



ANNUAL INTERNAL AUDIT REPORT

FULL COUNCIL MEETING

REPORT 25/26

8 JUNE 2026

The purpose of this Report is to provide Members with the Internal Auditor's Report covering the financial year 2025/26.

No. DETAILS

1) BACKGROUND

- a) As part of the Annual Governance and Accountability Return (AGAR), an internal audit of the Council's internal controls is undertaken.
 - b) Ventnor Town Council appointed Maxine Warr as their Internal Auditor for 2025/26. Her report is attached to this paper for members' consideration and details that significant steps have been taken to address previous weaknesses.
-

2) AUDITOR'S RECOMMENDATIONS

- a) Explore using s137 for some payments, as GPC is not available.
 - b) Consider changing the accounting package to Scribe
 - c) Ensure a full review of all assets is completed and insurance policy updated if necessary.
 - d) Ensure a tender process for the grass cutting contract is undertaken before the next budget process.
 - e) Adopt an IT policy and GDPR Security Compliance Checklist. Consider ways to monitor data use, for example, through a data map.
 - f) Adopt a Training policy and ensure funds are available in the budget
 - g) Ensure publication of the accounts meets the required deadlines
-

3) RECOMMENDATION

Members are recommended to:

Receive and note the Internal Auditor's Report, and consider how to address the recommendations within.

Annual Internal Audit Report 2025/26

VENTNOR TOWN COUNCIL

ENTER PUBLIC WEBSITE ADDRESS www.ventnortowncouncil.gov.uk ENTER PHONE NUMBER

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

| Internal control objective | Yes | No* | Not covered** |
|--|-----|-----|---------------|
| A. Appropriate accounting records have been properly kept throughout the financial year. | ✓ | | |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✓ | | |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✓ | | |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✓ | | |
| F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for. | | | ✓ |
| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | ✓ | | |
| H. Asset and investments registers were complete and accurate and properly maintained. | | ✓ | |
| I. Periodic bank account reconciliations were properly carried out during the year. | ✓ | | |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | ✓ | | |
| K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")</i> | | | ✓ |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. | ✓ | | |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> . | ✓ | | |
| N. The authority has complied with the publication requirements for 2024/25 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> . | | ✓ | |
| O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance. | | ✓ | |
| P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee. | | | ✓ |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

25/05/2026 DD/MM/YYYY DD/MM/YYYY

ENTER NAME Maxine Warr AL AUDITOR

Signature of person who carried out the internal audit

Date 02/06/2026

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report **must explain why not (add separate sheets if needed).

MAXINE WARR

70 Park Road

Boston

Lincolnshire

PE21 7JP

Tel 07815990019

E-mail maxwarr2@gmail.com

2nd June 2025

Explanation of a 'No' response on the AGAR for 2025-26

H. *Asset and investments registers were complete and accurate and properly maintained.*

The assets have not been reviewed and the value of assets seem low.

N. *The authority has complied with the publication requirements for 2024/25 AGAR*

The Notice of Conclusion of Audit was posted two days late due to illness.

O. *The authority has complied with laws, regulations & proper practices relating to digital and data compliance.*

An IT policy has not been adopted or GDPR Security Compliance Checklist completed by councillors.

Maxine Warr

Internal Auditor

Internal Audit Report Ventnor Town Council

| | |
|-------------------|--------------|
| Council: | Ventnor Town |
| Internal Auditor: | Maxine Warr |
| Date of Report | June 2026 |

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

All items have been discussed with the Acting Clerk/RFO.

To the Mayor of Ventnor Town Council

I have examined council business including policies, agendas & minutes and website content. There has been a period of upheaval due to changes to staffing during the year. However, the acting clerks/RFOs have made a number of improvements and updates to the website and the internal processes which have strengthened the general management of the council.

A summary of findings is set out below.

- 1) Standing Orders and Financial Regulations were reviewed and adopted at the May 2025 meeting, with a further update to SOs adopted at the December 2025 meeting. The Financial Risk Management policy was reviewed and adopted at the December 2025 meeting.
- 2) Many of the policies are on a bi annual review and these are all within date.
- 3) The 2025-26 financial year saw turnover once again of over £200,000, therefore the accounts operate on an income and expenditure basis. A petty cash account is not operated. Reports are regularly brought to full council and bank reconciliations are carried out on a monthly basis. The accounting system is currently through Excel spreadsheets which can be cumbersome with the amount of budget headings. It may be prudent to look at using a recognised accounting package such as Scribe.
- 4) The approval of the AGAR for 2024-25 was correctly minuted, with the exercise of public rights included. Publication requirements were partly met but the Notice of Conclusion of Audit was published two days late due to illness.
- 5) The asset section on the website is not completely up to date but it is understood that the Building Maintenance Committee will be reviewing all assets in the coming months. The value of the fixed assets seems currently very low. The insurance cover has been reviewed and the fidelity cover increased in line with good practice.

- 6) All members details are on the website and up to date. The bank signatories were reviewed at the December meeting.
- 7) Payroll provision is carried out in house through the HMRC RTI program. All submissions are made monthly and payments collected cumulatively by HMRC. Pension contribution is through NEST and detailed separately in the accounts.
- 8) The Council has outstanding long-term loans with the Public Works Loan Board (PWLB) in respect of previous capital expenditure and expenditure is detailed as required.
- 9) The Town Council has a lease from the IW Council for Salisbury Gardens to facilitate offices and business units. Income and expenditure is detailed separately as agreed.
- 10) The Council are not eligible for the General Power of Competence and have not used S137 during the year. It may be worth exploring items that could come under this power.
- 11) The Website Accessibility Statement was tested in February 2026 and the statement was updated at the same time.
- 12) All meetings with reports are published on the website and are up to date. There is a Transparency tab on the website which has links to monthly payments and are easily accessible. The land and building update on the website is not current and there has not been a tender process carried out for the grass cutting since 2017.
- 13) There is not currently a training policy for councillors or staff, or provision in the budget, however mention has been made of this in the minutes. Training for the Youth Opportunities Officer comes from the Youth Budget, and for the Business & Voluntary Sector Officer either from the Community Development or from the B&V Budget lines.
- 14) Assertion 10 – the new assertion requires the Council to have adopted an IT policy and this is not evident during 2025/26. A security compliance checklist is also not available.
- 15) Budget updates are presented monthly and the depletion of reserves has been reported regularly. The precept for 2025/26 was raised by 10.55% and £5,000 allocated to general reserve. It has been raised again by 8.77% for 2026/27. It is acknowledged that this will need to be addressed over a number of years to bring the level to the acceptable amount but sustainable improvement has been made.

CONCLUSIONS

A lot of work has been carried out since the last audit and I would like to commend the acting clerks/RFOs for the improvements they have made to the website and ensuring policies are current and reports transparent.

RECOMMENDATIONS

- Explore using s137 for some payments, as GPC is not available.
- Consider changing the accounting package to Scribe
- Ensure a full review of all assets is completed and insurance policy updated if necessary.
- Ensure a tender process for the grass cutting contract is undertaken before the next budget process.
- Adopt an IT policy and GDPR Security Compliance Checklist. Consider ways to monitor data use, for example, through a data map.
- Adopt a Training policy and ensure funds are available in the budget
- Ensure publication of the accounts meets the required deadlines

Yours sincerely



Maxine Warr
2nd June 2026