



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

Introduction

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

- Council incorrectly stated 'Yes' to Trust Funds disclosure in Section 2 of the Annual return
 - Budgetary Process
-

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.

Budgetary Process

What is the issue?

Although a precept was set by the due date the council did not prepare an adequate budget to support and evidence the precept request. Therefore, there has been no budget monitoring undertaken during the year as there has been no budget to compare actual figures to.

Why has this issue been raised?

The council has potentially demonstrated a lack of financial control over the spending and receipt of public money and were exposed to the risk of overspending. The council may also have contravened Part 1, Chapter IV, Para 50(1) of the Local Government Finance Act 1992 which states that every authority must 'make calculations required' under the 'calculation of budget requirement'.

What do we recommend you do?

The council must ensure in future years that an adequate budget is prepared to support its decision making process and to assist the financial management during the financial year. The council must regularly review, and ensure this review of the budget against the actual income and expenditure is minuted. The council should monitor the budget at least quarterly or more frequently if required. The amount of budget monitoring undertaken during the year will depend upon the size of the council and the complexity of its finances.

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

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 'Yes' to Trust Funds disclosure in Section 2 of the Annual return

What is the issue?

The council has answered 'Yes' in error to the Trust Fund question on 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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 26 November 2020
