

OFFICER'S REPORT TO THE FINANCE AND GOVERNANCE COMMITTEE

Meeting Date: 10 June

Subject: Response to Auditor Comments – Audit Point B - FINANCIAL, REGULATIONS,, GOVERNANCE AND PAYMENTS

1. Purpose of Report

To seek approval from Chigwell Parish Council to formally note the external auditor's comments raised during the recent audit to Audit Point B, acknowledging that no recommendations were made and to confirm that existing governance measures remain in place and appropriate.

2. Background

As part of the Parish Council's annual audit for the financial year ending 31 March 2025, the external auditor made the following comment:

I note that at the council meeting held on 28 April 2025, the council appointed a councillor as the Acting Clerk but agreed that the Proper Officer would remain as the Chair and Vice-Chair.

While this arrangement is allowable under s.112 of the Local Government Act 1972, it does create a potential conflict of interest between the two persons acting as Proper Officer and the Acting Clerk. This situation also impacts the council's qualification under the General Power of Competence, and the council should note the advice of the Society of Local Council Clerks as below:

'If the council loses its qualified clerk or has insufficient elected councillors, then it must record its ineligibility at the next 'relevant' annual meeting of the council (after the ordinary election). If it has already started an activity under GPC for which there is no other specific power, it remains eligible for the purpose of completing that activity, but it can't start anything new under the power until it is in a position to make the formal decision that it meets the criteria.'

The Council has implemented a check-and-balance system by ensuring that two councillors act together as Proper Officer when a councillor is serving in the role of Acting Clerk. This arrangement supports appropriate oversight and protects the integrity of Council decisions. The Council confirmed its eligibility for the General Power of Competence (GPC) at its Annual Meeting held on 22 May 2024. This status remains in effect until the Annual Meeting following the next ordinary election in May 2028. Should the qualifying criteria not be met at that time, the Council must refrain from initiating any new projects under the GPC thereafter.

3. Proposal

That the Parish Council formally records the auditor's comment and reaffirms its confidence in the current governance arrangements, including the dual-councillor Proper Officer model. No immediate changes to procedures are proposed. Officers will continue to monitor the arrangement and advise the Council should further action become necessary.

4. Supporting Documentation

- Internal Auditor's Report

5. Council Responsibilities and Considerations

a. Finance and Best Value for Money

The temporary arrangement avoids interim staffing costs while maintaining adequate oversight, supporting cost-effective governance

b. Governance

This report addresses a point of audit concern and confirms measures strengthen internal checks

c. Community Engagement

There are no community engagement implications

d. Reputational

By formally acknowledging the auditor's comment the Council demonstrates transparency and accountability to residents

e. Equal Opportunities

There is no identified impact on equal opportunity groups

f. Crime and Disorder

There are no crime and disorder implications

g. Human Rights

Governance measures are proportionate and respect the rights of those affected

g. Health and Safety

There are no health and safety implications

h. Biodiversity

There are no environmental or biodiversity implications

6. Recommendation

That the Finance and Governance Committee:

1. Notes the external auditor's comment, confirming no formal recommendation was made
2. Notes its support for the Chair/Vice Chair together as Proper Officer model as a safeguard while a councillor serves as Acting Clerk
3. Notes that the General Power of Competence was confirmed on 22 May 2024 and remains in place until May 2028, and that no new projects outside of the statutory authority should be commenced after that date if eligibility is not retained
4. Recommends that the above actions are put before to Full Council for noting

CHIGWELL PARISH COUNCIL OFFICER'S REPORT

Committee: Finance and Governance

Meeting Date: 10 June

Subject: Internal Review Following Internal Auditor's Findings – Establishing Scope of Further Audit

1. Purpose of Report

To seek approval from F&G to authorise officers to carry out an internal review in response to findings raised by the Internal Auditor. The review will examine specific concerns relating to cemetery record management and associated procedures, define a proposed scope for any further audit and identify where professional advice should be sought given the sensitive nature of the issues. Officers will report back to F&G Committee which will then make a recommendation to Full Council.

2. Background

The Council's Internal Auditor has identified concerns regarding the management and consistency of cemetery records. Issues include the need for improved recording procedures, clearer communication, regular reconciliation and ensuring that the physical burial registers and the Scribe cemetery management system are in full alignment. The Auditor has advised the Council to consider seeking professional advice due to the specialised nature of these matters.

Rather than proceed immediately to an external audit or seek professional advice without a clear scope, officers recommend an internal review. This will help determine which issues can be addressed internally, establish a clear and proportionate scope for any further action and correctly advise where and what external professional advice should be sought.

3. Proposal

The Acting Clerk and RFO with the assistance of other officers will lead an internal review to:

- Review current procedures for recording cemetery data
- Assess internal communication practices relating to cemetery records
- Examine reconciliation processes between physical registers and the digital system
- Assess whether the physical burial registers match current operational records on the Scribe cemetery management system
- Identify any procedural weaknesses and opportunities for improvement
- Determine whether external professional advice or audit is necessary and if so define an appropriate scope

The findings and recommendations will be reported to F&G Committee which will consider the review and make a recommendation to Full Council on any further action.

4. Supporting Documentation

- Internal Auditor's Report

5. Council Responsibilities and Considerations

a. Finance and Best Value for Money

This staged approach ensures external expenditure is justified and targeted

b. Governance

The review supports improved controls to demonstrate legal compliance, transparency and accountability

c. Reputational

Accurate cemetery records are essential to maintain public trust. Effective record keeping helps prevent mismanagement concerns and protects the Council from legal action

d. Equal Opportunities

No adverse impact on any group is anticipated

e. Human Rights

Maintaining accurate burial records respects the dignity of the deceased and their families

g. Health and Safety

No direct implications identified

e. Biodiversity

Not applicable

6. Recommendation

That F&G Committee:

- Approves that officers undertake an internal review of recording practices, communication, reconciliation and alignment between physical and digital cemetery records
- Agrees that the review will establish the scope for any further audit or professional advice needed
- Requests officers report findings and proposed scope back to F&G Committee which will make a recommendation to Full Council regarding further action or expenditure