

Annual Internal Audit Report 2025/26

Newbury 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. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")			✓
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 (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).	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
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: 06/05/2025, 14/11/2025, 28/02/2026
 Name of person who carried out the internal audit: Claire Lingard McKay

Signature of person who carried out the internal audit: *[Signature]*
 Internal Audit Practice Manager: Claire Lingard McKay
 Date: 29.04.2026
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*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).

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

EN Newbury Town Council TY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
	✓			
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	✓			has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

22/06/2026

and recorded as minute reference:

MIN 33 REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

SIGNATURE REQUIRED
SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2025/26 for

EN Newbury Town Council TY

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	1,306,740	1,440,336	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	1,526,951	1,817,641	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	395,236	314,634	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	620,571	722,634	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,168,020	1,618,404	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,440,336	1,231,573	Total balances and reserves at the end of the year. must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,461,175	1,190,590	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	6,426,481	6,891,278	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	
11 Do the figures in the accounting statements above exclude any trust transactions?	✓		For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

 REQUIRED

Date 15/06/2026

I confirm that these Accounting Statements were approved by this authority on this date:

22/06/2026

as recorded in minute reference:

MINUTE REFERENCE 34

Signed by Chair of the meeting where the Accounting Statements were approved

 REQUIRED

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed “Year ending 31 March 2026” in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that un-presented cheques should be entered as negative figures.

Name of smaller authority: **Newbury Town Council**

County area (local councils and parish meetings only): **West Berkshire**

Financial year ending 31 March 2026

Prepared by (Name and Role): **Liz Manship - RFO**

Date: **21/05/2026**

		£	£
Balance per bank statements as at 31/3/2026:			
Current Account	account 1	21,410.20	
Instant Access Account	account 2	288,411.04	
CCLA Account	account 3	580,768.36	
Fixed Term Interest Accounts	account 4	300,000.00	
		1,190,589.60	1,190,589.60
Petty cash float (if applicable)			0.00
Less: any un-presented cheques as at 31/3/2026 (enter these as negative numbers)			
None	None		
			0.00
Add: any un-banked cash as at 31/3/2026			
None	None		
			0.00
Net balances as at 31/3/2026 (Box 8)			1,190,589.60

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Newbury Town Council

County area (local councils and parish meetings only):

West Berkshire

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		
Deduct: Debtors (enter these as negative numbers)		
Debtors	(3,336.89)	
VAT Control	(88,838.81)	
	(92,175.70)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
Prepayments	(20,000.30)	
Refundable Franking Machine Deposit	(300.00)	
	(20,300.30)	
Total deductions		(112,476.00)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
Creditors	22,523.86	
Allotment Key Deposit	10,055.00	
Rent Deposits (Suites)	1,895.00	
Wedding Holding Deposits	166.66	
Accruals	5,909.00	
Changing Room Key Deposits	120.00	
	40,669.52	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
Receipts in Advance	1,368.00	
Allotments Receipts in Advance	29,454.60	
	30,822.60	
Total additions		71,492.12
Box 8: Total cash and short term investments		- 40,983.88

Explanation of variances – pro forma

Name of smaller authority: **Newbury Town Council**

County area (local councils and parish meetings only): **West Berkshire**

Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- variances of £100,000 or more require explanation regardless of the % variation year on year;
- **New from 2025/26 onwards:** variances of £500,000 or more in Box 3 require explanation regardless of the % variation year on year for smaller authorities with income and/or expenditure exceeding £6,500,000

	2024/25 £	2025/26 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	1,306,740	1,440,336				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	1,526,951	1,817,641	290,690	19.04%	YES		See attached
3 Total Other Receipts	395,236	314,634	-80,602	20.39%	YES		See attached
4 Staff Costs	620,571	722,634	102,063	16.45%	YES		See attached
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	1,168,020	1,618,404	450,384	38.56%	YES		See attached
7 Balances Carried Forward	1,440,336	1,231,573				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	1,461,175	1,190,590				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	6,426,481	6,891,278	464,797	7.23%	YES		See attached
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

2024-25 to 2025-26 - Precept Variance 19.04% Explained				
Cost Centres with Variance Over 15%	2024/25	2025/26	Variance (£)	Variance (%)
Water	21,643	27,234	5,591	25.83%
Water: Moved from 3-yr fixed term contract to new contract, at a time of significant water increases nationally.				
Variance without additional Expenditure	21,643	21,643	0	0%
Electricity	30,600	65,753	35,153	114.88%
Electricity: Moved from 3-yr fixed term contract to new contract, at a time of significant electricity increases nationally. Plus a new Unmetered Streetlights Contract, again from a 3-yr fixed to a new contract.				
Variance without additional Expenditure	30,600	30,600	0	0%
Staff Costs inc. Employers NI & Pensions	591,744	839,180	247,436	41.81%
The following key factors, with percentage and budget figures, explain the 2024/25 to 2025/26 budget variance.				
* Recruitment - 59% (£145,906) - Recruitment of 3 f/t additional officers (Finance, Parks/Open spaces, Reception/Corporate) and 0.6 Town Hall Officer. 1 post restructured to management level. Plus qualification achievement increments.				
* 2024/25 Budget Deficit - 17.7% (£43,718) - Revised estimate (Oct 24): £635,462 (see below in variance 1). Due to staff changes (New CEO, a filled vacancy - Corporate Services Officer and new post - Civic Officer).				
* Officer Annual Increment - 12.6% (£31,241) - To allow one increment per officer, subject to annual appraisal.				
* Officer Cover - 6% (£15,000) - Not new funds. Budget for staff cover in unforeseen circumstances, moved from Locum to Staff Costs budget to support recruitment, rather than agency cover.				
* Increased Employer NI Contributions - 4.7% (£11,571) - With Government changes.				
Following shows affect to budget of 'annual increment' only, from both 2024/25 revised estimate & actual budgets.				
1) Variance from revised 2024/25 estimate (£635,462). One increment per officer (£31,241)	635,462	666,703	31,241	4.92%
2) Variance from actual 2024/25 budget (£591,744) One increment per officer (£31,241).	591,744	666,703	74,959	12.67%
Locum / Agency Cover	15,000	0	-15,000	-100.00%
As advised above, £15,000 transferred from the Locum to Staff Costs budget, with the purpose of recruitment rather than agency staff, in the case of unforeseen circumstances.				
Central, P&R, Grants & Corporate Services	252,700	258,308	5,608	2.22%
Town Hall & Weddings	105,624	122,953	17,329	16.41%
Increase to the Town Hall maintenance & refurbishment budget: £13,320				
Variance without additional Expenditure	105,624	109,633	4,009	3.80%
Markets	31,950	33,216	1,266	3.96%
War Memorial, Clock House, Street Furniture, Toilets, CCTV, Vehicle & Tools	107,974	108,375	401	0.37%
Footway Lighting	25,000	13,000	-12,000	-48.00%
R&M reduced by £5,000. Budget for Capital Expenditure for new lighting, £7,000, to be taken from CIL.				
Variance without the above amendments	25,000	25,000	0	0%
Cemeteries, Allotments, Floral Displays & Trees	227,152	232,017	4,865	2.14%
Rec Grounds, Play Areas, Vic Park & Open Spaces	413,110	418,711	5,601	1.36%
CPAC & Civic Services	17,925	23,760	5,835	32.55%
£3,000 allowed for VE Day 80th Celebrations, and the Remembrance budget increased by £1,000 for Health & Safety expenditure.				
Variance without the above expenditure	17,925	19,760	1,835	10.24%
Planning & Highways	19,000	2,600	2,600	-86.32%
Reduction of £15,000 for Neighbourhood Development Plan, with the plan to apply for Government grants.				
Variance with the above expenditure	19,000	17,600	-1,400	-7.37%
Total Budgeted Income (Excl. Precept)	332,470	327,466	-5,004	-1.51%
Total Precept & Variance	1,526,952	1,817,641	309,689	19.04%

Total Other Receipts - Explanation of Variance					
	Explanation of Variance	2024/25	2025/26	Variance	Variance
		£	£	£	%
Total Other Receipts		395,236	314,634	-80,602	-20.39%
Explanation of Variance - Key Income Areas					
Bank & Investment Income	Interest rates decrease plus invested funds spent on café refurbishment.	70,687	60,243	-10,444	-14.77%
CIL	Less CIL received - associated with local development	54,113	17,461	-36,652	-67.73%
Suite Lease Income	Gap in tenancies plus lower market rents with redecoration required.	37,110	27,645	-9,465	-25.51%
Chamber Hire Income	Scaffolding roof /ceiling works resulted in fewer bookings.	16,693	7,430	-9,263	-55.49%
Cemetery Income	Fewer Burial Plots / Ashes Interments requested.	61,403	46,814	-14,589	-23.76%
Market Income	Slightly less uptake.	39,797	37,852	-1,945	-4.89%
Recreation Grounds Income	Improved uptake in Victoria Park and football pitch hire	19,334	23,021	3,687	19.07%
Café Refurbishment	Changing Places Grant	0	20,000	20,000	
Advertising Space in Bus Shelters Income	Revised Agreement	55,000	32,096	-22,904	-41.64%
Allotment Income	Rental uplift by agreed CPI, plus uptake of allotments	30,012	31,810	1,798	5.99%
Donations & Other Income	Year-on-year variance	11,087	10,262	-825	-7.44%
Total		395,236	314,634	-80,602	-20.39%

Staff Costs - Explanation of Variance				
	2024/25	2025/26	Variance	Variance
	£	£	£	%
	620,571	722,634	102,063	16.45%
Costs Breakdown				
3.4 additional officers recruited July/August 2025/26 (1 FTE Finance, 1.4 FTE Parks/Open Spaces, 1 FTE Reception/Corporate)	0	77,681	77,681	
All Other Officers - Costs and variance	620,571	644,953	24,382	3.93%
Total Costs	620,571	722,634	102,063	16.45%

All Other Payments - Explanation of Variance				
	2024/25	2025/26	Variance	Variance
	£	£	£	%
All Other Payments	1,168,020	1,618,404	450,384	38.56%
Costs Breakdown				
Community Café - Major Capital Project - Refurbishment with Changing Places Toilets	16,595	437,459	420,864	2536.09%
All Other Payments - Expenditure & Variances	1,151,425	1,180,945	29,520	2.56%
Total Costs	1,168,020	1,618,404	450,384	38.56%

Asset Register - 2024-25 to 2025/26 Explanation of Variances

	2024/25	2025/26 - Assets Added & Removed	Remove	Remove	Add	Add	2025/26
Land	68,294			0		0	68,294
Buildings	3,238,314						
		Café - value before refurbishment	60,000				
		Café - refurb spent to 2024/25	149,397				
		Cafe - initial value plus refurb spent to 2025/26			548,680		
		Café - Kitchen			9,933		
		Café - Pergola			23,279		
		Café - Changing Places			23,011		
		Café - Store			11,000		
				209,397		615,903	3,644,820
Town Hall Furniture A	40,236						
		Office Chair - SW			110		
		Office Desk - SW			284		
				0		394	40,630
Community Assets	103,849			0		0	103,849
Town Hall Contents B	1,696			0		0	1,696
Town Hall Computers C	12,961						
		Iiyama Monitor for TS			216		
				0		216	13,177
Town Hall Audio D	20,527						
		TV Screen, EK Room - remove	200				
		TV Screen, EK Room - New			356		
				200		356	20,683
Shaw Cem Furniture A	2,236			0		0	2,236
VP Café Furniture A	-			0			
		40 Chairs for VP Café			760		
				0		760	760
Storage Containers	10,865			0		0	10,865
Play Equip & Surfaces	1,853,768						
		Rope Climber - Blossoms Field			5,175		
		Grass Mats and Mesh under rope climber - Blossoms Field			2,200		
		Vic Park - Galvanised Hoop Sytle Bike Stands x 7			840		
		Vic Park - Slide & Cargo net			6,783		
		Vic Park - Birds Nest Swing			972		
		Flanged Plug Springer			1,767		
		Rope Net Pyramid with Bridge and Slide			20,744		
				0		38,482	1,892,250
War Memorials	15,000			0		0	15,000
Sculpture - Couple in Conversation	29,747			0		0	29,747
Sculpture - Ebb & Flow	126,968			0		0	126,968
Mayor's Mosaic	44,871			0		0	44,871
Sculpture - Binary Conservation	25,618			0		0	25,618
Tennis Court Surfaces	97,401			0		0	97,401
Civic Regalia	213,998			0		0	213,998
Garden & Maintenance Machinery	2,994						
		Multi Tool Pole Pruner			834		
				0		834	3,828
Chainsaw & Boots	906			0		0	906
Laptops & Computing Equipment	15,901						
		5 x HP ProBook Laptops			4,485		
		HP Zbook Laptop			1,489		
		HP ProBook Laptop			1,002		
		7 monitors			765		
		2 monitors			200		
		Wireless keyboard			110		
				0		8,051	23,952
Pedaloos & Kayaks	4,824			0		0	4,824
Defibrillators	4,971			0		0	4,971
Floodlights Tennis Courts	60,304			0		0	60,304
Bowling Green	25,282			0		0	25,282
Visitor Information Point	1,650			0		0	1,650
Printer Photocopier	3,805			0		0	3,805
Mobile Phones	5,900			0		0	5,900
Infrastructure Assets	354,964						
		New Lantern - Footpaths			1,280		
		Cast Iron Framed Eastgate Seat with hardwood slats - Southby's			714		
		Cast Iron Framed Eastgate Seat with hardwood slats - West Mills			612		
		Steel Compost Bin Bays			870		
		Cast Iron Frames Eastgate Seat with hardwood slats - Shaw Cem			612		
		Removable Bollard Galvanised - Recreation Ground			225		
		Ruddington Dog Waste Bins - 2			581		
		Mesh Fencing Goal Compound - Vpark			2,566		
		Cast Iron Eastgate Anti-Vandal Seat - Elizabeth Avenue			863		
		Blue Plaques Signs Blanks - 5			396		
		Blue Plaque for Alphonse Cary			403		
		Gate Warning Sign 5mm thick - Vpark - St Mary Road Gate			159		

		0	9,281	364,245
Vehicles	36,541			
	EV Van Charge Cable		117	
		0	117	36,658
Lloyds Bank Shares	2,092	0	0	2,092
Total	6,426,481	209,597	674,394	6,891,278