



The Annual Audit Letter for East Sussex County Council and Pension Fund

Year ended 31 March 2020

March 2021



Contents



Your key Grant Thornton
team members are:

Darren Well

Engagement Lead

T: 01293 554120

E: Darren.J.Wells@uk.gt.com

Andy Conlan

Engagement Manager

T: 020 7728 2492

E: Andy.N.Conlan@uk.gt.com

Mary Adeson

In-Charge

T: 020 7865 2990

E: Mary.T.Adeson@uk.gt.com

Section

1. Executive Summary
2. Audit of the Financial Statements
3. Value for Money conclusion

Page

3-4
5-13
14-15

Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at East Sussex County Council (the Council) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 6 November 2020.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two);
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the Council's financial statements to be £13m which is 1.5% of the Council's gross cost of services.
	We determined materiality for the audit of the Pension Fund's financial statements to be £36m, which equates to approximately 1% of your prior year net assets for the year.
Financial Statements opinion	We gave an unqualified opinion on the Council and Pension Fund's financial statements on 31 January 2021.
Whole of Government Accounts (WGA)	We have completed work on the Council's consolidation return following guidance issued by the NAO, however have not been able to issue the assurance statement due to a technical issue with the government managed online submission system. We will submit these returns as soon as possible.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.

Executive Summary

Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 6 November 2020.
Certificate	We are unable to certify that we have completed the audit of the financial statements of the Council until we have submitted our Whole of Government Accounts (WGA) assurance statement. This cannot currently be submitted due to a technical issue with the government managed online submission system. We expect this issue to be resolved in February 2021 and we will then issue our certificate of completion for the audit.

Working with the Council

The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council. Particularly the provision of adult social care and children's services have become more complex and expensive to deliver, the closure of schools, and the necessary redesign of the Council's service delivery have presented substantial challenges. We updated our audit risk assessment to consider the impact of the pandemic on our audit and we reported a financial statement level risk in respect of Covid-19 and highlighted the impact on our VfM approach.

Restrictions for non-essential travel meant both Council and audit staff worked remotely, including the remote accessing of financial systems, video calling, and verifying the completeness, accuracy of information produced by the entity through online screensharing.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
February 2021

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £13m, which is 1.5% of the Council's gross cost of services. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year. We also set a lower level of specific materiality for cash and cash equivalents of £500k.

We set a lower threshold of £0.7m, above which we reported errors to the Audit Committee in our Audit Findings Report.

We determined materiality for the audit of the Pension Fund's financial statements to be £36m, which equates to approximately 1% of your prior year net assets for the year. We used this benchmark as, in our view, users of Pension Fund's financial statements are most interested in the Pension Fund's level of assets held.

We set a lower threshold of £1.8m, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts to check it is consistent with our understanding of the Council and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Covid-19</p> <p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. The current circumstances have had an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;</p> <ul style="list-style-type: none"> - Remote working arrangements and redeployment of staff impact potentially impacting on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation - Volatility of financial and property markets increased the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates - Financial uncertainty has required management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and - Disclosures within the financial statements have required significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We :</p> <ul style="list-style-type: none"> • worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported; • liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the Council's property valuation expert; • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic; • evaluated whether sufficient audit evidence could be obtained through remote technology; • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations; • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment; • discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence. • engaged the use of an auditor experts in PPE our valuations work. 	<p>As a result of the Covid-19 pandemic, the property market remains very uncertain. As a result of this, material uncertainties have been declared by the professional valuer relating to land and buildings, and also by an investment manager for pooled property investments underlying the net pension liability.</p> <p>These material uncertainties have been accurately disclosed in Note 5 Assumptions made about the future and other major sources of estimation uncertainty. We included an 'Emphasis of Matter' in our audit opinion to ensure that users of the accounts are aware of these material uncertainties.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The Authority revalues its land and buildings on a three-yearly rolling basis to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for investment properties and surplus assets) at the financial statements date. This valuation is carried out by the professional valuers contracted by the Council. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management needed to ensure the carrying value in the Authority financial statements was not materially different from the current value or the fair value (for investment properties and surplus assets) at the financial statements date.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We:</p> <ul style="list-style-type: none"> • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met and discuss this basis where there are any departures from the Code; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • assessed how management have challenged the valuations produced internally, by professional valuers and by independent property managing consultants to assure themselves that these represent the materially correct current value; • tested revaluations made during the year to see if they had been input correctly into the Authority's asset register; • evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value; • engaged an auditor's expert professional valuer to supplement our own auditor knowledge and expertise with qualified valuer expert insight and challenge into the valuation process, methods and assumptions used. 	<p>Aside from the issue detailed on the page above in relation to the Covid-19 risk, our audit work did not identify any issues in respect of valuation of land and buildings.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of net pension liability The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We :</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls; • evaluated the instructions issued by management to their management expert (an 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; • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • 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; • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by using an auditor's expert; and • obtained assurances from the auditor of East Sussex 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. 	<p>Aside from the issue detailed on the page above in relation to the Covid-19 risk, our audit work did not identify any issues in respect of valuation of the net pension liability.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>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.</p>	<p>We :</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and as part of accounts production for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements made by management and considered their reasonableness with regard to corroborative evidence; • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. 	<p>Our audit work did not identify any issues in respect of management override of controls.</p>
<p>Income from fees, charges and other service income</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>For East Sussex County Council, we have concluded that the greatest risk of material misstatement relates to fees, charges and other service income where the timing of income recognition could be via subjective criteria determined by management.</p> <p>We therefore identified the occurrence and accuracy of fees, charges and other service income as a significant risk, which was one of the most significant assessed risks of material misstatement</p> <p>We rebutted this presumed risk for your other revenue streams because other income streams are primarily derived from grants or formula based income which limits the opportunity to manipulate revenue recognition.</p>	<p>We :</p> <ul style="list-style-type: none"> • evaluated your accounting policy for recognition of income for appropriateness and compliance with LG Code of Practice; • updated our understanding of your system for accounting for income and evaluate the design of the associated controls; • reviewed and sample tested income to supporting evidence corroborating the occurrence of the service/good delivered and the accuracy of the amount recognised; and • evaluated and challenged significant estimates and the judgments made by management in the recognition of income. 	<p>Our audit work did not identify any issues in respect of revenue recognition.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Accuracy and accounting for Private Finance Initiative (PFI) liability You have assets financed through PFI schemes (Peacehaven Schools and waste management services).</p> <p>PFI schemes are complex and involve a degree of subjectivity in the measurement of financial information.</p> <p>We therefore identified the accuracy and presentation of your PFI schemes as a significant risk.</p>	<p>We:</p> <ul style="list-style-type: none"> • reviewed your PFI models and assumptions contained therein; • obtained an understanding of any changes to PFI contracts made since the prior year; • compared the your PFI models to the prior year to identify any changes; • reviewed and tested the output produced by your PFI models to generate the financial balances within the financial statements; • reviewed the disclosures relating to your PFI schemes for compliance with the Code and the International Accountancy Standard IFRIC 12. 	<p>Our audit work did not identify any issues in respect of the PFI liability.</p>

Audit of the Financial Statements

Significant Audit Risks – continued Pension Fund Risk

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Level 3 Asset Valuation You revalue your investments on an annual basis with the aim of ensuring that the carrying value of these investments is not materially different from their fair value at the balance sheet date.</p> <p>By their nature level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilised the services of investment managers and custodians as valuation experts to estimate the fair value as at 31 March 2020.</p> <p>We therefore identified valuation of Level 3 investments as a significant risk.</p>	<p>We:</p> <ul style="list-style-type: none"> • gained an understanding of your process for valuing Level 3 investments and evaluating the design of the associated controls; • reviewed the nature and basis of estimated Level 3 valuations and considered what assurance management has over the year end valuations provided for these investments, against the requirements of the Code; • independently requested year-end confirmations from investment managers and custodian; • for a sample of investments, tested the valuation by obtaining and reviewing the audited accounts at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2020 with reference to known movements in the intervening period; • in the absence of available audited accounts, we evaluated the competence, capabilities and objectivity of the valuation expert; • tested revaluations made during the year to see if they had been input correctly into the Pension Fund's asset register; and • where available reviewed investment manager service auditor report on design effectiveness of internal controls. 	<p>Aside from the issue detailed on the page above in relation to the Covid-19 risk, our audit work did not identify any issues in respect of valuation of Level 3 Assets.</p>

Audit of the Financial Statements

Significant Audit Risks – continued Pension Fund Risk

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Fund faces external scrutiny of its spending and stewardship of funds and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.</p>	<p>We :</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals; • obtained a full listing of journal entries which was then analysed to identify and test high risk unusual journals; • tested unusual journals recorded during the year and post year end for appropriateness and corroboration; • considered the reasonableness of significant accounting estimates and critical judgements made by management; and • evaluated the rationale for any changes in accounting policies or significant transactions. 	<p>Our audit work did not identify any issues in respect of management override of controls.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council and Pension Fund's financial statements on 31 January 2021.

Preparation of the financial statements

We were presented with draft financial statements in July 2020 in accordance with the agreed timescale, and we were provided with a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Restrictions for non-essential travel and home working during the pandemic have meant both Authority and audit teams had to perform the audit entirely remotely. This has required the audit team to use regular video calls to keep in close contact, to consider alternative approaches to obtaining audit evidence to corroborate transactions, estimates and judgements in the financial statements and to carry out additional tests to corroborate the completeness and accuracy of information produced by the Council which we would otherwise have performed in person on site.

As communicated in our Audit Findings Report, the additional complexities of conducting the audit during the pandemic caused additional work for which we have raised an audit fee variation. See page 14 for further details.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Audit Committee on 6 November 2020.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We have carried out work in line with instructions provided by the NAO. Our work did not identify any issues for the group auditor to consider. We have not been able to issue the assurance statement due to a technical issue with the government managed online submission system. As soon as this issue is resolved we will make the submission.

Certificate of closure of the audit

We are unable to certify that we have completed the audit of the financial statements of the Council until we have submitted the WGA assurance statement as above. We will certify the closure of the audit as soon as this submission is made.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work. We identified medium term financial sustainability as the significant risk around Value for Money for the authority. The work we set out to address the risk was:

- review your 2019-20 outturn, including details of performance against both your revenue and capital budgets;
- review progress against your 2020-21 financial plan up to the completion of our audit;
- assess the reasonableness of assumptions made in your MTFP;
- assess your reserve levels;
- review documentation and discuss your progress and plans to address the budget gap in coming years.

Overview

The financial resilience of the Council depends on its ability to balance income and expenditure, without over-reliance on reserves to fund the day to day cost of services. Despite challenging conditions, in particular the impact of COVID-19 in the last part of the year, the Council achieved an underspend of £0.9m in 2019/20 primarily from unused budgeted contingencies. In our view, this reflects steady financial performance in line with underlying financial plans.

In February 2020, the Council set a balanced budget for the financial year 2020/21, including £3.5m of savings. Following the significant financial impact of COVID-19 that became apparent in March 2020 and the lockdown period spanning the first financial quarter, the Council is currently anticipating a budget gap of £2.9m in 2020/21, after government COVID-19 support funding to date is taken into account. The Council has sufficient strategic reserves balance to meet this gap in 2020/21 but is intending to minimise the impact on reserves through use of budgeted contingencies and other measures. In our view, the significant achievements in prior years to reduce spend in line with the core offer, leaving relatively small savings requirement in the medium term, has put the Council in a relatively strong position to face the challenges posed by COVID-19.

The original Medium Term Financial Plan published in February 2020, anticipated a funding deficit building to £9.3m by 2022/23. The MTFP to 2023/24 was updated in October 2020 to reflect the post-COVID position and the current projection shows a cumulative budget gap of £11.5m in 2021/22 rising to £23.9m up to 2023/24. This position assumes that services will return to business as usual from 1 April 2021 and does not take into account any additional COVID-19 funding which may be forthcoming from government. The Council has undertaken scenario analysis to look at various potential outcomes and settled on this as the likely case. We are satisfied that the Council has taken appropriate steps to understand the challenge and considered an appropriate range of outcomes.

The Council continues to be guided by its 'Core Offer', which underpins business and financial planning and represents a level of service below which the Council should not go in order to meet the needs of residents. This has been reviewed in the context of COVID-19 impact with the update published in October 2020, including the extent to which further savings could be made.

Value for Money conclusion

Overall conclusion

The Council continues to demonstrate good financial stewardship in line with delivery of the core offer. As for all councils across the country, COVID-19 had presented a major challenge to the Council's financial position and its future financial sustainability. However, we are satisfied that the Council has put in place adequate arrangements to understand and secure its financial sustainability in the short to medium term.

We made one recommendation as a result of the work carried out:

While the available strategic reserves and budgeted contingency provide some financial security, once the government funding settlement is finalised, the Council will need to review the need to make further savings and protect reserves when setting the forthcoming 2021/22 budget. This may include the need for further consideration of the ability to deliver services in line with the Core Offer.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	April 2020
Audit Findings Report	November 2020
Annual Audit Letter	February 2021

Fees

	Planned	Actual fees
	£	£
Statutory audit	80,350	92,403
Pensions Fund	27,487	31,610
Total fees	107,837	124,013

Audit fee variation

There is additional work which was necessary to be carried out during the audit due to the added complexities of the impact of Covid-19. This fee variation has been communicated with your Chief Finance Officer, and is also subject to approval by Public Sector Audit Appointments (PSAA).

A. Reports issued and fees continued

Fees for non-audit services

Service	Proposed fee	Final fee
Audit related services		
Certification of Teachers Pension Return	7,000	7,000
Provision of IAS 19 Assurances to Scheme Employer auditors	5,000	5,000
Non-Audit related services		
Report on Certificate of Expenditure on Strategic School Improvement Fund	5,000	5,000
Total non-audit fees (excluding VAT)	£12,000	£12,000

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.



© 2021 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.

