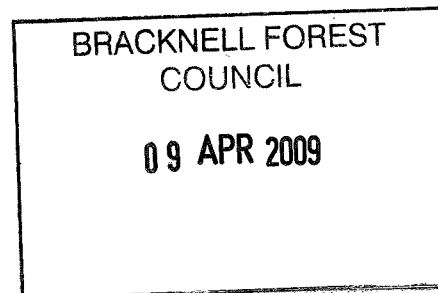


2 April 2009

Mr Tim Wheadon
 Chief Executive
 Bracknell Forest Council
 Easthampstead House
 Town Square
 Bracknell
 Berkshire RG12 1AQ



Dear Tim

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 Bracknell Forest 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, Elizabeth Hale, will be writing to you separately about 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 £242,100 (exclusive of VAT) which compares to the planned fee of £242,500 for 2008/09. A summary of this is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10	Planned fee 2008/09
Financial statements [including planning and reporting]	163,300	156,500
Use of Resources/VFM Conclusion [including risk based work]	73,100	82,400
WGA	5,700	3,600
Total audit fee	242,100	242,500

Certification of claims and returns	43,000	58,000
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The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for Bracknell Council is £228,400. The audit fee proposed for 2009/10 is 6 per cent above 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. In 2010/11 local government bodies will report for the first time in accordance with International Financial Reporting Standards. We have made no provision in our 2009/10 plan for reviewing the Council's preparations for the IFRS transition. However, a minimum additional provision has been made in our audit plan for the following anticipated changes:

- Review of the new Internal Audit provider
- WGA return to be prepared on an IFRS basis

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 required in fee. We also expect the IFRS transitional arrangements will have become clearer through the publication of the 2010 SORP and therefore we can advise on any initial audit work required. The quoted fee for grant certification work is an estimate only and will be charged at published daily rates.

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

- Managing finances
- Governing the business
- 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 will substantially inform my 2009/10 value for money conclusion. My initial planning has identified a number of potentially significant risks which may require a specific audit response in addition to my planned work on use of resources. These are as follows:

- Closing the budget gap through the Medium Term Financial Strategy
- Progress on improving procurement arrangements
- Progress in improving data quality arrangements
- Transfer of Learning Disability Services from BEPCT
- Town Centre Redevelopment and Civic Hub dependent upon timing
- Expanding capital programme including building schools for the future

At this initial planning stage I have made no specific provision to perform substantive work in response to these or any other major risks which may arise. However I will consider the arrangements put in place by the Council to mitigate these risks and update my assessment of during the year. Where a specific response is required to support my value for money conclusion I will agree with you the scope of the work, proposed timing and additional fee involved.

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. 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 2009/10 are:

Audit Manager – Catherine Morganti 0844 798 4667

Team Leader – Rachel Cobley 0844 798 1793

Local Performance Lead – David Bryant 07810 181359

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 South East Head of Operations, Neil Childs

(n-childs@audit-commission.gov.uk).

Yours sincerely



Phil Sharman
District Auditor

cc Mr Chris Herbert, Borough Treasurer

Appendix 1: Planned outputs

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

Table 1

Planned output	Indicative date
Audit fee letter	April 2009
Review of Internal Audit	February 2010
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 Chief Officer Financial Services)	November 2010
Annual audit letter	November 2010