

Minutes of a meeting of the **GOVERNANCE AND AUDIT COMMITTEE** held in the Meeting Room 1, Council Offices, Priory Road, Spalding, on Thursday, 19 March 2026 at 6.30 pm.

PRESENT

A C Beal (Chairman)
M Geaney (Vice-Chairman)

C J T H Brewis
A Harrison

S-A Slade

A Cartwright
G Hall

Apologies for absence were received from or on behalf of Councillors T Sneath, the Assistant Director – Governance and the Business Intelligence and Change Manager.

In Attendance: The Director of Finance (Section 151 Officer), the Assistant Director - Regulatory (SRO for RIPA) *virtual*, the Head of Finance Delivery - Technical and Corporate (PSPS), the Audit Manager (KPMG), the Audit Manager (LCC), the Treasury & Investments Manager (PSPS) and the Democratic Services Officer.

49. DECLARATION OF INTERESTS

Cllr Brewis declared that he was a director of PSPS.

50. MINUTES

Consideration was given to the minutes of the Governance and Audit Committee meeting held on 29 January 2026.

Members commented that they wished to express their gratitude to the Vice-Chair for her Chairing of the meeting.

AGREED:

That the minutes be signed by the Chairman as a correct record.

51. ACTIONS

Consideration was given to the responses to actions that arose from the 29 January 2026 Governance and Audit Committee meeting.

The Democratic Services Officer stated, in respect of action 46. 25/26 regarding the Governance and Audit Committee Personal Skills Audit, that a report was provisionally scheduled to come

Action By

GOVERNANCE AND AUDIT COMMITTEE -
19 March 2026

back to the committee at its September 2026 meeting.

Members raised the following queries:

- The Chairman stated that he was chasing non-responders to the Personal Skills Audit.
- In respect of action 41. 25/26, members queried whether the submission of Related Party Transaction information was a mandatory requirement for employees.
 - The Head of Finance Delivery – Technical and Corporate (PSPS) responded that the mandatory requirement applied to senior managers only in their capacity as decision makers.
- In respect of action 44(a) 25/26, members asked which services would be at risk if the funding was not received.
 - The Director of Finance responded that any should funding not materialise, the issue would be considered as part of the overall budget process with options brought forward for consideration. At this stage, no hierarchy of services at risk had been identified, and matters would be managed as required.
- In respect action 44(b) 25/26, members queried whether the review of pay rates for Emergency Repairs Service staffing had been approved by Council.
 - The Director of Finance confirmed this was the case.
- In respect of action 44(d) 25/26, regarding financial report training for staff, members asked whether this was now fully embedded.
 - The Director of Finance stated that the training had taken place and that the risk register had been updated accordingly.

AGREED:

That the responses to actions be noted.

52. INDICATIVE EXTERNAL AUDIT PLAN AND STRATEGY FOR THE YEAR END ENDED 31 MARCH 2026

Consideration was given to the report of KPMG which provided members with the indicative External Audit Plan and Strategy for the year ended 31 March 2026.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

The Audit Manager (KPMG) introduced the report with the following key points:

- Materiality: which for the financial statements had been set at £1.95 million for the group, equivalent to 2.5% of forecasted group expenditure. Performance materiality was set at £1.46 million, with an audit posting threshold of £97,500, above which all statements—corrected or uncorrected—would be reported to the Committee;
- Significant risks: included valuation of land and buildings noting changes arising from the revised CIPFA Code requiring valuations on a five-year rolling basis rather than annually; and management override of controls however no significant risk had been identified;
- Other audit risks: included the valuation of post-employment benefit obligations.
- The value-for-money risk assessment had not identified any major concerns; and
- The plan was indicative at this stage and that the finalised version would be circulated to members, with any changes clearly highlighted.

Members considered the report and made the following comments:

- Members queried why internal valuers were used for general fund assets while external valuers were used for council dwellings.
 - The Head of Finance Delivery – Technical and Corporate (PSPS) advised that external valuers were engaged for the Housing Revenue Account due to the specialist nature of those assets and their expertise in the housing market.
- Members raised concerns about the limited detail within the efficiency plan referenced in Cabinet papers and asked whether upcoming audit work was on track.
 - The Director of Finance responded that:
 - Savings for 2025–26 were being delivered, a surplus was expected for the financial year, and savings for 2026–27 had already been identified with no in-year efficiency requirement; and
 - An audit of savings monitoring was nearing completion, with an improvement anticipated, though further work would be required to demonstrate full assurance.
 - The Internal Audit Manager (LCC) confirmed that

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

the audit covering monitoring of savings was on track. Whilst the upcoming draft audit report would acknowledge that policies, procedures and controls were in place, a limited assurance could only be provided until the outcome of such measures were known.

- Members sought clarification regarding the management override of controls risk and whether sufficient safeguards were in place.
 - The Director of Finance stated that no significant concerns had been identified and that controls were kept under continual review to ensure their adequacy.
- Members asked whether Internal Audit engaged in ongoing dialogue with External Audit beyond mandatory annual enquiries.
 - The Audit Manager (KPMG) confirmed that regular discussions took place throughout the year and that any significant findings would be promptly shared.
- Members questioned the reduced risk rating relating to post-retirement benefit obligations, given global instability affecting pension markets.
 - The Audit Manager (KPMG) advised that the assessment was based on the latest triennial valuation and actuarial assumptions reviewed by specialists, and that the risk rating would be revisited if new information emerged during the audit.
- Members queried how property valuations were updated following improvements to council dwellings.
 - The Head of Finance Delivery – Technical and Corporate (PSPS) confirmed that valuers had access to expenditure information as part of the HRA business planning process and that this was incorporated into valuation updates.
- Members requested information regarding responsibilities around the selection of valuation indices under the revised CIPFA methodology and whether recent changes reflected errors or legislative updates.
 - The Audit Manager (KPMG) explained that the methodology change was due to updates in the CIPFA Code, with internal valuers responsible for selecting appropriate indices.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

- Members referred to the low-level recommendation made to management in previous years regarding the inclusion of Group figures and queried why the risk had been tolerated rather than addressed.
 - The Audit Manager (KPMG) stated that the stance taken depended on management judgement and materiality, noting that the subsidiaries were not financially significant enough to require separate reporting.
- Members referred to page 21 of the report, regarding the lack of 'formal programme in place to effectively identify, RAG rate and/monitor savings' and queried whether the commentary was common across partnership authorities due to the same services being outsourced across the three councils.
 - The External Audit Manager (KPMG) stated that similar findings had been identified across all partnership councils.
- Members expressed concern that equality and human rights considerations within reports could be treated as a formality rather than substantive analysis.
 - The Director of Finance responded that report drafting involved a rigorous review process and that members were encouraged to challenge any omissions.
- Members noted that the Value for Money assessment had not highlighted any significant risks and asked whether any issues had been identified
 - The Audit Manager (KPMG) stated that any risks identified under the criteria of governance, financial sustainability, and efficiency would be reported to the Committee.
- Members queried the timescale of the independent review of the finance service delivery arrangements provided by PSPS and whether any changes were expected.
 - The Director of Finance advised that PSPS had implemented most actions arising from previous findings and that significant additional changes were not anticipated.

○
AGREED:

That the Indicative External Audit Plan and Strategy for the

GOVERNANCE AND AUDIT COMMITTEE -
19 March 2026

year end ended 31 March 2026 be noted.

53. ACCOUNTING POLICIES 2025/26

Consideration was given to the report of the Director of Finance (Section 151 Officer) which asked members to review and agree the Accounting Policies for inclusion in the Financial Statements 2025/26.

The Head of Finance Delivery – Technical and Corporate (PSPS) introduced the report and highlighted the following main points:

- The policies set out the rules and practices followed in the preparation of the financial statements in accordance with accounting standards and which would be set out within Note 1 of the 2025/26 Statement of Accounts;
- One substantive change for 2025/26 related to the valuation of Property, Plant and Equipment at point 19 (highlighted in red) which had arisen from amendments to the CIPFA Code of Practice. The Council would move to a five-year rolling valuation programme, with 20 per cent of applicable assets valued each year and the remaining 80 per cent indexed using appropriate indices. Council dwellings would continue to be valued annually;
- All other accounting policies remained unchanged from the previous financial year; and
- Any further minor changes identified during the year-end or audit process would be discussed with the Section 151 Officer and reflected where appropriate.

Members considered the report and made the following comments:

- Members queried why council dwellings were excluded from the five-year rolling valuation cycle applicable to other land and buildings, and whether the annual valuation process remained sufficiently resourced and independently reviewed.
 - The Head of Finance Delivery – Technical and Corporate (PSPS) explained that council dwellings represented a significant balance sheet value and were permitted under the Code to continue to be revalued annually. Assurance was given that the valuation process was adequately resourced, with regular engagement with the internal valuer, ongoing monitoring of progress, and internal review built into the process.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

- Members referred to the Termination Benefits at point 7 of Note 1 – Accounting Policies, and asked for clarification on the accounting treatment of pension benefits, specifically the distinction between the amounts charged to the accounts and those calculated under accounting standards.
 - The Head of Finance Delivery – Technical and Corporate (PSPS) explained that the General Fund and Housing Revenue Account reflected cash contributions paid to the pension fund, whereas the full accounting entries took account of benefits earned, future obligations and actuarial assumptions, which could fluctuate.

AGREED:

That following consideration by the Governance and Audit Committee, the Accounting Policies for 2025/26 at appendix 1 be agreed.

54. Q3 TREASURY REPORT 2025/26

Consideration was given to the report of the Director of Finance (Section 151 Officer) which provided members with an update on Treasury Management performance and activity to ensure best practice is maintained.

The Treasury and Investments Manager (PSPS) summarised the Treasury Management Update (at Appendix 1) which included the following main areas:

- Economic Update with commentary provided by MUFG Corporate Markets - it was noted that the Monetary Policy Committee (MPC) had met earlier on the day of current meeting, which had resulted in no changes to interest rates;
- Interest rate forecasts - the ongoing situation in the Middle East was expected to affect future interest rate forecasts which would be reflected in the Q4 Treasury Report 2025/26;
- Annual Investment Strategy – the Council's investments had increased to £39m due to receipt of grant funding of around £17m;
- Borrowing;
- Debt Rescheduling – the Director of Finance (Section 151 Officer) provided a verbal update on this aspect at the end of this item;
- Net Treasury Position; and
- Compliance with Treasury and Prudential Indicators (with indicators shown in tables at Appendix 1A)

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

Members considered the report and made the following comments:

- Members referred to point 5 and asked whether the Council's fixed-rate borrowing shown as maturing in March 2062 was repayable in instalments or as a single sum.
 - The Treasury and Investments Manager (PSPS) responded that the Public Works Loan Board loan was taken out on a 50-year term and that the full balance was repayable at the maturity date.
- Members referred to point 7 and queried what actions had been taken to safeguard the combined favourable net treasury position from volatility in the final quarter of the financial year.
 - The Treasury and Investments Manager (PSPS) advised that forecasts were based on projected cash balances and prevailing interest rates, and that both cash flows and market conditions were monitored continually to ensure forecasts remained robust.
- Members queried potential implications for the Council should interest rates remain higher than had been forecast, or increase further.
 - The Treasury and Investments Manager (PSPS) responded that, as a result of situation in the Middle East, the anticipated MPC reduction in the interest rate to 3.5% had not taken place and short term interest rates had risen considerably. Whilst many councils were looking to borrow funds at this period, SHDC was in a relatively advantageous position as a net lender, with fixed-rate borrowing protecting it from increases, while higher interest rates would potentially increase investment income as investments matured.
- Members queried the continued holding of a negligible balance with a Swedish bank shown in the investment portfolio, noting the lower return.
 - The Treasury and Investments Manager (PSPS) advised that the majority of funds had been withdrawn due to the low interest rate. A small balance had been retained to keep the account open in case rates improved, thereby avoiding the need for a lengthy re-onboarding process.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

- Members requested that the issue dates for Welland Homes loans be included within future reports.
 - The Treasury and Investments Manager (PSPS) agreed to this inclusion in future reports.
- Members referred to point 5 of the report and asked whether the Council still required the budgeted £10m HRA new borrowing previously identified within the capital programme.
 - The Treasury and Investments Manager (PSPS) explained that while additional borrowing had been budgeted to finance the Capital Programme and would be considered in the future, this had been delayed while cash balances remained high following the receipt of grant funding, in order to avoid unnecessary interest costs.

The Director of Finance (Section 151 Officer) provided the following 'live' update on debt rescheduling activity being undertaken during Q4 2025/26:

- Volatile market conditions had created an opportunity to redeem approximately £67.5m of existing debt at a discount of £18.3m, reducing the repayment cost to just over £49m. The discount would be released to the revenue account over a ten-year period;
- To facilitate the repayment, new borrowing of £50m had been undertaken in five tranches of £10m, with staggered repayment dates commencing in just over two years' time. This approach intended to provide flexibility for both the Council and any future unitary authority. Although the new loans carried a higher interest rate, the reduced borrowing level would result in an annual saving of approximately £84,000 in interest costs; and
- The transaction was being progressed under delegated authority in accordance with the Constitution and the Treasury Management Strategy, with involvement of relevant senior key officers. Further details would be reported through the next quarterly update and to Cabinet.
 - Members welcomed the update and thanked the Director of Finance for the approach taken.

AGREED:

That the Q3 Treasury Report 2025/26 at appendix 1 be noted

55. QUARTER 3 RISK REPORT 2025/26

Consideration was given to the report of the Assistant Director –

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

Governance which provided an update on risk as at the end of December 2025.

The Director of Finance (Section 151 Officer) introduced the report on behalf of the Business Intelligence and Change Manager who had sent his apologies. The following main points were highlighted:

- The strategic risk profile remained largely stable, with most risks being managed at or near their target levels; and
- A new risk relating to artificial intelligence (AI) governance and oversight had been added to the register as a medium risk, with the expectation that this would continue to evolve as the organisation's understanding and use of AI developed further.

The Assistant Director – Regulatory provided members with the following update in respect of the Health and Safety risk SHDC23:

- The risk position reflected the status at the end of Quarter 3.
- An assurance review received at the end of December 2025 had assessed the arrangements as adequate, with a small number of recommendations outstanding at that time; and
- Significant progress had been made during Quarter 4 and that, based on the work undertaken since the report was compiled, the Health and Safety risk was expected to return to its target level by the end of the financial year.

Members considered the report and made the following comments:

- Members queried the steps being taken to accelerate readiness for food waste collection requirements, given delays in vehicle procurement associated with Environment Act implementation. Additionally, could a new food waste collection service have been added to the existing service rather than implementing a new system.
 - The Director of Finance explained that work was ongoing with suppliers to mitigate delays, acknowledging national supply pressures, and that flexibility had been built into the service rollout to support residents while implementation progressed. Food waste collection could not be introduced as a simple add-on, as it formed part of a wider set of statutory changes.
- Members asked whether current route modelling sufficiently accounted for rapid housing growth areas and

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

whether additional route optimisation software might be required.

- The Director of Finance responded that modelling reflected assumed growth but acknowledged uncertainties, particularly around consistent take-up rates for food waste services. While in-house modelling capability could be beneficial, the cost and timing—particularly in the context of Local Government Reorganisation—meant that use of external expertise was currently considered appropriate.
- Members raised concerns about communication with residents regarding new waste and recycling arrangements, particularly for those without internet access.
 - The Director of Finance acknowledged the importance of clear and accessible communication and confirmed that learning from other authorities had informed South Holland's approach.
- Members sought clarification on meaning of the 'direction of travel' risk trend arrows within the risk register, such as for 'SELCP-02: Trust' and queried whether a downward arrow represented a reduction in risk severity rather than the subject matter itself.
 - The Director of Finance would ask the report author to respond to this query after the meeting.
- Members requested whether additional assurance could be provided regarding cyber security risks - while at their target score, were such risks being robustly managed.
 - The Director of Finance responded that cyber risk was inherently dynamic with a degree of risk tolerated, however controls were continually reviewed and strengthened based on expert advice, with mitigation actions being implemented proactively where vulnerabilities were identified.
- Members referred to risks SELCP-07 'Local Government Funding' and SELCP-08 'Staff Retention and Resilience' which were both rated high, and queried whether partnership risks rated as high and not on target affected South Holland District Council specifically or reflected issues across the wider partnership.
 - The Director of Finance explained that these risks applied across all partner councils, noting that the funding risk would be reviewed following the

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

provisional financial settlement and the setting of a balanced budget.

- Members asked whether international instability was expected to impact risk factors going forward.
 - The Director of Finance advised that potential impacts included cyber security threats, inflationary pressures, utilities costs and wider economic challenges, all of which continued to be monitored.
- Members queried whether prolonged uncertainty relating to Local Government Reorganisation was impacting partnership delivery.
 - The Director of Finance advised that some impact was being experienced, though it was not considered material at this stage.
- Members referred to SHDCRA16 'Emergency Repairs Service (staffing)' risk which was not at its target level and asked whether revised contract terms and other mitigations had reduced the risk and which KPIs would demonstrate improved resilience in the service.
 - The Director of Finance advised that further information would be provided following the meeting.
- Members suggested that additional narrative within mitigation and action plan sections of the risk register would improve clarity, particularly where risks were being formally tolerated.
 - The Director of Finance agreed that incorporating standard explanatory wording as appropriate, such as 'risk is being tolerated', would remove any doubt to the current status of the risk.
- Members referred to risk SHDC10 'Introduction of Extended Producer Responsibility' (EPR) and asked whether the £1.2m notification of funding from government was considered sufficient and whether it represented new funding.
 - The Director of Finance explained that EPR funding was intended to offset existing waste service costs rather than fund new statutory burdens for which no additional financial support had been offered. Concerns regarding funding adequacy had been raised with government but remained unresolved.
- Members referred to risk SHDC23 'Health and Safety' and

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

requested an update on health and safety Service Level Agreements with PSPS.

- The Assistant Director - Regulatory confirmed that revised agreements were progressing well and were on track to be signed and implemented for the next financial year.
- Members referred to risk F-04 'Procurement Contracts' and asked for a status update regarding the Anti-Fraud and Corruption Strategy and Whistleblowing Policy which were due to be reviewed by March 2026.
 - The Director of Finance confirmed that the Anti-Fraud and Corruption Strategy and Whistleblowing Policy had been approved earlier in the year and that actions were being refreshed to reflect the Council's current position.

AGREED:

That the Quarter 3 Risk Report 2025/26 be noted.

56. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 – ANNUAL UPDATE

Consideration was given to the report of the Assistant Director – Regulatory and Senior Responsible Officer (SIRO) for RIPA which advised members of any RIPA regulatory activity in the last 12 months and any work needed to ensure arrangements across the Partnership remain compliant and provide assurance that our legal obligations are effectively managed.

The report was introduced by the Assistant Director – Regulatory, SIRO for RIPA, and the following main points were highlighted:

- RIPA provided the statutory framework governing the use of directed surveillance by local authorities. This was a highly regulated area intended to ensure compliance with the Human Rights Act and the European Convention on Human Rights;
- RIPA covered directed surveillance activities undertaken without an individual's knowledge, the potential use of covert human intelligence sources, and access to certain limited communications data;
- Use of such powers must be lawful, necessary, proportionate and non-discriminatory, and that directed surveillance required formal authorisation by a Magistrate;
- The Partnership RIPA Policy approved in 2024 remained current and did not require revision at this time, with the next full review scheduled for 2027.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

- The last inspection by the Investigatory Powers Commissioner's Office (IPCO) had taken place in 2024, resulting in a satisfactory outcome, and that an annual return submitted for the most recent period had been a nil return;
- Policy developments during the year included the approval of a partnership body-worn video policy and plans to bring forward a further policy covering the use of CCTV cameras within Council-owned buildings and assets, as distinct from public realm CCTV already covered elsewhere; and
- Officers continued to receive mandatory training to ensure compliance with RIPA requirements, despite the infrequent use of such powers.

Members considered the report and made the following comments:

- Members asked how the use of body-worn video was monitored to ensure it did not inadvertently move into covert surveillance requiring RIPA authorisation.
 - The Assistant Director explained that this was addressed through mandatory training for authorised enforcement officers, which covered appropriate deployment, interaction with the public, and the avoidance of capturing unrelated data known as 'collateral intrusion'. In addition, footage was encrypted, stored securely, automatically deleted after 30 days unless required for evidential purposes, and retained only where necessary in accordance with defined procedures.
- Members queried whether individuals, including councillors or members of the public, who installed their own cameras to monitor issues such as fly-tipping would be subject to the same regulatory requirements as the Council.
 - The Assistant Director advised that while individuals were not bound by RIPA in the same way as a public authority, they remained subject to the Human Rights Act and the European Convention on Human Rights. Complaints could be made to the IPCO where individuals believed their civil liberties had been infringed, and such complaints would be investigated accordingly.

AGREED:

That the report be noted.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

57. INTERNAL AUDIT ANNUAL PLAN 2026/27

Consideration was given to the report of the Head of Internal Audit (Lincolnshire County Council) which asked members to consider and approve the annual plan of internal activity for 2026/27.

The Internal Audit Manager (LCC) introduced the report and the following main points were highlighted:

- The plan had been designed to provide sufficient audit coverage to enable the Head of Internal Audit to deliver the annual opinion;
- The proposed programme reflected key areas discussed earlier in the meeting, including audit work scheduled in Quarter 3 relating to savings delivery and financial accountability.
- An audit focusing on waste management change management and implementation was scheduled for Quarter 4, which was intended to support consideration of best value and identify learning arising from the delivery of the service changes; and
- In response to feedback received at earlier meetings, all Internal Audit reports produced during 2026/27 would be bespoke to South Holland District Council, rather than combined partnership reporting.

Members considered the report and made the following comments:

- Members queried how delivery of the Internal Audit Plan would work in practice given that PSPS operated as a key delivery partner for a number of services.
 - The Internal Audit Manager (LCC) advised that internal audit had worked closely with PSPS during the preceding audit cycles without issue, and that effective working relationships were in place, supported where appropriate by the Section 151 Officer.
- Members asked whether the Internal Audit Service was adequately resourced to deliver the full audit plan without deferrals, particularly in light of increasingly complex audit areas such as artificial intelligence, cyber security and waste reform.
 - The Internal Audit Manager (LCC) confirmed that the service was fully resourced to deliver the plan, outlining the composition of the audit team and confirming that capacity was sufficient.

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

- Members asked when the next iteration of the Combined Assurance Map would be presented to the Committee and how partner risks would be incorporated.
 - The Internal Audit Manager advised that the work was nearing completion, subject to receipt of remaining narrative from officers, and that the updated Combined Assurance Map was expected to be presented to the Committee at its first meeting of the next financial year.

AGREED:

That the annual plan of internal activity for 2026/27 be approved.

58. INTERNAL AUDIT PROGRESS REPORT - MARCH 2026

Consideration was given to the report of the Head of Internal Audit (Lincolnshire County Council) which provided the committee with a summary of internal audit activity as at March 2026.

The Internal Audit Manager (LCC) introduced the report which set out progress against the current audit plan, including the status of completed audits, work in progress and outstanding actions. It was noted that the report reflected the position at the point of preparation and that progress would continue to be monitored through the remainder of Quarter 4.

- Members queried a report highlighted within the progress update that had been subject to delay due to the involvement of a third-party provider.
 - The Internal Audit Manager (LCC) explained that the delay had arisen from the application of the Internal Audit Service's own quality assurance processes to ensure reports met expected standards, and that the issue had since been resolved, with third-party providers now aware of internal requirements.
- Members asked when the data included within the action tracking section of the report had been extracted and whether any of the open actions had since been closed.
 - The Internal Audit Manager (LCC) advised that the report had been prepared in early March and submitted to Democratic Services shortly thereafter, meaning that it represented a snapshot in time. It was acknowledged that some actions may have progressed since publication, although Quarter 4 activity had not yet concluded.

GOVERNANCE AND AUDIT COMMITTEE -
19 March 2026

AGREED:

That the Internal Audit Progress Report - March 2026 be noted.

59. GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

Consideration was given to the report of the Democratic Services Manager which set out the Work Programme of the Governance and Audit Committee.

The Democratic Services Officer introduced the report and highlighted the following points:

- This was the final meeting of the current municipal year and that indicative items for the forthcoming year had been included within the report;
- Meeting dates for the new municipal year had not yet been confirmed, as these were subject to alignment across the wider Partnership. Provisional dates would be shared once available and would be formally approved at the Annual General Meeting, enabling Members to diarise meetings in advance.
- A minor point within the November entry of the Work Programme would be corrected, where the external audit year should read 2025/26 rather than 2026/27; and
- The Governance and Audit Committee Personal Skills Audit was being scheduled to be reported to members at the September 2026 meeting.

Members considered the update and made the following comments:

- Members asked when meeting dates for the forthcoming municipal year were expected to be confirmed, noting the proximity to the start of the new year.
 - The Democratic Services Officer advised that some provisional dates had been developed but that finalisation was dependent on agreement across all Partnership authorities. It was confirmed that work was ongoing and that members would be advised as soon as provisional dates had been endorsed by the relevant Leaders.
- Members queried whether the twice-yearly frequency of Internal Audit progress reporting was sufficient, or whether quarterly monitoring should be reinstated for high-risk areas such as procurement, waste services and digital

GOVERNANCE AND AUDIT COMMITTEE -

19 March 2026

systems.

- The Director of Finance acknowledged the point and advised that a balance needed to be struck between the frequency of reporting and ensuring that information was meaningful and actionable. It was suggested that the current approach could continue initially, with flexibility to increase monitoring frequency if required.
- Independent Members commented on the scheduling of Governance and Audit Committee meetings across the Boston and South Holland, noting that spacing meetings helped to avoid an excessive volume of reports being considered over a short period.
 - The Director of Finance confirmed that efforts were made to be mindful of members' workloads and competing commitments, whilst recognising that statutory deadlines, particularly for accounts and audit matters, could limit flexibility in some instances.

AGREED:

That the Governance and Audit Work Programme be noted.

60. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT.

There were none.

(The meeting ended at 8.18 pm)

(End of minutes)