

## Northumberland National Park Authority

Report on the audit for the year ended 31  
March 2012

Dear Sirs

We have pleasure in setting out in this document our report to the Northumberland National Park Authority for the year ended 31 March 2012, for discussion at the meeting scheduled for 12 September 2012. This report covers the principal matters that have arisen from our audit for the year ended 31 March 2012.

In summary:

- the significant risks, which are summarised in the Executive Summary, have now been largely addressed and our conclusions are set out in our report;
- there are a number of judgemental areas to which we draw your attention in our report which you should consider carefully; and
- in the absence of unforeseen difficulties, management and we expect to meet the agreed audit and financial reporting timetable.

We would like to take this opportunity to thank the management team for their assistance and co-operation during the course of our audit work.

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Deloitte LLP

Chartered Accountants

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# Executive summary

Status	Description	Detail
<b>Completion of the audit</b>		
<b>Our audit is largely complete.</b>	<p>The status of the audit is as expected at this stage of the timetable agreed in our audit plan.</p> <p>Key items outstanding:</p> <ul style="list-style-type: none"> <li>- final review of the accounts;</li> <li>- receipt of letter of representation;</li> <li>- receipt of assurance over Plan Assets from Northumberland Pension Fund auditors;</li> <li>- final review and close down procedures.</li> </ul>	
<b>Overall view</b>		
<b>We anticipate issuing an unmodified financial statement audit opinion.</b>	<p>On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements.</p> <p>The matters that we have taken into account in forming our overall view are described in the following sections.</p>	N/A
<b>Significant audit risks</b>		
<b>Testing on all audit risks is substantially completed with no issues arising.</b>	<p>A summary of our key findings on the audit risks identified are outlined below:</p> <ul style="list-style-type: none"> <li>• <b><u>Impact of funding cuts on internal controls</u></b> We found no evidence of adverse impact on the internal control environment arising from resource pressures during the course of our audit.</li> <li>• <b><u>Treatment of redundancy costs and potential redundancy provision</u></b> Provision and disclosures have been reviewed and are in line with the Code and relevant IAS (International Accounting Standards) guidelines.</li> <li>• <b><u>Pension liability</u></b> The assumptions included within the actuaries report have been reviewed by our internal pension specialists.</li> <li>• <b><u>Revenue recognition</u></b> Grant income has been tested to ensure it has been recognised in line with any attached conditions. No significant issues were noted from this testing.</li> <li>• <b><u>Management override of controls</u></b> No instances of management override of controls were noted.</li> </ul>	Section 1

# Executive summary (continued)

Status	Description	Detail
<b>Accounting and internal control systems</b>		
<b>We have raised insights over the internal control systems but these are not considered to be significant control deficiencies.</b>	<p>As set out in the Annual Governance Statement, management's assessment of the accounting and internal control systems is satisfactory. This concurs with our audit findings which did not identify any significant deficiencies in the financial reporting systems.</p> <p>We have raised insights into the following area:</p> <ul style="list-style-type: none"> <li>- regular review of purchase orders raised; and</li> <li>- IT access requirements and review of audit logs.</li> </ul> <p>These items do not warrant a key audit risk.</p>	Section 4
<b>Our observations on your financial statements</b>		
<b>No accounting policies or financial reporting issues have been noted.</b>	<p><u>Accounting policies and financial reporting</u></p> <p>As part of our audit, we consider the quality and acceptability of the Authority's accounting policies and financial reporting. We have nothing to report in these areas.</p> <p><u>Financial Standing</u></p> <p>We have considered the financial standing of the Authority through review of the outturn in 2011/12 and budgets for 2012/13. The Authority is clearly facing significant financial challenges but we have no specific concerns over the response to those challenges or the financial standing of the Authority.</p>	Section 3
<b>Value for money conclusion</b>		
<b>Work completed to date supports an unqualified VFM conclusion.</b>	<p>Under the Audit Commission Code of Audit Practice, as appointed auditors, we are required to draw a positive conclusion regarding the organisation's arrangements to secure economy, efficiency and effectiveness of its use of resources (the value for money (VFM) conclusion).</p> <p>Our work completed to date supports the issue of an unqualified VFM conclusion.</p>	Section 2
<b>Liaison with internal audit</b>		
<b>No issues were noted from the findings of Internal Audit.</b>	<p>The audit team, following an assessment of the independence and competence of internal audit, reviewed the findings of internal audit and considered the potential impact on our audit approach</p> <p>No issues of concern were noted and no change to our audit approach required.</p>	N/A

# Executive summary (continued)

Status	Description	Detail
<b>Independence</b>		
<b>We are compliant with the relevant independence requirements.</b>	Our reporting requirements in respect of independence matters, including fees, are covered in Section 5.	Section 5
<b>Our observations on your Summary and Foreword</b>		
<b>The Summary and Foreword are consistent with our knowledge.</b>	We have obtained the draft financial statements and reviewed the information published alongside the accounts, namely the Summary of the 2011/12 Financial Year and the Foreword, for consistency with the accounts and our knowledge from performing the audit. We noted no issues from this review.	N/A
<b>Identified misstatements and disclosure misstatements</b>		
<b>There were no uncorrected misstatements or disclosure deficiencies.</b>	Audit materiality for the Authority is £78,950 (2010/11: £80,543) There were no identified uncorrected misstatements or disclosure deficiencies. We have nothing to note in regards to the presentation of the financial statements. Details of recorded audit adjustments are included in Appendix 1.	Appendix 1
<b>Management representations</b>		
<b>We request that the Authority approve to signing of the management representation letter.</b>	A draft of the representation letter to be signed on behalf of the Board has been included at Appendix 3.	Appendix 3
<b>Other matters</b>		
<b>The Audit Commission has confirmed Deloitte's continued appointment as external auditors for 2012/13.</b>	We have previously reported to you that the Secretary of State for Communities and Local Government announced the proposed abolition of the Audit Commission in 2012/13. On 2 June the Audit Commission announced proposals that the audits currently undertaken by their in-house practice should be outsourced to the private sector for the year ended 31 March 2013 onwards and five-year contracts have been awarded to that effect. Following a consultation exercise with all audited bodies about the appointment of their auditor for the audit of the 2012/13 and future years accounts, the Commission has recently written to the Chief Executive confirming Deloitte as the appointed auditor for the Authority. The Commission will continue to regulate the local public audit market, monitor the performance of the firms providing audit services and determine the scale audit fees until the Government implements a new local public audit regime	N/A

# 1. Significant audit risks

The results of our audit work on significant audit risks are set out below:

## Impact of funding cuts on internal controls

Based on our audit procedures there have been no issues noted in this area.

### Risk

The Authority is currently under both financial and resource pressures as a result of the Comprehensive Spending Review. This may lead to increased pressures on internal controls and budgeting capabilities.

### Deloitte response

The impact of the financial and resource pressures on the Authority, and particularly on its internal controls, have been considered throughout the performance of our audit procedures. There were no instances of non compliance noted.

## Redundancy provision

The provision and disclosures are in line with our understanding and the requirements of the Code.

### Risk

We understand that the Authority is undertaking a programme of restructuring. There is a risk that provisions for redundancies are not recognised in accordance with the strict requirements of International Accounting Standard 12. There is also a risk that termination costs paid in the year are not presented appropriately in the financial statements.

### Deloitte response

We have reviewed management's rationale for posting the provision and gained an understanding of the basis for its calculation. We have assessed the provision and associated disclosures against the criteria outlined in IAS12 as well as the requirements of the Code and consider them to be reasonable.

## Pension liability

Based on the review performed by our in-house specialists the assumptions used are reasonable.

### Risk

In the current climate the choice of pension inflation, discount and yield assumptions will be both difficult and judgemental. Small and apparently insignificant changes to these key assumptions can have material consequences for the actuarial assessment of the liability included within the financial statements of the Authority.

### Deloitte response

We have documented the process the Authority has put in place to determine the assumptions and they have been reviewed for reasonableness by our in-house pension and actuarial specialists. We have concluded that the assumptions were reasonable and deemed prudent.

# 1. Significant audit risks (continued)

## Revenue recognition

Based on our testing income has been recognised in line with the requirements of the Code.

### Risk

International Standards on Auditing (UK and Ireland) 240, "The auditor's responsibility to consider fraud in an audit of financial statements", requires auditors to perform certain audit procedures related specifically to fraud risk, and requires a presumption that revenue recognition is a key audit risk.

For the Authority we consider that the specific revenue recognition risk relates to the cut off of grant funding.

### Deloitte response

We have tested a sample of grants received in year to ensure that the Authority has met the grant conditions and therefore it is appropriate to account for the income in 2011/12 or that the grant conditions have not been met and it is appropriate to defer the recognition of the income. All grants reviewed had been treated appropriately.

## Management override of controls

No instances of override of controls by management have been noted.

### Risk

International Standards on Auditing (UK and Ireland) require auditors to presume that there is a risk of fraud in relation to management override of controls, and to perform specific procedures to address this risk.

### Deloitte response

For a sample of journals we have reviewed their accounting treatment and obtained an understanding of the business rationale with a focus on any that appear to be unusual given our understanding of the Authority and its environment. We have also reviewed the minutes of the Authority meetings to understand key control issues identified and addressed during the year. Through these procedures we have not identified any instances whereby management have circumvented controls.

## 2. Value for money conclusion

### Value for money (VFM) conclusion

<b>The requirement</b>	Under the Audit Commission Code of Audit practice, as appointed auditors, we are required to draw a positive conclusion regarding the organisation's arrangements to secure economy, efficiency and effectiveness of its use of resources (the value for money (VFM) conclusion).
<b>Work completed</b>	<p>In 2011/12, as set out in the "Work Programme and Scales of Fees 2011/12 - Local government, housing and community safety" and supporting the New Approach to VFM Audit document issued by the Audit Commission, our VFM audit work consists of the following:</p> <ul style="list-style-type: none"><li>• review of the annual governance statement (AGS);</li><li>• review the results of any work of the Audit Commission and other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditor's responsibilities at the audited body; and</li><li>• undertake other local risk-based work as appropriate, or any work mandated by the Audit Commission.</li></ul> <p>We have not identified any local risk-based work, nor were there any additional work mandated by the Commission.</p>
<b>Conclusion</b>	We will report our findings following the completion of the testing on the areas listed above. Our work so far supports the issuing of a positive VFM conclusion.

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# 3. Our observations on your financial statements

In the course of our audit on the financial statements, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. Our comments on the quality and acceptability of the Authority's accounting policies and estimates are discussed below.

We have considered the accounting policies as set out in the financial statements and consider them to be in line with the Local Authority Accounting Code of Practice. In addition, we are required to consider going concern. However, in the context of the Authority this takes the form of consideration of financial standing.

We have considered the financial standing of the Authority through review of the outturn in 2011/12 and budgets for 2012/13. The Authority is clearly facing significant financial challenges but we have no specific concerns over the response to those challenges or the financial standing of the Authority.

## Presentation of change in Heritage Assets accounting policy

### Background

The Code of Practice in 2011/12 issued the following revised guidance in respect of the recognition of Heritage assets in the financial statements:

- Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations.
- Where an authority has information on cost or value of a heritage asset, it should be recognised in line with the relevant sections of the Code relating to tangible and intangible assets.
- Where this information is not available, and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the assets will not be recognised in the Balance Sheet. Disclosure shall be made in respect of heritage assets not recognised in the Balance Sheet.

### Management response

A review of assets held by the Authority was undertaken to identify any potential heritage assets. Due to the types of assets held, management concluded that it would not be cost effective to have them valued and do not believe they are significant to the Authority in terms of value.

### Deloitte response

We have reviewed the process undertaken by the Authority to ensure all relevant assets were considered and that the decisions made are reasonable. We found the process undertaken to identify heritage assets to be reasonable and the resulting disclosures in the financial statements appropriate.

### 3. Our observations on your financial statements (continued)

#### Treatment of publicly donated funds on the balance sheet

<b>Background</b>	The Authority currently holds the balance for publicly donated funds, which have been earmarked for specific projects on the balance sheet as deferred income. These are not significant to the Authority (£5,428) and therefore they have not been classified to earmarked reserves. The Code requires donations to be recognised as income if there are no restrictions to the use of contributions, although the Authority could then decide to transfer the funding to an earmarked reserve.
<b>Management response</b>	The value of the donations was not deemed significant to require the creation of a new earmarked reserve. Furthermore the Authority has internally earmarked the use to specific projects. Management will review these balances going forward to assess their treatment against the Code.
<b>Deloitte response</b>	We agree that this is not a significant issue for the 2011/12 accounts, but the Authority should assess these balances and treatment against the Code on a regular basis.

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# 4. Accounting and internal control systems

## Control observations

During the course of our audit we identified a number of control observations, the most significant of which are detailed below.

Timely review of purchase orders	
<b>Background</b>	All budget managers are able to raise purchase orders for goods and services and there is no review performed of the orders raised or authorisation required until the invoice is received requesting payment.
<b>Deloitte recommendation</b>	Perform a regular review of purchase orders raised to prevent inappropriate purchases being made.
<b>Management response</b>	All goods received are matched to purchase orders and have to be authorised before payment, so there is a check that prevents inappropriate purchases being made. There is also a six monthly review of unmatched purchase orders. In addition all budget holders received monthly management accounts which show 'committed spend', which is the sum of all purchase orders raised.

IT security & access controls	
<b>Background</b>	<p>Audit logs are not reviewed for either the Exchequer or Sage applications, or the Network Active Directory which increases the risk that inappropriate access or modifications to these applications could go unnoticed.</p> <p>The IT change log is not kept up to date. There is a risk that changes can be carried out by users without traceability of the change. Equally it would prove difficult to pinpoint the date/time of a change should the change be required to be rolled back.</p> <p>The Generic Admin account for windows has never had a password change, even though two members of the IT Team have left the Authority during the year which increases the risk of unauthorised and inappropriate access to key systems and data.</p>
<b>Deloitte recommendation</b>	Investigate the feasibility of performing regular audit log reviews and regular completion/review of the IT change log. Change the Administrator password immediately and ensure it is subject to robust password security settings.
<b>Management response</b>	<p>Active Directory domain controller security logs will be reviewed on a regular basis and the feasibility of performing regular audit log reviews for both Exchequer and Sage will be investigated.</p> <p>The ICT manager will benchmark with other NPAs to ascertain completion of the IT change log elsewhere. Management recognise there is a need to address the risk but would seek a simple solution rather than where every minor amendment is logged in full but which adds little practical value.</p> <p>The admin password will be updated to meet robust password security settings.</p>

## 4. Accounting and internal control systems (continued)

### Business continuity plan

<b>Background</b>	No Disaster Recovery (DR) tests have been carried out during the audit period which increases the risk that weaknesses in the Business Continuity Plan (BCP) are not identified and corrected and, as a result, the Authority's business-critical applications and systems are not easily recoverable in a disaster scenario.
<b>Deloitte recommendation</b>	The DR plan should be tested at least annually and updated to reflect the results of such tests. Test results should be fully documented, including 'lessons learned' and relevant changes made to the plans.
<b>Management response</b>	Management have agreed that the Business Continuity Plan (BCP) should be tested annually through planned scenario testing or real life events. IT will be included as an integral part of that, and disaster recovery tests will be performed whenever major changes are made to systems or programmes used.

# 5. Independence

As part of our obligations under International Standards on Auditing (UK & Ireland) and the Code of Audit Practice, we are required to report to you on the matters listed below.

Confirmation	
<b>We confirm our independence.</b>	We confirm that we comply with APB Revised Ethical Standards for Auditors and that, in our professional judgement, we are independent and our objectivity is not compromised.

Non-audit services	
<b>No non audit services have been provided.</b>	In our opinion there are no inconsistencies between APB Revised Ethical Standards for Auditors. Deloitte held discussions with the Authority regarding a review of SMART benefits however no additional services were agreed or provided.

Fees	
<b>The audit fees earned by Deloitte in respect of the 2011/12 audit were £19,280.</b>	The fees payable to the auditors, Deloitte, for the audit of the annual accounts (excluding VAT) was £19,280. No non-audit fees were received.

## 6. Responsibility statement

The Audit Commission published a 'Statement of responsibilities of auditors and of audited bodies' alongside the Code of Audit Practice. The purpose of this statement is to assist auditors and audited bodies by summarising where, in the context of the usual conduct of the audit, the different responsibilities of auditors and of the audited body begin and end, and what is expected of the audited body in certain areas. The statement also highlights the limits on what the auditor can reasonably be expected to do.

Our report has been prepared on the basis of, and our audit work carried out in accordance with the Code and the Statement of Responsibilities, copies of which has been provided to the Authority by the Audit Commission.

While our report includes suggestions for improving accounting procedures, internal controls and other aspects of your business arising out of our audit, we emphasise that our consideration of the Authority's system of internal control was conducted solely for the purpose of our audit having regard to our responsibilities under Auditing Standards and the Code of Audit Practice. We make these suggestions in the context of our audit but they do not in any way modify our audit opinion which relates to the financial statements as a whole. Equally, we would need to perform a more extensive study if you wanted us to make a comprehensive review for weaknesses in existing systems and present detailed recommendations to improve them.

Any conclusion, opinion or comments expressed herein are provided within the context of our opinion on the financial statements and our conclusion on value for money as a whole, which was expressed in our auditors' report.

We view this report as part of our service to you for use as Members for Corporate Governance purposes and it is to you alone that we owe a responsibility for its contents. We accept no duty, responsibility or liability to any other person as the report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

If you intend to publish or distribute financial information electronically or in other documents, you are responsible for ensuring that any such publication properly presents the financial information and any report by us thereon, and for the controls over and security of the website. You are also responsible for establishing and controlling the process for electronically distributing accounts and other information.

A handwritten signature in blue ink that reads "Deloitte LLP". The signature is written in a cursive style and is positioned to the left of a vertical line.

### **Deloitte LLP**

Chartered Accountants

Newcastle upon Tyne  
September 2012

# Appendix 1: Audit adjustments

## Uncorrected misstatements

There are no unadjusted misstatements which exceeded our clearly trivial reporting threshold identified during our 2011/12 audit. For 2011/12 this threshold was £3,948.

## Disclosure deficiencies

Auditing Standards require us to highlight significant disclosure deficiencies to enable the Authority to evaluate the impact of those matters on the financial statements. During our audit we have not identified any significant disclosure deficiencies.

## Recorded audit adjustments

We report all individual identified recorded audit adjustments in excess of the clearly trivial threshold set out above and other identified misstatements in aggregate adjusted by management.

The only recorded audit adjustment relates to reclassifications between Land and Buildings and Assets under Construction. The value of the adjustments was £115,864 had no impact on the income statement, net assets or reserves.

# Appendix 2: Additional resources available to you

## Additional information on current and future technical developments

### IASPlus

The IAS Plus website, maintained by Deloitte, provides the most comprehensive information on the Internet about international financial reporting. It is aimed at accounting professionals, businesses, financial analysts, standard-setters and regulators, and accounting educators and students. The site, which is totally free of charge, has a broad array of resources about the International Accounting Standards Board, International Financial Reporting Standards, and international accounting and auditing in general. It includes:

- summaries of all IASB standards and interpretations;
- background on all IASB and IFRIC agenda projects plus summaries of all IASB and IFRIC meetings;
- comparisons of IFRSs and various local GAAPs;
- updates on national accounting standards development in around 80 countries and regions throughout the world; and
- free e-learning modules for each IAS and IFRS – made available at no charge in the public interest.

The site is available to browse at any time; alternatively you can subscribe to e-mail alerts and newsletters by going to <http://www.iasplus.com/subscribe.htm>.

### Our range of publications

Our iGAAP books are available to our clients electronically and in hard copy. These include our major manuals providing comprehensive, practical guidance; model annual report and financial statements; and our major text on financial instruments providing in depth support to preparers and auditors in this challenging area.

Our range also includes quarterly iGAAP newsletters providing a round up of recent developments. iGAAP and ukGAAP alerts are issued whenever a new exposure draft or standard is issued.

### Stay tuned online: Internet-based corporate reporting updates

The Deloitte UK Technical Team run a series of internet-based financial reporting updates, aimed at helping finance teams keep up to speed with IFRS, UK GAAP and other reporting issues.

Each update lasts no more than one hour, and sessions are held three times a year, at the end of March, July and November. Recordings of past sessions are available via [www.deloitte.co.uk/audit](http://www.deloitte.co.uk/audit).

### Audit podcasts

Our leading experts provide you with a short discussion of new IFRS standards and practical insights. These can be accessed via our website, [www.deloitte.co.uk/audit](http://www.deloitte.co.uk/audit). Alternatively, you can subscribe to our podcasts via iTunes – just search for Deloitte IFRS.

# Appendix 3: Draft management representation letter

## Northumberland National Park Authority – Audit of the financial statements for the year ended 31 March 2012

This representation letter is provided in connection with your audit of the financial statements of Northumberland National Park Authority (“the Authority”) for the year ended 31 March 2012 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Authority as of 31 March 2012 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with the applicable accounting framework.

We acknowledge our responsibilities for preparing financial statements for the Authority which present a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

### *Financial statements*

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework which give a true and fair view.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IAS24 “Related party disclosures”.
4. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. The uncorrected misstatements and disclosure deficiencies (of which there are none) are detailed in Appendix 1 to the Report to the Authority.
5. We confirm that the financial statements have been prepared on the going concern basis. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Authority’s ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
6. The financial statements are free from material misstatement.
7. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.

### *Information provided*

8. We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.

10. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
  - (i). management;
  - (ii). Members of the Authority
  - (iii). employees who have significant roles in internal control; or
  - (iv). others where the fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations and contractual agreements whose effects should be considered when preparing financial statements.
15. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
16. No claims in connection with litigation have been or are expected to be received.
17. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
18. Where required, the value at which assets and liabilities are recorded in the balance sheet is, in the opinion of the Members, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Authority. Any significant changes in those values since the balance sheet date have been disclosed to you.
19. There have been no irregularities involving members or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
20. There have been no events since the balance sheet date which require adjustment of or a disclosure in the financial statements or notes thereto. Should further material events occur, which may necessitate revision of the figures included in the annual accounts or inclusion of a note thereto, we will advise you accordingly.
21. The Authority has satisfactory title to all assets and there are no liens or encumbrances on the Authority's assets.
22. We recognise that we are responsible for ensuring that the statement of accounts as published on the website properly presents the financial information and your auditor's report and for the controls over, and security of, the website. We also recognise that we are responsible for establishing and controlling the process for electronically distributing annual reports and other information.
23. We confirm that:
  - all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
  - all settlements and curtailments have been identified and properly accounted for;
  - all events which relate to the determination of pension liabilities have been brought to the actuary's attention;
  - the actuarial assumptions underlying the valuation of the scheme liabilities accord with the Members' best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
  - the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and
  - the amounts included in the financial statements derived from the work of the actuary are appropriate.

24. All known material liabilities have been properly included in the annual accounts and all material contingent liabilities have been disclosed.
25. We are not aware of any potential clawback by grant payers of grants that have been released to income.
26. Our Annual Report will be consistent with and include the financial statements as audited.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

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Signed on behalf of Northumberland National Park Authority

Date \_\_\_\_\_

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