

**Our reference** 20100511

11 May 2010

Mr Geoff Alltimes  
Chief Executive  
London Borough of Hammersmith & Fulham  
Town Hall  
King Street  
Hammersmith  
W6 9JU

**Direct line** 0844 798 2895

Dear Geoff

## **Hammersmith & Fulham Pension Fund Annual Audit Fee 2010/11**

Further to our recent discussions, I am writing to confirm the audit work that we propose to undertake for the 2010/11 financial year for the Hammersmith & Fulham Pension Fund. 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 2010/11.

As I have not yet completed my audit for 2009/10 the audit planning process for 2010/11, 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 2010/11 is £35,000 (exclusive of VAT) which compares to the planned fee of £35,000 for 2009/10. The Audit Commission has recently set the fee scale for single employer funds for both these years at £35,000. This reflects the fact that there is not a single cost driver for a pension fund audit and that for the single employer funds the Commission was not able to identify a statistically valid fee formula.

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 2009/10. A separate plan for the audit of the financial statements will be issued in March 2011. 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 Director of Finance and then prepare a report outlining the reasons why the fee needs to change for discussion with the audit committee.

The above fee excludes any work requested by you that 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.

The key members of the audit team for the 2010/11 are:

Audit Manager – Julian McGowan            0208 753 2182

Team Leader – Grace Kua                      0208 753 2182

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 London Head of Operations, Les Kidner ([les.kidner@audit-commission.gov.uk](mailto:les.kidner@audit-commission.gov.uk))

Yours sincerely

Jon Hayes  
*District Auditor*

**cc** Jane West - Director of Finance

## **Appendix 1: Planned outputs**

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

<b>Planned output</b>	<b>Indicative date</b>
Opinion audit plan	March 2011
Annual governance report	September 2011
Auditor's report giving the opinion on the financial statements	September 2011