance statement.

The significant matters that we wish to bring to your attention are set out below. In addition we have identified a small number minor control points. We will report those separately in a letter to the Corporate Director of Resources for his action.

Reporting requirements

We have to report to you any deficiencies in internal control that we found during the audit which we believe should be brought to your attention.

Summary of significant internal control deficiencies

Deficiency	Recommendation	Management's response
No year-end reconciliation performed between the payroll system and general ledger.	Regular reconciliations should be performed between payroll reports and the general ledger. All reconciling items identified should be investigated and explained. Appropriate audit evidence should be retained in order to support explanations determined.	It was acknowledged by the auditors that there were no issues identified in the payroll to ledger audit testing. This in itself is the result of the process of preparing the monthly salary forecast report presented to the Corporate Management Board which involves comparing the detailed analysis of permanent and temporary staff to the amounts included in the ledger. This budgetary control process of predictive analysis will identify discrepancies on the ledger and the underlying payroll system. This process is further supported by weekly HR catch-up meeting with the Director – Corporate Governance. However, London Councils officers agree to perform regular reconciliations of the payroll system reports to the general ledger and provide an end of year reconciliation for 2014/15.

Risk of fraud

International Standards on Auditing (UK&I) state that we, as auditors, are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

Auditors' responsibility

Our objectives are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

Management's responsibility

Management's responsibilities in relation to fraud are:

- to design and implement programmes and controls to prevent, deter and detect fraud;
- to ensure that the entity's culture and environment promote ethical behaviour; and
- to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.

Responsibility of the Audit Committee

Your responsibility as part of your governance role is:

- to evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate "tone at the top"; and
- to investigate any alleged or suspected instances of fraud brought to your attention.

Your views on fraud

In our audit plan presented to the Audit Committee in March 2014 we enquired:

- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
- What fraud detection or prevention measures (e.g. whistle-blower lines) are in place in the entity?
- What role you have in relation to fraud?

- What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

In presenting this report to you we ask for your confirmation that there have been no changes to your view of fraud risk and that no additional matters have arisen that should be brought to our attention. A specific confirmation from management in relation to fraud is included in the letter of representation.

Conditions under which fraud may occur

Management or other employees have an incentive or are under pressure

Incentive / pressure

**Why
commit
fraud?**

Opportunity

Circumstances exist that provide opportunity – ineffective or absent control, or management ability to override controls

Rationalisation/attitude

Culture or environment enables management to rationalise committing fraud – attitude or values of those involved, or pressure that enables them to rationalise committing a dishonest act

Fees update

Fees update for 2013/14

We reported our fee proposals in our plan.

Our actual fees were in line with our proposals.

Our fees charged were therefore:

	2013/14 outturn	2013/14 fee proposal
External Audit Services		
Statement of Accounts and Value for Money Conclusion	54,058	54,058
Electors Questions and Objections to 01 September 2014*	25,100	TBC
Non Audit Services		
Certification of AR27 return	1,500	1,500
TOTAL	80,658	TBC

*The objection is ongoing at this point and the fees charged will increase depending on the amount of further work required to complete our investigations. We will update the Audit Committee with the final additional fee once the objection has been completed.

Appendices

Appendix 1: Letter of representation

PricewaterhouseCoopers LLP

7 More London Riverside,
London,
SE1 2RT

Dear Sirs

Representation letter – audit of London Councils Joint Committee (the Committee) Statement of Accounts for the year ended 31 March 2014

The Committee is responsible for preparing consolidated statement of accounts in respect of itself, the Transport and Environment Committee and the Grants Committee (together “London Councils”).

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts of the Committee give a true and fair view of the affairs of the Committee as at 31 March 2014 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 supported by the Service Reporting Code of Practice 2013/14.

I acknowledge my responsibilities as Director of Corporate Resources for preparing the Statement of Accounts as set out in the Statement of Responsibilities for the Statement of Accounts. I also acknowledge my responsibility for the administration of the financial affairs of the Committee and that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of the Committee with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief, and having made the appropriate enquiries, the following representations:

Statement of Accounts

- I have fulfilled my responsibilities for the preparation of the Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 supported by the Service Reporting Code of Practice 2013/14; in particular the Statement of Accounts give a true and fair view in accordance therewith.

- All transactions have been recorded in the accounting records and are reflected in the Statement of Accounts.
- Significant assumptions used by the Committee in making accounting estimates, including those surrounding measurement at fair value, are reasonable.
- All events subsequent to the date of the Statement of Accounts for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 requires adjustment or disclosure have been adjusted or disclosed.
- The restatement made to reflect the impact of a current year change in accounting for recharges that affects the comparative information in the Statement of Accounts has been appropriately accounted for and disclosed in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

Information Provided

- I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that you, the Committee's auditors, are aware of that information.
- I have provided you with:
 - access to all information of which I am aware that is relevant to the preparation of the Statement of Accounts such as records, documentation and other matters, including minutes of the Committee and relevant management meetings;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Committee from whom you determined it necessary to obtain audit evidence.
- So far as I am aware, there is no relevant audit information of which you are unaware.

Accounting policies

I confirm that I have reviewed the Committee's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of Statement of Accounts are appropriate to give a true and fair view for the Committee's particular circumstances.

Fraud and non-compliance with laws and regulations

I acknowledge responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

I have disclosed to you:

- the results of our assessment of the risk that the Statement of Accounts may be materially misstated as a result of fraud.
- all information in relation to fraud or suspected fraud that we are aware of and that affects the Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the Statement of Accounts.
- all information in relation to allegations of fraud, or suspected fraud, affecting the Committee's Statement of Accounts communicated by employees, former employees, analysts, regulators or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing Statement of Accounts.

Other than the matter set out in note 4 to the Statement of Accounts around the operation of the Parking on Private Land Appeals service, I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Committee conducts its business and which are central to the Committee's ability to conduct its business or that could have a material effect on the Statement of Accounts.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the Statement of Accounts.

Related party transactions

We have disclosed to you the identity of the Committee's related parties and all the related party relationships and transactions of which we are aware.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Section 3.9 of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

We confirm that we have identified to you all senior officers, as defined by the Accounts and Audit Regulations 2011, and included their remuneration in the disclosures of senior officer remuneration.

Transactions with members/officers

Except as disclosed in the statement of accounts, no transactions involving members, officers and others requiring disclosure in the Statement of Accounts under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 have been entered into .

Employee Benefits

I confirm that we have made you aware of all employee benefit schemes in which employees of the Committee participate.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the Committee have been properly reflected in the accounting records or, where material (or potentially material) to the statement of accounts, have been disclosed to you.

Litigation and claims

I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statement of accounts and such matters have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

I am not aware of any pending or threatened litigation, proceedings, hearings or claims negotiations which may result in significant loss to the Committee and/or London Councils.

Taxation

I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest and I have made full disclosure regarding any Revenue Authority queries or investigations that we are aware of or that are ongoing.

In particular:

- In connection with any tax accounting requirements, I am satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.

- I have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken the Committee's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Committee or any associated company for whose taxation liabilities the Committee may be responsible.

Bank accounts

I confirm that I have disclosed all bank accounts to you including those that are maintained in respect of the pension fund.

Subsequent events

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the statement of accounts or in the notes thereto.

.....

(Director of Corporate Resources)

For and on behalf of London Councils Joint Committee

Date



In the event that, pursuant to a request which London Councils has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. London Councils agrees to pay due regard to any representations which PwC may make in connection with such disclosure and London Councils shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, London Councils discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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