



**ISSUES ARISING REPORT FOR  
Caerphilly Town Council  
Audit for the year ended 31 March 2020**

## Introduction

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

- Expenditure powers - S137 power incorrectly used
  - Accounting Statements - Trust Funds Disclosure Note
-

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.

#### **Accounting Statements - Trust Funds Disclosure Note**

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

The council has not answered box 14 for 2019 in error in the Accounting Statements of the annual return. We believe based on the prior year's information that the council should have answered 'N/a'.

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

The disclosure on the annual return has not been completed, as we believe that 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 'No' or 'N/a', to show that the council does not act as the sole trustee for and is not responsible for managing trust funds or assets.

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.

**Expenditure powers - S137 power incorrectly used**

*What is the issue?*

A donation was made to the council's Twinning Association / Twin Town that could have been authorised under S144(2) of the Local Government Act 1972, power to provide and encourage visitors to the UK.

Payments were made towards the cost of some or all of the following - flowers, bulbs, planters, garden maintenance which could have been authorised under S10 of the Open Spaces Act 1906, power to maintain open space.

*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: 15 December 2020

---