**Section 1 -Annual Governance Statement 2019/20**

We acknowledge as the members of:

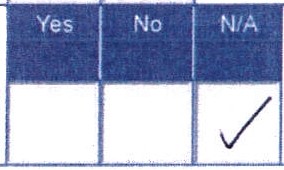
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our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

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les *means thal th,s dll!hOIII)*

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Wehave put ,n place arrangements for **errectr,e** financia l  management during the year and for the preparation of the accounting statements. | / |  | *prepared ,ts accountrng* statements *in accordance*  *with the Accounts and Audit Regular10ns* |
| 2. We maintained an adequate system of internal control  , ncluding measures designed to prevent and detect fraud and corruptJon and reviewed its errect,veness. |  |  | *('f!ade proper arrangements and accepted responsibility for safeguardrng the public money and resources rn*  *tis charge* |
| 3. We took all reasonable steps *to* assure ourselves that there are no matters of actual or potential non-compliance with laws, regulaltons and Proper  Practices that could have a significant financial effect on the ability *of* this authority to conduct ,ts  business or manage rts finances. | / |  | *has only done what rt has the legal power to do and has complied wrth Proper Pracc1ces rn dorng* so |
| **4. We** provided proper opportunity during the year for the exercise of electors rights in accordanee with the requirements of the Accounts and Audit Regulations. |  |  | *during the* year *gave all persons rnterested the opportunity to rnspect and* ask *questions about this authonty's accounts* |
| 5. We carried out an assessment of the nsks facing this authonty and took appropriate steps to manage those nsks, including the ,ntroductron of interna l controls and/or external insurance cover **where** requi red. | *J* |  | *considered and documented the financial and other nsks* 1/  *faces and dealt with them property* |
| 6. We maintained throughou t the year an adequate and errect,ve system of internal audit of the accounting records and control systems. | *I* |  | *arranged for a competent person. independent of rhe financial controls and procedures. to give an objective view on whether internal controls meet t. e needs of this smaller authonly.* |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. |  |  | *responded to matters brought to its attention by mtemal and external audit* |
| 8. We considered whether any litigation liabtlit1es or commitments. events or transactions. occurring either during *0<* after the year-end. have a financial impact on this authonty and, where appropriate. have included them  ,n the accounting statements. |  |  | *disclosed everything II should have about its business ad!Vlty dunng the year including events ta/<Jng place after the* year *end If relevant.* |
| 9. (For local councils only) Trust funds 1nclu dmg chari table. In our capacrty as the sole managing trustee we discharged our accountability responsibilities for the fund(s)!assets, including financial reporting and if required. independent examination or audit | has *met all of its responSJb 1lit1es where,* as *a body corporate. 1t* 1s *a* sole *managing trustee of a local trust or trusts* | | |

•Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

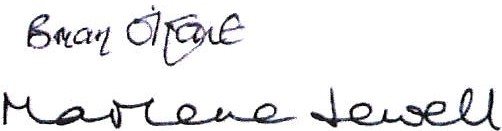
This Annual Governance Statement was approved at a meeting of the authority on:

**to/07/10**

and recOl'ded as minute reference:

*l* 5 *( ( ::Lo* 4- / *c[)*

Signed by the Chairman and Clerk of the meeting **where**

approval was given:

Chainnan Clerk

Other information required by the Transparency Codes (not part of Annual Governance Statement) Authority web address

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Annua l Governance and Accountability Return 2019/20 Part 3

Local Councils. Internal Drainage Boards and other Smaller Authorities•

Page 4 of 6

# Section 2 - Accounting Statements 2019/20 for



Year ending Notes and guidance

31 March 31 March

2019 2020

£ £

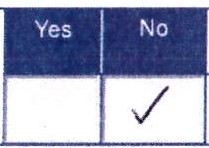
*.*

*Please round all figures to nearest £1 Do not leave any boxes blank and report £0 or Nil balances All figures must agree to underly111g financial records.*

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Balancesbrought  forward | 322, 2.45 | l.t-04*,* , *2...* | *Total balances and reserves al the beginning of the year*  as *recorded in the financial records. Value must agree to Box* 7 *of previous year.* |
| **2.** (+) Precept or Rates and Levies | 40t:.ic 9 =l-lf' | 4-4-2,558 | *Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants*  *received.* |
| **3.** (+) Total other receipts | 4 5 g g | 4-5;193 | *Total income or receipts* as *recorded in the cashbook less the precept or rates/levies received (line 2 ). Include any grants received.* |
| **4.** (-) Staff costs | 79,4-b'o | 85, l=t.2. | *Total expenditure or payments made to and on behalf of all emplo yees. Include gross salaries and wages, employers NI contributions. employers pension contributions. gratuities and severance payments.* |
| **!I.** (-) Loan interest/capital repayments | 0 | 0 | *Total expenditure or payments of capital and interest made during the year on the authon'ty's bon-owings (if any)* |
| **6.** (-) All other payments | 2.%9' 1-=t-'1 | 451 I Y-01'° | *Total expenditure or payments as recorded in the cash- book less staff costs (line 4) and loan interest/capilal repayments (line 5).* |
| 7. (=) Balances carried forward | 4-ol+, \b2 | 35 5 , 33 4- | *Total balances and reserves at the end of the year. Must equal (1+2+3)* - *(4+5+6).* |

|  |  |  |  |
| --- | --- | --- | --- |
| **8.** Total value of cash and short term investments | 4 001 5 85 | 3S ,85'f | *The sum of all cun-ent and deposit bank accounts, cash holdings and short term investments held as at 31 March* - *To* **agree *with bank reconc/1/atio n .*** |
| **9.** Total fixed assets plus long term investments  and assets | 56191.3 | 22 1, 058 | *The value of all the property the authority owns* - *it is* made  *up of all its fixed assets and long term investmentsas at 31 March.* |
| 1D. Total borrowings | 0 | 0 | *The outstanding capdal balance* as *at 31 March of all loans from third parties (including PWLB).* |

11. (For Local Councils Only) Disclosure note



*re* Trust funds (including charitable)

*The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.*

*N.8 . The figures in the accounting statements above do not include any Trust transactions.*

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountab ility Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountab ility for Smaller Authorities - a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsib le Financia l Officer before being presented to the authority for approval

I confirm that these Accounting Statements were approved by this authority on this date:

*lo{o1(.1e>*

asrecorded in minute reference:

l5bl/:J...C) *t+. l ( i 0*

Signed by Chairman of the meeting where the Accounting Statements were approved

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Ann ual G ove rn ance and Ac countabili ty Return 2019/20 Part 3

Local Councils, Internal Drainage Boards and other Smaller Authorities•

Page 5 of 6

**Section 3** - **External Auditor Report and Certificate 2019/20**

In respect of **Whitehaven Town Council CU0268**

# Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

* + summarises the accounting records for the year ended 31 March 2020; and
  + confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibi lity is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

# External auditor report 2019/20

|  |  |  |
| --- | --- | --- |
| Except for the matter s reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return {AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.  We are unable to complete our review work on the AGAR and supporitng documentation as a result of correspondence received in relation to 2019120 and/or prior years. Once we have finalised our review and completed any additional work arising from that correspondence, a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.  An invoice for the standard annual review fee (and chaser letter charges where they apply) has been issued with this interim certificate; however,this interim invoicedoes not fall due for payment until we certify completion and issue our final report and certificate. Any additional fees arising from additional work required as a result of the correspondencewill be invoiced with the certificate of completion for the relevant year; where no additional fees apply a zero invoice will be issued on completion. Both the interim and final invoices do not fall due for payment until we issue our final invoice with the certificate of completion. | |  |
|  |  |  |
| Other matters not affecting our opinion which we draw to the attention of the authority: Please see above. | |

1. External auditor certificate 2019/20

We do not certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020

We do not certify completion because:

We have received correspondence bringing information to our attention that we must consider before certifying the completion of our review and the discharging of our responsibilities.

External Auditor Name

External Auditor Signature

**PKF LITTLEJOHN LLP**

QlJ- LtP Daet

### 26/11/2020

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual Governance and Accountability Return 2019/20 Part 3 Page 6 of 6

**PKF Littlejohn LLP PKF**

Accountants &

## Final External Auditor Report and Certificate 2019/20 in respect of Whitehaven Town Council CU0268

**Respective responsibilities of the body and the auditor**

business advisers

## Page 1 of 2

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordancewith Proper Practices which:

summarises the accounting records for the year ended 31 March 2020; and

confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

## External auditor report 2019/20

On 26 November 2020, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2020. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

We note that as a result of the Covid-19 pandemic-related cancellation of a Council meeting that had been scheduled to take place on 23 March 2020, Cou ncillors were consulted on adopting the High Consequence Infectious Disease Policy (HCIDP) and a majority of the Councillors (excluding the Chair and Deputy Chair) agreed that the policy should be adopted. The policy gave the Chair and Deputy Chair delegated authority to make decisions on behalf of the Council unt il it was able to meet again. The Council re-commenced meetings using a virtual platform on 10 July 2020. We note that WTC retrospectively ratified at this meeting all decisions that had been made by the Chair and Deputy Chair under delegated autho ri ty since 23 March 2020. Although delegated autho rity can only be given by a resolution being passed at a properly convened Council meeting, we recognise that in these exceptional circumst ances the Council did this by consulting with Councillors outside of meetings. Therefore, although the Chair and Deputy Chair did not have proper delegated authority to make decisions between 23 March and 10 July 2020, the Council was follow ing guidance issued by the National Association of Local Councils (NALC) as a result of the country going into lockdown. Nevertheless, we believe that Assertion 3 for each relevant year (2019/20 and 2020/21) should be answered ' No'.

The AGAR has not been signed in accordance with the Accounts and Aud it Regulations 2015:

* + Section 2 was not signed by the Responsible Finance Officer before approval.

Other matters not affecting our opinion which we draw to the attention of the authority:

As a result of matters that were brought to our attention by members of the public as well as the non-statutory recommendations that we have issued in a separate letter dated 14 January 2021, a significant amount of addit ional work has been carried out by our selves on various matters of governance and accountability. The Council will receive an additional invoice for this work in line with the fees set by SAAA.

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PKF Littlejohn LLP • 15 Westferry Circus • Canary Wharf • London E14 4HD

**PKF Littlejohn LLP . Chartered Accountants. A list of members' names isavailable at the above address. PKF Littlejohn LLP isa limitedliability partnership registered in England and Wales No. OC342572. Registered office as above. PKF Littlejohn LLP is a member firm of the PKF International Limtiedfamily of legally independentfirmsand does not accept any responsibiltiy orliabliity for the actions or inaclionsof any individual member or correspondent firm or firms.**

### PKF Littlejohn LLP **PKF**

Accountants & business advisers

**Page 2 of 2**

## External auditor certificate 2019/20

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountabliity Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.



## PKF Littlejohn LLP

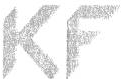
**19/01/2021**

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,, PKF LittlejohnLLP



Accountants &

business advisers

Cllr O'Kane

Whitehaven Town Council 148 Queen Street Whitehaven

Cumbria CA28 ?AZ

Our ref AJS/BCB/SAAA/CU0268 Your ref

Email [sba@pkf-l.com](mailto:sba@pkf-l.com)

14 January 2021

Dear Members

#### Whitehaven Town Council

**Recommendations under section 27(6) of The Local Audit and Accountability Act 2014 (the Act): Governance weaknesses in relation to the Annual Governance** & **Accountability Returns (AGARs) for the years ending 31 March 2019, 31 March 2020 and 31 March 2021.**

The Local Audit and Accountability Act 2014 (the Act) requires that the accounts of smaller authorities are made up each year to 31 March and then reviewed by the appointed auditor, unless the smaller authority meets the eligibility criteria set out in Regulation 9(3) of the Local Audit (Smaller Authorities) Regulations 2015 and wishes to certify exemption.

We are the appointed auditors to Whitehaven Town Council (WTC) for the years ending 31 March 2018 to 31 March 2022. Information has been brought to our attention about WTC for the years ending 31 March 2019, 2020 and 2021.

**201S/20** & **2020/21**:

We understand that a Council meeting that had been scheduled to take place on 23 March 2020 had to be cancelled because the building where the meeting was to be held was closed for business as a result of the restrictions in place during the Covid-19 pandemic. All Councillors were consulted on adopting the High Consequence Infectious Disease Policy (HCIDP) and a majority of the Councillors (excluding the Chair and Deputy Chair) agreed that the policy should be adopted.

The policy gave the Chair and Deputy Chair delegated authority to make decisions on behalf of the Council until it was able to meet again. The Council re-commenced meetings using a virtual platform on 10 July 2020. We note that WTC retrospectively ratified at this meeting all decisions that had been made by the Chair and Deputy Chair under delegated authority since 23 March 2020.

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2

Although delegated authority can only be given by a resolution being passed at a properly convened Council meeting, we recognise that in these exceptional circumstances the Council did this by consulting with Councillors outside of meetings. Therefore, although the Chair and Deputy Chair did not have proper delegated authority to make decisions between 23 March and 10 July 2020, the Council was following guidance issued by the National Association of Local Councils (NALC) as a result of the country going into lockdown.

A declaration of interest that should have been made by a Councillor in relation to expenditure in respect of community provision of antibacterial gel in May 2020 was not made until 10 July 2020.

#### 2018/19:

We understand that the Council made payments of £66.68 to the Chair to reimburse him for gifts purchased for the Mayor of Memphis, which has a neighbourhood called Whitehaven. The payments were made with the intention of fostering good relations worldwide and the Council has stated that the payment was made under section 111 of the Local Government Act 1972 which gives local authorities the power to do anything in connection with the Council's functions. It is not immediately apparent that this would be a function of the Council and that the expenditure has been correctly made under s111.

As a result of this information we are raising the following recommendations under section 27(6) of the Act. Recommendations under this section of the Act do not place any statutory requirements on WTC in terms of considering or responding to the recommendations; however, it would demonstrate good governance if WTC considers taking action in respect of the recommendations listed below.

1. It is recommended that when completing the Annual Governance Statements for 2019-20 and for 2020- 21, the Council carefully considers whether it can give a positive response to Assertion 3 that *"We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non­ compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances."*
2. It is recommended that WTC takes action to remind all members of its procedures around the declarations of potential conflicts of interests, to help ensure that such declarations are always made at the appropriate time.
3. It is recommended that the Council is mindful in the future that it has appropriate powers to make all expenditure.

This letter gives rise to additional fees payable by Whitehaven Town Council on conclusion of the process. This is for the additional work involved in receiving, considering and concluding on challenge correspondence and the production of this letter.

Yours faithfully



PKF Littlejohn LLP