



ISSUES ARISING REPORT FOR  
Queensferry Community Council  
Audit for the year ended 31 March 2019

## Introduction

The following matters have been raised to draw items to the attention of Queensferry Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2019.

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

- Risk Assessment - not minuted
  - Internal auditor's recommendation
  - Councillor dealing with contract quotations
  - Approval of the annual return
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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.

**Risk Assessment - not minuted**

*What is the issue?*

The council has not minuted its review of effectiveness of internal control including its risk assessment during the year.

*Why has this issue been raised?*

This is a breach of regulation 5 para 3(b) of the Accounts and Audit (Wales) Regulations 2014 which requires smaller authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

*What do we recommend you do?*

The council must ensure that the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the council to evidence as a whole that they are satisfied that all the risks facing the council have been identified and safeguards have been put in place to protect against those risks.

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

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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, OVV/SLCC

#### **Councillor dealing with contract quotations**

*What is the issue?*

One of the councillors was the one to obtain and deal with quotations for a contract.

*Why has this issue been raised?*

This is work that should be delegated to the clerk and not dealt with by councillors.

*What do we recommend you do?*

We recommend that in the future, all contract work is performed by the clerk.

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

#### **Approval of the annual return**

*What is the issue?*

The council have not entered the minute reference and date for the approval of the accounting statements and annual governance statement.

*Why has this issue been raised?*

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

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*What do we recommend you do?*

The council must ensure that all relevant boxes are fully complete 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: 30 November 2019

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