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LYDD TOWN COUNCIL
INTERNAL AUDIT PLAN 2026-27

BASIC CHECK LIST

a) The Annual Return

- Is there a Minute showing that the Council has formally approved the end of year accounts?
- Has the Council given members of the public the opportunity to inspect and raise questions on the accounts?
- Has the Council approved the Annual Return by the specified date as set down by the external auditor
- Have significant variances in the Annual Return figures been explained?

b) Year-end controls

- Have year-end accounts been prepared on the correct basis, agreed with the cash book, are supported by an adequate audit trail from underlying records, and debtors and creditors properly recorded?

c) Budgetary process and controls

- Is there an adequate process for determining and approving the budget?
- Is there a minute recording the adoption of the budget/precept?
- Have monies been allocated in the budget to cover contingencies and are these sufficient?
- Have earmarked reserves been allocated and are they at appropriate levels?
- Is progress against the budget regularly monitored and an explanation provided for significant variations?

c) Proper book-keeping

- Have appropriate records of account been properly kept – and are they accurate and up-to-date?

d) Payment controls

- Do Members regularly see a complete list of payees?
- Does all expenditure agree with the budget, Council decisions/authorisation or delegated authorisation?
- Are payments in the cash book supported by invoices?
- Do two councillors sign all cheques/lists for payment?
- Is VAT correct in the cash book, linked to invoices, and been reclaimed?
- Is any S137 expenditure identified separately in the cash book and within the prevailing statutory limit?
- Has the Council acted lawfully in its decision making and not exceeded its powers?

e) Income controls

- Has scheduled income (precept, grants, fee income etc) been fully received, based on correct fees (where relevant), properly recorded and promptly banked?
- Has other income been properly recorded and promptly banked?
- Are security controls over petty cash and 'near cash' (eg vouchers and stamps) adequate and effective?

f) Petty cash procedures

- Are all petty cash payments recorded, supported by receipts and have reimbursements been made?
- Where relevant, has VAT been recorded and reclaimed?

g) Bank reconciliations

- Are all bank statements available?
- Are bank reconciliations carried out regularly?
- Are there any unexplained entries in any reconciliation?

h) Payroll controls

- Do salaries paid agree with the approved pay scales?
- Are tax, National Insurance and pension requirements properly applied?

i) Asset controls

- Is the Asset Register up-to-date?

J) Reviews

- Has the Council reviewed its statement of Internal Control?

k) Improvements

- Has the Council acted on any recommendations made by the internal or external auditor?

LYDD TOWN COUNCIL INTERNAL AUDITOR TERMS OF REFERENCE

BACKGROUND & CONTEXT

Local councils have a duty, under the Accounts and Audit Regulations to maintain an adequate and effective system of internal audit of their accounting records and of their systems of internal control in accordance with the proper practices in relation to internal control.

The internal auditor will carry out their review at least annually and will satisfy the principles of independence from the Council and competence for the role.

The Council will conduct a receive a report from the Internal Auditor and review the effectiveness of its system of internal audit The Council will consider, at an appropriate time, the findings of the review and incorporate them within its relevant financial procedures documentation. The Council will ensure that it updates and adopts Financial Regulations from the NALC model.

OVERALL PURPOSE OF THE INTERNAL AUDIT

- Generally: to review the Council's accounting procedures and controls and report on their compliance with the Accounts & Audit Regulations
- To test and report (in writing) to the Council on whether its financial controls are adequate and effective, identifying any areas of weakness or concern
- To assist the Council in fulfilling its responsibility to maintain arrangements for the prevention and detection of fraud or error
- To suggest areas for improvement
- To complete the Annual Internal Audit Report (part of the Annual Return)

SCOPE OF THE AUDIT

In pursuance of the above the internal auditor shall be guided by the relevant legislation and financial regulations pertaining to the sector, the latest NALC/SLCC *Practitioner's Guide (England)*, best practice, and the Council's Internal Audit Plan - the content of which shall be agreed by both the internal auditor and the Council annually.

Updated January 2026

LYDD TOWN COUNCIL STATEMENT OF INTERNAL CONTROL

1. Scope of responsibility

Lydd Town Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is responsible for ensuring that there is a sound system of internal control which includes management of risk.

2. Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The internal control environment

The key elements of the Council's internal control environment include:

- Established budget setting and regular budgetary monitoring reporting to members
- NALC Standing Orders and Financial Regulations adopted and reviewed
- Terms of Reference for Committees with responsibility for decisions which include expenditure where exceeding agreed budget limits being referred to Council.
- Code of conduct for members that set out clear expectations for standards of their behaviour
- Internal audit carried out at least annually
- Cheques signed by two councillors and stubs initialled and checked against invoices.

4. Policies and Procedures

- The Council will ensure that it develops and adopts relevant policies and procedures to ensure that as far as is possible all responsibilities of the Council are understood.
- The Council will ensure that risk assessments are in place

5. Financial management

In financial matters the Council and its internal auditor are guided primarily by Financial Regulations and Guidance and Accountability for Smaller Authorities in England.

Internal financial control is based on a framework of management information, financial and administrative procedures.

The Council's principal financial control is that payments drawn on its bank accounts must be authorised by two members and that cheques or online payments must be signed or authorised by two signatories who are on the bank mandate and therefore authorised to do so.

The main purpose of the independent internal audit is to review whether the systems of financial and other controls are both adequate and effective and to make recommendations if appropriate.

6. Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control and of the system of internal audit. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and Town clerk/RFO and also by comments made by the external auditors.

Updated January 2026

DRAFT BUDGET

LYDD TOWN COUNCIL - Draft Budget 2026-27

5TH NOVEMBER 2025

		RECEIPTS	Audited 31/03/25	Agreed 2025- 26 Budget	Budget Revision	Revised Budget	YTD Actual @ 30.09.25	Projected 10.01 - 31.03	Projected @31.03.26	Buuget Heading Surplus/(Deficit)	Proposed Budget 2026/27	NOTES
		Allotments Rent Including Arqiva for mast	5,337.64	5,500.00		5,500.00	80.00	5,420.00	5,500.00	-	5,500.00	
		Ambulance Service Rent	5,370.00	5,200.00		5,200.00		5,200.00	5,200.00	-	5,200.00	
		Band Concert	-	-		-	-	-	-	-	-	
		Bank Interest	299.49	350.00		350.00	88.77	261.23	350.00	-	900.00	
		Donations- Lydd Municipal & Other Charities	5,000.00	5,000.00		5,000.00	5,000.00	-	5,000.00	-	5,000.00	
		Masts & Easements	-	80.00		80.00		80.00	80.00	-	80.00	
		Tennis Court bookings vis stripe	432.71	500.00		500.00	492.37	7.63	500.00	-	500.00	
		Other Receipts	1,421.45	100.00		100.00	207.68	50.00	257.68	157.68	-	
		Allotment deposits				-	150.00	(150.00)	-	-	100.00	
		Foreshore rent	1.00	-		1.00	1.00	1.00	1.00	-	-	
		Precept	178,900.00	179,000.00		179,000.00	179,000.00	-	179,000.00	-	243,900.00	1)
			196,762.29	195,730.00	-	195,731.00	185,019.82	10,869.86	195,888.68	157.68	261,180.00	
	VIREMENT	PAYMENTS	Audited 31/03/25	Agreed 2025- 26 Budget	Budget Revision	Revised Budget	YTD Actual @ 30.09.25	Projected 10.01 - 31.03	Projected @31.03.26	Buuget Heading Surplus/(Deficit)	Proposed Budget 2026/27	
	(400.00)	Accountants	2,050.00	500.00	(400.00)	100.00	-	100.00	100.00	-	-	2)
		Allotments	1,687.22	3,000.00	-	3,000.00	1,835.23	1,164.77	3,000.00	-	3,000.00	
	2,506.00	Accounting software	-	-	2,506.00	2,506.00	1,785.00	721.00	2,506.00	-	1,800.00	2)
		Allotment Deposit Returns	-	-		-	175.00	(175.00)	-	-	-	
		Audit	1,090.00	1,300.00		1,300.00	280.00	1,020.00	1,300.00		1,500.00	
		Bank Charges	349.96	330.00		330.00	171.30	158.70	330.00	-	220.00	
		Dennes Lane (Banks Sports & Social Club)	145.90	-		-	-	-	-	-	-	
		Bin Emptying	-	700.00		700.00	-	-	-	700.00	-	
		Christmas Tree & Lighting	732.98	-		-	-	-	-	-	-	
		Civic Expenses	854.79	200.00		200.00	47.58	152.42	200.00	-	200.00	
		Election Costs - 2026-27	-			-	-	-	-	-	3,500.00	1)& 3)
		By Election Costs	8,275.30			-	-	-	-	-	12,000.00	1)& 3)
		Gas & Electrical PEAT testing	128.00			-	-	-	-	-	500.00	
,07/25	(1,200.00)	Goalposts repalcements		1,200.00	(1,200.00)	-	-	-	-	-	-	
		Grounds Maintenance	8,958.85	6,000.00		6,000.00	2,687.10	3,312.90	6,000.00	-	7,000.00	
		Grounds Maintenance - Tree Surgery	4,200.00	-		-	-	-	-	-	-	
		Groundsman Materials and Equipment	1,303.80	900.00		900.00	124.41	375.59	500.00	400.00	500.00	
		Guildhall Maintenance	18,967.00	910.00		910.00	777.98	132.02	910.00	-	4,160.00	
		Guildhall Running Costs	9,635.88	10,000.00		10,000.00	4,709.89	5,290.11	10,000.00	-	15,250.00	3)
	(285.00)	Insurance - General & Cyber Security	4,831.20	5,500.00	(285.00)	5,215.00	4,764.67	455.00	5,219.67	(4.67)	5,700.00	2)
		Lade Bench Licences	-	25.00		25.00	-	25.00	25.00	-	25.00	
		Legal and Professional fees	1,175.00	2,000.00	-	2,000.00	734.00	1,266.00	2,000.00	-	2,000.00	
		Lydd in Bloom	517.04	350.00		350.00	339.00	-	339.00	11.00	350.00	
		Lydd in Lights	288.85	350.00		350.00	-	350.00	350.00	-	350.00	
		Maintenance Contracted Work	-	13,000.00	-	13,000.00	766.88	4,450.00	5,216.88	7,783.12	7,220.00	5) & 6)
	(521.00)	Manor Road Pavilion Maintenance	40.00	1,000.00	(521.00)	479.00	31.06	447.94	479.00	-	200.00	2)
		Manor Road Pavilion Running Costs	692.07	400.00		400.00	203.77	196.23	400.00	-	400.00	
		Mayoral Allowance	1,787.83	2,800.00		2,800.00	1,172.22	1,627.78	2,800.00	-	2,800.00	
		Office Consumables	1,274.33	1,200.00		1,200.00	633.95	566.05	1,200.00	-	1,300.00	
		Office Equipment and Printing	1,829.11	2,400.00		2,400.00	1,190.35	1,209.65	2,400.00	-	2,520.00	
	(1,000.00)	Office IT	7,014.00	6,065.00	(1,000.00)	5,065.00	4,581.60	483.40	5,065.00	-	5,250.00	2)
July 2025	4,998.00	Office IT capital expenditure	-	-	4,998.00	4,998.00	4,998.00	-	4,998.00	-	1,880.00	7)
		Remembrance Sunday (\$137)	290.00	300.00		300.00	-	300.00	300.00	-	300.00	
		Rype Playground	2,390.67	500.00		500.00	533.19	-	533.19	(33.19)	1,200.00	8)
		Small Grants	4,527.83	5,000.00		5,000.00	4,650.00	350.00	5,000.00	-	5,000.00	9)
		Expenses	-	100.00		100.00	-	100.00	100.00	-	100.00	
		Staff EE & ER	23,687.39	27,300.00		27,300.00	14,450.47	14,799.53	29,250.00	(1,950.00)	32,500.00	
		Staff salaries	97,150.93	98,250.00		98,250.00	49,726.37	50,023.63	99,750.00	(1,500.00)	108,500.00	
		Stair Lift & Defib. Maintenance	2,260.55	750.00		750.00	738.45	11.55	750.00	-	850.00	
	(300.00)	Staff and Councillors Training	109.00	500.00	(300.00)	200.00	-	200.00	200.00	-	500.00	
		Subscriptions	2,163.70	2,300.00		2,300.00	2,784.38	-	2,784.38	(484.38)	2,900.00	
		Tennis Courts	1,521.67	500.00		500.00	177.00	323.00	500.00	-	1,880.00	10)
		Website	241.00	100.00		100.00	50.00	200.00	250.00	(150.00)	275.00	
		D-Day Beacon Lighting	320.00	-		-	-	-	-	-	-	
July 2025	(3,798.00)	Virement from reserves for IT capital	-	-	(3,798.00)	(3,798.00)	(3,798.00)	-	(3,798.00)	-	-	
		Transfer to replenish general reserves									27,550.00	1)
	-	-	212,491.85	195,730.00	-	195,730.00	101,320.85	89,637.27	190,958.12	4,771.88	261,180.00	

<u>TAX BASE 2025/26</u>	2025/26
<u>Parish</u>	Band D Equiv. (draft)
Folkestone	15,230.46
Sandgate	2,384.65
HYTHE	6,446.53
LYDD	2,262.20
NEW ROMNEY	3,077.06
<u>ELHAM -</u>	
Acrise	88.23
Elham	726.43
Elmsted	200.66
Hawkinge	3,121.13
Lyminge	1,135.19
Lympne	647.64
Monks Horton	64.26
Newington	147.64
Paddlesworth	19.44
Postling	108.67
Saltwood	395.68
Sellindge	893.14
Stanford	190.45
Stelling Minnis	282.66
Stowting	119.44
Swingfield	483.62
<u>ROMNEY MARSH -</u>	
Brenzett	152.60
Brookland	179.57
Burmarsh	111.60
Dymchurch	1,366.79
Ivychurch	92.18
Newchurch	119.94
Old Romney	89.52
St Mary in the Marsh	1,217.16
Snargate	59.10
DRAFT TAX BASE	41,413.64

Lydd Town Council



SMALL GRANTS

Available for local Voluntary Groups

Lydd Town Council has small grant funding available for local voluntary organisations with

If you would like to apply for a small grant

please download the application form from our website

www.lyddtowncouncil.gov.uk

or collect an application form from

Lydd Town Council,

The Guild Hall, 13 High Street, Lydd, TN29 9AF

Please telephone 01797 320999

Applications and supporting documents must be received by 9am on Monday 2nd February 2026

By email: townclerk@lyddtowncouncil.gov.uk

Or to

Lydd Town Council,

Guild Hall, 13 High Street, Lydd, TN29 9AF