

Ged Curran
Chief Executive
Merton Council
Civic Centre
London Road
Morden
Surrey, SM4 5DX

22 April 2016

Ref: MertonPF/16-17/Fee Letter

Direct line: 0161 333 2634

Email: MHargreaves@uk.ey.com

Dear Ged

Annual Audit Fees 2016/17

We are writing to confirm the audit that we propose to undertake for the 2016/17 financial year at Merton Pension Fund.

Indicative audit fee

For the 2016/17 financial year Public Sector Audit Appointments Ltd (PSAA) has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the audit of the financial statements

For Merton Pension Fund our indicative fee is set at the scale fee level. This indicative 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;
- officers meeting the agreed timetable of deliverables;
- our accounts opinion being unqualified;
- appropriate quality of documentation is provided by the Pension Fund;
- there is an effective control environment; and
- prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2015/16, our audit planning process for 2016/17 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Summary of fees

	Indicative fee 2016/17 £	Planned fee 2015/16 £	Actual fee 2014/15 £
Total Code audit fee	21,000	21,000	21,000

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

Billing

The indicative audit fee will be billed in 4 quarterly instalments of £5,250.00.

Audit plan

Our plan is expected to be issued in March 2017. This will communicate any 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 Director of Corporate Services and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the General Purpose Committee.

Audit team

The key members of the audit team for the 2016/17 financial year are:

Melissa Hargreaves
Executive Director

MHargreaves@uk.ey.com

Tel: 0161 333 2634

Simon Mathers
Senior Manager

SMathers@uk.ey.com

Tel: 07776 493851

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint

carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely

Melissa Hargreaves

Melissa Hargreaves
Executive Director
For and on behalf of Ernst & Young LLP

cc. Caroline Holland, Director of Corporate Services
Councillor McCabe, Chair of the General Purposes Committee

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