



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

Introduction

The following matters have been raised to draw items to the attention of Nannerch 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

- Minutes not on website
 - Accounting Statements - Trust Funds Disclosure Note
 - Reserves
-

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.

Minutes not on website

What is the issue?

The council have not published all the minutes of council meetings on its website. There are some missing from the current and recent years.

Why has this issue been raised?

Under s55 of the Local Government (Democracy) (Wales) Act 2013, the website must publish the minutes of the council.

What do we recommend you do?

The council must update the website to include all approved minutes.

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

Local Government (Democracy) (Wales) Act 2013

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.

Reserves

What is the issue?

The general reserve balance held by the council appear high.

Why has this issue been raised?

The council has no power to hold excessive reserves unless they are saving for something in particular. The analysis of reserves held demonstrated that these reserves are not held for any specific or earmarked purpose.

What do we recommend you do?

If the council is not saving for a large purchase, the balances carried forward should be reduced to a more appropriate level. The generally accepted level of reserves is usually no more than the level of the precept or between 3 to 12 months anticipated expenditure.

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

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 10 November 2020
