Management representation letter

This letter of representations is provided in connection with your audit of the financial statements of New Forest National Park Authority ("the Authority") for the year ended 31 March 2019. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of New Forest National Park Authority as of 31 March 2019 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance
with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the
United Kingdom 2018/19. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial
statements are appropriately described in the financial statements.

4. As members of management of the Authority, we believe that the Authority has a
system of internal controls adequate to enable the preparation of accurate financial
statements in accordance with the CIPFA LASAAC Code of Practice on Local
Authority Accounting in the United Kingdom 2018/19, that are free from material
misstatement, whether due to fraud or error.

5. There is one unadjusted audit difference identified during the current audit and
pertaining to the latest period presented. We believe that the effects of any
unadjusted audit differences, summarised in the accompanying schedule,
accumulated by you during the current audit and pertaining to the latest period
presented are immaterial, both individually and in the aggregate, to the financial
statements taken as a whole. We have not corrected these differences identified by
and brought to the attention from the auditor because of the reason above.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority’s activities
are conducted in accordance with laws and regulations and that we are responsible
to identify and address any non-compliance with applicable laws and regulations,
including fraud.

2. We acknowledge that we are responsible for the design, implementation and
maintenance of internal controls to prevent and detect fraud.

3. 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.

4. We have no knowledge of any identified or suspected non-compliance with laws or
regulations, including fraud that may have affected the Authority (regardless of the
source or form and including, without limitation, allegations by “whistleblowers”)
including non-compliance matters:

   • involving financial statements;
   • related to laws and regulations that have a direct effect on the
determination of material amounts and disclosures in the Authority’s
financial statements;
   • related to laws and regulations that have an indirect effect on amounts
and disclosures in the financial statements, but compliance with which
may be fundamental to the operations of the Authority’s activities, its
ability to continue to operate, or to avoid material penalties;
   • involving management, or employees who have significant roles in
internal controls, or others; or
   • in relation to any allegations of fraud, suspected fraud or other non-
compliance with laws and regulations communicated by employees,
former employees, analysts, regulators or others.
C. Information Provided and Completeness of Information and Transactions

1. 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.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have made available to you all minutes of the meetings of the Authority and the Resources, Audit and Performance Committee held through the year to the most recent meeting on the following date: 11 July 2019.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.
E. Subsequent Events
1. Other than described in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information
1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Use of the Work of a Specialist
1. We agree with the findings of the specialists that we engaged in generating the IAS19 pension disclosures and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

H. Estimates
1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates have been consistently applied and are appropriate in the context of the applicable financial reporting framework.
2. We confirm that the significant assumptions used in making the IAS19 disclosure estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
3. We confirm that the disclosures made in the financial statements with respect to the accounting estimates are complete and made in accordance with the applicable financial reporting framework.
4. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements due to subsequent events.

I. Retirement benefits
1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.
Signed on behalf of New Forest National Park Authority.

I confirm that this letter has been discussed and agreed by the Authority on 11 July 2019.

Signed:
Name: Nigel Stone
Position: Chief Finance Officer
Date:
Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

Although we expect an adjusted difference greater than our Performance Materiality of £80.5k to be made in relation to gross pension liability, following the McCloud Judgement, at the time of writing, there were no misstatements corrected by management that were identified during the course of our audit.

Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that a rationale as to why these uncorrected misstatements are not corrected be considered and approved by the Authority and provided within the Letter of Representation.

<table>
<thead>
<tr>
<th>Uncorrected misstatements 31/03/2019 (£)</th>
<th>Effect on the current period:</th>
<th>Balance Sheet (Decrease)/Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Comprehensive income and expenditure statement Debit/(Credit)</td>
<td>Assets current Debit/(Credit)</td>
</tr>
<tr>
<td>Errors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Known differences:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Pension Asset Understatement</td>
<td>(15,394)</td>
<td></td>
</tr>
<tr>
<td>Balance sheet totals</td>
<td>(15,394)</td>
<td></td>
</tr>
<tr>
<td>Income effect of uncorrected misstatements (before tax)</td>
<td>(15,394)</td>
<td></td>
</tr>
<tr>
<td>Cumulative effect of uncorrected misstatements before turnaround effect</td>
<td>(15,394)</td>
<td>(15,394)</td>
</tr>
<tr>
<td>Turnaround effect. See Note 1 below.</td>
<td>48,614</td>
<td></td>
</tr>
<tr>
<td>Cumulative effect of uncorrected misstatements, after turnaround effect</td>
<td>33,220</td>
<td></td>
</tr>
</tbody>
</table>

There are no amounts that we identified that are individually or in aggregate material to the presentation and disclosures of the consolidated financial statements for the year ended 31 Month 2019.

Note 1: turnaround effect is the impact of uncorrected misstatements identified in the prior period, on results of the current period.