

Audit Committee Meeting	
Meeting Date	15 July 2026
Report Title	Internal Audit Annual Report and Audit Opinion 2025/26
EMT Lead	Lisa Fillery – Director of Resources
Head of Service	Katherine Woodward – Head of Audit
Lead Officer	Katherine Woodward – Head of Audit
Classification	Open
Recommendations	1. That the Audit Committee notes the Head of Audit Partnership Annual Audit Opinion for 2025/26. 2. That the Audit Committee notes the work underlying the opinion and the Head of Audit Partnership’s assurance of its independent completion in conformance with proper standards.

1 Purpose of Report and Executive Summary

- 1.1 This report delivers the Head of Internal Audit annual reporting directed by the Public Sector Internal Audit Standards (the “Standards”). The report includes the Head of Audit Partnership’s annual opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. This opinion feeds into the Annual Governance Statement for 2025/26.

2 Background, Context and Proposals

- 2.1 Internal audit is a compulsory service for authorities as set out by Regulation 5 of the Accounts and Audit Regulations 2015. The principal objective of internal audit as described in that Regulation is: “[to] undertake [audit work] to evaluate the effectiveness of [...] risk management, control and governance processes, taking into account public sector internal auditing standards and guidance”.
- 2.2 The annual report includes the following aspects:
 - The annual audit opinion
 - A summary of work completed that supports the opinion, and
 - A statement on conformation with Standards.
- 2.3 We have completed the work set out in the plan in full conformance with the Standards. We have also worked independently, free from undue influence of either officers or Members.

- 2.4 As those charged with overseeing governance, the Audit Committee must consider the Annual Internal Audit Opinion.
- 2.5 The Head of Audit Partnership is satisfied the Council can place assurance on the system of control in place during 2025/26. The Committee is asked to note this opinion.
- 2.6 The full Annual Report for 2025/26 is attached as an Appendix. This report includes a summary of all work conducted to support the opinion and affirms the independence and effectiveness of the internal audit service.
- 2.7 We present the opinion and associated report for noting and for Members to consider alongside their evaluation of associated year end reports into the Council's finance and governance. This report does not seek any substantive decision or action from the Council as a direct result.

3 Recommendations

- 3.1 This section should replication the recommendations above That the Audit Committee notes the Head of Audit Partnership Annual Audit Opinion for 2025/26.
- 3.2 That the Audit Committee notes the work underlying the opinion and the Head of Audit Partnership's assurance of its independent completion in conformance with proper standards.

4 Alternative Options Considered and Rejected

- 4.1 N/A

5 Consultation Undertaken or Proposed

- 5.1 We consult and agree with relevant Heads of Service before finishing all findings and recommendations arising from individual audit engagements. The headline messages in our report have been discussed with the Strategic Management Team and have been shared to help prepare the Annual Governance Statement.

6 Implications

Issue	Implications
Corporate Plan	Mid Kent Audit's work supports all Council activity and the wider Corporate Plan in evaluating governance
Financial, Resource and Property	The work internal audit does on behalf of Swale Borough Council, is carried out within agreed resources. No implications have been identified.
Legal, Statutory and Procurement	The Council is required by Regulation to operate an internal audit service.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	The audit plan draws on the Council's risk management in considering areas for audit review. In turn, audit findings will provide feedback on identification and management of risk.
Equality and Diversity	None identified at this stage
Privacy and Data Protection	We handled all information collected by the service in line with relevant data protection policies.
Local Government Reorganisation	None identified at this stage

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Internal Audit Annual Report and Opinion 2025/26

8 Background Papers

- Internal Audit Plan 2025/26 presented to the committee in April 2025
- Internal Audit Progress Report 2025/26 presented to the committee in January 2026