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Date: 29 July 2021

## **South Yorkshire Pensions Authority and South Yorkshire Pension Fund**

This representation letter is provided in connection with your audit of the financial statements of South Yorkshire Pensions Authority (the "Authority") for the year ended 31 March 2021 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 2021 and of the results of its operations, other comprehensive income and expenditure, and its cash flows for the year then ended in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

In addition to the above, this representation letter is provided in connection with your audit of South Yorkshire Pension Fund (the "Fund") for the purposes as to whether the financial statements of the Fund show a true and fair view of the financial transactions of the Fund during the period from 1 April 2020 to 31 March 2021 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 proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").
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 IAS 24 "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 Authority and 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.
6. We confirm that the financial statements have been prepared on the going concern basis. As a local authority, the South Yorkshire Pensions Authority (including the Fund) cannot be dissolved without statutory prescription and it is assumed that the Authority will continue to operate for the foreseeable future. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Authority's and 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.
7. We confirm that all of the disclosures within the Annual Governance Statement have been prepared in accordance with the relevant legislation and guidance.
8. We have considered the valuation of the Authority's Property, Plant and Equipment, and are not aware of any circumstances indicating volatility in asset values requiring a revaluation of the entire portfolio in the current year.
9. To the best of our knowledge and belief the Fund holds title to all Property included in its Net Assets Statement at 31 March 2021.

#### **Information provided**

10. We have provided you with all relevant information and access.
11. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error
12. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
13. 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.
14. We are not aware of any fraud or suspected fraud that affects the Authority or 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.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Authority and Fund's financial statements communicated by employees, former employees, analysts, regulators or others.
16. 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.
17. We have disclosed to you the identity of the Authority and Fund's related parties and all the related party relationships and transactions of which we are aware.
18. There are no claims in connection with litigation which have been or are expected to be received.

19. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

20. We confirm that:

- i. we consider that the Authority and Fund have 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.

21. 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.

22. 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 matters which have arisen that would require a report to The Pensions Regulator.

23. We have drawn to your attention all correspondence and notes of meetings with regulators.

24. We have not commissioned advisory reports which may affect the conduct of your work in relation to the Authority and Fund's financial statements.

25. We confirm that:

- i. all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
- ii. all settlements and curtailments have been identified and properly accounted for;
- iii. all events which relate to the determination of pension liabilities have been brought to the actuary's attention;
- iv. the actuarial assumptions underlying the valuation of the scheme liabilities (including the discount rate used) accord with the Authority's best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
- v. the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and
- vi. the amounts included in the financial statements derived from the work of the actuary are appropriate.

26. Based upon advice from our actuaries we do not consider that any adjustment to the Authority's pension liabilities arising from GMP equalisation is required as amounts involved are not considered to be significant.

27. We confirm that, under section 27 of the Pensions Act 1995, no Committee member of the Authority or Fund is connected with, or is an associate of Deloitte LLP, which would render Deloitte LLP ineligible to act as auditor to the Authority and Fund.

28. You have been informed of all changes to the Fund rules.

29. We confirm we have disclosed all stock lending programmes in place.
30. No transactions have been made which are not in the interests of the Fund members or the Fund during the Fund year or subsequently.
31. 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.
32. All trades in complex financial instruments are in accordance with our risk management policies, have been conducted on an arm's length basis and have been appropriately recorded in the accounting records, including consideration of whether the complex financial instruments are held for hedging, asset/liability management or investment purposes. None of the terms of the trades have been amended by any side agreement and no documentation relating to complex financial instruments (including any embedded derivatives and written options) and other financial instruments has been withheld.

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,

Signed on behalf of South Yorkshire Pensions Authority  
and South Yorkshire Pension Fund