



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

Introduction

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

- Reserves
 - Approval of the annual return
-

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.

Reserves

What is the issue?

The general reserve balance held by the council appear high.

Why has this issue been raised?

The council has no power to hold excessive reserves unless they are saving for something in particular. The analysis of reserves held demonstrated that these reserves are not held for any specific or earmarked purpose.

What do we recommend you do?

If the council is not saving for a large purchase, the balances carried forward should be reduced to a more appropriate level. The generally accepted level of reserves is usually no more than the level of the precept or between 3 to 12 months anticipated expenditure.

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

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.

Approval of the annual return

What is the issue?

The council entered the incorrect minute reference approving the accounting statements and annual governance statement.

The minutes confirm that the minute reference was 3.

Why has this issue been raised?

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

What do we recommend you do?

The council must ensure that all relevant boxes are completed correctly before submitting the annual return for audit.

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: 10 November 2020
