



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

Wednesday, 19 March 2025

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance and Licensing

Draft Internal Audit Plan 2025/26

Report Author

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Purpose of Report

To approve the Draft Internal Audit Plan 2025/26 attached as Appendix A.

Recommendations

The Committee is recommended to approve the Draft Internal Audit Plan 2025/26 attached at Appendix A.

Decision Information

Does the report contain any exempt or confidential information not for publication?

No

What are the relevant corporate priorities?

Connecting communities
Sustainable South Kesteven
Enabling economic opportunities
Housing
Effective council

Which wards are impacted?

(All Wards)

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1 There are no specific financial comments arising from this report.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

1.2 The delivery of an effective plan for internal audit activity represents good governance and supports the Council in meeting its statutory obligations in accordance with Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations.

Completed by: Graham Watts, Monitoring Officer

2. Background to the Report

2.1 Under the Local Government Act 1972 (s151) and the Accounts and Audit Regulations, the Council has a responsibility to maintain an adequate and effective internal audit service. At South Kesteven District Council the internal audit service is provided by BDO.

2.2 In accordance with the Public Sector Internal Audit Standards (PSIAS) the internal audit service provides assurance on the adequacy and effectiveness of the authority's governance, risk management, and control arrangements. The opinion provided within individual reports issued to management contributes towards an annual audit opinion that forms part of the framework of assurances that inform the Council's Annual Governance Statement.

2.3 BDO has evaluated the Council's risk management processes and consider that they can place reliance on our risk registers/assurance framework to inform the internal audit plan. They have used various sources of information and discussed priorities for internal audit coverage with Corporate Management Team. An indicative Audit Plan was presented to the Committee on 22 January 2025 and the final draft Internal Audit Plan 2025/26 is attached at Appendix A and will be presented by BDO.

3. Key Considerations

- 3.1 The mapping of the audits to the Strategic Risk Register, pages 3-6 of BDO's report attached at Appendix A, do not include the three new emerging risks that have been identified as part of the Emerging Risk Radar which is being presented as a separate agenda item at this Committee meeting.
- 3.2 The audit plan is a total of 220 days. There are 10 audits (173 days) and follow up of audit actions (7 days).
- 3.3 There are 27 contingency days to allow for additional audits to be undertaken at the request of either the Governance and Audit Committee or management based on changes in assurance needs which may arise during the year.
- 3.4 The remaining 13 days are for audit management and further detail in respect of this can be found in the attached report.

4. Reasons for the Recommendations

- 4.1 Governance and Audit Committee, as part of its terms of reference, 9.1 (ii) is asked to approve the 2025/26 Internal Audit Plan and monitor performance during the course of the year.

5. Appendices

- 5.1 Appendix A – Draft Internal Audit Plan 2025/26