

# Workington Town Council

## Notice of conclusion of audit Annual Return for the year ended 31 March 2021

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
<p>1. The audit of accounts for <b>Workington Town Council</b> for the year ended 31 March 2021 has been completed and the accounts have been published.</p>	<p>This notice and Sections 1, 2 &amp; 3 of the AGAR must be published by 30 September. <b>This must include publication on the smaller authority's website.</b> The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.</p>
<p>2. The Annual Governance &amp; Accountability Return is available for inspection by any local government elector of the area of <b>Workington Town Council</b> on application to:</p> <p>(a) <u>CATHERINE GOURLAY (CUGAR + RFO)</u> <u>WORKINGTON TOWN COUNCIL COMMUNITY</u> <u>CENTRE, PRINCESS STREET, WORKINGTON</u> <u>CA14 2QG</u></p> <p>(b) <u>MONDAY TO FRIDAY, 9AM TO 5PM</u></p>	<p>(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR</p> <p>(b) Insert the hours during which inspection rights may be exercised</p>
<p>3. Copies will be provided to any person on payment of <u>£1.00</u> (c) for each copy of the Annual Governance &amp; Accountability Return.</p>	<p>(c) Insert a reasonable sum for copying costs</p>
<p>Announcement made by: (d) <u>PAUL YOUNG, FINANCE OFFICER</u></p>	<p>(d) Insert the name and position of person placing the notice</p>
<p>Date of announcement: (e) <u>12/4/23</u></p>	<p>(e) Insert the date of placing of the notice</p>

## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

WORKINGTON TOWN COUNCIL

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 2021, 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.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
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.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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	has met all of its responsibilities where, as a body corporate, it is 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:

9/6/2021

and recorded as minute reference:

21.05

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

Chairman

H Briggs

Clerk



WWW.WORKINGTONTOWNCOUNCIL.GOV.UK

## Section 2 – Accounting Statements 2020/21 for

### WORKINGTON TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	262,936	306,713	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	526,397	555,875	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	95,920	20,834	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	222,993	247,432	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
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	355,547	316,131	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	306,713	319,859	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	324,271	333,384	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	530,382	587,382	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.
		No	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 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



Date

25-5-2021

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

9/6/2021

as recorded in minute reference:

21.06 c+d

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

+Briggs

## Section 3 – External Auditor Report and Certificate 2020/21

In respect of **Workington Town Council - CU0265**

### 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 2021; 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 2020/21

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 2020/21 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 statutory annual review fee (and chaser letter charges where they apply) has been issued with this interim certificate. This interim invoice may be settled prior to us certifying completion and issuing our final report and certificate. Any additional fees arising from additional work required as a result of the correspondence received 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.

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

Please see above.

### 3 External auditor certificate 2020/21

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 2021

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

*PKF Littlejohn LLP*

Date

26/9/2021

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews 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 2020/21 in respect of Workington Town Council CU0265

### Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### External auditor report 2020/21

On 26 September 2021, 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 2021. 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.

- 1) Assertions 1 and 3 have not been correctly completed. The smaller authority has confirmed that it does not have a general reserves policy and we note that earmarked reserves have not been brought to the Finance and General Purposes Committee or Full Council for approval as part of the budget setting process for either the 2020/21 budget or the 2021/22 budget set during 2020/21. These are both mandatory requirements of the Practitioners' Guide. Furthermore, it is a requirement of the Local Government Finance Act 1992 that authorities must consider the level of their reserves as part of the budget and precept setting process. As a result of this the answers to Assertions 1 and 3 should have been "No".
- 2) Assertion 2 has not been correctly completed. Several instances were identified during the year where the Council had not followed its Financial Regulations in respect of the authorisation of expenditure, either not recording any resolution authorising an item of expenditure, authorising outside the delegation limits of the relevant committee, authorising virements at committee level rather than full council or not properly authorising overspends against the approved budget. As a result of this the answer to Assertion 2 should have been "No". We recommend that the Council carries out a review of its authorisation processes to ensure that they are in line with the Financial Regulations and are adequately minuted. We understand that the Council has started to address this during the 2022/23 year.

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

- 1) We note that while a risk assessment was carried out during the year under review, the documentation provided does appear to be rather basic for the size of the Council. We recommend that the Council reviews its risk management policy, procedures and documentation to ensure that they meet the requirements of the Council.
- 2) We received challenge correspondence in relation to the 2020/21 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

**External auditor certificate 2020/21**

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 2021.

*PKF Littlejohn LLP*

**PKF Littlejohn LLP**

**05/04/2023**