

**Our reference**

**Your reference** KE117/gb

7 June 2010

David Cockburn  
Interim Head of Paid Service  
Kent County Council  
Sessions House  
County Hall  
Maidstone ME14 1XQ

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commission.gov.uk

— Dear David

**Kent Superannuation Fund - Audit Plan 2010/11**

Following my discussions with Lynda McMullan, I am writing to confirm the audit work that we propose to undertake for the 2010/11 financial year on the Superannuation Fund. I use a risk-based approach to calculate the audit fee in accordance with Code of Audit Practice and have considered work mandated by the Audit Commission for 2010/11.

I do need to inform you that my audit planning for 2010/11 will be subject to review and might be updated as I have not yet completed my audit for 2009/10.

The total indicative fee for the audit for 2010/11 is £50,000 (exclusive of VAT) which compares to the planned fee of £64,250 for 2009/10.

The Commission has published its work programme and scales of fees 2010/11. Based on this the Fund's scale fee is £46,640. The fee proposed is 7.2% above this and reflects my assessment of work required to complete the audit.

In setting the fee I have assumed that the audit risk in the Fund's financial statements does not differ significantly from that expected in 2009/10 but have recognised the need for detailed work for the following reasons:

- there are fund managers that are not covered by the Fund's custodian arrangements and this requires higher levels of substantive testing of transactions;
- the Fund administers many scheduled and admitted bodies which increases the our work in relation to our Financial Reporting Standard 17 responsibilities and employees' contributions;
- the Fund includes a significant freehold property portfolio that requires us to undertake detailed substantive testing; and
- the Fund includes complex investments such as private equity investments and the valuation of these requires detailed audit consideration.

A specific plan for the 2010/11 audit of the Fund will be provided in early 2011 which will detail the financial statements risks identified, our planned audit procedures and any changes to the fee. Should I need to make any significant amendments to the fee, I will first discuss it with the Director of Finance and then prepare a report explaining the reasons for discussion with the Governance & Audit Committee.

I will issue some reports on my work over the course of the audit. These are shown at Appendix 1.

The fee excludes any work requested by you that the Commission may agree to undertake using its advice and assistance powers. Each fee will be agreed after agreement of a detailed project specification with you.

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

Senior Audit Manager – Emily Hill	0844 798 2638
Audit Manager – Liz Robinson	0844 798 1377
Team Leader – Jeremy Jacobs	0844 798 6121

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 Neil Childs, Head of Operations, Southern Region who can be contacted at the following email address [n-childs@audit-commission.gov.uk](mailto:n-childs@audit-commission.gov.uk).

Yours sincerely

Darren Wells  
District Auditor

cc Lynda McMullan, Director of Finance  
Chair of the Governance & Audit Committee  
Chair of the Superannuation Fund Committee