



**ISSUES ARISING REPORT FOR  
Mawr Community Council  
Audit for the year ended 31 March 2020**

## 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 2020.

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;

## Issues Raised

- Accounts certification
  - Fixed assets shown at valuation rather than purchase cost
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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.

### **Accounts certification**

#### *What is the issue?*

The Responsible financial officer has certified the accounting statement after the council approved the accounts.

#### *Why has this issue been raised?*

The dates disclosing the certification and approval of the annual return are incorrect.

#### *What do we recommend you do?*

The council should ensure that the responsible financial officer certifies the accounting statements and dates their certification prior to the approval of the annual return by the full council. This is a requirement of the Accounts and Audit (Wales) Regulations 2014 and these regulations must be followed.

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

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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.

**Fixed assets shown at valuation rather than purchase cost**

*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 cost or proxy cost which should remain unchanged.

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 removal of cost value of any disposals.

*Why has this issue been raised?*

The accounting treatment is not in compliance with proper practices.

*What do we recommend you do?*

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

The cost 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, OVV/SLCC

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 25 January 2021

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