



South Holland District Council
Internal Audit Annual Plan
2026-2027

February 2026 Version 1.1

Introduction

The Role of Internal Audit

In accordance with the Global Internal Audit Standards, 2024 internal auditing strengthens the organisation's ability to create, protect and sustain value by providing the Board and management with independent, risk-based and objective assurance, advice, insight and foresight.

South Holland District Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Authority that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council's objectives.

The aim of the internal audit work programme is to provide independent and objective assurance to management, in relation to the business activities, systems and/or processes under review that:

- the frameworks of internal control, risk management and governance are appropriate and operating effectively; and
- risks to the achievement of the Council's objectives is identified, assessed, and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Head of Internal Audit can ensure the most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control, and governance arrangements.

Internal audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through continued contact and liaison with those responsible for the governance of the Council. Any material changes will be agreed with the Audit Committee and immaterial changes reported to the Audit Committee at the next progress update.

Your Internal Audit Team April 2026

Your internal audit service is led by Claire Goodenough as Head of Internal Audit (HIA) for Lincolnshire County Council (LCC), supported by Mark Harrison Audit Manager. The team comprises of auditors at various points within their career development, from Chartered auditors through to auditors working towards their certified qualifications.

The audit team consists of three audit managers, five principal auditors, and ten senior auditors. All auditors are members of professional bodies and hold a range of accountancy and audit qualifications. Quality assurance processes are embedded in all aspects of delivery, allowing high standards to be maintained. All work is overseen and signed off by the Head of Internal Audit.

Conformance with Global Internal Auditing Standards (GIAS), 2024

The release of the new GIAS has been implemented in the toolkit, workflow and routine practices in operation across all the team's delivery. It will not be possible to demonstrate full conformance until sufficient delivery has taken place, however, systems and processes are sufficient to collect evidence to develop conformance from 2025/26 onwards.

GIAS requires audit services to have an external quality assessment every five years. In February 2022, CIPFA were commissioned to complete an external quality assessment of the Internal Audit Team at Lincolnshire County Council, concluding that

“Assurance Lincolnshire partnership’s self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.”

The next external quality assessment is due in 2027 and the team will be collating data and evidence throughout 2026 to support the assessment when the date has been confirmed.

Conflicts of Interest

The audit teams have a standardized conflict of interest process, completed annually by all auditors as well as for each audit assignment. The HIA must review and sign off any conflicts or perceived conflicts that arise at any point in delivery. Assessments are made against individual assignments to ensure sufficiency in awareness and transparency. At the time of drafting the 2026/27 audit plan the HIA is not aware of any relationships that may affect the independence and objectivity of the team and would be required to be disclosed under the Global Internal Audit Standards. Internal audit is the only service provided to the Council.

Corporate Aims/Objectives

South Holland District Council's 2026–2027 aims focus on using assets efficiently to support key priorities, ensuring spending is affordable and aligned with the Medium-Term Financial Strategy, and promoting “invest to save” projects that improve long-term sustainability. The Council also aims to maximise funding opportunities through partnership working, responsibly manage capital and treasury activities within the Prudential Code, and dispose of surplus assets to generate new resources.

Developing the Internal Audit Plan for 2026/2027

The Head of Internal Audit utilised various information sources and data to inform the development of the internal audit plan.

In determining the areas of work covered by the internal audit team, various sources of information, shown in figure one, are utilised to inform the audit plan. This plan builds upon the assurance work delivered throughout 2025/26 and focuses on areas central to the Council’s evolving operating environment—such as strengthening financial and governance arrangements, supporting the alignment of systems and processes across the Partnership, and providing assurance over transformation and efficiency activity identified through shared-service integration.

In accordance with the GIAS there is an acknowledgement that internal audit is most effective when it is independently positioned, free from undue influence and remains committed to making objective assessments. These principles are at the core of our delivery plans for the coming year and the establishment of a risk-based audit plan to align with the organisation’s goals.

South Holland District Council and Committee are reminded that internal audit is only one source of assurance and through the delivery of this plan cannot, and do not, seek to cover all risks and processes within the organisation. Internal audit will continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

The internal audit plan has been developed to specifically respond to and support the development of the Council through its continued alignment activity within the South & East Lincolnshire Councils Partnership, alongside its evolving governance responsibilities and service transformation agenda, if delivered in its entirety will be sufficient to provide a reliable statutory annual opinion. Consultation has taken place with relevant senior leaders.

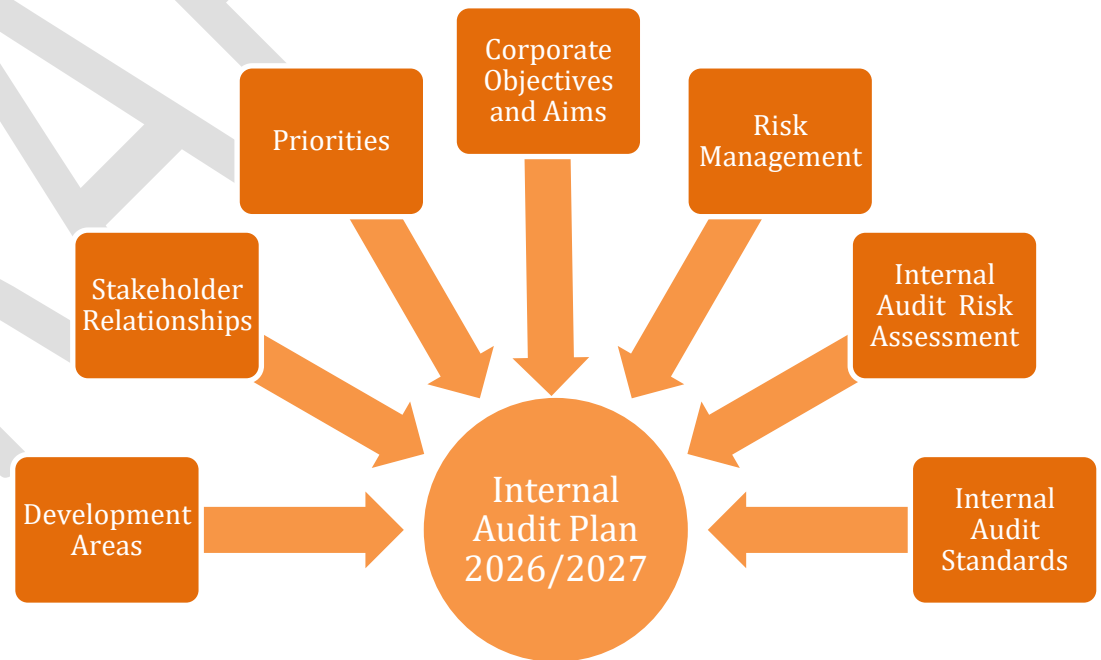


Figure 1

Internal Audit Plan 2026/27

Audit Review	Area	Audit Sponsor	Potential Scope	Risk Link	Proposed Timing
Risk Management: Training, Awareness, Engagement. (15)	GOVERNANCE	Governance and Monitoring Officer	The audit will review how effectively South Holland District Council promotes and embeds risk management through its training, awareness activities, and staff engagement. It will assess whether officers and members receive appropriate guidance, understand their responsibilities, and are supported by clear communication and training processes. The audit will also consider how well risk-aware behaviours are encouraged across services and whether monitoring and feedback mechanisms help strengthen the Council's overall risk management.	Risk Management	Q1
Payroll: Controls, Application and Implementation. (25)	FINANCE	Section 151 Officer	The audit will review whether South Holland District Council's payroll controls are designed and applied effectively, focusing on the accuracy, authorisation, and processing of payroll information. It will consider how well system checks, oversight arrangements, and control activities ensure payroll is reliable, compliant, and securely implemented across the organisation.	SHDC 14 - Budget	Q1
Waste Management: Change Management and Implementation Activity. (15)	COMMUNITIES	Director of Communities	The audit will review how effectively South Holland District Council manages and implements change within its waste management services, focusing on the planning, communication, and execution of service changes. It will consider whether change activities are clearly governed, whether operational impacts and risks are identified and managed, and whether staff, stakeholders, and residents are appropriately engaged during implementation. The review will also assess whether monitoring and feedback mechanisms support smooth transitions, continuous improvement, and the sustainable delivery of waste services.	SHDC12 - Waste Collection Round Pressures	Q4
Procurement Act: Compliance Testing. (20)	PROCUREMENT	Section 151 Officer	The audit will review how effectively South Holland District Council is implementing the requirements of the Procurement Act, focusing on compliance with updated procedures and the readiness of staff involved in procurement activity. It will assess whether key controls, guidance, and	SHDC16 - Third Party	Q2

			training support consistent application of the new rules, and whether engagement across services and within the South & East Lincolnshire Councils Partnership promotes a compliant and well-understood procurement approach.	Service Delivery SHDC 14 - Budget	
Audit Review	Area	Audit Sponsor	Potential Scope	Risk Link	Proposed Timing
Savings: Accountability & Delivery. (15)	FINANCE	Section 151 Officer	The audit will review how effectively South Holland District Council identifies, monitors, and delivers planned savings, with a focus on accountability, governance, and transparency. It will consider whether responsibilities are clearly assigned, progress is accurately tracked, and reporting arrangements support timely oversight and informed decision-making. The review will also examine whether savings plans are realistic, supported by robust evidence, and implemented in a way that ensures sustainable financial outcomes.	SHDC 14 - Budget	Q3
GDPR Compliance. (20)	GOVERNANCE	Governance and Monitoring Officer	The audit will review how effectively South Holland District Council ensures compliance with GDPR requirements, focusing on how personal data is collected, stored, processed, shared, and retained across services. It will consider whether staff understand their responsibilities, whether policies and procedures are consistently applied, and whether governance, oversight, and monitoring arrangements adequately protect personal data and support ongoing compliance.	SHDC04 - Service Delivery	Q3
HR: Performance Management. (30)	CORPORATE	Assistant Director – Corporate	The audit will review how effectively South Holland District Council’s performance management framework supports consistent staff appraisal, objective-setting, and ongoing performance monitoring. It will consider whether roles and expectations are clearly communicated, whether performance discussions are carried out reliably across services, and whether HR oversight arrangements ensure that performance management is fair, consistent, and aligned with organisational priorities.	SHDC04 - Service Delivery	Q1
Audit Review	Area	Audit Sponsor	Potential Scope	Risk Link	Proposed Timing

Welland Homes: Governance, Reporting & Performance. (20)	HOUSING	Assistant Director – Housing	The audit will review how effectively Welland Homes is governed and overseen, focusing on whether governance structures, roles, and decision-making arrangements provide appropriate transparency and accountability. It will review the adequacy and reliability of reporting to the Council, and evaluate whether performance monitoring arrangements support informed scrutiny, financial sustainability, and effective delivery of Welland Homes' objectives.	SHDC 14 - Budget	Q4
Follow up reviews and Combined Assurance. (30)	GOVERNANCE	N/A	Assess validity and completeness of management actions to mitigate risks identified from 2025/6 programme and any 2026/7 management actions due. Overdue actions will be reported to management and audit committee.	Management Response	Qs1,2,3&4
Management Tasks			Quality, preparation, reporting and presentation.		Qs1,2,3&4

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