

9 April 2009

David Buckle
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Email

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— Dear David

Annual Audit Fee - 2009/10

Further to our discussions, I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Vale of White Horse District Council. The fee:

- is 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; and
- reflects only the audit element of our work, excluding any inspection and assessment fees. Your Comprehensive Area Assessment Lead will be writing to you separately on inspection fees

As I have not yet completed my audit for 2008/09 the audit planning process for 2009/10, including the risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £103,018 (exclusive of VAT) which compares to the planned fee of £99,523 for 2008/09. A summary of the fee is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10
Planning and reporting the audit	19,331
Financial statements (including WGA)	57,535
Use of Resources/VFM Conclusion	26,215
Total audit fee	103,018

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The Audit Commission has published, in December 2008, its work programme and scales of fees 2009/10. The scale fee for Vale of White Horse District Council is £103,018. The fee proposed for 2009/10 is set at the scale fee.

In setting the fee at this level, I have assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified to 2008/09. A separate plan for the audit of the financial statements will be issued in December 2009. 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 Executive Director and then prepare a report outlining the reasons why the fee needs to change for discussion with the Audit and Governance Committee.

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances;
- Governing the business; and
- Managing resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. However, I have identified a significant risk in relation to my value for money conclusion as shown in the table below. I will consider the arrangements put in place by the Authority to mitigate this risk, and plan my work accordingly.

Risk	Planned work	Timing of work
<p>Shared management structure.</p> <p>The Council is moving to a shared management structure with South Oxfordshire District Council. This may have impacts on the internal control environment.</p>	<p>We will liaise with officers and consider the outcomes of internal audit work as part of our work on Use of Resources.</p>	<p>April 2009 – March 2010</p>

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 that the Commission may agree to undertake using its advice and assistance powers. Any such work will be separately negotiated and a detailed project specification agreed with you; and
- any work we undertake to review the accounting treatment of PFI schemes such as the Authority's proposed scheme for improved custodial accommodation. Any audit work will be billed at hourly rates.

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

- Audit Manager – Anne Ockleston 0844 798 8958
- Team Leader – Adam Prickett 0844 798 1752
- Performance Lead – Mel Shaw 0844 798 8813

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 Southern Region Head of Operations, Neil Childs (n-childs@audit-commission.gov.uk).

Yours sincerely

Maria Grindley
District Auditor

cc Executive Director Finance
Chair of Audit Committee

Appendix 1: Planned outputs

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

Table 1

Planned output	Indicative date
Fees letter	March 2009
Opinion Audit plan	December 2009
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of resources report	September 2010
Final accounts memorandum (to the Director of Finance)	October 2010
Annual audit letter	November 2010