

24 September 2008

Mr P Lundy
District Auditor
Audit Commission
Kernel House
Killingbeck Drive
LEEDS
LS14 6UR

Dear Mr Lundy

West Yorkshire Passenger Transport Authority – Audit for the year ended 31 March 2008

We confirm to the best of our knowledge and belief, having made appropriate enquiries of other Members and officers of West Yorkshire Passenger Transport Authority, the following representations given to you in connection with your audit of the Passenger Transport Authority's financial statements for the year ended 31 March 2008.

Compliance with the statutory authorities

We acknowledge our responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Passenger Transport Authority and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Passenger Transport Authority have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Passenger Transport Authority meetings, have been made available to you.

Going concern

We are satisfied that it is appropriate to adopt the going concern basis in the preparation of the financial statements and that the financial statements include such disclosures relating to going concern.

Irregularities

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

We also confirm that we have disclosed:

- our knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice likely to have a significant effect on the finances or operations of the Passenger Transport Authority.

The Passenger Transport Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair values

We confirm the reasonableness of the significant assumptions within the financial statements. For all assumptions, we confirm:

- the appropriateness of the measurement method;

- the basis used by management to overcome the presumption under the financial reporting framework;
- the completeness and appropriateness under the financial reporting framework; and
- subsequent events do not require adjustment to the fair value measurement.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements; and:
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements:
- no financial guarantees have been given to third parties.

Related party transactions

We confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and, where appropriate, adequately disclosed in the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by the Authority, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements.

The Passenger Transport Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Specific representations

The Executive has systems and procedures in place to monitor and record income from prepaid ticket sales by third parties. It will consider whether the scope of work carried out by the Internal Audit section should be extended in this regard. The Authority is satisfied that the income shown in the accounts is materially correct.

The Authority recognises that strict interpretation of the SORP would require showing an investment of £5m as though it had taken place at the year end. As this transaction did not take place until after 31 March it believes that the balance sheet as currently presented shows a more true and fair view of the Authority's cash and investment position as at 31 March.

Signed on behalf of West Yorkshire Passenger Transport Authority.

We confirm that this letter has been discussed and agreed by the Authority on 24 September 2008.

Councillor C Greaves
Chairman

Ms A Hirst
Chief Financial Officer

24 September 2008