

Deloitte LLP

Date: 13 December 2024

Ref:

Officer: David Wilkes

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Dear Sirs

Dorset County Pension Fund

This representation letter is provided in connection with your audit of to the financial statements of Dorset County Pension Fund (the "Fund") financial statements for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements show a true and fair view of the financial transactions of the Fund during the period from 1 April 2021 to 31 March 2022 and of the amount and disposition at the end of the Fund period of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the period, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

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 United Kingdom Generally Accepted Accounting Practice which show a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value and assessing the impact of Covid-19 on the Fund, 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. 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, including disclosure of the impact that Covid-19 has had over the Fund financial statements.
5. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements and disclosure deficiencies is detailed in the appendix to this letter.
6. We confirm that the financial statements have been prepared on the going concern basis and disclose in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom all matters of which we are aware that are relevant to the Fund's ability to continue as a going concern, including principal conditions or events and our plans. We do not intend to wind up the Fund. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Fund'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.

Information provided

7. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter and required by the Scheme Administration Regulations.
8. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
9. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
10. 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.
11. We are not aware of any fraud or suspected fraud that affects the Fund and involves:
 - i. management;
 - ii. employees who have significant roles in internal control; or
 - iii. others where the fraud could have a material effect on the financial statements.
12. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Fund's financial statements communicated by employees, former employees, analysts, regulators or others.
13. 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.
14. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.
15. There are no claims in connection with litigation which have been or are expected to be received.
16. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
17. We confirm that the Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the Fund should change.
18. We have not made any reports to The Pensions Regulator nor are we aware of any such reports having been made by any of our advisors. We also confirm that we are not aware of any other matters which have arisen that would require a report to The Pensions Regulator.
19. There have been no other communications with The Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.
20. We have not commissioned advisory reports which may affect the conduct of your work in relation to the Fund's financial statements.
21. We confirm that, under section 27 of the Pensions Act 1995, no person charged with governance of the Fund is connected with, or is an associate of Deloitte LLP, which would render Deloitte LLP ineligible to act as auditor to the Fund.
22. You have been informed of all changes to the Fund rules.

23. No transactions have been made which are not in the interests of the Fund members or the Fund during the Fund year or subsequently.
24. We confirm that the Fund does not hold investments in the Principal or Participating employers in excess of 5% of the net assets of the Fund.
25. We confirm that the salary increase assumption of 4.9% used in the actuarial present value of promised retirement benefits IAS26/IAS19 disclosure as at 31 March 2022 is consistent with our long term view of salary growth.

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,

Cllr Andy Canning

Signed on behalf of the Pension Fund Committee

Appendix 1

Schedule of Uncorrected Misstatements

Audit adjustments

Unadjusted misstatements

The following uncorrected misstatements have been identified up to the date of this report.

| | | Debit/ (credit) fund account £m | Debit/ (credit) in net assets £m | Debit/ (credit) Prior year net assets £m |
|---|-----|---------------------------------------|--|--|
| Misstatements identified in current year | | | | |
| Stale pricing | | | | |
| DR Investment assets – pooled investment vehicles | [1] | (8.001) | 8.001 | |
| CR Change in market value | | | | |
| Misstatements identified in prior years | | | | |
| Stale pricing | | | | |
| DR Opening net assets | [2] | 24.633 | | (24.633) |
| CR Change in market value | | | | |
| Total | | 16.632 | 8.001 | (24.633) |

[1] Stale price adjustments noted in the current year

[2] Stale price adjustments noted in the prior year (as disclosed in the prior year misstatement schedule)

Uncorrected disclosure misstatements

| LGPS Ref | Code reference | Disclosure requirement | Quantitative or qualitative consideration |
|----------|---------------------|---|---|
| PFA 48 | 6.5.3.6 b) | <i>Net assets statement</i> b) Investment liabilities: – Derivative contracts (including futures, options, forward foreign exchange contracts and swaps) <i>On the net assets statement, derivatives have been netted and shown as a net liability under the Investment assets heading rather than split between Investment assets and investment liability headings</i> | <i>Derivate assets are £3,335k and liabilities are £227k. The amounts are not material.</i> |
| PFA 7 | 3.8.4.3, 6.5.5.1 t) | <i>Note 6 Events after the reporting date should refer to the impact of the September 2022 gilt crisis.</i> | <i>By Dec 22, the investment value is £3,416,769k which is a 2.3% increase since 31 March 2021. As there has not been a significant decrease in the asset value, the users of the accounts would not be <u>mislead</u> by this missing disclosure</i> |
| PFA 44 | 3.4.4.1 7) | <i>Note 11</i> – fees payable to appointed auditors for audit services – fees payable to the appointed auditor for any other services provided | <i>Audit fees are £23k. The amounts are not material.</i> |