

AUDIT AND GOVERNANCE COMMITTEE

DATE	16/04/2026
REPORT OF	Head of Audit and Assurance
SUBJECT	Internal Audit Update Report (including Audit Plan 2026/27) plan
STATUS	OPEN

CONTRIBUTION TO OUR AIMS

An effective Internal Audit service contributes to the achievement of the Council's strategic objectives by assessing, providing comment and, if relevant, recommending improvement to the Council's assurance and control frameworks. The Internal Audit plan has also been designed to provide assurances on the delivery of strategic outcomes, and the supporting governance framework

EXECUTIVE SUMMARY

This report provides the Audit and Governance Committee with an update of Internal Audit work, including:

- progress in delivering the audit plan in 2025/26, and the outcome of audit work issued in final from January 2026;
- the draft 2026/27 audit plan;
- the updated Audit Charter; and
- the updated Audit Strategy 2026-29.

RECOMMENDATIONS

The Audit and Governance Committee is requested to:

- Note the progress in the delivery of the 2025/26 audit plan, and the outcome of audit issued since January 2026;
- Subject to any feedback provided, endorse the draft Audit Plan 2026/27,
- As part of its responsibilities under Domain 3 of the Global Internal Audit Standards (GIAS)
 - Approve the updated Internal Audit Charter; and
 - Note the updated Audit Strategy 2026/29; and where appropriate provide feedback on the high-level objectives contained within it

REASONS FOR DECISION

A key responsibility of the Committee is to obtain assurance on the effectiveness of the Council's arrangements for governance, risk management, and internal control. Internal Audit plays a significant role in evaluating the control environment, and therefore interim reports such as this contribute to the Committee discharging its

duties.

Furthermore, under Domain 3 of the Global Internal Audit Standards (GIAS) the Committee has responsibility in monitoring the effectiveness of Internal Audit, including

- monitoring the delivery of the Internal Audit Plan;
- receiving updates on the outcome of audit work;
- approving and overseeing a risk-based internal audit plan, ensuring it aligns with organisational risks and the audit charter, is adequately resourced, and remains independent;
- approving, maintaining, and periodically reviewing the Internal Audit Charter to formally authorise the internal audit function, define its purpose and authority, safeguard independence, and ensure unrestricted access and conformance with the Standards; and
- authorising and overseeing the audit strategy, ensuring it aligns with organisational objectives and risks, is adequately resourced, protects independence, and supports an effective and forward-looking internal audit function

1. BACKGROUND AND ISSUES

Audit Plan 2025/26

1.1 The Audit Plan has been designed with the intention that all planned work be completed (at least in draft) by 31/5/2025.

1.2 The progress against planned work is shown in Table 1 below. This includes 2024/25 audits which had not been reported to draft (and therefore not reported in the 2024/25 annual report and opinion), all of which have now been issued in final.

Table 1: Progress in delivering the audit plan on 31 March 2026

Status	Number	%
Final	27	39
Draft	4	6
WIP	25	36
Preparation	6	8
Not started	5	7
Cancelled	3	4
Total	70	100

- 1.3 Three planned audits have been cancelled. These are:
- Child to Adults Transitions- this was covered in both the OFSTED and CQC reports and received favourable comments and therefore Audit was able to rely on the outcome of the inspections
 - ICT Business Continuity within Services- this audit has been deferred to 2026/27 as new style resilience plan templates are to be launched in conjunction with Humber Emergency Planning Service (HEPS) in June

- Enforcement- The Council recognises that there is a need to review the current arrangements in relation to enforcement following a period of change, which will continue in the months ahead. Management and staffing capacity remains an issue and several staffing reviews are pending

1.4 Between 1 January 2026 and 19 March 2026 nine planned audits have been issued in final. The outcome of them is shown on appendix 1 attached, and is summarised in Table 2 below:

Table 2: Outcome of audits issued in final since 1 January 2026

Assurance Provided	Number
Substantial	3
Satisfactory	5
Limited	1
None	0

- 1.5 The “Limited” Assurance audit related to “Car Parking Enforcement” due to:
- High rate of PCNs cancelled due to CEO error:
 - Delays in Addressing Traffic Regulation Order (TRO) Signs and Lines Issues
 - Backlogs in Responding to Parking Enforcement Requests
 - Issues with CEO Training Records
 - Lack of Transparency in PCN and Appeals Data

The Council is currently reviewing its arrangements in relation to car parking enforcement and addressing the issues raised.

1.6 In relation to the implementation of audit actions, these are summarised on Table 3 below:

Table 3: Implementation of agreed actions based on Manager’s responses (as at 31/3/26)

Status	23/24	24/25	25/26
Manager confirmed implemented	131	118	32
Not Due	0	2	26
Not Due- Due date changed	5	3	1
Overdue	1	13	3
Risk Accepted	7	1	1
Total	144	137	63

Audit Plan 2026/27

1.7 The Audit Plan 2026/2 is shown on Appendix 2, and further detail is shown on Appendix 2a. The Audit Plan lays out the Head of Audit and Assurance's responsibilities for audit planning and the methodology for its compilation. A risk assessment is carried out to identify what work is required to provide a risk-based, standards compliant conclusion of the effectiveness of the design and operation of the Council's arrangements for governance, risk management, and internal control. This was then followed up with consultations with each Director and their respective management team and subsequently was discussed with the Leadership Team. The document also confirms that there are currently sufficient resources to deliver the plan, though this will need to be monitored during the year.

Internal Audit Charter

1.8 The updated Internal Audit Charter is shown on Appendix 3. It defines internal audit's purpose, authority, and responsibility. It establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Audit and Governance Committee. It authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

1.9 Paragraph 2.2 of the Charter refers to the expectations on how the Audit and Governance Committee engages with Internal Audit as laid down in the standards, whilst section 11 lays out the expectations of management in general.

1.10 The Charter is subject to annual review. the Head of Audit and Assurance has concluded that it remains fit for purpose and compliant with the standards. There have been two changes as highlighted in bold as shown on paragraphs 6.8 to 6.10 of the charter:

- additional information on the responsibilities of Internal Audit in relation to fraud; and
- the role of the Head of Audit and Assurance in relation to the Annual Governance Statement

Audit Strategy

1.11 It is a requirement of the Standards that Internal Audit produces a strategy document stating its high-level objectives. The strategy has been reviewed and updated and is shown at Appendix 4 The key areas for focus have been identified as:

- Team Development
- Client Engagement

- Strategic Planning
- Redesign and modernisation
- Performance Management

1.12 Under the standards the Head of Internal Audit is expected to discuss Internal Audit's high level strategic objectives with the Audit and Governance Committee, Senior Management, and so it is requested that Members note the content of the Strategy and provide any feedback where appropriate.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

Based on the delivery of the audit plan 2025/26 as of 31 March 2026 the risk of not carrying out sufficient work by 31 May 2026 to provide a reliable, standards compliant audit conclusion is low

The draft internal audit plan 2026/27 has been compiled via a detailed risk assessment and should provide sufficient coverage to provide a reliable, year-end audit conclusion for 2026/27. There are currently sufficient resources available to deliver the plan, but this will need to be regularly monitored throughout the year.

In the opinion of the Head of Audit and Assurance the content of the Internal Audit Charter complies with the requirement of the Global Internal Audit Standards and therefore minimal risk of being assessed as being non-compliant in mandatory External Quality Assessments.

3. OTHER OPTIONS CONSIDERED

Not applicable - the Audit and Governance Committee is required to regularly receive updates on the delivery of the audit plan, review and approve future audit plans, and review the Internal Audit Charter and the high-level Internal Audit Strategy as part of the discharge of its responsibilities.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are no specific reputational and communication considerations other than any identified in specific audit reports shown on Appendix 1 of this report.

5. FINANCIAL CONSIDERATIONS

A key role of internal Audit is to provide assurance on the financial systems which support the production of the statement of the accounts, and specific time is allocated for this work. Any significant issues arising from this work will be reported to the Audit and Governance Committee in the Head of Internal Audit Annual Report and Opinion. In addition, effective financial reporting and processes are a key component of the control environment and therefore are

considered when planning each assignment.

Both the 2025/26 and 2026/27 Audit Plan can be delivered within Internal Audit's budget envelope

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

These are considered when preparing internal audit plans, and both the 2025/26 and 2026/27 audit plans include assignments relating to Children and Young People. The respective overall year end conclusions will take account of audit reports relating to Children and Young People and the outcome of external Inspectorates where relevant.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

These are considered when preparing the internal audit plan

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

These are considered when preparing the internal audit plans. There are four public health audits contained in both the 2025/26 and 2026/27 audit plan including audits on the Health and Equalities Strategy.

From 2026/27 onwards, when planning and designing audit assignments, auditors will take account any Health Inequality or Marmot related issues, where applicable.

9. FINANCIAL IMPLICATIONS

The positive progress in delivery of the 2025/26 Internal Audit Plan is noted, and it is considered that sufficient work is being completed to support a reliable and standards compliant annual audit opinion. The single limited assurance review is noted, and management are expected to address the agreed actions in a timely manner. The draft Audit Plan for 2026/27 has been developed using an appropriate, risk-based approach and provides suitable coverage of key governance and financial risks. The updated Internal Audit Charter and Audit Strategy are compliant with the Global Internal Audit Standards and will support effective financial management and governance.

10. LEGAL IMPLICATIONS

There are no direct legal implications from this report

11. HUMAN RESOURCES IMPLICATIONS

There are no direct human resources implications from this report

12. WARD IMPLICATIONS

Applicable to all wards

13. BACKGROUND PAPERS

Internal Audit Plan 2025/26- Audit and Governance Committee 17 July 2025
<https://www.nelincs.gov.uk/assets/uploads/2025/05/10.-Audit-Plan-covering-report.pdf>

14. CONTACT OFFICER(S)

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PETER HANMER
HEAD OF AUDIT AND ASSURANCE

Appendix 1 : Summary of Completed Audit Work January to March 2026

Audit Assignments	Director	Assurance	Priority 1 Actions	Priority 2 Actions	Priority 3 Actions
Delivery of strategic outcomes and good governance					
Car Parking Enforcement	Environment, Economy, and Infrastructure	Limited	0	1	5
CCTV	Environment, Economy, and Infrastructure	Satisfactory	0	1	5
Drug & Alcohol Services	Public Health	Satisfactory		1	1
Home to school transport	Childrens	Satisfactory			5
Legal Services	Resources	Satisfactory	0	0	2
Support at Home Procurement	Adults	Substantial	0	0	0
Financial systems					
ASC ControCC Interfaces	Adults Social Care	Substantial	0	0	0
ASC Fees and Charges	Adults Social Care	Satisfactory	0	0	2
ICT					
Supply Chains	Resources	Satisfactory	0	0	3

North East Lincolnshire Council

Internal Audit Plan 2026/27 (Draft)

March 2027

1. INTRODUCTION

1.1 As recognised in the Accounts and Audit Regulations 2015 Internal Audit is a key part of the Council's internal control arrangements. Its purpose is defined in Domain 1 of the Global Internal Audit Standards (GIAS), as follows

:

“Internal auditing strengthens the organisation’s ability to create, protect, and sustain value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organisations:

- *Successful achievement of its objectives.*
- *Governance, risk management, and control processes*
- *Decision-making and oversight.*
- *Reputation and credibility with its stakeholders.*
- *Ability to serve the public interest “*

1.2 Auditors working in the UK public sector must follow the requirements of the GIAS subject to the interpretations and additional requirements set out in “*Application Note: Global Internal Audit Standards in the UK Public Sector*”. Standard 9.4 of the Global Internal Audit Standards lays out the Head of Internal Audit's responsibilities in relation to audit planning. These include:

- create an internal audit plan that supports the achievement of the organisation's objectives;
- base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risk;
- input from the audit committee and senior management to enhance his/her understanding of the organization's governance, risk management, and control processes.
- perform the assessment at least annually
- consider the internal audit mandate and the full range of agreed-to internal audit services.
- consider coverage of information technology governance, fraud risk, compliance and ethical governance and other high-risk areas.
- identify the necessary resources necessary to complete the plan; and.
- be dynamic and timely in response to changes in the organization's business, risks operations, programs, systems, controls, and organizational culture.

1.3 In addition the Application Note requires the Head of Internal Audit to take account of the following when preparing the audit plan:

- be aware of the importance of securing value for money; and
- prepare an annual conclusion which encompass governance, risk management and control.

1.4 The audit plan lays out Internal Audit's priorities and work programme for 2026/27. It has been compiled to ensure that it;

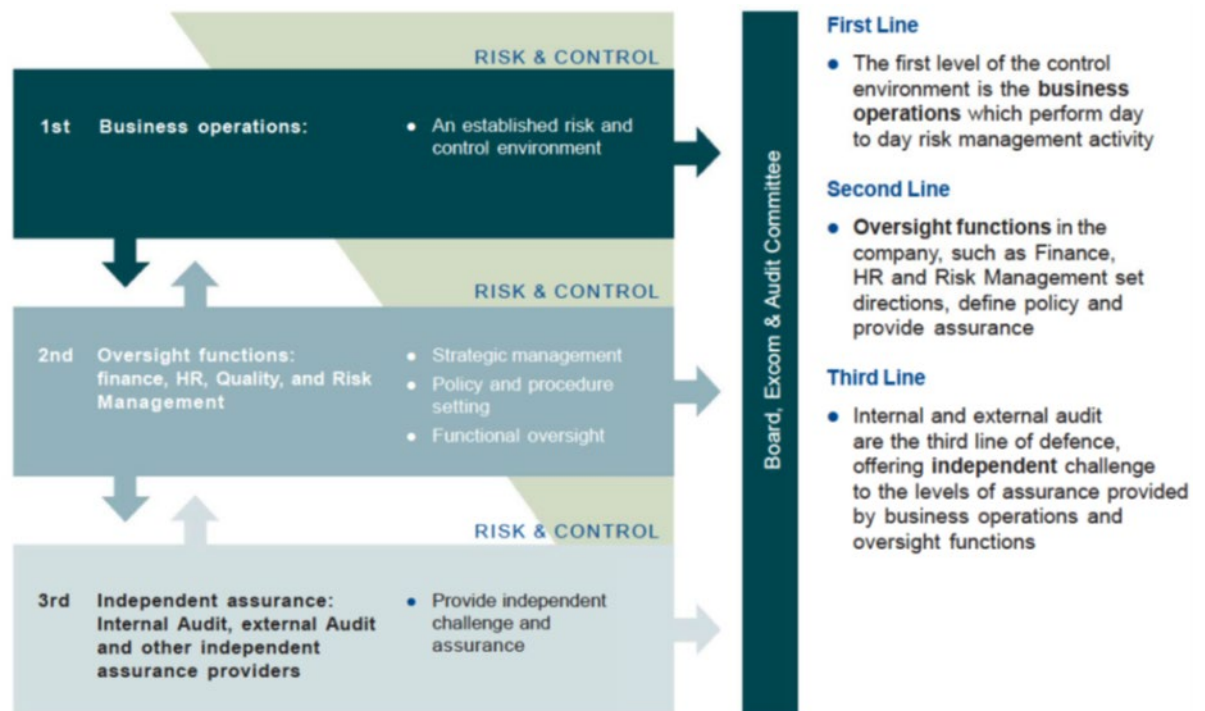
- conforms with *Global Internal Audit Standards in the UK Public Sector*.
- provides sufficient evidence to support a reliable year-end Audit conclusion on the Council's governance risk and internal control arrangements
- adds value to the Council by providing assurance on the underlying processes and governance arrangements to support the achievement of its strategic priorities as laid out in the Council Plan i.e.:
 - Stronger Economy
 - Stronger Communities
 - Greener Future
 - Effective and enabling council

2 **COMPILATION OF THE AUDIT PLAN**

2.1 As required by the standards, the plan is developed using a risk-based approach. Audit has prioritised resources to where the need is greatest, and where potentially Audit could provide most value. In compiling the plan, it has ensured that the requirements laid down in the standards have been met.

2.2 At the heart of the approach to Internal Audit is the "3 lines of assurance" model where:

- the first line of assurance is the control environment operated by managers in individual services;
- the second line of assurance includes the oversight functions such as Finance, HR, Procurement, Legal Services, who provide advice, direction, and support to individual services; and
- the third line of assurance, such as Internal Audit, External Audit and other external assurance providers which offer independent challenge to business functions.



The more developed the first and second lines of assurance are then the greater the reliance that can be placed on the assurances obtained by services rather than directly from Internal Audit work.

- 2.3 The plan is made up of several key components designed to provide assurance on the effectiveness of the Council's control environment, i.e.
- the achievement of strategic priorities
 - those specific areas identified in the Council's code of governance;
 - effective procedures and processes (including ICT arrangements);
 - reliable financial and performance information;
 - compliance with laws and regulations; and
 - the protection of council assets, including physical assets, financial resources, people, information – this includes a review the controls in place to minimise the risk of fraud and financial irregularity in those areas of highest risk.

Depending on the nature of their scope, audit assignments may provide assurance on more than one of these areas of the internal control framework.

2.4 Internal Audit takes a cyclical risk-based approach in determining the content of the audit plan with those areas having the biggest potential risk to an effective control environment, and it is a requirement of the audit standards to carry out a risk assessment at least annually to determine its programme of work. The key sources of information in making this assessment include: -

- the Council's key strategic outcomes as contained in the Council Plan and performance reports relating to their delivery;

- the medium-term financial plan and supporting business plans;
- the outcomes of external inspections and peer reviews- where possible we rely on the assurance provided on those areas which have had a positive conclusion, and prioritise those were areas for improvement have been identified;
- the strategic risk register;
- areas which represent key components of the code of governance;
- the Council's statutory responsibilities;
- cabinet and scrutiny reports to help identify areas of emerging risk;
- emerging national issues, including areas subject to changes in legislation and regulation;
- significant new projects and procurements;
- areas with higher inherent risk of fraud; and
- activities in receipt of significant external grant funding

Those areas considered to have the highest risk are prioritised for inclusion in the plan based on the likelihood of a control failure and its impact to the organisation should it occur.

- 2.5 In addition to the risk-based assurance work referred to above, Audit also carries out engagements and other advisory activities. Typically, these are undertaken at the request of senior management, and the nature and scope of such work is subject to agreement with the party requesting the services. Examples of advisory engagements include:
- providing advice on the development and implementation of new policies and the design of processes and systems
 - providing facilitation and training; and
 - carrying out hoc reviews and investigations requested by management.
- 2.6 Audit also provides support to the Council in the following areas:
- contributing to the delivery of the Council's counter fraud policies, including the Council's response to the National Fraud Initiative; and
 - the mandatory certification of external grant claims
- 2.7 The level of estimated audit resource allocated to each assignment is dependent upon:
- previous knowledge of the function or system and the risks associated with it;
 - if there have been significant changes to the design or operation of the system or function since it was last audited;
 - the complexity of the function or system;
 - the level of assurance which can be obtained from internal assurance mechanisms (e.g. second line of assurance) or by external sources of assurance such as the external audit and the outcome of inspections (third line of assurance); and
 - the nature of the testing required to obtain assurance - for example, the use of control testing and observation compared to substantive testing, and the testing methodology required. Increasingly the audit

team has been using analytical techniques to obtain assurance based on wider populations compared to sample testing.

2.8 The detailed plan resulting from the annual planning exercise and agreed with management is shown on Appendix 1 and is summarised below: _

Audit Area	Estimated Days	Purpose of work
Strategic objectives/ Governance	435	Assurance on the systems, strategies, and processes to support the Council's governance arrangement and the delivery of its strategic objectives
Financial risks	100	Assurance on the management of the key risks relating to financial management and reporting, a
ICT	35	Assurance on the management of the Council's key ICT related risks
Procurement and Contract Management	30	Assurance on the design and operation of the Council's procurement and contract management processes, including sample testing of specific contracts, including the procurement for the Highways capital works and professional services framework
Follow Up	15	Maintenance of the audit action tracker and sample testing to confirm the implementation of agreed actions
Advisory	50	Advisory work provided to the Council
Counter Fraud	40	Support for the Council's Counter fraud processes, including investigating issues identified from the National Fraud Initiative, and carrying out focused audits of high inherent fraud risk
Grant certification	25	Mandatory certification of grant claims and sample testing of grants provided by the council to local residents and groups
24/25 work carried forward	20	Completion of 2025/26 work ongoing as of 31 May2026
Audit Management	80	Planning, Quality Assurance, reporting to Audit Committee and Senior Management Teams, etc
Contingency	100	Time set aside in the event of emerging risks and issues, requests for additional advisory support, additional tome required on planned audits etc . As of 31 May 2026, sometime budget has been set aside depending on the decision related to Local Government Reorganisation anticipated in June 2026
Total	930	

2.9 Throughout the year the audit plan will be subject to regular review to reflect the changes in the risks to the Council's control environment, and to reflect changes in the assumptions made when the plan was first completed. For example:

- an area in which internal audit intended to work may subsequently be subject to an external inspection, in which case less audit work may be required as audit will look to seek reliance on the outcome of the inspection;
- where a new process or system has not been implemented as quickly as anticipated and therefore the audit of it would be delayed;

- a risk may emerge during the year which may require to be included in the audit plan so that work can be carried out to obtain sufficient assurance;
- where issues arise during a planned audit then extra resource may be required to obtain sufficient assurance and /or obtain an understanding of the underlying control issues; and
- potential reprioritisation of the plan due changes in staffing levels during the year due to leavers or long-term sickness absence.

2.10 To reflect that the plan will be subject to regular change and adjustment, and to provide flexibility to manage emerging risks, the plan includes an allocation for contingency. In addition, regular meetings will be held with Directors' Strategic Leadership Teams throughout the year to review the progress of work, and to re-prioritise audit resource where appropriate. Any significant changes to the plan will be reported to future Audit Committees.

2.11 How the work to support the delivery of the Plan will be carried out is laid out in the Internal Audit Charter. As well as defining the internal audit activity's purpose, mandate, responsibility and scope the charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel, and physical properties relevant to the performance of assignments.

3 RESOURCES TO DELIVER THE AUDIT PLAN

3.1 The standards require the Head of Audit and Assurance to be satisfied that he or she has sufficient resources available to deliver the plan and be able to provide a conclusion of the Council's governance, risk management and control arrangements, as well as discharging their other responsibilities.

3.2 In addition to the Head of Audit and Assurance, as of 31 January 2026 the Internal Audit team comprises of 5 FTEs. Based on the level of resources available (taking into account assumptions relating to sickness and training, and including additional third-party specialist audit support relating to ICT audit) and the contingencies built into the plan, it is projected that there will be sufficient resources available to ensure that sufficient work has been carried out by 31 May 2027 to provide a reliable conclusions on the Council's risk, governance and internal control arrangements, and discharge its responsibilities.

3.3 It is recognised, however, that resourcing will be subject to risk and in response we will be regularly updating out resourcing forecasts and providing updates to the Audit and Governance Committee and Senior Management about the position, and if appropriate discuss mitigating actions to ensure that sufficient work is carried out.

4 REPORTING AND MONITORING ARRANGEMENTS

- 4.1 For most assignments, excluding advisory work and grant certification, we will provide a report with an overall conclusion on the prevailing system of governance, risk management and control, as shown in the table below

Conclusion	Assessment of Internal Control
Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Satisfactory Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audit
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited

There may be areas, due to circumstances, where it may not be appropriate to issue a full report and/or an opinion. In such cases a short commentary will be provided in the Annual Head of Internal Audit Report.

- 4.2 A summary of completed audit work will be included in the Head of Internal Audit Annual Report, and this will feed into the overall conclusion on the Council's governance, risk management and control arrangements. The conclusion will also take account of other sources of intelligence, as appropriate, such as the outcome of inspections or other relevant forms of third-party assurance. Interim reports will also be presented to the Audit and Governance Committee during the year. These will include progress in achieving the annual plan, including any significant amendments to it.
- 4.2 As part of its Quality Assurance and Improvement Programme (QAIP) Internal audit has several performance indicators to measure performance. There were reviewed in April 2025 s part of the introduction of the new Global Standards and informed by work being carried out by the Local Council Chief Auditors Network (of which the Head of Audit in developing a suite of performance measures for local government Internal

Audit teams. The performance indicators relating to the 2025/26 audit plan are shown below:

Objective	Indicator
Delivery	Number and % of planned audits completed by 31 May
Delivery	Number and % of audit days completed by 31 May
Timeliness	% of draft audit reports issued by the draft date
Timeliness	% of final reports issued within 5 working days from final closure meeting
Quality	Number of training days per auditor (excluding professional training)
Quality	Average years' experience of audit per audit
Quality	Number and % of audit standards fully complied with as per HOIA annual self-assessment
Quality	% of auditees who agreed that "the audit went well"
Impact	% of auditees who agreed that "the audit added value"
Impact	Number and % of actions agreed
Impact	Number and % of 2025/26 agreed actions implemented by the due date

Draft Audit Plan 2026/27

Audit Area	Director	Summary of Audit	Budgeted days
Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
All Age Housing Strategy	Adults	To evaluate the effectiveness of the NELC All-Age Housing Strategy in delivering integrated housing and care that promotes independence, prevents hospital admissions, and ensures statutory compliance with the Care Act 2014.	
ASC Assessment and Reviews	Adults	Review the efficiency of the end-to-end assessment process	
ASC Safeguarding	Adults	Evaluate the consistency of safeguarding advice provided by partners and the council.	
Homelessness and Rough Sleeping	Adults	Provide assurance on compliance with the "National Plan to End Homelessness, and the application of any funding associated with it.	
Occupational Therapy	Adults	Provide assurance that the Occupational Therapy Service is operating effectively, efficiently, and in compliance with statutory and professional requirements, and that it contributes positively to resident outcomes and value for money.	
Reablement and Short-Term Support Efficacy	Adults	Evaluate the effectiveness of the rehabilitation and reablement pathways.	
Supported Housing	Adults	To assess the effectiveness in managing the quality, safety, and value for money of supported housing providers, ensuring compliance with the new National Supported Housing Standards.	
Attendance and attainment	Children's	Provide assurance on governance, systems and processes to support attendance and attainment.	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Care Leavers	Children's	Review the engagement process for care leavers to ensure that they are co-produced and understood by the young persons, and ensure that they have the skills and opportunities to prepare them for the future	
Educational Psychology	Children's	To provide independent assurance that the Educational Psychology (EP) Service is fulfilling its statutory duties, operating effective governance and financial controls, and delivering high quality, timely psychological support to children and young people.	
External Placements	Children's	Building on previous audit work related to children in care, review the financial controls and procurement of high-cost external placements relating to Special Educational Needs and Disabilities	
Kinship Allowance Pilot	Children's	Provide assurance that the Kinship Allowance Pilot is supported by effective governance, compliant assessment processes, strong financial controls, and reliable reporting arrangements. It also aims to confirm that data quality, eligibility decisions, and ongoing monitoring processes sufficiently safeguard public funds and support accurate delivery of the pilot.	
Recruitment, retention and workforce development	Children's	Review of the effectiveness of the ongoing arrangements in children's services to recruit, retain and develop social workers to ensure that workloads are manageable	
Support for Disabled Children	Children's	Review the effectiveness and timeliness of the "Children in Need" pathway for disabled children, the management of workloads, the development of timely plans for children, and minimising delays in support	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Voice of the Child	Children's	Provide assurance that life-story work is being completed at a frequency that meets individual needs, and assess how effectively the "child's voice" is interegrated into front line practive and statetgic dession making	
Youth Justice-Resettllement Policy and Provision	Children's	Provide assurance that on the effectiveness of the resettlement policy to ensure children leaving custody receive adequate and timely support.	
Backlog Maintenance	Environment, Economy, Infrastructure	To provide assurance on the management of the corporate backlog maintenance programme	
Car Parking Enforcement (Follow Up)	Environment, Economy, Infrastructure	To follow up the implementations of actions resulting from the 2025/26 audit of car parking enforcement	
Economic Strategy	Environment, Economy, Infrastructure	To provide assurance on the governance, risk management and internal control arrangements related to the delivery of the Council's Economic Strategy	
Emergency Planning	Environment, Economy, Infrastructure	To provide assurance on the Council's arrangements for emergency planning	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Facilities Management	Environment, Economy, Infrastructure	To provide assurance that the Council has effective governance, risk management and internal control arrangements in place to ensure that statutory and regulatory FM responsibilities are met; buildings are safe, compliant, secure and maintained; FM services deliver VFM; and responsibilities, performance standards and risks are clearly defined and managed	
Food Waste	Environment, Economy, Infrastructure	To assess the Council's readiness and ongoing compliance with mandatory food waste collection duties for both residential and non-domestic (commercial) premises, including financial and operational alignment with Defra's Simpler Recycling framework.	
Grimsby Fishing Heritage Centre and Collections Management	Environment, Economy, Infrastructure	To provide assurance on the adequacy and effectiveness of governance, risk management, and internal control arrangements relating to the delivery, operation and financial management of the Grimsby Fishing Heritage	
Housing Enforcement	Environment, Economy, Infrastructure	To assess the Council's operational readiness to enforce new private rented sector (PRS) standards (including the Decent Homes Standards and Awaab's law compliance), manage the transition away from "no-fault" evictions, and implement the new mandatory Landlord Redress Scheme.	
Major Projects	Environment, Economy, Infrastructure	To provide assurance on the governance arrangements for the management of major projects	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Planning	Environment, Economy, Infrastructure	Assessing the arrangements for preparing for the implementation of the Planning and Infrastructure Act 2025	
Selective Licencing	Environment, Economy, Infrastructure	To evaluate the arraignments for the introduction of the Council's Selective Licensing scheme intended to improve housing standards,	
Winter Maintenance	Environment, Economy, Infrastructure	To provide assurance that the Council's winter maintenance arrangements are robust, cost-effective, and meet statutory duties under the Highways Act 1980 to ensure safe roads as far as reasonably practicable.	
Health and Wellbeing Strategy/ Marmot Town Implementation	Public Health	Building on the audit carried out in 2025/26, providing assurance the governance arrangements for the ongoing implementation of the Health and Well-Being Strategy/ Marmot Town	
Immunisation Programme Uptake	Public Health	Provide assurance on the arrangements in place to improve immunisation uptakes	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Domestic Abuse	Public Health	Provide assurance on the arrangements related to the Council's responsibilities for Domestic Abuse, including those for Commissioning, compliance with statutory responsibilities, and strategic development	
NHS Health Check Programme	Public Health	To provide assurance that payments made to GP practices for the delivery of mandatory NHS Health Checks are compliant with Public Health Grant conditions, accurately calculated, transparently recorded, and supported by effective governance	
Smoking in Pregnancy/ Infant Health	Public Health	Provide assurance on the "Best Start for Life" and "enhanced pregnancy support" pathways.	
Code of Financial Management	Resources	To provide assurance on compliance with CIPFA's code of financial management	
Complaints	Resources	Assessment of corporate and statutory complaints handling, timeliness, quality, Ombudsman learning and trend analysis, including compliance with updated Ombudsman guidance	
Digitalisation	Resources	Provide assurance that the strategy, governance, risk management, and control frameworks for digital transformation are effective, secure, and align with the authority's strategic goals.	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Ethical Governance	Resources	Review of Codes of Conduct, declarations, governance roles, constitutional compliance and organisational culture.	
Health and Safety	Resources	Review of HS&W framework, risk assessments, incident reporting, mandatory training and governance roles.	
Sickness Absence	Resources	To assess the adequacy, effectiveness, and efficiency of the controls and procedures in place for managing staff sickness, ensuring compliance with internal policies and legal obligations, and supporting employee well-being while maximizing attendance.	
Transparency	Resources	Review of the Council's Publication Scheme, statutory transparency datasets and website openness.	
Employment Rights Act	Resources	To provide assurance on compliance with the Employment Rights Act, and where appropriate, required adjustments to payroll parameters	

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
Financial risks		Assurance on the management of key risks relating to financial management and reporting. Areas identified for review include: - Direct Payments - Homecare - Budgetary Control - NDR- Valuation Office Valuations Reconciliations - Ordering - Treasury Maanagement - Income Collection	100
ICT		Assurance on the management of key risks related to ICT based on a cyclical auidt programme	35
Procurement and contract monitoring		Assurance on the design and operation of the Council's procurement and contract management processes, including sample testing of specific contracts, inckuding the procurment of the Highways Captial Works and Professional Services Framework	30
Follow Up		ReviewIng. on, and reporting of, the implementation of recommendations , as well as sample testing to confrim their implementation	15
Advisory		Advisory work provided to the Council	50
Grant Certification		The mandatory certification of grant claims , and reviews of grants provided by the Council to local residents and groups	25
Counter Fraud		Support for the Council's approach to counter fraud	40

Strategic objectives/ Governance		Assurance on the systems, strategies and processes to support the Council's governance arrangement and the delivery of its strategic objectives	435
25/26 work carried forward		Completion of 2025/26 work ongoing as of 31 May 2026	20
Audit Management		Planning, Quality Assurance, reporting to Audit Committee and Senior Management Teams, etc	80
Contingency		Time set aside in the event of emerging risks and issues, requests for additional advisory support, additional time required on planned audits etc	100
Total			930



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

INTERNAL AUDIT CHARTER- NORTH EAST LINCOLNSHIRE COUNCIL

1. Introduction, Purpose, and Mandate

- 1.1 The Internal Audit Charter is a formal document that defines internal audit's purpose, authority, and responsibility. It establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the 'board'; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the 'board'.
- 1.2 Internal audit is required to comply with the Global Internal Audit Standards (GIAS) subject to the interpretations and additional requirements set out in the Application Note (Global Internal Audit Standards in the UK Public Sector). In addition, CIPFA has produced a Code of Practice for the Governance of Internal Audit in UK Local Government. The Code is designed to work alongside the new internal audit standards and applies to all authorities within the scope of the statutory regulations on internal audit. From the 1 April 2025 the requirements of the GIAS, the Application Note, and the Code apply to work on internal audit engagements commenced on or after this date.
- 1.3 GIAS state that the charter must specify as a minimum the internal audit function's:
 - Purpose of Internal Auditing
 - Commitment to adhering to the Global Internal Audit Standards

- Mandate, including scope and types of services to be provided, and the Board's responsibilities and expectations regarding management's support of the internal audit function
- Organisational position and reporting relationship

The Chief Audit Executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function

1.4 The purpose, as defined by the GIAS, is to strengthen the Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

1.5 As described in the GIAS, Internal audit enhances the Council's;

- Successful achievement of its objectives
- Governance, risk management, and control processes
- Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve the public interest

1.6 Also as described in the GIAS, Internal audit is most effective when;

- It is performed by competent professionals in conformance with the Global Internal Audit Standards (UK public sector), which are set in the public interest
- The internal audit function is independently positioned with direct accountability to the Audit Committee
- Internal auditors are free from undue influence and committed to making objective assessments

1.7 Internal Audit's Mandate is derived from it being a statutory requirement for local authorities. The two pieces of legislation that impact upon internal audit in local authorities are:

- The Accounts and Audit (England) Regulations 2015 states that "each principal authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."
- Section 151 of the Local Government Act 1972 requires every authority to make arrangements for the administration of its financial affairs and to ensure that one of the officers has responsibility for the

administration of those affairs. CIPFA has defined 'proper administration' in that it should include 'compliance with the statutory requirements for accounting and internal audit'

2. Definitions

2.1 GIAS require that the internal audit charter defines the terms 'board' and 'senior management' in relation to the work of internal audit. Within North East Lincolnshire Council:

- "Chief Audit Executive" is the Head of Audit and Assurance, and reports administratively to the Assistant Director of Law and Governance ("Monitoring Officer)
- Board' refers to the Audit and Governance Committee
- Senior management' refers to the Leadership Team operating as the "Assurance Board"

2.2 The role of 'senior management' includes the following key duties: -

- Communicate with the Audit and Governance Committee and Head of Audit about managements' expectations that should be considered for inclusion in the internal audit charter
- Input to the risk based internal audit plan;
- Receive periodic reports from the Head of Internal Audit and Assurance on internal audit activity; that includes follow-up reports; and
- Receive the results of the quality assurance and improvement programme from the Head of Audit and Assurance

2.3 The role of the Board is to establish, maintain and ensure that the council's internal audit function has sufficient authority to fulfil its duties as follows:

- Discuss with the Head of Internal Audit and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and advisory) of the internal audit function
- Ensure the Head of Internal Audit has unrestricted access to, and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the Head of Audit and Assurance (and senior management) other topics that should be included in the internal audit charter to enable an effective internal audit function.
- Approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter on an annual basis with the Head of Audit and Assurance to consider changes affecting the organisation, such as the employment of a new Head of Audit or changes in the type, severity, and interdependence of risks to the organisation.
- Approve the risk based internal audit plan.
- Receiving communication from the Head of Audit and Assurance on internal audit performance relative to its plan and other matters.
- Receive an annual confirmation from the Head of Internal Audit with regard to the organisational independence of the internal audit activity.

- Receive the results of the quality assurance and improvement programme on an annual basis from the Head of Audit and Assurance.
- Make appropriate enquiries of management and the Head of Audit and Assurance to determine whether there are inappropriate scope or resource limitations.
- Receive the Head of Audit and Assurance's Annual Report, timed to support the Annual Governance Statement.
- Review and provide input to senior management on the Head of Internal Audit's performance

2.4 The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal controls to ensure that activities are conducted in a secure, efficient, and well-ordered manner.

3. Independence

3.1 Internal Audit is independent of all the activities of the Council to ensure it can appraise the Council's governance, risks, and internal control systems in the impartial and unbiased manner essential to the proper conduct of audits. Independence is secured by a number of means, in particular:

- Internal Audit activity is free from interference in determining the scope of activity, performing work, and communicating results. Independence from all activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations without giving rise to conflicts of interest.
- auditors have no direct operational responsibility or authority over any of the activities they review. Accordingly, they do not develop or install systems or procedures, prepare records, or engage in any other activity which would normally be audited.
- auditors are not used on internal audit engagements where they have had direct involvement in the area within the last 12 months.
- unfettered access to all Council officers, senior management, and Elected Members;
- direct access to the Chair of the Audit and Governance Committee;
- the right to all documentation held by the council and to seek explanations as they see necessary to effectively discharge their duties, from all officers and Elected Members of the Council;
- the Head of Audit and Assurance reports in his / her own name to officers and Elected Members, and
- where internal audit staff have a perceived or real conflict of interest in undertaking a particular piece of work, this will be managed through the internal audit management and supervisory process. Staff are required to declare any potential conflict of interest when they are assigned a particular audit review and if necessary, the work will then be reassigned to another auditor. All staff are required to complete a yearly declaration of interests' form.

- 3.2 The responsibilities of the Head of Audit and Assurance include risk management, insurance and counter fraud. To maintain this independence in these areas, the Head of Audit and Assurance is not actively involved in the audit of those areas where he has some managerial responsibility, and usually a third-party provider will be asked to carry out an audit on the team's behalf.
- 3.3 In addition, although the Audit and Assurance team (primarily through the Strategic Lead - Risk and Governance) provides support and advice for the maintenance of the risk registers and the development of the Council's risk framework, the definition of risk appetites and the management of individual risks lies purely with management.). Furthermore, the Head of Audit and Assurance is not directly involved in management discussions relating to the determination of risk appetite.

4. Reporting Lines of the Head of Audit and Assurance

- 4.1 Arrangements are in place to ensure that the Head of Audit and Assurance has suitable status within the Authority. As at March 2026 the ead of Audit and Assurance is line managed by the **Assistant Director of People and Oransitional Development** who is a member of the Council's Strategic Leadership Team. The Head of Audit and Assurance is also a member of the Assistant Director's senior management team.
- 4.2 The status of the Head of Audit and Assurance within the Council's management structure is further highlighted by:
- quarterly meetings with the Chief Executive
 - being a member of the Council's Assurance Board, which is made up of the Council's Strategic Leadership Team - this Board meets monthly to discuss governance and control matters relating to the Council;
 - monthly meetings with the Section 151 Officer;
 - egular meetings with the Monitoring Officer;
 -
 - member of the Council's Corporate Governance Group; and
 - regular attendance at Director management teams throughout the Council to promote the importance of good governance and internal control.

5. Ethics and Professionalism

- 5.1 The principles and standards in the Ethics and Professionalism domain 2 of the GIAS outline the behavioural expectations for professional internal auditors. All internal auditors are required to: -
- Conform with the GIAS including principles of Ethics and Professionalism; integrity, objectivity, competency, due professional care and confidentiality;
 - Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that

is contrary to those Encourage and promote an ethics-based culture in the council; and

- Report organisational behaviour that is inconsistent with the council's ethical expectations, as described in policies and procedure

6. Role and Scope of Internal Work

6.1 The main purpose of Internal Audit is to provide assurance on the Council's governance, risk management and internal control arrangements. This involves providing an annual report and summarising the work carried out during the year and providing an opinion on the Council's arrangements based on this work, and where appropriate, other sources of intelligence.

6.2 This involves:

- Supporting the delivery of the council's strategic objectives by providing risk based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls.
- Championing good practice in governance through assurance, advice and contributing to the authority's annual governance review.
- Appraising the relevance, reliability, and integrity of information;
- Reviewing compliance with those policies, plans, procedures, statutory requirements, and regulations which could have a significant impact on the achievement of the Council's objectives and business operations;
- Reviewing the means of safeguarding assets and as appropriate verifying the existence of such assets;
- Appraising the economy, efficiency, and effectiveness with which resources are employed, and the delivery of services in a best value manner
- Advising on governance, risk management and internal control arrangements for major projects, programmes and system changes
- Assisting management in conducting special assignments and investigations into any matter or activity affecting the interests of the Council

6.3 The internal audit coverage embraces the entire control environment of the Council and extends to all areas of the Council and its controlled entities, allows for unrestricted coverage of all the Council's activities and unfettered access to all records, assets, personnel, and premises deemed necessary in the course of its work. It also has unrestricted access to all Authority employees and Elected Members and the authority to obtain such information and explanations, as it considers necessary to fulfil its responsibilities. Such access shall be granted on demand and not subject to prior notice.

- 6.4 Internal auditors respect the value and ownership of information they receive and the reports they produce, and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. They are prudent in the use and protection of information acquired in the course of their duties and shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the Council's legitimate and ethical objectives.
- 6.5 Where the Council works in partnership with other organisations (other than NELC), the role of Internal Audit will be defined on an individual basis. Where Internal Audit undertakes work on behalf of any other organisations, this will be determined in conjunction with the Section 151 officer to ensure that appropriate audit resources are available to provide assurance over the Council's activities. All such engagements will be performed in accordance with this Charter to an agreed schedule of audit days. The scope of Internal Audit's work for external bodies are primarily to provide assurance relating to the bodies' systems of internal control, although the bodies might also ask for additional consultancy work to be conducted. Where appropriate, Internal Audit might also be asked to assist in or carry out investigations into suspected irregularities
- 6.6 In addition to the risk-based assurance work, Audit also carries out engagements and other advisory activities. Typically, these are undertaken at the request of senior management, and the nature and scope of such work is subject to agreement with the party requesting the services. Examples of advisory engagements include:
- providing advice on the development and implementation of new policies and the design of processes and systems
 - providing facilitation and training; and
 - carrying out hoc reviews and investigations requested by management
- 6.7 Advisory engagements in nature and are generally performed at the specific request of the organisation. The nature and scope of the engagement should aim to improve governance, risk management and control and, where applicable, contribute to the overall year-end conclusion.
- 6..7 The scope of any advisory work will be agreed with management and will only be undertaken where resources permit without impacting on the annual assurance process, and where the Head of Audit and Assurance is satisfied that the team has sufficient expertise to carry out the work. When attending project boards or steering groups, auditors will agree their role and act as "critical friend" or advisor and not have any decision-making responsibility. Internal Audit may provide assurance to services where it has previously performed advisory support, provided the nature of the consulting did not impair objectivity.

Fraud

6.8 Internal Audit's responsibilities for fraud as laid out in the GIAS as shown in the table below:

Area	Internal Audit Responsibility under GIAS
Fraud prevention	No – responsibility of management
Fraud detection	No – not responsible for detecting all fraud
Fraud risk assessment	Yes – must consider fraud risk in planning
Controls assurance	Yes – assess adequacy and effectiveness of controls
Professional scepticism	Yes – remain alert to potential fraud
Reporting concerns	Yes – escalate suspected fraud appropriately
Fraud investigations	No – may support without compromising independence
Governance reporting	Yes – report significant issues to those charged with governance

In summary, Internal Audit is not responsible for the prevention or detection of fraud and corruption. Managing the risk of fraud and corruption is the responsibility of management. Internal auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption and to any indications that fraud and corruption may have occurred. Internal audit's work in relation to fraud includes carrying out an annual programme of audits to review the design and operation of controls in areas of the Council where there is an inherent higher risk of fraud, where appropriate reviewing counter fraud controls when carrying out assignments, providing advice on counter fraud controls built into systems, manage the Council's response to the National Fraud Initiative, and where appropriate support investigations for suspected fraud. However, internal audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected.

As the Head of Audit and Assurance has line management responsibilities for the Counter Fraud Team and for the Council's counter fraud arrangements cyclical audits of those arrangements are carried out by a third party.

- 6.9 The Head of Audit and Assurance should be informed of all suspected or detected fraud, corruption or impropriety and will consider the implications for

his conclusion on the adequacy and effectiveness of the relevant controls, and the overall internal control environment.

Annual Governance Statement

6,10 The role of the Head of Internal Audit in relation to the Annual Governance Statement is laid out in the CIPFA/ SOLACE document “Delivering Good governance in Local Government: Framework Addendum” (May 2025). In summary the responsibilities are:

- **To provide an annual conclusion on governance, risk management and internal control which informs the annual review of governance arrangements**
- **To provide additional assurance to senior management and elected representatives on the adequacy of the review of effectiveness, and the design of the Annual Governance Statement**

It is, however, not responsible for writing the Annual Governance Statement and determining the areas for improvement contained within the statement.

7. Responsibility

7.1. The Head of Audit and Assurance is responsible for:

- developing an annual audit plan based on an understanding of the organisations strategies, key business objectives, associated risks and risk management processes, and adjust the plan in response to the organisations business, risk, operations, programmes, systems and controls;
- determining the strategic direction of the Audit and Assurance Service; and ensures that it aligns to the Council’s strategic priorities
- the management of the Audit and Assurance Service that is compliant with GIAS and related guidance, including a Quality and Assurance Improvement Plan;
- the monitoring and reporting of the performance of the Audit and Assurance service;
- the production and reporting of an annual audit report based on the outcomes of internal audit work conducted throughout the year;
- providing advice and guidance on risks and the application and development of internal controls; and
- the fostering of good working relationships with External Audit with an aim to achieving mutual recognition and respect, leading to a joint improvement in performance and the avoidance of unnecessary overlapping of work. .

8. Resourcing and Staffing Matters

- 8.1 Internal audit is staffed to meet the needs of the Council. The structure is designed to ensure that there is a suitable mix of experienced and qualified staff. In line with the standards, the Head of Audit and Assurance will annually confirm whether there are sufficient resources available to deliver a reliable annual audit conclusion and comply with the standards.
- 8.2 Individual training needs are established and agreed through the Council's performance management systems of both Councils, involving regular 1-2-1 meetings, and the development of a locally produced competency framework. A training and development plan is produced for each team member, and the team has access to Council's learning and development programme, and where appropriate external courses.

9. Limitations of Internal Audit Responsibilities

- 9.1 In seeking to discharge the responsibilities detailed above, and in line with the responsibilities of Internal Audit it should be noted that Internal Audit is not responsible for:
- controlling the risks of the Council.
 - establishing and maintaining systems of internal control;
 - determining operational policies or procedures; and
 - ensuring the prevention or detection of fraud and irregularity.

10. Reporting

- 10.1 The exact form of reporting for internal audit assignments may vary depending on the nature of the assignment, but in most cases will be the subject of formal reports. Draft reports will be sent to the manager(s) responsible for the area under review for agreement of the factual accuracy of findings and the implementation of agreed actions made to address weaknesses in internal controls. Once agreed, final reports will be copied to all relevant stakeholders, with a summary of the outcomes reported to the Audit and Governance Committee and Senior Management
- 10.2 Internal Audit will provide regular reports to the Audit and Governance Committee and the Senior Management including:
- The annual review of the Audit Charter (including confirmation of the independence of audit activity);
 - The audit plan (including confirmation of resource requirements) and subsequent progress reports relating to the delivery of the plan; and
 - The Annual Head of Internal Audit Report (supported by Interim reports throughout the year) summarising the outcome of audit activities; providing an overall conclusion on the Council's governance, risk and internal control arrangements; and confirmation of compliance with quality and ethical standards, including the identification of improvement actions where appropriate.

11. Management Responsibilities

- 11.1 For internal audit to be fully effective, it needs the full commitment and cooperation from management across the Council. In approving this charter, senior management and the Audit and Governance Committee are mandating management to cooperate with internal audit in the delivery of the service by:
- attending audit planning and scoping meetings and agreeing the terms of reference for individual audit assignments on a timely basis as agreed at the commencement of each piece of internal audit work;
 - sponsoring each audit assignment at a senior level.;
 - providing internal audit with full support and cooperation, including complete access to all records, data, property and personnel relevant to the audit assignment on a timely basis;
 - responding to internal audit reports and making themselves available for audit closure meetings to agree draft audit reports;
 - implementing audit recommendations within agreed timescales.
- 11.2 Instances of non-cooperation with reasonable audit requests will be subject to Internal Audit's escalation policy, which sets out the timescales and steps for raising such issues with senior management if required.
- 11.3 While internal audit is responsible for providing independent assurance to the Council and its Audit and Governance Committee, it is the responsibility of the organisations' management to develop and maintain appropriately controlled systems and operations. Internal audit does not remove the responsibility from management to continually review the systems and processes for which they are responsible and to provide their own assurances to senior management and elected members that they are maintaining appropriately controlled systems.

12. Quality Assurance

- 12.1 The GIAS require that the internal audit function has a quality assurance and improvement programme that must include both internal and external assessments. Internal audit will report the outcomes of quality assessments to the Audit and Governance Committee through its regular progress reports.
- 12.2 All internal audit assignments are subject to a management quality review to ensure that the work meets the standards expected for audit staff. Such management reviews will include:
- ensure the work complies with the GIAS;
 - work is planned and undertaken in accordance with the level of assessed risk; and
 - appropriate testing is undertaken to support the conclusions drawn.

In addition, periodic self-assessments or assessments by other persons within

the organisation with sufficient knowledge of internal audit practices are carried out to evaluate conformance with the Standards

- 12.3 An external quality assessment (EQA) must be conducted at least every five years by a qualified, independent assessor from outside the organisation. The most recent assessment was in November 2023, with the report being issued in February 2024. The next EQA is anticipated to be carried out in 2028/29.

13 Follow-up

- 13.1 Head of Audit and Assurance is required establish and maintain a follow-up process to monitor that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. This is be operated to support the organisation in ensuring the implementation of actions, and reporting progress to the Audit and Governance Committee.

14 Communicating the acceptance of

- 14.1 When the Head of Audit and Assurance believes that a senior manager senior has accepted a level of residual risk that may be unacceptable to the Council, he/she will discuss the matter with the Assurance Board. If the decision regarding residual risk is not resolved, the Head of Audit and Assurance will report the matter to the Audit and Governance Committee for resolution.

15 Review of the audit charter

- 15.1 This charter will be reviewed annually by the Head of Audit and Assurance and presented to Senior Management and the Audit and Governance Committee for approval.

March 2026



North East Lincolnshire Internal Audit Strategy 2026-29

Purpose

The purpose of Internal Audit as defined by the Standards is to strengthen the Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Background

The purpose of audit has evolved in recent years. The nature of the audits has changed as have the skills and techniques required to deliver our work, as it moves towards being a strategic partner. Our updated strategy sets out the key areas we need to develop to ensure that we deliver an audit service fit for the Council and its stakeholders.

Our critical success factors.

- Occupying a position within the Council that allows us to deliver insight and maximise the impact of our work.
- Ensuring that audit fulfils its "Purpose" as defined in Domain1 of the Audit Standards
Maintaining effective and efficient processes
- Maintaining a suitably skilled and knowledgeable workforce to be able to deliver quality.

Our Focus areas

- **Team Development:** To ensure team members have the necessary skills and opportunities to develop the effectiveness of audit work, create resilience, and promote succession planning.
- **Client engagement:** Building on existing effective relationships with key stakeholders to help us deliver knowledgeable, high quality audit work, including further embedding the use of root cause analysis
- **Strategic Planning:** To ensure we always provide the council and its stakeholders with assurance in the right place, at the right time, and when appropriate identify opportunities to provide audit and assurance services to third parties.
- **Redesign and modernisation:** The further development of more pieces of work that adds value, where applicable enhanced use of Artificial Intelligence, and

increasingly use data analytics to more efficiently analyse information and provide real-time assurance.

- **Performance Management:** Maintain and enhance performance management systems (including action tracking) so that audit's added value can be measured efficiently and effectively.

MARCH 2026