

CHIGWELL PARISH COUNCIL
REPORT TO FULL COUNCIL BY FINANCE AND GOVERNANCE

Meeting Date: 26 June 2025
Subject: Appointment of Internal Auditor

Summary

The Finance & Governance Committee recommends that Council reappoint Mulberry Local Authority Services Ltd as the Council’s internal auditor for a further two years.

Background

Mulberry were appointed in April 2024 on a one-year contract. Under the Council’s Financial Regulations, an internal auditor may serve for up to three years. A further two-year appointment is proposed to ensure continuity and good governance.

Proposal

Mulberry will provide two audits per financial year:

- **Interim Audit** – focusing on governance, risk management, and internal control.
- **Final Audit** – reviewing financial processes and supporting the Annual Governance and Accountability Return (AGAR).

This structure ensures early issue identification, consistent oversight, and compliance with proper internal audit practices.

Financial Implications

- £75/hour + VAT
 - 45p per mile for travel (no charge for travel time)
- Budget Code:** Audit and Professional Fees

Compliance with Council Decision-Making Duties

The Council must have due regard to a range of considerations when making decisions. This proposal complies as follows:

Consideration	Compliance
Financial Prudence & Value for Money	The cost-effective appointment avoids additional procurement and provides proven, professional service.
Governance & Accountability	Maintains robust audit oversight, supports regulatory compliance and strengthens internal controls.

Legal and Procedural Duties	Fulfils obligations under the Council's Financial Regulations and proper practices guidance.
Equality & Fairness	The appointment does not disadvantage any group and is based solely on service quality and eligibility.
Community Impact	While not directly applicable, strong audit processes support public confidence in Council operations.
Environment & Sustainability	No environmental impact identified.
Crime & Disorder	Independent audit oversight supports transparency and helps prevent financial misconduct.
Health & Safety	No impact identified.
Human Rights	Decision is proportionate and consistent with lawful procedures.

Recommendation

That Chigwell Parish Council resolves to:

1. **APPROVE** the appointment of Mulberry Local Authority Services Ltd as internal auditor for a further two years;
2. **DELEGATE** to officers to confirm the engagement and manage making audit arrangements accordingly



Dear Clerk/RFO

As part of a range of services we offer to town and parish councils, Mulberry Local Authority Services (LAS) Ltd provide an internal audit service which is conducted in accordance with current guidelines and accounting practices as set out in the Smaller Authorities Proper Practices Panel (formerly JPAG) Practitioner's Guide.

Generally, we conduct two audits a year as a minimum. The first (interim audit) concentrates on the governance and accountability functions of the council and deals with procedural aspects of the audit (Financial Regulations, Standing Orders, risk assessments, internal control systems, processes, policies, etc.). The second (final audit) focuses on the financial aspects and the checking of the Annual Governance and Accountability Return (AGAR) and supporting information being submitted to the external auditors.

Our councils have found this approach beneficial, as it provides an opportunity to address any weaknesses identified at the interim audit before completion of the Annual Internal Audit Report at the final audit. We are always happy to consider a different frequency of visits to suit your council's needs, and are happy to answer any questions that may arise during the year.

Mulberry LAS (previously as part of Mulberry & Co) have been conducting internal audits for local councils for over 20 years. Our team of auditors have extensive sector specific knowledge and experience and can rotate between councils to ensure complete independence is maintained throughout your engagement period with us.

In the 2024/25 financial year, we will complete circa 270 internal audits ranging from small councils exempt from a limited assurance review to larger Town and Parish Councils with multi-million pound turnovers and complex financial arrangements, with a combination of on-site and remote audits taking place to suit the council's circumstances.

We base our charges on an hourly rate and for the financial year commencing on 1 April 2025 this is £75 per hour + VAT (£85 + VAT for councils with a precept exceeding £1 million). Travel costs for on-site visits are charged at the standard HMRC rate of 45p per mile. We do not charge for travel time.

The length of time for the audit(s) will depend on the scale and complexity of your council's financial operations, and once appointed, your assigned internal auditor will be happy to discuss this with you in more detail. We offer engagement periods of either one or three years. If you choose to appoint us for three years, we guarantee the hourly rate will not increase for the duration of that engagement period.

Becoming an internal audit client of Mulberry LAS also provides you with access to a discounted rate on our comprehensive training programme for officers and councillors, with further information and details of our upcoming courses available via www.mulberrylas.co.uk/training-programme

If you have any further questions, please do not hesitate to contact me.

Andy
Andy Beams
Director, Mulberry Local Authority Services Ltd