

Our reference DO013/sas610
Your reference
Date 30 September 2005

Dover District Council
White Cliffs Business Park
Dover
Kent
CT16 3PJ

Dear Chairman

Audit for the year ended 31 March 2005

As part of our closing procedures we are required under the Audit Practices Board Statement of Audit Standards (SAS) 610 to communicate to those charged with governance certain matters before we can give an opinion on the accounts.

The matters to be communicated, even if there are no issues arising, include:

- 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 authority's accounting practices and financial reporting;
- matters specifically required by other Auditing Standards; and
- any other relevant matter relating to the audit,
- independence and objectivity

Modifications to the auditors report

On the basis of our audit work we intend to issue a 'standard' report on the council's financial statements. Our draft report is attached at Appendix 1.

Unadjusted misstatements

We are also required to report to you all misstatements other than those of a 'clearly trifling' nature. A trifling error is an entirely inconsequential error, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. For the purposes of this letter, we have deemed non trifling matters to be any that are greater than 10 per cent or our materiality (i.e. 10 per cent of £1million). We can confirm that all non-trifling errors identified in the course of our audit have already been acknowledged and amended by

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management. A detailed report setting these out has been prepared and is being discussed with officers.

Material weaknesses in the accounting and internal control systems identified during the audit

We have limited responsibilities to report to you weaknesses in accounting systems and systems of internal control identified in the course of our audit. You should be aware that we do not provide a comprehensive statement of all weaknesses that may exist in the accounting and internal control systems or of all improvements that may be made, but have addressed only those matters that have come to our attention as a result of the audit procedures performed. A detailed report setting these out has been presented to officers and is to be presented to members later this year. The nature and extent of these weaknesses do not merit further mention here.

Views about the qualitative aspects of the authority's accounting practices and financial reporting

Our view on the initial draft statements was that the Council need only make minor changes to improve the quality of presentation of the accounts and the details within the supporting notes. This reflects the quality of the accounts presented for audit over the years.

Matters specifically required by other Auditing Standards

Other auditing standards require us to communicate with you in other specific circumstances including:

- where we suspect or detect fraud, even if the potential effect is not material to our audit of the financial statements
- in respect of the conclusion that the council is an ongoing concern
- where there is an inconsistency between the council's financial statements and other information in documents containing the financial statements.
- We have identified no such matters in the course of the audit.

Any other relevant matter relating to the audit

There are no other matters relating to the audit that need to be reported to members at this stage.

Independence and objectivity

Under the requirements of SAS610, we are not aware of any relationships that may bear on the independence and objectivity of the team which are required to be disclosed. In relation to the audit of your financial statements we comply with

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the Audit Commission requirements set out in our “Statement of independence and objectivity in Appendix 2.

Yours sincerely

Kevin Long
Audit Commission