

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

Introduction

The following matters have been raised to draw items to the attention of Llandwrog 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
 - Expenditure powers - S137 power incorrectly used
 - Internal auditor has not produced a detail report of work undertaken
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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.

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?

Donations were made to an Eisteddfod which could have been authorised under S145 of the Local Government Act 1972, provision of entertainment and support of the arts.

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

Internal auditor has not produced a detail report of work undertaken

What is the issue?

The internal auditor has not provided detail of the individual testing performed either on the annual return or in a separate report to the council.

Why has this issue been raised?

The council is unable to satisfy itself that the full scope of the internal audit assignment has been covered and the work has been performed in all relevant areas.

What do we recommend you do?

The council must ensure that the internal auditor fully completes the 'Outline of work undertaken' boxes on the annual return or provides the council with a detailed report of the work undertaken.

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

Governance and Accountability for Local Councils in Wales - A Practitioners' Guide

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 19 September 2018

