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Mr J Bland
Assistant Chief Executive Finance and Resources
Oldham Metropolitan Borough Council
Civic Centre
Rochdale Road
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Dear John

External Audit 2004/2005 – SAS 610

As part of our role as auditors we are formally required to communicate to the Authority those matters that we believe to be relevant which come to our attention as a result of the performance of the audit of the financial statements in accordance with the Statement of Auditing Standard (SAS 610).

This requires external auditors to report findings arising from the audit of the financial statements to “those charged with governance”. This places a specific obligation on us to inform Members of any important and relevant matters arising from the annual audit of accounts. The SAS guidance details the information, which we must report. In brief this includes:

- 0 any identified misstatements in the accounts which management have not agreed to adjust;
- 1 views on the Authority’s accounting policies and financial reporting practices;
- 2 weaknesses identified in the accounting or internal control system; and
- 3 any qualification of the accounts.

The appendices to this letter detail the audit adjustments identified which have which have not been adjusted (Appendix A) and weaknesses identified in the systems of internal control from our audit of the financial statements (Appendix B).

In addition, in line with SAS 240 - Quality Control for Audit Work we have reviewed the adequacy of the arrangements in place to safeguard against any significant conflicts of interest in respect of this audit and are satisfied that there are no threats to our independence and objectivity. Furthermore, where there are any issues arising which may impact upon our independence and objectivity, we will in accordance with SAS 610 and where we consider that it would be beneficial to do so, provide written evidence to Members that our independence has been preserved and that our objectivity has not been impaired.

In relation to the audit of the financial statements for Oldham Metropolitan Borough Council for the financial year ending 31 March 2005, I am able to confirm that the Commission's requirements in relation to independence and objectivity have been complied with.

Yours sincerely

Kevin Wharton
Director

APPENDIX A

This Appendix sets out the findings from the audit in line with *SAS 610 - Communication of audit matters to those charged with governance* for our audit of Oldham Metropolitan Borough Council for the year ended 31 March 2005.

KPMG LLP has not identified any non trifling unadjusted audit differences following our audit of the Authority's financial statements for the year ended 31 March 20