

London Borough of Brent

SAS 610 Report - 'Communication of relevant audit matters to those charged with governance'

8 November 2004

Members of the General Purposes Committee
Brent Council
Town Hall
Forty Lane
Wembley
Middlesex
HA9 9HD

8 November 2004

Ladies and Gentlemen

SAS 610 report on the audit of the 2003-04 financial statements

We are pleased to present our Statement of Auditing Standard 610 ('SAS 610') report in connection with the audit of the 2003-04 financial statements.

We would like to express our thanks to the management and staff at Brent Council for the assistance given to us during the course of our work.

Yours faithfully

PricewaterhouseCoopers LLP

Section	Page
I. Introduction	1
II. Audit and Accounting Issues	2

I. Introduction

1. SAS 610 - “Communication of audit matters to those charged with governance” requires us to communicate relevant matters relating to the audit of the financial statements to those charged with governance of the entity, sufficiently promptly for to enable them to take appropriate action. In the case of London Borough of Brent we have agreed with you that these matters should be communicated to the General Purposes Committee.
2. SAS 610 specifically requires us to communicate the following matters to those charged with governance:
 - expected modifications to the auditors' report;
 - unadjusted misstatements;
 - material weaknesses in the accounting and internal control systems identified during the audit;
 - views about the qualitative aspects of the entity's accounting practices and financial reporting;
 - matters specifically required by other auditing standards to be communicated to those charged with governance; and
 - any other relevant matters relating to the audit.
3. With regards to the individual points noted above those charged with governance should give consideration to the issues contained within this report prior to approving the accounts.
4. SAS 610 also requires us to communicate with those charged with governance regarding:
 - The concept of materiality and its connection to our audit approach;
 - Our approach in addressing the risk of material misstatement;
 - Our approach to the assessment of, and reliance on, internal controls;
 - Intended reliance on the work of internal audit; and
 - The work to be undertaken by any other firms of auditors, and how we will obtain assurance over the procedures of other auditors; and
 - The independence and objectivity of the audit team.
5. These matters have already been communicated to you in the Audit service plan for 2002/04.

II. Audit and Accounting Issues

6. We have set out below our comments on each of the matters that we are required to report to you under SAS 610.

Expected modifications to the Audit Report

7. We anticipate issuing an unqualified audit opinion on the financial statements

Unadjusted misstatements

8. There are no unadjusted misstatements arising from our audit work.

Material weaknesses in the accounting and internal control systems

9. It is the responsibility of the Brent Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as auditors is to consider whether London Borough of Brent has put adequate arrangements in place to satisfy itself that its systems of internal financial control are both adequate and effective in practice.
10. During our audit of this year's financial statements, we have not identified any material weaknesses in the Authority's internal control systems

Qualitative aspects of the entity's accounting practices and financial reporting

11. The working papers produced by the Authority were prepared to a fair standard, and appropriate explanations were given in response to our queries. We would like to take this opportunity of thanking the Director of Finance and his team for the co-operation we received during the course of our audit work.

Matters specifically required by other auditing standards to be communicated to those charged with governance

12. There are no such matters which we are required to bring to your attention.

© 2004 PricewaterhouseCoopers LLP. All rights reserved. "PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.