

**ISSUES ARISING REPORT FOR
Bedlinog Community Council
Audit for the year ended 31 March 2018**

Introduction

The following matters have been raised to draw items to the attention of Bedlinog Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2018.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Annual Governance Statement - Gratuity
 - External auditor's report not minuted
 - Expenditure powers - S137 power incorrectly used
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The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and require the body to take immediate action.

External auditor's report not minuted

What is the issue?

The external auditor's report for the year to 31 March 2016 has not been minuted as considered by the council.

Why has this issue been raised?

The council are not acting in accordance with the Public Audit (Wales) Act 2004. It is a requirement of the Public Audit (Wales) Act 2004, para 25, that all reports and/or recommendations made by the auditors are considered by the council.

What do we recommend you do?

The council must ensure all subsequent audit reports are reported to the council and minuted as received. If recommendations are made, an action plan should be drawn up to ensure that the recommendations are carried out.

Further guidance on this matter can be obtained from the following source(s):

Public Audit Wales Act 2004 - Office of Public Sector Information website
Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 18.15 to 18.18

The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the body so they do not occur again in future years.

Annual Governance Statement - Gratuity

What is the issue?

The smaller authority have not correct completed the question on Part 2 concerning the obligation to pay a gratuity. The incorrect statement has not been crossed out to leave the one that reads 'The Council has no obligation or intention to pay a gratuity to employees'.

Why has this issue been raised?

The annual return has not been completed fully in line with the instructions issued.

What do we recommend you do?

The smaller authority should ensure in future years that all questions are answered fully.

Further guidance on this matter can be obtained from the following source(s):

Guidance notes on the annual return.

The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Expenditure powers - S137 power incorrectly used

What is the issue?

Payments were made to one or more of the following: a local social, sports or youth club(s) which could have been authorised under S19 of the Local Government (Miscellaneous Provisions) Act 1976, power to provide recreational facilities within and outside of the area.

Why has this issue been raised?

The council incorrectly recorded items as Section 137 payments when other statutory powers existed. A payment cannot be recorded under S137 if another statutory powers exists.

What do we recommend you do?

The council must ensure in future years that it reviews the list of statutory powers available to council to establish if a power exists before relying on S137 to authorise a payment. The statutory power being used to authorise expenditure should be recorded alongside the item to demonstrate the council has properly followed its standing orders and financial regulations.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in Wales - A Practitioners' Guide, OVW/SLCC
One Voice Wales representative, One Voice Wales website - (www.onevoicewales.org.uk)
Audit Briefing, Spring 2010, BDO

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 25 October 2018
