



**ISSUES ARISING REPORT FOR
Mawr Community Council
Audit for the year ended 31 March 2017**

Introduction

The following matters have been raised to draw items to the attention of Mawr Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2017.

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;

- Internal Auditor's recommendations
 - Charity Administration
 - Fixed assets
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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.

Internal Auditor's recommendations

What is the issue?

The internal auditor has noted a number of recommendations in the financial systems of the council.

Why has this issue been raised?

The council is exposed to the risks associated with these recommendations.

What do we recommend you do?

The council must implement the recommendations made by the internal auditor to improve the financial systems of the council as soon as possible or in any event before the end of the current financial year.

If the council addresses all the issues raised by the internal auditor the council should improve internal controls which will help to prevent and detect error and fraud and assist the council to operate in an effective and efficient manner.

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

Governance and Accountability for Local Councils in Wales, A Practitioners' Guide - Ovw/SLCC

Charity Administration

What is the issue?

We note that the Council has said "No" to question 9 on the Annual Governance Statement, due to the failure to submit the required information to the Charity Commission on time.

Why has this issue been raised?

This is a failure of the council's responsibilities as a sole trustee to the charity.

What do we recommend you do?

The Council should ensure it maintains the records of the charity adequately and all returns are made to the Charity Commission as required.

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

The Charity Commission

Fixed assets

What is the issue?

It has come to our attention that fixed assets have been included in box 12 at a valuation amount. All assets should be included at a fixed valuation (preferably cost). Insurance value can be used although this should not be much different from cost when purchased.

A council should not adjust assets disclosed on the annual return for revaluations, depreciation or

impairment. The only movements on assets should be the cost of additions or the cost value of any disposals. So changes in insurance values should not be reflected.

Why has this issue been raised?

The accounting treatment may not be in compliance with proper practices.

What do we recommend you do?

The Practitioners' Guide states that all assets should be held at a valuation. In future the council should review the current Practitioners' Guide to ensure that they are accounting for assets correctly.

The value of assets is not expected to change unless an asset is ever disposed of or scrapped.

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

Governance and Accountability for Local Councils in Wales - A Practitioners' Guide, OVW/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 08 September 2017
