


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

Introduction

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

- Employer registration
 - Internal Audit Checks
 - Website contents
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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.

Employer registration

What is the issue?

The council is not registered as an employer.

Why has this issue been raised?

The only exemption criteria for not being registered as an employer are if all of the following are met:

no employees are paid more than £112 per week
 no employee receives any benefits or expenses
 no employee has another job
 no employee receives any pension.

We do not believe that the council is eligible for exemption as not all of the above criteria has been met.

What do we recommend you do?

The council registers as an employer as soon as possible.

To ensure the council is working within the statutory guidelines we also recommend that the council reviews the employment status of all individuals employed on a self employed basis, or at least obtain approval from the Inland Revenue that the people it engages on a self employed basis are indeed self employed.

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

HMRC guidance on website

Website contents

What is the issue?

The council have a website but it does not comply with the requirements of the Local Government (Democracy) (Wales) Act 2013, section 55.

Why has this issue been raised?

This is a failure to comply with the legislation.

What do we recommend you do?

The Council must ensure that it updates it website to include all of the following items:

A community council must make available electronically information on how to contact it and, if different, its clerk including –
 a telephone number;
 a postal address;
 an email address;
 information about each of its members, including–
 the member's name;

how the member may be contacted;
the member's party affiliation (if any);
the ward which the member represents (where relevant);
any office of the council held by the member;
any committee of the council to which the member belongs;
the minutes of the proceedings of the council's meetings and (in so far as is reasonably practicable)
any documents which are referred to in the minutes and
any audited statement of the council's accounts.

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.

Internal Audit Checks

What is the issue?

The Internal Auditor has entered 'Not Covered' to the following test(s) on Section 4 which we consider relevant to the council. The Internal Auditor has not stated, or noted as required on Section 4 of the Annual Return, when the most recent internal audit work was undertaken and when it is next planned in respect of these test(s), or, if coverage is not required, explained why not.

Periodic and year-end bank account reconciliations were properly carried out. ✓

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.

Why has this issue been raised?

Failure to undertake these tests result in an incomplete internal audit being undertaken and the council could be exposed to risks in these areas.

What do we recommend you do?

The above tests should be carried out in future years by the Internal Auditor. The council should ensure he/she provides a full report to the council to ensure all the activities are properly carried out and recorded.

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 25 September 2017
