

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

Introduction

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

- Council incorrectly stated 'No' to Trust Funds disclosure in Section 2 of the Annual return
- Risk Assessment
- Internal Auditor's recommendations
- Re-approval of the annual return

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.

Risk Assessment

What is the issue?

The internal auditor has noted that the council have not minuted its review of the risk assessment during the year ended 31 March 2017.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit (Wales) Regulation 2014 which requires councils to provide arrangements for the management of risk.

What do we recommend you do?

The council must ensure that the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the council to evidence as a whole that they are satisfied that all the risks facing the council have been identified and safeguards have been put in place to protect against those risks.

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

Governance and Accountability in Local Councils in Wales - A Practitioners Guide, OVV/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.

Council incorrectly stated 'No' to Trust Funds disclosure in Section 2 of the Annual return

What is the issue?

The council has answered 'No' to question 9 in error in Section 2 of the annual return

Why has this issue been raised?

The disclosure on the annual return is incorrect, as 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 'N/a', that the council does not have any responsibilities to discharge in relation to a charity.

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

Not applicable

Internal Auditor's recommendations

What is the issue?

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

Why has this issue been raised?

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

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

Re-approval of the annual return

What is the issue?

The council have not entered the minute reference and date for the re-approval of the accounting statements and annual governance statement.

Why has this issue been raised?

The annual return has not been fully completed in accordance with requirements.

What do we recommend you do?

The council must ensure that all relevant boxes are fully complete before re-submitting the annual return for completion.

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: 31 August 2017
