



**ISSUES ARISING REPORT FOR
Tremeirchion Cwm & Waen Community Council
Audit for the year ended 31 March 2020**

Introduction

The following matters have been raised to draw items to the attention of Tremeirchion Cwm & Waen 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

- Accounting Statements - Trust Funds Disclosure Note
 -
 - Internal Auditor's recommendations
 - Risk assessment
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The following issue(s) have been raised to assist the body in improving its internal controls or working practices. The body is recommended to consider these but is under no statutory obligation to act upon them.

What is the issue?

On section one of the annual return, "Annual Governance Statement (Part 2)", the minute reference for when the annual governance statement was approved, is missing. The minutes referenced (by date) have been checked, and do show the approval of the annual governance statement.

Why has this issue been raised?

The annual governance statement is required to be filled out, in full.

What do we recommend you do?

In future years, please ensure all sections of the annual governance statement is completed.

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

Risk assessment

What is the issue?

The council has not minuted a review of their risk assessment during the year. However, it was on their agenda for the March meeting but this was cancelled due to the pandemic and national lockdown measures enforced.

Why has this issue been raised?

This is a breach of regulation 5 para 3(b) of the Accounts and Audit (Wales) Regulations 2014 which requires smaller authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The council should ensure that the risk assessment is reviewed and approved during each financial year.

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

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.

Accounting Statements - Trust Funds Disclosure Note

What is the issue?

The council has not answered box 14 for 2019 in error in the Accounting Statements of the annual return. We believe based on the prior year's information that the council should have answered 'N/a'.

Why has this issue been raised?

The disclosure on the annual return has not been completed, as we believe that the council is not the sole trustee of any charities.

What do we recommend you do?

The council should ensure in future years that it answers 'No' or 'N/a', to show that the council does not act as the sole trustee for and is not responsible for managing trust funds or assets.

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

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

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 some 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 in Local Councils in Wales - A Practitioners Guide, OVW/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 16 December 2020
