

## Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

WHITEHAVEN TOWN COUNCIL  
ENTER NAME OF AUTHORITY

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 2019, that:

	Agreed		"Yes" means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took 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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity 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.	Yes	No	N/A
			✓
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*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 should be published with the Annual Governance Statement.

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

30/05/19

and recorded as minute reference:

1328/19/10

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

*Brian O'Neil*

Clerk

*Margaret Jewell*

**Other information required by the Transparency Codes (not part of Annual Governance Statement)**

Authority web address

[www.whitehaventowncouncil.co.uk](http://www.whitehaventowncouncil.co.uk)

## Section 2 – Accounting Statements 2018/19 for

WHITEHAVEN TOWN COUNCIL  
 Annual Governance and Accountability Return 2018/19

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	254,037	322,245	Total balances and reserves at 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	334,167	406,974	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	48,438	43,588	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	66,724	79,466	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	247,673	289,179	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	322,245	404,162	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	325,802	400,585	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	36,216	56,913	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital 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)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
		✓	

I certify that for the year ended 31 March 2019 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*Martina Hewell*

Date 31/05/19

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

30/05/19

as recorded in minute reference:

1328/19/11

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

*John O'Neil*

## Section 3 – External Auditor Report and Certificate 2018/19

In respect of

Whitehaven Town Council CU0268

### 1 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 2019; 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.

### 2 External auditor report 2018/19

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 are unable to complete our review work on the AGAR and supporting documentation as a result of correspondence received in relation to 2018/19 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 invoice does 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 correspondence will 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.

### 3 External auditor certificate 2018/19

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 2019

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

PKF LITTLEJOHN LLP

External Auditor Signature

Date

24/09/2019

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2018/19 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## Final External Auditor Report and Certificate 2018/19 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 2019; 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 2018/19

On 24 September 2019, 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 2019. 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.

The AGAR has not been signed in accordance with the Accounts and Audit 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 recommendation that we have issued in relation to expenditure powers, a significant amount of additional work has been carried out by ourselves 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.

### External auditor certificate 2018/19

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2019.



**PKF Littlejohn LLP**

**12/01/2021**

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Cllr O'Kane  
Whitehaven Town Council  
148 Queen Street  
Whitehaven  
Cumbria  
CA28 7AZ

Our ref AJS/BCB/SAAA/CU0268  
Your ref

Email 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.

**2019/20 & 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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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