



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

BDO

Introduction

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

- Expenditure powers - S137 power incorrectly used
 - Asset Register
 - Internal controls
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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.

Internal controls

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 have resolved to implement the recommendations made by the internal auditor to improve the financial systems of the council. The council must ensure this is undertaken 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, NALC/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.

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.

A donation was made which could have been authorised under S144 of the Local Government Act 1972, to encourage persons, by advertisement or otherwise, to visit their area for recreation.

A payment was made for the local parish clock which could have been authorised under S2 of the Parish Councils Act 1957, power to provide public clocks.

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

Asset Register

What is the issue?

The council's asset register is incomplete and does not contain some or all of the following information for each asset held;

- date acquired;
- purchase cost, and
- location held.

Why has this issue been raised?

The council is at risk of not safeguarding its assets.

What do we recommend you do?

The council must update its fixed asset register to include date acquired, purchase cost and location held of each asset held as soon as possible or in any event before the end of the current financial year.

An asset register should be in existence to help ensure that the recorded value of assets and investments is, as far as possible, accurate and to ensure the council is safeguarding its assets. The

accuracy of such a register should be verified by the Internal Auditor in their annual review of the internal controls of the council.

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: 17 September 2018
