

Sandown Town Council

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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)	Yes	No	Not applicable
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

05/05/2026

Maxine Warr

Signature of person who carried out the internal audit

Date

11/05/2026

*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).

Internal Audit Report Sandown Town Council

This audit report is to read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return.

Council:	Sandown Town
Internal Auditor:	Maxine Warr
Year Ending:	March 2026
Date of Report	May 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-today 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 Clerk/RFO.

To the Mayor of Sandown Town Council

I have examined council business including policies, agendas & minutes, accounting and financial statements and other documents relevant to this audit. Management & governance of the council appears healthy and well executed.

The checklist gives a detailed account of the areas covered but a summary of findings is set out below.

- 1) Payroll provision is outsourced to Community Action and payments to HMRC are reported. The account is regularly monitored. Pension arrangements are through the LGPS with one member of staff opting out. All staff received the national pay uplift.
- 2) A new staffing structure is in place and the Clerk has carried out appraisals. These were reported to the HR Committee in April for agreement of the incremental uplifts.
- 3) Standing Orders and Financial Regulations have been reviewed and are uploaded to the website. All other policies have been reviewed and are available on the website.
- 4) The bank reconciliations, budget reviews and authorisation of payments have been delegated to a Finance Committee and they meet monthly. Minutes are displayed on the website. VAT had been accounted for correctly and refunds from HMRC are being claimed quarterly.
- 5) Income is clearly identified and recorded. An electronic payment system is in operation for both income and expenditure and adheres to Financial Regulations.

- 6) The Exercise of Public Rights was advertised correctly, and the dates are detailed in the minutes. It is considered good practice to have five years of audit papers displayed on the website and this is in place.
- 7) Insurance policies are in place with a detailed level of cover including flood and cyber insurance. The current fidelity level is £500,000. Good practice advises the level should be half the precept plus savings/reserves. However, this is also dependent on financial controls and the Chairman of the Finance Committee is comfortable with the current cover. Assets are reviewed and updated and the register will be uploaded to the website.
- 8) The budget and precept proposals were discussed at a full council meeting on 26 January 2026 and it was resolved to set the precept to £685,816 for 2026/27. Full details of the process is outlined in the minutes.
- 9) The Financial Risk Assessment Policy is in place for 2025/2026 and is scheduled to be reviewed annually. Provision for inspection of play areas and the skate park is robust.
- 10) Public Works Board Loans remain in place and payments have been identified in the correct manner.
- 11) The 2025-26 financial year saw turnover once again of over £200,000, therefore the accounts operate, on an income and expenditure basis. The petty cash account was closed in December 2023.
- 12) A 32-day Access Account is in operation as well as a Business account and a Treasurers account. A CCLA Public Sector Deposit Fund account was opened in March 2025 and the first deposit made in May 2025. A Reserves and Investment policy is in place and on the website.
- 13) The Transparency Code requires the publication of certain information on a website. There is a dedicated page to the Code and items are uploaded quarterly.
- 14) Assertion 10 – An IT Policy has been adopted and Security Compliance Checklists will be adopted at the May meeting. The website accessibility statement is published and was reviewed and tested in June 2025.

RECOMMENDATIONS

- Ensure councillor responsibilities are uploaded to the website.
- Consider adopting a data map to review data held.

Having regard to the above I believe I have adequate assurance to complete and sign the relevant section of the Annual Return.

Yours sincerely

Maxine Warr
11th May 2026