

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WALTHAM FOREST COUNCIL**

### **Opinion on the accounting statements**

We have audited the accounting statements and pension fund accounts of Waltham Forest Council for the year ended 31 March 2008 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 64; the Housing Revenue Account, Statement of Movement on HRA Balance and related notes 1 to 10; the Collection Fund and the related notes 1 to 4; and the Group Income and Expenditure Statement, the Reconciliation of the Single Entity Surplus for the Year to the Group Surplus, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Group Cash Flow Statement and the related notes 1 to 7. The pension fund accounts comprise the Fund Account, the Net Assets Statement and the related notes 1 to 18. The accounting statements and pension fund accounts have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Waltham Forest Council, as a body, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. Our audit work has been undertaken so that we might state to the Authority those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Responsible Finance Officer and the independent auditors**

The Responsible Finance Officer's responsibilities for preparing the statement of accounts, including the pension fund accounts, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the accounting statements and pension fund accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounting statements and pension fund accounts present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 the financial position of the Authority and its income and expenditure for the year; and the financial transactions of the pension fund during the year and the amount and disposition of the fund's assets and

liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

We review whether the Governance Statement reflects compliance with ‘Delivering Good Governance in Local Government: Framework’ published by CIPFA/SOLACE in June 2007. We report if it does not comply with the proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information we are aware of from our audit. We are not required to consider, nor have we considered, whether the Governance Statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures.

We read the other information published with the accounting statements and pension fund accounts as described in the contents section, and consider whether it is consistent with the audited accounting statements and pension fund accounts. This other information comprises only the Explanatory Foreword and Section 1 – Review and Statutory Certifications. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounting statements and pension fund accounts. Our responsibilities do not extend to any further information.

### **Basis of audit opinion**

We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and pension fund accounts. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and pension fund accounts, and of whether the accounting policies are appropriate to the Authority’s and pension fund’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounting statements and pension fund accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounting statements and pension fund accounts.

### **Opinion**

In our opinion:

- the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Authority as at 31 March 2008 and of its income and expenditure for the year then ended; and

- the pension fund accounts present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial transactions of the Pension Fund during the year ended 31 March 2008, and the amount and disposition of the fund's assets and liabilities as at 31 March 2008, other than liabilities to pay pensions and other benefits after the end of the scheme year.

### **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### **Authority's Responsibilities**

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

#### **Auditors' Responsibilities**

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. We report if significant matters have come to our attention which prevent us from concluding that the authority has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We are required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that we have done so;
- stating whether we believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

#### **Conclusion**

We have undertaken our audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, we are satisfied that, in all significant

respects, Waltham Forest Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.

### **Best Value Performance Plan**

We issued our statutory report on the audit of the authority's best value performance plan for the financial year 2007/08 on 13 December 2007. We did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

### **Certificate**

The audit cannot be formally concluded and an audit certificate issued until we have completed our consideration of matters brought to our attention by local authority electors. We are satisfied that these matters do not have a material effect on the financial statements.

A handwritten signature in blue ink, appearing to read "Deloitte & Touche LLP", is written over a faint, light blue background that resembles a watermark or a very light stamp of the company name.

### **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
St Albans, United Kingdom

30 September 2008