

**Statement of Accounts 2020/21 and 2021/22
Report of the Director of Finance and Public Value**

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

1. Recommendations – it is recommended that members:

- 1.1. Review the amendments as set out in this report and approve the Authority's Statement of Accounts for 2020/21;
- 1.2. Note the updated certification date and approve the Pension Fund Statement of Accounts for 2020/21;
- 1.3. Review the amendments as set out in this report and approve the Authority's Statement of Accounts for 2021/22;
- 1.4. Note the updated certification date and approve the Pension Fund Statement of Accounts for 2021/22; and
- 1.5. Review and approve the letters of representation for Devon County Council and its Pension Fund for both 2020/21 and 2021/22.

2. Background

- 2.1. The Audit Committee approved the 2020/21 Statement of Accounts for the Authority and its Pension Fund on 24th February 2022. The 2021/22 Statement of Accounts was approved on 29th November 2022.
- 2.2. The Authority's external auditors, Grant Thornton notified the Audit Committee that it expected legislation to be enacted regarding the accounting for infrastructure. Without the statutory instrument and an update to CIPFA's Code of Practice on Local Authority Accounting then the auditors could not issue an audit opinion on the Statements of Accounts for 2020/21 and 2021/22.
- 2.3. The statutory instrument was enacted in December and the Code has been updated. The Audit Committee decided that only the changed pages in the Statement of Accounts were to be distributed within this Audit Committee's agenda papers.

2.4. Full copies of the Statements of Accounts for 2020/21 and 2021/22 (over 400 pages) are accessible electronically and published on the Council's website
<https://www.devon.gov.uk/finance-and-budget/audit-and-inspection/>

Two copies will be printed and available for Members at the Committee meeting.

3. Infrastructure

3.1. CIPFA has updated the Code to state that

“...local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. This temporary relief is applied from the 2021/22 Code up to and including the Code applicable to the 2024/25 financial year but may also apply to local authority financial statements before this period where the auditor's opinion on those statements has not been given...”

3.2. The Authority's notes for Property, Plant and Equipment for both 2020/21 and 2021/22 have been updated to show the required format (Appendices 1 and 2 respectively). There is no impact on the balance sheet for either year.

3.3. The associated accounting policy has been updated for both years and is shown in Appendix 3.

4. Events after the Reporting Period

4.1. The notes for Events after the Reporting Period have been updated for both sets of accounts. For the Statement of Accounts 2020/21 this now covers almost two years to 15th February 2023, the date the accounts were issued by the Director of Finance and Public Value before publication of the Audit Committee agenda papers. The updated notes are shown in Appendices 4 and 5.

5. Letters of Representation

5.1 In order to provide assurance to our auditors that they have received complete and accurate information the Audit Committee is asked to provide letters of representation for both the Authority and the Pension Fund for 2020/21 and 2021/22. The standard wording has been provided by the external auditors in Appendices 6, 7, 8 and 9.

6. Conclusion

6.1. The Committee is recommended to approve the Statements of Accounts and letters of representation, contained as attachments and links to this report.

Angie Sinclair
Director of Finance and Public Value
Electoral Divisions: All
Local Government Act 1972

Contact for Enquiries: Peter Lappin (peter.lappin@devon.gov.uk)
Tel No: (01392) 38 3342 Room 180

This Report has no specific equality or sustainability implications.
The legal requirements for the Council to comply with the Accounts and Audit Regulations are set out in the report.

16. Property Plant and Equipment (PPE)

Total Property, Plant and Equipment

	31 March 2020 £000	31 March 2021 £000
Infrastructure Assets	735,746	788,702
Other Property Plant and Equipment Assets	769,491	777,534
Total Property, Plant and Equipment Assets	1,505,237	1,566,236

Movement on balances

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Under commercial accounting practices, depreciated historical cost would represent the amount of capital expenditure on infrastructure assets that has yet to be financed. For the Council, this is managed instead through the consolidated arrangements for reducing the Capital Financing Requirement through Minimum Revenue Provision.

The authority has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure asset when there is replacement expenditure is nil.

Infrastructure Assets

2019/20 £000		2020/21 £000
	Net Book Value (modified historical cost)	
705,425	Balance as at 1 April	735,746
69,002	Additions	90,225
(38,934)	Depreciation	(43,442)
253	Transferred from Assets Under Construction	6,173
735,746	Balance as at 31 March	788,702

APPENDIX 1 – Revised note for Property, Plant and Equipment for 2020/21 Statement of Accounts

Other Property, Plant and Equipment

Movements in 2020/21:	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation						
At 1st April 2020	735,036	33,159	2,954	9,675	21,167	801,991
Additions	14,113	3,184	0	74	11,463	28,834
Donations	8,985					8,985
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(8,101)			(69)		(8,170)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the provision of Services	(1,377)			(402)		(1,779)
Derecognition - Disposals	(9,308)	(10,847)		(1,146)	(23)	(21,324)
Assets reclassified (to)/from Held for Sale	(2,220)			4,680		2,460
Other movements in cost or valuation	5,240				(11,413)	(6,173)
At 31st March 2021	742,368	25,496	2,954	12,812	21,194	804,824
Accumulated Depreciation and Impairment						
1st April 2020	(12,483)	(20,017)				(32,500)
Depreciation Charge	(35,690)	(3,852)				(39,542)
Depreciation written out to the Revaluation Reserve	32,573					32,573
Depreciation written out to the Surplus/Deficit on the provision of services	1,687					1,687
Derecognition - Disposals	441	10,051				10,492
At 31st March 2021	(13,472)	(13,818)	0	0	0	(27,290)
Net Book Value						
At 31st March 2021	728,896	11,678	2,954	12,812	21,194	777,534
At 1st April 2020	722,553	13,142	2,954	9,675	21,167	769,491

APPENDIX 1 – Revised note for Property, Plant and Equipment for 2020/21 Statement of Accounts

Movements in 2019/20:	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation						
At 1st April 2019	729,475	31,980	2,945	13,203	20,518	798,121
Additions	9,759	4,528	9	2,237	13,450	29,983
Donations						0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	11,643			15,633		27,276
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the provision of Services	33			(124)		(91)
Derecognition - Disposals	(17,240)	(3,349)		(3,810)	(10,279)	(34,678)
Assets reclassified (to)/from Held for Sale	(750)			(16,766)		(17,516)
Other movements in cost or valuation	2,116			(698)	(2,522)	(1,104)
At 31st March 2020	735,036	33,159	2,954	9,675	21,167	801,991
Accumulated Depreciation and Impairment						
1st April 2019	(11,005)	(19,330)		(68)		(30,403)
Depreciation Charge	(30,955)	(3,841)				(34,796)
Depreciation written out to the Revaluation Reserve	25,843					25,843
Depreciation written out to the Surplus/Deficit on the provision of services	2,745					2,745
Derecognition - Disposals	889	3,154		68		4,111
At 31st March 2020	(12,483)	(20,017)	0	0	0	(32,500)
Net Book Value						
At 31st March 2020	722,553	13,142	2,954	9,675	21,167	769,491
At 1st April 2019	718,470	12,650	2,945	13,135	20,518	767,718

Revaluations

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under construction £000	Total £000
Valued at Historical Cost:	0	25,496	2,954	0	21,194	49,644
Valued at Current Value in:						
2020/21	628,444	0	0	12,800	0	641,244
2019/20	34,232	0	0	12	0	34,244
2018/19	35,146	0	0	0	0	35,146
2017/18	32,214	0	0	0	0	32,214
2016/17	12,332	0	0	0	0	12,332
Total	742,368	25,496	2,954	12,812	21,194	804,824

16. Property Plant and Equipment (PPE)

Total Property, Plant and Equipment

	31 March 2021 £000	31 March 2022 £000
Infrastructure Assets	788,702	828,775
Other Property Plant and Equipment Assets	777,534	812,680
Total Property, Plant and Equipment Assets	1,566,236	1,641,455

Movement on balances

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Under commercial accounting practices, depreciated historical cost would represent the amount of capital expenditure on infrastructure assets that has yet to be financed. For the Council, this is managed instead through the consolidated arrangements for reducing the Capital Financing Requirement through Minimum Revenue Provision.

The authority has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure asset when there is replacement expenditure is nil.

Infrastructure Assets

2020/21 £000		2021/22 £000
	Net Book Value (modified historical cost)	
735,746	Balance as at 1 April	788,702
90,225	Additions	83,539
(43,442)	Depreciation	(46,364)
6,173	Transferred from Assets Under Construction	2,898
<u>788,702</u>	Balance as at 31 March	<u>828,775</u>

APPENDIX 2 Revised note for Property, Plant and Equipment for 2021/22 Statement of Accounts

Other Property, Plant and Equipment

Movements in 2021/22:	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation						
At 1st April 2021	742,368	25,496	2,954	12,812	21,194	804,824
Additions	7,667	3,515	0	227	26,750	38,159
Donations						0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	21,255			1,145		22,400
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the provision of Services	1,343			141		1,484
Derecognition - Disposals	(18,570)	(7,300)			(470)	(26,340)
Assets reclassified (to)/from Held for Sale	(570)			(405)		(975)
Other movements in cost or valuation	4,836				(7,838)	(3,002)
At 31st March 2022	758,329	21,711	2,954	13,920	39,636	836,550
Accumulated Depreciation and Impairment						
1st April 2021	(13,472)	(13,818)	0	0	0	(27,290)
Depreciation Charge	(32,356)	(3,706)				(36,062)
Depreciation written out to the Revaluation Reserve	30,342					30,342
Depreciation written out to the Surplus/Deficit on the provision of services	1,375					1,375
Derecognition - Disposals	631	7,134				7,765
At 31st March 2022	(13,480)	(10,390)	0	0	0	(23,870)
Net Book Value						
At 31st March 2022	744,849	11,321	2,954	13,920	39,636	812,680
At 1st April 2021	728,896	11,678	2,954	12,812	21,194	777,534

APPENDIX 2 Revised note for Property, Plant and Equipment for 2021/22 Statement of Accounts

Movements in 2020/21:	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation						
At 1st April 2020	735,036	33,159	2,954	9,675	21,167	801,991
Additions	14,113	3,184	0	74	11,463	28,834
Donations	8,985					8,985
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(8,101)			(69)		(8,170)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the provision of Services	(1,377)			(402)		(1,779)
Derecognition - Disposals	(9,308)	(10,847)		(1,146)	(23)	(21,324)
Assets reclassified (to)/from Held for Sale	(2,220)			4,680		2,460
Other movements in cost or valuation	5,240				(11,413)	(6,173)
At 31st March 2021	742,368	25,496	2,954	12,812	21,194	804,824
Accumulated Depreciation and Impairment						
1st April 2020	(12,483)	(20,017)				(32,500)
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Derecognition - Disposals	441	10,051				10,492
At 31st March 2021	(13,472)	(13,818)	0	0	0	(27,290)
Net Book Value						
At 31st March 2021	728,896	11,678	2,954	12,812	21,194	777,534
At 1st April 2020	722,553	13,142	2,954	9,675	21,167	769,491

Revaluations

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under construction £000	Total £000
Valued at Historical Cost:	0	21,711	2,954	0	39,636	64,301
Valued at Current Value in:						
2021/22	616,519	0	0	13,920	0	630,439
2020/21	48,030	0	0	0	0	48,030
2019/20	27,829	0	0	0	0	27,829
2018/19	34,947	0	0	0	0	34,947
2017/18	31,004	0	0	0	0	31,004
Total	758,329	21,711	2,954	13,920	39,636	836,550

2. Statement of Accounting Policies

Property, Plant and Equipment (PPE)

Infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Other Property, plant and equipment are assets that have physical substance and are held for the provision of services or for administrative purposes for more than one financial year.

Recognition

Expenditure on the acquisition, creation, enhancement of PPE or replacement of components of the network is capitalised on an accruals basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred.

Measurement after recognition

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost - opening balances for infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Depreciation

Depreciation is provided for on all property, plant and equipment assets, including parts of the infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (e.g. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation is not charged in the year of acquisition and is charged up to the point of disposal.

APPENDIX 2 Revised note for Property, Plant and Equipment for 2021/22 Statement of Accounts

The following useful lives have been used in the calculation of depreciation:

Infrastructure lives

Asset Type	Estimated Useful Life
Carriageways	40 Years
Road Resurfacing	5 to 15 Years
Footways and Cycle Tracks	40 Years
Major Structural Renewal	10 to 60 Years
Structures (bridges, tunnels and underpasses)	120 Years
Street Lighting	20 to 30 Years
Street Furniture	40 Years
Traffic Management Systems	10 to 15 Years
Road Safety	40 Years
Flood Alleviation & Land Drainage	30 Years
Major Inspections and Structural Reviews	6 to 12 Years

7. Events after the Reporting Period

The following events are non-adjusting events.

Academy Schools

Between 1st April 2021 and 15th February 2023, the following schools became Academies:

- Orchard Manor School
- Dartington Church of England Primary
- Morchard Bishop Church of England Primary School
- Ermington Primary School
- Manor Primary School
- Ugborough Primary School
- Lifton Community Primary School
- Beaford Community Primary & Nursery School
- Bolham Community Primary School
- Whitchurch Community Primary School
- Burlescombe Church of England Primary School
- Webber's Church of England Primary School
- King Edward VI Community College
- Berry Pomeroy Parochial Church of England Primary School
- St Sidwell's Church of England Primary School & Nursery

Academies are independent bodies and Devon County Council will cease to be the maintaining authority from the transfer date. All running costs and income relating to these schools will no longer be part of the Council's accounts. It is estimated that the Council's Gross Expenditure and Income will reduce by £14.5 million per annum.

Devon County will grant a 125-year lease to the Academies to occupy the site where the Authority owns the freehold. The building element of the lease will meet the definition of a finance lease and will no longer be included within the Council's Balance Sheet. The net book value at 31st March 2021 of land and buildings for schools becoming new academies after this reporting period is £43.9 million.

As of 15th February 2023, the following three schools have had applications to convert to academy status approved. These schools have a net book value at 31st March 2021 of land and buildings of £26.7 million:

- Sidmouth College
- Newtown Primary School
- Wynstream School

The proposed transfer dates are expected during the final quarter of 2022/23.

7. Events after the Reporting Period

The following events are non-adjusting events.

Academy Schools

Between 1st April 2022 and 15th February 2023, the following schools became Academies:

- Lifton Community Primary School
- Beaford Community Primary & Nursery School
- Bolham Community Primary School
- Whitchurch Community Primary School
- Burlescombe Church of England Primary School
- Webber's Church of England Primary School
- King Edward VI Community College
- Berry Pomeroy Parochial Church of England Primary School
- St Sidwell's Church of England Primary School & Nursery

Academies are independent bodies and Devon County Council will cease to be the maintaining authority from the transfer date. All running costs and income relating to these schools will no longer be part of the Council's accounts. It is estimated that the Council's Gross Expenditure and Income will reduce by £9 million per annum.

Devon County will grant a 125-year lease to the Academies to occupy the site where the Authority owns the freehold. The building element of the lease will meet the definition of a finance lease and will no longer be included within the Council's Balance Sheet. The net book value at 31st March 2022 of land and buildings for schools becoming new academies after this reporting period is £27.3 million.

As of 2nd February 2023, the following three schools have had applications to convert to academy status approved. These schools have a net book value at 31st March 2022 of land and buildings of £28.657 million:

- Sidmouth College
- Newtown Primary School
- Wynstream School

The proposed transfer dates are expected during the final quarter of 2022/23.

Devon County Council's Cabinet on 8th June 2022 approved the proposal to close Chittlehampton C of E Primary School, which happened on the 31 August 2022. The school's share of the Dedicated Schools Grant funding was just under £217,000.



Grant Thornton UK LLP
2 Glass Wharf
Bristol
BS2 0EL

Devon Finance Services
County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Tel: 01392 380711
email: angie.sinclair@devon.gov.uk

Date: 28th February 2023

Dear Sirs

**Devon County Council: Financial Statements for the year ended 31st
March 2021**

This representation letter is provided in connection with the audit of the financial statements of Devon County Council for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
2. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the

event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of 'other land and buildings' (including useful economic lives), the Pension Fund and PFI liabilities and the fair values disclosures for the PFI agreements and other Council borrowing. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that 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 accordance with the Code and adequately disclosed in the financial statements.
6. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
7. Except as disclosed in the financial statements:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the Council has been assigned, pledged or mortgaged

- there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
9. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
10. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions. The financial statements are free of material misstatements, including omissions.
11. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
12. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
13. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
- the nature of the Council means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going

concern basis will still provide a faithful representation of the items in the financial statements

- the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under the previous paragraph above; and
- the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Information Provided

14. We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
- additional information that you have requested from us for the purpose of your audit; and
- access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.

15. We have communicated to you all deficiencies in internal control of which management is aware.

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

17. 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.

18. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements.

19. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

20. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

21. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.

22. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

23. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

24. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

Approval

The approval of this letter of representation will be minuted by the Council’s Audit Committee at its meeting on 28th February 2023.

Yours faithfully

Name
Position Chair of the Audit Committee
Date 28th February 2023

Name
Position Director of Finance & Public Value
Date 28th February 2023

To be Signed on behalf of the Council



Grant Thornton UK LLP
2 Glass Wharf
Bristol
BS2 0EL

Devon Finance Services
County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Tel: 01392 380711
email: angie.sinclair@devon.gov.uk

Date: 28th February 2023

Dear Sirs

**Devon Pension Fund:
Financial Statements for the year ended 31st March 2021**

This representation letter is provided in connection with the audit of the financial statements of Devon Pension Fund for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the Fund's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
2. We have complied with the requirements of all statutory directions affecting the Fund and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements

of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the actuarial present value of the funded obligations and the valuation of Level 3 investments. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate. We are satisfied that 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 accordance with the Code and adequately disclosed in the financial statements.
6. Except as disclosed in the financial statements:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the Fund has been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
8. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
9. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these

misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.

10. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
11. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
12. We have updated our going concern assessment. We continue to believe that the Fund's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - the nature of the Fund means that, notwithstanding any intention to liquidate the Fund or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under the previous paragraph above; and
 - the Fund's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

Information Provided

13. 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 your audit; and

- access to persons within the Fund via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.
14. We have communicated to you all deficiencies in internal control of which management is aware.
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. 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.
17. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund, and involves:
- management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
18. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
19. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
20. There have been no communications with The Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.

21. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.

22. 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.

23. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Approval

The approval of this letter of representation will be minuted by Devon County Council’s Audit Committee at its meeting on 28th February 2023.

Yours faithfully

Name
Position Chair of the Audit Committee
Date 28th February 2023

Name
Position Director of Finance & Public Value
Date 28th February 2023

To be Signed on behalf of the Fund



Grant Thornton UK LLP
2 Glass Wharf
Bristol
BS2 0EL

Devon Finance Services
County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Tel: 01392 380711
email: angie.sinclair@devon.gov.uk

Date: 28th February 2023

Dear Sirs

Devon County Council
Financial Statements for the year ended 31 March 2022

This representation letter is provided in connection with the audit of the financial statements of Devon County Council for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
2. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of land and buildings and the net defined benefit pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code

and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that 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 accordance with the Code and adequately disclosed in the financial statements.

6. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
7. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Council has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
9. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
10. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
11. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
12. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
13. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
14. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
 - a. the nature of the Council means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to

be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements

- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Council's system of internal control has not identified any events or conditions relevant to going concern.
- d. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

15. The Council has complied with all aspects of ring-fenced grants that could have a material effect on the Council's financial statements in the event of non-compliance.

Information Provided

16. We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
- b. additional information that you have requested from us for the purpose of your audit; and
- c. access to persons within the Council via remote arrangements from whom you determined it necessary to obtain audit evidence.

17. We have communicated to you all deficiencies in internal control of which management is aware.

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

19. 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.

20. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

- d. management;
- e. employees who have significant roles in internal control; or
- f. others where the fraud could have a material effect on the financial statements.

21. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

23. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.

24. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

25. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

26. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

Approval

The approval of this letter of representation will be minuted by the Council's Audit Committee at its meeting on 28 February 2023.

Yours faithfully

Name:

Position: Director of Finance & Public Value

28th February 2023

Name:

Position: Chair of the Audit Committee

28th February 2023

To be Signed on behalf of the Council



Grant Thornton UK LLP
2 Glass Wharf
Bristol
BS2 0EL

Devon Finance Services
County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Tel: 01392 380711

email: angie.sinclair@devon.gov.uk

Date: 28th February 2023

Dear Sirs

Devon Pension Fund
Financial Statements for the year ended 31 March 2022

This representation letter is provided in connection with the audit of the financial statements of Devon Pension Fund for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the Fund's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
2. We have complied with the requirements of all statutory directions affecting the Fund and these matters have been appropriately reflected and disclosed in the financial statements.
3. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our

responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that 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 accordance with the Code and adequately disclosed in the financial statements.

6. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Fund has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
8. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
9. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
10. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Fund and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
11. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
12. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
13. We have updated our going concern assessment. We continue to believe that the Fund's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that that :
 - a. the nature of the Fund means that, notwithstanding any intention to liquidate the Fund or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements

- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Fund's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

Information Provided

14. We have provided you with:
 - a. 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;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Fund via remote arrangements from whom you determined it necessary to obtain audit evidence.
15. We have communicated to you all deficiencies in internal control of which management is aware.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. 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.
18. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
19. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
20. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
21. There have been no communications with The Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
22. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.
23. 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.
24. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

APPENDIX 9 - Letter of Representation to the external auditors for the Pension Fund's Statement of Accounts 2021/22

Approval

The approval of this letter of representation will be minuted by the Fund's Audit Committee at its meeting on 28 February 2023.

Yours faithfully

Name:

Position: Chair of the Audit Committee

Date: 28th February 2023

Name:

Position: Director of Finance and Public Value

Date: 28th February 2023

To be signed on behalf of the Fund