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Ms D Cadman
Chief Executive
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28 April 2014

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Dear Ms Cadman

Suffolk Pension Fund Annual Audit Fees 2014-15

We are writing to confirm the audit work that we propose to undertake for the 2014-15 financial year at Suffolk Pension Fund. The fee reflects the risk-based approach to audit planning set out in the Code of Audit Practice and the work mandated by the Audit Commission for 2014-15.

Indicative Audit Fee

The audit fee covers the:

- ▶ Audit of the financial statements; and
- ▶ Review of the Pension Fund Annual Report.

For the 2014-15 financial year the Audit Commission has set the scale fee for each audited body as part of the 5 year procurement exercise and consequently it is not liable to increase in that period without a change in scope.

The 2014-15 scale fee is based on certain assumptions, including:

- ▶ The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year; and we are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards
- ▶ The financial statements will be available to us in line with the agreed timetable
- ▶ Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable
- ▶ Prompt responses are provided to our draft reports

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee.

The indicative audit fee set out in the table below has initially been set at the scale fee level as the overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year.

As we have not yet completed our audit for 2013-14, our audit planning process for 2014-15 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract with the Audit Commission.

Summary of Fees

	Indicative fee 2014-15	Planned fee 2013-14	Actual fee 2012-13
Total Code audit fee	£25,026	£25,026	£25,026

Any additional work that we may agree to undertake (outside of the Audit Code of Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative audit fee will be billed in 4 quarterly instalments of £6,256.50.

Audit Plan

Our plan for the audit of the financial statements is expected to be issued in April 2015. This will detail the significant financial statement risks identified, planned audit procedures to respond to those risks, and any changes in fee. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Strategic Head of Finance at Suffolk County Council and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Pension Fund and Audit Committees.



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Audit team

The key members of the audit team for the 2014-15 financial year are:

Peter O'Neill
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Yours sincerely

Peter O'Neill
Partner
For and on behalf of Ernst & Young LLP

cc. Mr G Dobson, Head of Strategic Finance
Councillor Bond, Chair of the Audit Committee
Councillor Bellfield, Chair of the Pension Fund Committee

