

**ISSUES ARISING REPORT FOR
Abergavenny Town Council
Audit for the year ended 31 March 2016**

BDO

Introduction

The following matters have been raised to draw items to the attention of Abergavenny Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016.

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;

- Minor issues
 - Gratuity reserve
 - Approval of the annual return
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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.

Minor issues

What is the issue?

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

Section 1 of the annual return does not add up by £1.

Why has this issue been raised?

This is to draw these minor errors to the attention of the council.

What do we recommend you do?

The council should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

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

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.

Gratuity reserve

What is the issue?

The council is building up reserves for an employee sickness and gratuity fund.

Why has this issue been raised?

The Local Government Superannuation (Discretionary Payments) Regulations 1996 were repealed on 16 January 2012, by The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

What do we recommend you do?

Before any payment is made the council must seek legal advice in respect to any contractual obligations which it feels it may have to fulfill as these may have been made void by the 2011 Regulations.

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

The Local Government Superannuation (Discretionary Payments) Regulations 1996
The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

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.

The council have confirmed that the minute reference and date of approval was 1838 and 29 June 2016.

Why has this issue been raised?

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

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: 23 September 2016
