

6 April 2010

Joanna Simons  
Chief Executive  
Oxfordshire County Council  
County Hall  
New Road  
Oxford  
OX1 1ND

**Direct line** 0844 798 8952

Dear Joanna

## **Annual audit fee 2009/10: Oxfordshire Pension Fund**

I am writing to confirm the audit work which we are undertaking for the 2009/10 financial year at Oxfordshire Pension Fund. The final fee will be based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10.

The audit planning process for 2009/10, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated if necessary.

The Audit Commission has published its work programme and scales of fees for 2009/10. The scale fee for Oxfordshire Pension Fund is £48,600. At this stage I have kept the indicative fee for the 2009/10 audit at the scale fee.

In setting the fee at this level, I have assumed that there will be some low level of risks to address. We will revise our audit plan and the fee in the light of continuing:

- discussions with the Council;
- discussions with other Pension Fund auditors; and
- Further Audit Commission and professional guidance on Pension Fund auditing.

A revised plan for the audit of the Fund's financial statements will be issued in May 2010. This will detail the risks identified, planned audit procedures and any changes in fee. If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with the Chief Financial Officer and Assistant Chief Executive and then prepare a report outlining the reasons why the fee needs to change for discussion with the Audit committee.

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My initial risk assessment for the audit is shown in the table below:

Risk	Planned work	Timing of work
Effects of the current economic climate on the Fund's investments and overall financial health	We will review the Fund's management and investment arrangements.	June 2010
Actuarial valuations may be very different because of the above	We will undertake work on information given to the actuary to ensure that it is correct and review the assumptions then made by the actuary.	June 2010
There may be practical and reputational issues arising from contributions from other bodies if these are not correct	We will review the Fund's calculations for contributions from other bodies	April 2010
The forthcoming changes required to comply with the requirements of IFRS accounting, and increase in disclosures.	We will review the arrangements for dealing with the new requirements and comment as appropriate.	across year

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes any work requested by you which the Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you as appropriate.

The key members of the audit team for 2009/10 are:

District Auditor – Maria Grindley                      0844 798 8952

Audit Manager – Mary Fetigan                              0844 798 8978

I am committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the South East Region Head of Operations, Neil Childs at [n-childs@audit-commission.gov.uk](mailto:n-childs@audit-commission.gov.uk)

Yours sincerely

Maria Grindley  
District Auditor

cc Sue Scane, Chief Financial Officer and Assistant Chief Executive  
Cllr David Wilmshurst, Chair of the Audit Committee  
Cllr David Harvey, Chair of Pension Fund Committee

## Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit committee.

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**Table 1**

<b>Planned output</b>	<b>Indicative date</b>
Audit plan	June 2010
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Final accounts memorandum (to the Chief Financial Officer and Assistant Chief Executive)	October 2010