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8 April 2021

Dear Members

#### Update/conclusion of pending matters - Audit Completion Report

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report presented to the Audit Committee on 25 November 2020.

The outstanding matters and the conclusions we reached are detailed below:

Matter	Update/conclusion reached	Status
Transfers in	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete
Contributions receivable	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete
Commutations and lump sums	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete
Benefits payable	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete
Transfers out	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete
Work of an expert	Our work is now completed; there are no other significant matters arising we are required to report to you.	Complete

Mazars LLP is the UK firm of Mazars, an integrated international advisory and accountancy organisation. Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at Tower Bridge House, St Katharine's Way, London E1W 1DD.

We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861.

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Matter	Update/conclusion reached	Status
Disclosure points	Some minor amendments to disclosures in the accounts have been made since the issue of our Audit Completion Report. These are not significant enough to warrant individual analysis but include an amendment to the net current liabilities figure shown in the narrative of Note 14.	Complete
Audit closure procedures	<p>We have substantially completed our closure procedures, including review of the amended accounts.</p> <p>We will discuss subsequent events with management and review available post balance sheet information at the point we are due to sign the audit opinion. We will also review the management representation letter when it is received – a copy of the letter is attached as Appendix A.</p> <p>If any matters arise from this which we need to report to you we will issue a further letter.</p>	Ongoing

#### Internal control recommendations

There have been no changes to the internal control recommendations reported in our Audit Completion Report.

#### Materiality

There have been no changes to the materiality levels reported in our Audit Completion Report.

#### Auditor's report

There have been no changes to the Auditor's report set out in our Audit Completion Report.

#### Summary of misstatements

Other than the minor disclosure amendments mentioned in the above table, there have been no changes to the summary of misstatements reported in our Audit Completion Report.

If you wish to discuss these or any other points, then please do not hesitate to contact me.

Yours faithfully



**Cameron Waddell**  
**Key Audit Partner**  
 For and on behalf of Mazars LLP

## Appendix A – Management Letter of Representation

Northumberland County Council Pension Fund  
County Hall  
Morpeth  
NE61 2EF

25 November 2020

Dear Cameron

### **Northumberland County Council Pension Fund -audit for year ended 31 March 2020**

This representation letter is provided in connection with your audit of the financial statements of Northumberland County Council Pension Fund ('the Pension Fund') for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

#### **My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code.

#### **My responsibility to provide and disclose relevant information**

I 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 material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Pension Fund you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Executive Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

#### **Accounting records**

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Pension Fund and Committee meetings, have been made available to you.

#### **Accounting policies**

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Pension Fund's financial position, financial performance and cash flows.

#### **Accounting estimates, including those measured at fair value**

I confirm that any significant assumptions used by the Pension Fund in making accounting estimates, including those measured at fair value, are reasonable.

#### **Contingencies**

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

## **Appendix A – Management Letter of Representation (continued)**

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Pension Fund have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code.

### **Laws and regulations**

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom. The Pension Fund has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

### **Fraud and error**

I acknowledge my responsibility as Executive Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Pension Fund involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Pension Fund's statement of accounts communicated by employees, former employees, analysts, regulators or others.

### **Assets**

I confirm that all assets held are free from liens, charges or any other encumbrance.

### **Related party transactions**

I confirm that all related party relationships, transactions and balances have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

I have disclosed to you the identity of the Pension Fund's related parties and all related party relationships and transactions of which I am aware.

### **Future commitments**

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

### **Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

### **Going concern**

To the best of my knowledge there is nothing to indicate that the Pension Fund will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

### **Unadjusted misstatements**

I confirm that the effects of the uncorrected misstatements as included in the auditor's draft Audit Completion Report are immaterial, both individually and in aggregate, to the statement of accounts as a whole.



## Appendix A – Management Letter of Representation (continued)

### **Specific representation on unquoted investments**

Unquoted investments are included in the net assets statement at the value provided by our fund managers which have been estimated in accordance with the guidelines used by the industry, and based on the latest information to hand at the time of the valuation. I am satisfied, based on the knowledge I have, with the valuations, and am not aware of any subsequent events that would have a material impact on the estimated value of the unquoted investments.

Yours sincerely

Executive Director of Finance