



**ISSUES ARISING REPORT FOR  
Broughton & Bretton Community Council  
Audit for the year ended 31 March 2018**

## Introduction

The following matters have been raised to draw items to the attention of Broughton & Bretton 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;

- Annual Governance Statement - Gratuity
  - Internal auditor's recommendation
  - Expenditure powers - S137 power incorrectly used
-

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.

**Annual Governance Statement - Gratuity**

*What is the issue?*

The smaller authority have not correct completed the question on Part 2 concerning the obligation to pay a gratuity. The incorrect statement has not been crossed out to leave the one that reads 'The Council has no obligation or intention to pay a gratuity to employees'.

*Why has this issue been raised?*

The annual return has not been completed fully in line with the instructions issued.

*What do we recommend you do?*

The smaller authority should ensure in future years that all questions are answered fully.

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

Guidance notes on the annual return.

---

---

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.

#### **Internal auditor's recommendation**

##### *What is the issue?*

The internal auditor has made a recommendation to the council.

##### *Why has this issue been raised?*

The council is exposed to the risks associated with this weakness.

##### *What do we recommend you do?*

The council must implement the recommendation 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 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, OVW/SLCC

#### **Expenditure powers - S137 power incorrectly used**

##### *What is the issue?*

A payment was made to a local Village Hall/community centre which could have been authorised under S19(3) of the Local Government (Miscellaneous Provisions) Act 1976 or S133 of the Local Government Act 1972, which allows contribution towards running or furnishing buildings to be used for public meetings.

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 regarding the provision of information that could have been authorised under S142 of the Local Government Act 1972, power to provide information to the general public in their area.

##### *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](http://www.onevoicewales.org.uk))  
Audit Briefing, Spring 2010, BDO

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 08 September 2018