

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 2023.

We acknowledge our responsibility for preparing financial statements that give a true and fair view of the financial position of Dorset County Pension Fund as of 31 March 2023 and of the results of its operations for the year then ended in accordance with the CIPFA/LASAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (“the Code”).

We confirm, to the best of our knowledge and belief, subject to the pervasive matters that resulted in the disclaimer of opinion, the following representations:

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with Accounts and Audit Regulations 2015 and CIPFA/LASAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (“the Code”).
2. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
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.
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 Local Audit and Accountability Act 2014.
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 and we believe we have appropriately fulfilled those responsibilities.
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:
 - (i) we consider that the Fund has appropriate processes to prevent and identify any cyber breaches other than those that are clearly inconsequential; and
 - (ii) we have disclosed to you all cyber breaches of which we are aware that have resulted in more than inconsequential unauthorised access of data, applications, services, networks and/or devices.
18. 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.
19. 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.
20. 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.

21. No transactions have been made which are not in the interests of the Fund members or the Fund during the Fund year or subsequently.

22. 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.

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

Uncorrected disclosure misstatements

LGPS Ref	Code reference	Disclosure requirement	Quantitative or qualitative consideration
PFA 48	6.5.3.6 b)	<p><i>Net assets statement</i></p> <p>b) Investment liabilities:</p> <ul style="list-style-type: none"> – Derivative contracts (including futures, options, forward foreign exchange contracts and swaps) <p><i>On the net assets statement, derivatives have been netted and shown as a net asset under the Investment assets heading rather than split between Investment assets and investment liability headings</i></p>	<p><i>Derivate assets are £7,086.6k and liabilities are £0.9k. The amounts are not material.</i></p>
PFA 44	3.4.4.1 7)	<p><i>Note 11</i></p> <ul style="list-style-type: none"> – fees payable to appointed auditors for audit services – fees payable to the appointed auditor for any other services provided 	<p><i>Audit fees are £23k. The amounts are not material.</i></p>

LGPS Ref	Code reference	Disclosure requirement	Quantitative or qualitative consideration
PFA 42	6.5.2.6, 6.5.3.6 a) 4.4.4.2 2)	<p><i>Note 12 Investment income:</i></p> <ul style="list-style-type: none"> - <i>Has a sub heading for direct property, this would be better described as rent from properties</i> 	<p><i>The investment income amount from direct properties is £10,748k which are not material.</i></p>
PFA 60	4.4.4.2 4.4.4.4	<p>Where the information is material, has the pension fund disclosed the following notes in relation to investment property:</p> <ul style="list-style-type: none"> a) The amounts recognised in the fund account for <ul style="list-style-type: none"> – Direct operating expenses (including repairs and maintenance) arising from investment property d) A reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following: <ul style="list-style-type: none"> – Additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset – Net gains or losses from fair value adjustments – Other changes 	<ul style="list-style-type: none"> a) <i>The property expense amounts are not material.</i> d) <i>Property purchases of £15,022k and sales of £1,953k are shown in Note 15 are not material.</i>

Appendix 1 (continued)

Uncorrected disclosure misstatements (continued)

LGPS Ref	Code reference	Disclosure requirement	Quantitative or qualitative consideration
PFA 67	2.10.4.1	<p>Where the information is material, has the pension fund made the following disclosures for all assets and liabilities measured at fair value in the Code:</p> <p>1) Information that helps users of its financial statements assess both of the following:</p> <p>a) For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the net assets statement after initial recognition, the valuation techniques and inputs used to develop those measurements</p> <p><i>The basis of valuation has not been given for the following categories:</i></p> <ul style="list-style-type: none"> - Level 1 other investments - Level 2 cash and cash equivalents - Level 3 shares in asset pool 	<p><i>Level 1 other investments are £768k which are not material.</i></p> <p><i>Level 2 derivatives are £7,086k which are not material.</i></p> <p><i>Level 3 shares in Brunel asset pool of £707k which are not material.</i></p>
PFA 45	6.5.5.1 u)	<p>Note 21</p> <p>b) In respect of additional voluntary contributions:</p> <ul style="list-style-type: none"> - The value at the year-end date of separately invested additional voluntary contributions 	<p><i>The invested AVC amount is unknown. Based on the range of market value of AVCs as a proportion of net investments of 0.06% to 0.45% for the other LGPS audited by Deloitte which provide this disclosure, the amount is not expected to be material.</i></p>
PFA 63	6.5.5.1 t)	<p>Note 24</p> <p>Contingent liabilities</p>	<p><i>The subsequent event note for the impact of the McCloud and <u>Sargeant</u> judgements should be updated for recent communications to members</i></p>