June
2026

# Internal Audit Annual Report and Opinion 2025/26

SWALE BOROUGH COUNCIL

# 1. Introduction

1.1 The Accounts and Audit Regulations 2015 require that the Council "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."

1.2 The Global Internal Audit Standard 11.3 (Communicating Results) refers to the Chief Audit Executive being required to make a conclusion about the effectiveness of governance, risk management and control. The Public Sector Application Note 10B states:

*"In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control."*

1.3 The work undertaken in 2025/26 was completed under the new Global Internal Audit Standards and the Public Sector application note as referred to above. These replaced the previous Public Sector Internal Audit Standards.

1.4 This document is the 2025/26 Annual Report by Mid Kent Audit on the internal control environment at Swale Borough Council ("the Council"). The annual internal audit report summarises the outcomes of the reviews that been carried out on the Council's framework of governance, risk management and internal control and designed to assist the Council making its annual governance statement.

1.4 This report provides the annual Head of Audit Opinion and a summary of the key factors taken into consideration in arriving at that opinion as at 30 June 2026.

1.5 We have completed our work in full conformance with the Global Internal Audit Standards and Public Sector Application Note. We have also worked independently, free from undue influence of either officers or Members.

1.6 The Assurance ratings and action priority definitions are included at Annex 2 of this report.

1.7 Details about the Mid Kent Audit Partnership are included at Annex 3 of this report.

## 2. Head of Internal Audit Annual Audit Opinion

| Assurance ratings | |
|---|---|
| **Strong –** Performing Well | Controls are well designed and operating as intended, exposing the service to no uncontrolled risk. |
| **Sound – Operating effectively**  | **Controls are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks.** |
| **Weak** – Requires support to consistently operate effectively | Controls have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key aims. |
| **Poor** –Not Operating effectively | Immediate action is required to address fundamental gaps in the control environment and / or other weaknesses or non-compliance that leave the organisation exposed to failure or significant risk. |

This report is the Head of Internal Audit's annual statement on the adequacy and effectiveness of the systems of governance, risk management and internal control within Swale Borough Council for the period ending 30 June 2026.

It is my opinion that **sound assurance** can be placed upon the systems in place that ensure adequate and effective management, control and governance processes exist to manage the achievement the council's objectives.

The audit opinion is based on an evaluation and analysis of the work carried out by Mid Kent Audit during the year on the effectiveness of managing those risks identified by the Council and covered by the internal audit plan or associated assurance. Not all risks fall within the agreed work programme. For risks not directly examined reliance has been taken, where appropriate, from other associated sources of assurance to support the Opinion statement.

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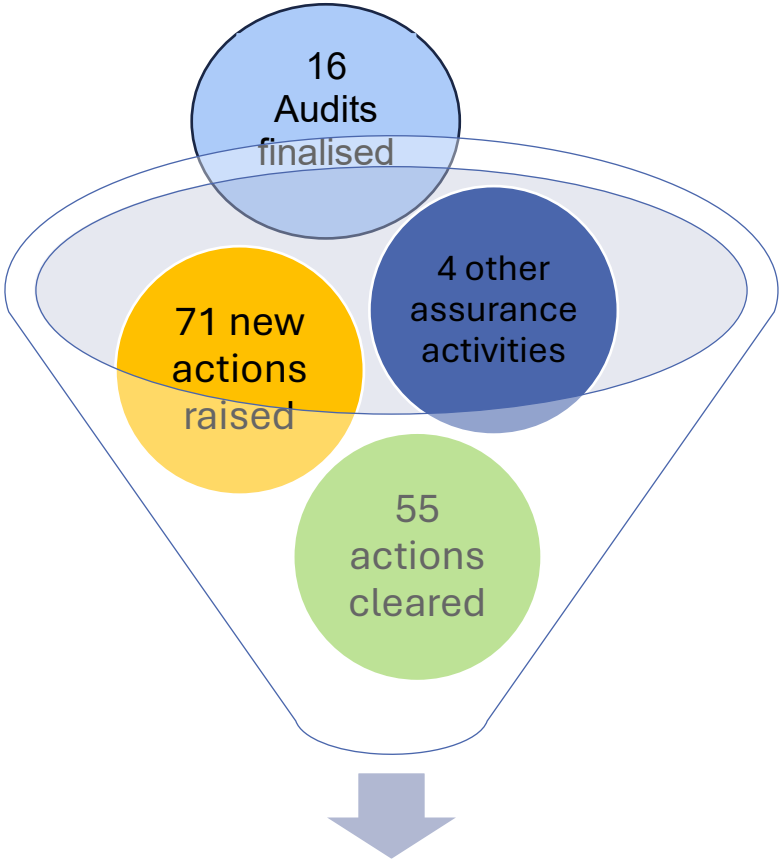
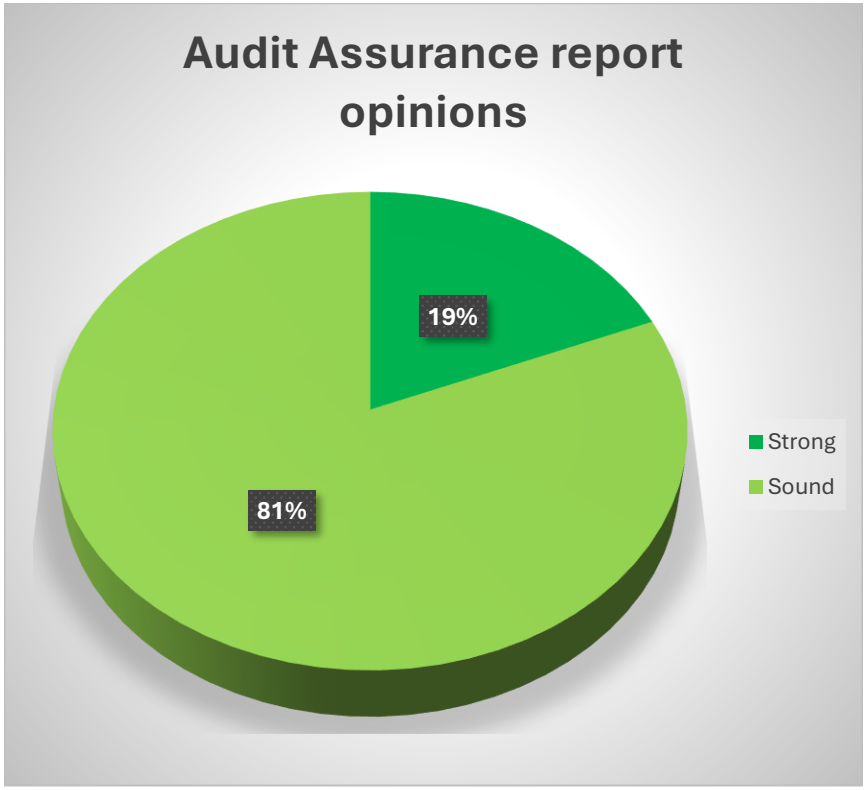
Katherine Woodward
Head of Mid Kent Audit Partnership

## 3. Summary of Internal Audit Activity 2025/26




**Sound Audit Opinion**



# 4. Basis of forming the Annual Audit Opinion

## Governance arrangements, Risk management and the Control Environment

4.1 The Head of Internal Audit provides an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control operating within the organisation. This assessment is outlined for each of these as follows:

Governance

- Making strategic and operational decisions
- Overseeing risk management and control
- Promoting appropriate ethics and values within the organisation
- Ensuring effective organisational performance management and accountability
- Communicating risk and control information to appropriate areas of the organisation
- Coordinating the activities of, and communicating information among the board, external and internal auditors, other assurance providers and management

Risk Management

- Organisational objectives support and align with the organisation's mission
- Significant risks are identified and assessed
- Appropriate risk responses are selected that align risks with the organisation's risk appetite and
- Relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff, management, and the board to carry out their responsibilities.

Control Environment

- Achievement of the organisation's strategic objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets, and
- Compliance with laws, regulations, policies, procedures and contracts

## Factors impacting the opinion statement

4.2 **Working with the organisation** - The Internal Audit team continue to receive positive levels of engagement across the council when undertaking our work. Managers and Heads of Service are actively involved in scoping audit work and have a good understanding of internal control and risk management as part of the process.

4.3 **Internal Audit Coverage** - There is a national shortage of local government internal auditors, and the Internal Audit team have had some recruitment challenges over the last few years. To address some of these challenges a blended approach to support delivery of the internal audit function has been adopted. Through working with other local authority partnerships in a contractor arrangement and developing the in-house team through trainee programmes we have been able to grow the team and develop a stable approach to internal audit delivery. Overall progress on the planned programme of work delivered by internal audit has continued to improve over the last few years and 2025/26 maintained a consistent level of audit delivery to support the annual audit opinion. In addition to the results of the internal audit work concluded during the year, additional sources of assurance have also been included to form the opinion.

4.4 **Independence of Internal Audit** – Mid Kent Audit works as a shared service between Ashford, Maidstone, Swale and Tunbridge Wells borough Councils. The service is underpinned by a collaboration agreement, and governance is supervised by a Joint Operational Leadership Team.

While internal audit undertakes periodic risk reviews as part of the planning process and may use the Council's risk registers to identify risk for review, it is the Council's Leadership team who retain direct responsibility for establishing and managing all governance, risk management and internal control systems. Internal Audit does not have responsibility for services that are the responsibility of the leadership team or provide a substitute for effective risk management. Instead, Internal Audit assists the leadership team by examining and evaluating the systems in place and plan our work to provide reasonable expectations of detecting significant weaknesses or deficiencies.

4.5 **Reliance on other work** – Internal audit work from 2025/26 provided a sound Head of Audit Opinion and there were no audit reviews carried out with a Weak assurance assessment. There were only 2 high priority actions identified across all the audits undertaken. As theses reports have only recently been issued, the high priority actions are not complete yet, but progress will

be monitored and reported to the committee.

Implementing actions made in the audit reports, strengthens the control environment of the area being reviewed. Throughout the year Internal Audit carried out checks to ascertain the extent to which agreed actions have been addressed by management and that the risk exposure has been mitigated.

Where consultancy work has been undertaken where no formal opinion is required, the observations and results of the work help to inform the overall audit opinion.

External reviews that have been completed by a third party or other assurance provider where it has been possible to place reliance on this work, is also presented in this report.

4.6 By assessing all these factors and utilising all these forms of assurance, a positive conclusion has been drawn as to the adequacy and effectiveness of Swale Wells Borough Council's risk management, control, and governance processes.

## Audit work performed.

4.7 The primary performance output of the internal audit service is delivery of the internal audit risk-based plan, which forms the basis of the annual audit opinion. The 2025/26 audit plan was approved by the Audit and Governance Committee in April 2025 and reports in January 2026 demonstrated progress against the audit plan.

2025/26 was the first year of trialling a new method for identifying work to be delivered on the audit plan. The new approach identified a range of audits that ***could*** be delivered and were classified as either essential priority, high priority or medium priority. The approach was to deliver audits of an essential and high priority first before moving onto any medium priority audits to ensure an appropriate level of work is performed to reach a balanced audit opinion. The audits identified on the original plan were assessed periodically throughout the year to ensure the work delivered represented the most significant value to the organisation based on the risk profile and organisational priority. The intention was never to deliver everything on the plan and to keep the audit plan as a live and dynamic document that will be added to and delivered as need and risk changes are recognised.

4.8 At the time of reporting 16 audits have been completed, and the remaining audits will be reassessed and either deferred or will contribute to the 2026/27 annual audit opinion, as detailed in the table below.

| **2025/26 Audits in progress or deferred to 2026/27** | | | |
|---|---|---|---|
| ***Priority rating 2025/26*** | **Audit** | **Description** | **Priority rating 2026/27** |
| *Essential* | Contract Governance | Due to staff sickness, this audit was paused and will be undertaken in 2026/27. Scheduled for Q3 / Q4 | Essential |
| *Medium* | Electoral Registration | Moved to 2026/27 audit plan. Scheduled for Q1/Q2 | Essential |
| *Medium* | Planning Investigations | Moved to 2026/27 audit plan. Scheduled for Q3/Q4. | Essential |
| *Medium* | Play Area Monitoring and Inspections | Moved to 2026/27 audit plan. Scheduled for Q4. | Essential |
| *Medium* | Housing Standards | Moved to 2026/27 audit plan. Scheduled for Q4. | Essential |
| *Medium* | Parking Enforcement | Moved to 2026/27 audit plan. Scheduled for Q2. | Essential |
| *Medium* | Declarations of Interest | Moved to 2026/27 audit plan. Scheduled for Q2. | High |
| *Medium* | Insurance | Moved to 2026/27 audit plan. Not allocated at this stage. | Medium |
| *Medium* | Recruitment | Removed from audit plan. To be considered as part of LGR workstreams | N/A |
| *Medium* | Economic Development | Removed from audit plan. Risk priority reviewed = low risk and will be considered as part of LGR workstreams / future of new unitary authority. | N/A |

## 4.9 Audits with a Formal Opinion and Issued report.

The table below sets out all formal reports issued during the year. Executive summaries are available at Annex 1 and Definitions are provided at Annex 2 of this document.

| Audit Title | Priority | Audit Status | Assurance Rating | Number of Actions by Priority Rating | | |
|---|---|---|---|---|---|---|
| | | | | High | Medium | Low |
| Temporary Accommodation | Essential | Complete – March 2026 | **Sound** | 0 | 3 | 2 |
| Data Protection | Essential | Complete – March 2026 | **Sound** | 0 | 2 | 6 |
| Development Management | Essential | Complete – June 2026 | **Sound** | 0 | 2 | 2 |
| Health and Safety | Essential | Complete – June 2026 | **Sound** | 0 | 2 | 1 |
| Budget Setting | Essential | Complete – November 2025 | **Strong** | 0 | 0 | 0 |
| * HR Policy Compliance | Essential | Complete – June 2026 | **Sound** | 0 | 1 | 3 |
| * ICT Controls and Access | Essential | Complete – May 2026 | **Sound** | 1 | 2 | 1 |
| * Council Tax (Billing) | Essential | Complete – April 2026 | **Sound** | 0 | 2 | 3 |
| * Waste Collection Contract | High | Complete – March 2026 | **Sound** | 0 | 3 | 0 |
| * Housing Benefits | High | Complete – April 2026 | **Sound** | 0 | 2 | 3 |
| Waste Collection Income | Medium | Complete September 2025 | **Sound** | 0 | 1 | 0 |
| Licensing – Premises and Personal | Medium | Complete – December 2025 | **Sound** | 0 | 1 | 9 |
| Customer Services | Medium | Complete – March 2026 | **Strong** | 0 | 0 | 0 |
| Property Acquisitions and Disposals | Medium | Complete – June 2026 | **Sound** | 0 | 5 | 3 |
| * IT Asset Management | Medium | Complete – June 2026 | **Sound** | 1 | 2 | 5 |
| * Local Air Quality Management | Medium | Complete – June 2026 | **Strong** | 0 | 0 | 1 |

* Shared Services

4.10 **Additional Sources of Assurances and Consultancy work**

| Work title | Summary | Conclusion |
|---|---|---|
| Food Standards Agency Audit Programme (Mid Kent Environmental Health) | The audit focussed on controls in relation to food hygiene at primary production. The scope covered Service planning, authorisations, training, competencies, policies and procedures, identification, registration, prioritisation of intervention of primary producers, complaints, monitoring and performance.<br><br>The audit highlighted a number of strengths within the service and no recommendations were made. | Positive assurance |
| ICT – Public Services Network Code of Connection (CoCo)<br><br>(Cabinet Office) | The ICT department are regularly assessed by the Cabinet Office to ensure that it's ICT systems and infrastructure are sufficiently secure and that the connection to the Public Services Network would not present an unacceptable risk to the security of the network. The organisation received a certificate of compliance to demonstrate the achievement. | Positive assurance |
| Grant Thornton – Housing Benefit Subsidy Assurance 2023/24 | The Housing Benefit (Subsidy) Assurance Process continues to be delivered by Grant Thorntons for the purpose of reporting to the Section 151 Officer of Swale Borough Council.<br><br>The engagement was carried out in accordance with the DWP reporting framework and does not express and assurance rating. | Not assessed |
| Domestic Abuse Housing Alliance (DAHA) accreditation | The Council were awarded Gold accreditation from the Domestic Abuse Housing Alliance, based on compliance with standards for all eight priority areas considered.<br><br>The priority areas are Partnerships and Collaborations, Survivor Led Support, Staff Development and Support, Safety Led Case management, Policies and Procedures, Intersectionality and Anti-Racism, Perpetrator accountability and Publicity and Awareness. | Positive feedback |

## Key Themes and Root Causes

4.11 During 2025/26 audit work was delivered to ensure significant breadth of coverage across the organisation covering audits relating to: finances, governance arrangements, council infrastructure, operational activities and human capital. Themes and root causes of findings were explored as part of the audit work and some narrative around these are included within individual audit reports and summaries as detailed in Annex 1.

4.12 As a requirement of the new global internal audit standards, we have developed a classification system and methodology for recording and reporting on the root causes to support senior management's oversight of the organisation as a result of the assurance work provided by internal audit.

The categorisation for root causes of audit findings will be:

- Training and Communication
- Policies, Processes and Procedures
- Data and Information Management
- Software and Systems
- Monitoring (within service)
- Roles and Responsibilities
- Oversight, Governance and Culture
- Resources

Throughout 2026/27 we will continue to develop and apply the categorisation of root causes to our audit work and report the outcomes to both senior management and audit committee throughout the year.

4.13 For 2025/26 there were no key areas of concern highlighted form the audit work and risk assessments considered as part of its work. The council has worked very hard to strengthen the control environment and governance arrangements in relation to Commercial Property Income management and oversight over the last 12 months and these changes are starting to take effect during 2025/26.

## 4.14 Following up actions.

Our approach to agreed actions is to follow up each as it falls due in line with the plan agreed with management when we finish our reporting. We report progress on implementation to Management Team each quarter. This includes noting any matters of continuing concern and where we have revisited an assurance rating (typically after addressing key actions).

Lat year new processes were introduced relating to how the team follow up actions with the services. We now report more frequently to the management team to support the implementation of actions within the agreed timescales. The internal audit team were spending significant amounts of time in chasing outstanding actions and this has improved with the changes made.

| Actions Table | High | Medium | Low | Total |
|---|---|---|---|---|
| **Total actions 2024/25** | | | | |
| Actions agreed | 0 | 28 | 39 | 67 |
| Actions cleared | 0 | 13 | 33 | 46 |
| Actions not due / in progress | 0 | 15 | 6 | 21 |
| **Overdue actions** | **0** | **0** | **0** | **0** |
| **Total actions 2025/26** | | | | |
| Actions agreed | 2 | 25 | 35 | 62 |
| Actions cleared | 0 | 2 | 10 | 12 |
| Actions not due / in progress | 2 | 23 | 25 | 50 |
| **Overdue actions** | **0** | **0** | **0** | **0** |

| | | | | |
|---|---|---|---|---|
| **Total actions not due or in progress** | 2 | 38 | 31 | 71 |
| **Total overdue actions** | 0 | 0 | 0 | 0 |
| **Total** | **2** | **38** | **31** | **71** |

## 5. Internal Audit performance

5.1 As highlighted earlier in the report a national shortage of auditors and providing a blended approach to audit delivery is now becoming common across internal audit teams. For Swale Borough Council this has not affected capacity of the team to deliver the total budgeted days as per the approved audit plan.

The audit plan budgeted for 287 days, and 281 days were delivered in 2025/26, equating to 98% of the budgeted figure. The team delivered 88% of the essential priority audits (one was moved to 2026/27 due to staff sicknesses within the service), and 100% of the high priority audits. One high priority audit was deferred to 2026/27 due to ensuring changes in legislation can be captured as part of the audit work to bring more value to the process. This audit has been excluded from the figures.

The cost of the service reflected a reduction in days with 89% of the budgeted figure charged, resulting in a saving to the authority of approximately £15k from audit work.

We do not report upon delivery of management actions implemented, as the Management Team take full ownership and responsibility for ensuring actions are implemented. This approach and changes made to our processes in 2024/25 have continued to provide improved performance in this area and this results in a low number of actions becoming overdue or outstanding. These are discussed quarterly at Management team meetings and reported to Audit and Governance Committee.

During 2025/26, post-audit surveys were re-introduced to capture qualitative data for the improvement of the internal audit function. We received positive feedback from **all** our clients responding to the survey in 2025/26 and the results are discussed at the Internal Audit team meetings with all staff.

We did receive some feedback outside of the survey process relating to management of our contractors as part of the audit process and we continue to monitor and strengthen the arrangements to ensure our clients see no difference between an audit delivered in-house or with support form our contractors

The Mid Kent Audit team are currently reviewing their conformance to the new Global Internal Audit Standard and will complete the Internal Quality Assessment by the end of August 2026. A full Quality Assurance and Improvement Plan (QAIP) will be developed at that time and shared with the Audit and Governance Committee. An External Quality Assessment (EQA) will be arranged once the IQA has been completed.

## Annex 1 - Summary of 2026/27 audit findings

| Audit | Summary of audit findings | Assurance rating | No of agreed actions | | |
|---|---|---|---|---|---|
| | | | High | Medium | Low |
| Temporary Accommodation | Overall, we found that the Council has **sound** controls in place to fulfil its statutory duty to provide temporary accommodation to homeless individuals, and to support those threatened with homelessness. The review found that the Strategy is well-structured, clearly aligned to national legislation and local priorities, and supported by defined strategic objectives, governance arrangements, and identified resourcing.<br><br>Operational delivery of the homelessness service is effective. Sample testing of homelessness applications confirmed compliance with statutory requirements and the Homelessness Code of Guidance, appropriate assessment and decision-making, and suitable temporary accommodation placements, with only minor procedural weaknesses identified. Temporary accommodation reporting is timely, detailed, and subject to effective member scrutiny, and forecasting arrangements appropriately consider demand trends, housing supply pressures, and financial impacts. Reporting insights are used proactively to inform service adjustments. In addition, business continuity arrangements are robust, regularly reviewed and tested, with cross-training in place to mitigate single-dependency risks.<br><br>To strengthen strategic oversight, accountability, and assurance over the delivery of the Housing Options service and the Strategy, we have made a number of recommendations that are intended to build on existing good practice and address the gaps identified during the audit. These include updating the Housing Options Services Improvement Plan to reflect clear action outcomes, and including clearly defined and agreed targets within performance measures to enable objectives assessment of success or failure. All measures should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) and progress against priorities and performance measures should be reported using a RAG (Red, Amber, Green) rating to provide clear and consistent overview of status and performance.<br><br>While the Temporary Accommodation Policy is subject to an annual review cycle, we identified that it has not been formally reviewed since October 2024. In addition, statutory homelessness reviews were not completed within prescribed statutory timescales. We recommend that the Policy is reviewed, and that where an extension is | | 0 | 3 | 2 |

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| | required for a statutory homeless review, written agreement with the applicant is obtained and retained. These arrangements should be supported by appropriate escalation procedures. Finally, quality assurance processes should be enhanced to ensure consistent completion of internal documentation and managerial oversight across all cases.<br><br>In summary, the Council has robust operational processes and oversight arrangements in place. Enhancing the strategic performance framework and strengthening compliance with statutory review timescales will further improve transparency, governance, and the ability to clearly demonstrate delivery against the objectives of the Strategy. | | | | |
| Data Protection | Overall, the audit found that the Council has **Sound** controls in place to ensure data protection policies and privacy notices are suitable for purpose and that staff are appropriately trained on the Council's data protection practices. The Council has a comprehensive and accessible data protection policy framework in place, covering all key data protection requirements and clearly defining roles and responsibilities, including those of the Senior Information Risk Owner, Data Protection Officer, and Performance and Governance Team. The Council has taken appropriate steps to meet transparency obligations, with a wide range of privacy notices published on its website. Sample testing of seven privacy notices confirmed that they included the core information required under GDPR.<br><br>Records of Processing Activities (RoPAs) and retention schedules are in place across a number of services, and a documented Data Protection Impact Assessment (DPIA) process is embedded within the Data Protection Policy. The DPIA process is well designed and supports consideration of data minimisation and ongoing review of data processing activities.<br><br>Mandatory Data Protection and GDPR training is delivered via the Go1 platform, with a high reported completion rate of 98% as at February 2026. Data Protection awareness activity is also undertaken, including proactive engagement during Data Privacy Week.<br><br>While the foundations are strong, improvements are required to strengthen consistency and oversight. Formal review cycles are not consistently defined across policies, privacy notices, RoPAs, and retention schedules, and some documentation requires updating to reflect recent legislative and organisational changes. Centralised oversight arrangements, including standardised templates and registers, are not fully established, limiting assurance over completeness and ongoing maintenance. There are | | 0 | 3 | 5 |

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| | opportunities to improve training and awareness raising regarding content, monitoring of completion trends, and from evaluation of awareness initiatives. | | | | |
| Development Management | Overall, we found that the service has **Sound** governance, control and operational processes in place to ensure that planning applications and associated activities are administered in accordance with statutory requirements, follow established procedures across all key stages of the planning process, and support timely, consistent and transparent decision-making.<br><br>Our testing of planning applications confirmed that they had been appropriately consulted on, assessed and reviewed by authorised officers, with decisions supported by documented officer assessment and approval in line with the current Scheme of Delegation. All decisions clearly referenced the legislation, and policies relevant to the individual application. In addition, we found that, KPI reporting is in place and subject to management scrutiny, supporting oversight of service performance and follow-up action where issues are identified.<br><br>To strengthen governance, accountability and assurance over the end-to-end administration of planning applications and appeals, we have raised four findings with recommendations primarily intended to build upon existing good practice and address some procedural gaps identified during the audit. These include strengthening the Council's oversight and assurance of MKPS validation activity, which precedes the starting point to formally determining the planning application. In addition, for some planning applications although site visits were recorded on the planning system as being undertaken, corresponding photographic evidence was not uploaded to the case file to support the decision.<br><br>Our testing identified some weaknesses in the timeliness of decision-making and specifically the use of extensions of time (EOT), in the process. We note that the service has made some recent changes to formalise it's EOT arrangements, which was reflected in our testing. We further recommend that oversight arrangements are strengthened to support proactive management of deadlines specific to EOT. In addition, we found appeals guidance is currently informal and fragmented, and does not clearly set out roles, responsibilities and record-keeping requirements in line with other documented procedures within the service and recommend that the appeals procedures are formalised.<br><br>In summary, the service has generally robust operational and oversight | | 0 | 2 | 2 |

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| | arrangements in place for the administration of planning applications. Strengthening validation assurance, photographic record-keeping, monitoring of statutory deadlines through EOT and formal appeals guidance will further improve transparency, resilience and consistent compliance with legislative and procedural requirements. | | | | |
| Health and Safety | We found that there are **Sound** controls in place to mitigate risks relating to corporate health and safety management throughout the Council.<br><br>The review identified a number of areas of good practice. The Council has established a range of Health & Safety policies and guidance documents which are accessible to staff and contractors. Reporting lines are clearly defined, with standard templates in use to support consistency. The Health & Safety Committee meets regularly, with incidents recorded, discussed, and monitored alongside oversight of overdue risk assessments. There is also evidence that Health & Safety awareness is embedded across the organisation.<br><br>However, several areas require improvement to strengthen the overall framework. A key issue relates to the Fire Risk Assessment (July 2025), where a high-priority action concerning inappropriate basement storage remains outstanding well beyond the recommended timeframe. The absence of a formal Health & Safety Strategy limits clear direction and alignment with corporate objectives, while the policy framework lacks full integration. Record-keeping deficiencies, including missing or inaccessible training records, have impacted the ability to evidence compliance and complete testing. We conclude that although corporate training processes exist, there is limited assurance that staff are consistently receiving required specialised training.<br><br>Overall, improvements are required in the timely implementation of risk assessment actions and ensuring robust training record management. Strengthening strategic direction to provide a clear vision and long-term objectives for Health & Safety is also recommended. | | 0 | 2 | 1 |
| Budget Setting | Our opinion based on our work is that the service has **Strong** controls in place to manage its risks as they relate to the budget setting process for the Council.<br>We found established arrangements, which were consistently followed in line with the Council's constitutional requirements and the prevailing legislation. | **Strong** | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| | A budget timetable is central to the process which suitably sets out key milestones, responsible task owners, progress tracking and which aligns with Committee meetings and publication dates, which our testing confirmed had been met.<br>Controls in place for budget uplifts (inflation) for key areas of salaries and contracts operate effectively and are suitably evidenced in the budget build working papers with calculations subject to appropriate scrutiny and sign off by Strategic Management Team (SMT) and Members.<br><br>The Head of Finance and Procurement and Director of Resources (and S151 officer) are key to the budget setting process with roles and responsibilities more widely set out in the Council's Constitution. Our work confirmed a good level of liaison with Members throughout the process met through finance sub meetings, group/party facilitated sessions and formal Council meetings at Policy and Resources Committee and full Council.<br><br>Our survey of budget mangers, which was aimed principally at Heads of Service, to canvass their views on the process and training, overall returned favourable results with the majority (9 of 10 respondents) feeling supported by the finance team in the process. Neutral results were returned by respondent in relation to feeling involved in the process and from training which is highlighted as an advisory recommendation.<br><br>We confirmed the public consultation exercise was completed in line with the Council's consultation policy statement for the 2025/26 budget process. However, this resulted in a low response rate and we raise an advisory recommendation to consider options to improve engagement.<br><br>Well-designed processes support the upload of the approved budget into the Council's financial system (Agresso) which ensures totals are automatically reconciled. | | | | |
| HR Policy Compliance | Overall, we found that the Council has **Sound** governance, control and operational arrangements in place to maintain clear, well-communicated HR policies and to ensure consistent adherence across disciplinary, capability and attendance management processes.<br><br>Key policies for disciplinary, capability, and attendance management processes are in place and readily available to staff via the respective Council's intranet. Moreover, the policies are highlighted to staff by their line managers during their induction period.<br><br>To strengthen governance, accountability and assurance over the management of each | **Sound** | 0 | 1 | 3 |

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|---|---|---|---|---|---|
| | of these HR areas, we have made four recommendations intended to address the gaps identified during the audit. The improvements relate to implementing a regular, documented review process of the disciplinary, capability and attendance management policies, and in turn, updating the policies to address gaps identified with regards to reporting on attendance management.<br><br>We found that whilst training workshops are provided annually and focus on the management of disciplinary, capability and attendance management cases, they are open to all staff, and not a mandatory requirement for line managers. Attendance rates are low, with only 57 staff members having attended at least one of the workshops from the period November 2023 to February 2026. We found that Performance Management reports do not include key compliance and performance indicators for disciplinary and capability activity, such as timeliness, progression, outcomes, appeals etc. necessary to support effective oversight of HR policy application.<br><br>Finally, our compliance testing identified weaknesses in the evidence retained to demonstrate that attendance management and capability cases are being managed in accordance with policy. This is compounded by an absence of monitoring to ensure compliance with policies, and escalation where non-compliance is identified. We make a Medium priority recommendation to address this.<br><br>In summary, the Council has sound arrangements in place for maintaining and communicating key HR policies, with HR support available across disciplinary, capability and attendance management processes. Strengthening policy review and consultation arrangements, manager training requirements, and compliance monitoring (including case record-keeping) will further improve accountability, consistency and the Councils' ability to demonstrate adherence to approved HR policies. | | | | |
| ICT Controls and Access | Overall, we found that the controls in place to prevent unauthorised access to Maidstone, Swale, and Tunbridge Wells Borough Councils information and systems are sound.<br><br>Network Monitoring controls currently operating are working effectively. We confirmed that there are regular internal monitoring reviews and external reviews of the network to ensure that vulnerabilities are found in a timely manner. We found arrangements for access controls were aligned to the requirements of Cyber Essentials.<br><br>However, our testing found that the controls in operation are not sufficiently outlined | **Sound** | 1 | 2 | 1 |

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| | in the existing Information Security policy, and that specific Access Management policies do not exist. We recommend the introduction of a Logical Access Policy and a Network Access and Monitoring Policy. Development and periodic review of these policies will improve governance around the internal IT access control framework.<br><br>We also found control gaps in the 3rd Party Application control framework. Most notably, we confirmed that 3rd Party Application IT Controls are not formally considered during the procurement process, an internal register of IT controls is not in operation, and requirements for 3rd Party IT Controls are not formally documented. We performed a high-level review of the IT Access controls for a sample of 3rd Party Applications and identified that there were potential security flaws that could be remediated by improving 3rd Party Application Control processes and governance, including authorisation and review processes. We have made recommendations in this respect, including the development of a 3rd Party Application Policy.<br><br>Our recommendation to develop separate Logical Access and Network Access and Monitoring policies will also help to provide baseline internal control requirements in the 3rd Party Application procurement process. We are informed that the service intends to perform a Cyber Assessment Framework (CAF) assessment. Introduction of the recommended policies will support the service to achieve related elements of this assessment.<br><br>Since our work concluded, Maidstone Borough Council have been subject to a phishing attack as a result of access being gained to an officer's e-mail account. There is a requirement for MFA to be applied to all staff accounts, however there were a few instances where this has not been applied as expected. Any accounts not subject to MFA requirements were locked down until the necessary control had been implemented. Whilst above the baseline standard required by Cyber Essentials, Local Authorities must determine what is the appropriate level of usage of MFA for their circumstances and environment, balancing considerations of risk, cost and administration. | | | | |
| Council Tax (Billing) | We concluded that Mid Kent Revenue and Benefits operate **Sound** controls to manage and monitor Council Tax billing and collections specific to those areas considered as part of our review.<br><br>The Council Tax billing and collections team use MRI Revenues & Benefits as their database for Council Tax account information. The process of entering details for | **Sound** | 0 | 2 | 3 |

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| | new and amended accounts is clear, reasonable and was found to adhere to the procedure documented in the Swale Borough Council's Council Tax Procedure Manual. Our sample testing showed that accurate bills were sent out in a timely manner for new and amended accounts. There is a reminder schedule in place showing target dates for reminder letters to be posted to overdue accounts throughout the year.<br><br>The Council Tax billing and collections team provided a walkthrough of the refund process, and evidence of the refund runs being carried out according to the expected timeframe. The MRI system enforces a separation of duties which means officers cannot authorise refunds that they have created. Only appropriately senior officers are permitted to authorise refunds on the system. There are performance targets in place for Council Tax collection rates for each Council. These are monitored and reported corporately.<br><br>Our sample testing of discounts and exemptions showed that the Council Tax billing and collections team follow a soundly designed procedures for processing discount and exemption applications and storing supporting evidence. Our testing returned positive results and the samples showed that discounts and exemptions had been correctly awarded according to legislation.<br>To further strengthen controls, we have raised two medium priority and three low priority actions. The two medium priority actions relate to direct debit error checking and higher value refund authorisations. The three low priority actions relate to procedure documentation, the timeframe within which reminder letters are sent and performance indicator rationale. | | | | |
| Waste Collection Contract | The Council has sound controls in place to manage and monitor the waste contract. There are some opportunities to improve performance reporting, monitoring and data in line with the expectations of the Contract Partnership Board.<br><br>The contract, output specification and supporting documentation are comprehensive and detailed. The contract provides a process for changes and variations. The contract specification contains detailed processes for contract management and monitoring. Suez fulfils its daily, weekly, monthly and annual reporting arrangements. A documented Performance Mechanism and Performance Criteria are in place to manage performance failures. Suez provides a suite of performance information on the 10th calendar day of each month, which is then appraised and challenged by the Waste Contract Officer and each partnership's Contract Manager. Performance failures are recorded as points, which correspond to a financial value owed by Suez to the partnership. | **Sound** | 0 | 3 | 0 |

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| | The Contract Partnership Board meets quarterly to provide director-level oversight of the contract, and the Strategic Operations Group (SOG) meets quarterly to provide strategic-level oversight. The role and membership of both are clearly defined in a memorandum. The minutes of the Board and SOG meetings show that performance issues are assessed and challenged, and performance reports are reviewed. Interviews with members of the SOG showed there is a strong organisational understanding of contract management, performance reviews and the operational processes of the contract. The Waste Contract Officer attends both the Board and SOG meetings. There are also monthly contract management meetings between Contract Managers, Suez and the Waste Contract Officer.<br><br>CORE is Suez's main data management system. Daily and weekly performance information is shared with Contract Managers in the partnership through a dashboard on Power BI.<br>There were significant initial challenges in the contract mobilisation for all partners. This resulted in members of Maidstone BC and Swale BC receiving regular updates on the contract's performance and ongoing issues. During the mobilisation period in April 2024, Maidstone BC set up a direct email address for members to send correspondence and complaints to. Swale BC's Waste, Recycling and Street Cleansing Contract Member Working Group produced a report with 23 recommendations for improving future contract mobilisations in January 2025. Ashford BC officers provided a report to the Council's Overview & Scrutiny Committee in November 2024. The contract mobilisation issues have now been resolved, and members receive performance information through the usual channels including committees and working groups. | | | | |
| Housing Benefits | Overall, the audit found that Mid Kent Revenues and Benefits have **Sound** controls in place which ensure accurate and effective assessment and payment of Housing Benefit awards in accordance with local procedures and legislation. The review found that the Housing Benefit New Claims procedures are comprehensive, clearly structured and aligned with relevant legislative requirements. The documented process covers the full end-to-end claims lifecycle, including evidence requirements, assessment, decision-making, notifications, revisions and appeals, and is supported by embedded process mapping and operational guidance. Roles and responsibilities are clearly defined and supported by up-to-date job descriptions, and procedures are readily available to staff via the Benefits SharePoint site.<br><br>Sample testing of 20 new Housing Benefit claims across Maidstone (MBC), Swale | **Sound** | 0 | 2 | 3 |

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| | (SBC) and Turnbridge Wells (TWBC) provided reasonable assurance that key eligibility controls are operating effectively. Appropriate evidence was obtained and retained for all claims tested, identity verification and fraud prevention checks were consistently applied, and claimant declarations were signed in all cases. Claim assessments were accurately recorded within the system, supported by statements of calculation and a structured quality assurance framework, which includes independent review by the Business Support Team, targeted sampling and enhanced oversight for new officers and higher value claims.<br><br>Using the same sample of 20 new Housing Benefit claims we confirmed that claim outcomes are communicated consistently and in a timely manner through system-generated commencement letters, which clearly outline entitlement and appeal rights. In addition, related payments were accurately calculated and processed in line with approved awards, issued within the established payment cycle and supported by appropriate oversight controls. Our testing of overpayments confirmed they were appropriately identified, categorised and calculated, with recovery actions initiated promptly and monitored through system controls.<br><br>We found performance monitoring arrangements to lack prominence with limited evidence provided to confirm consistent reporting and oversight across all partner authorities, particularly at the joint service board level. As a result, assurance over the completeness and effectiveness of performance governance could not be fully established.<br>Notwithstanding the positive findings, several opportunities for improvement were identified to strengthen governance and evidencing of key controls. While reconciliations and payment approval processes appear to operate in practice, formal evidence of review and authorisation is not consistently retained, which limits assurance that these controls are operating as intended. In addition, payment procedures lack clarity around responsible approving officers and the retention of approval records within the payment system is limited. Strengthening document governance, ensuring reconciliations are formally signed off, and improving the retention and clarity of payment approval evidence would enhance transparency and strengthen the overall control framework. | | | | |
| Waste Collection Income | Our opinion based on our audit work is that the service has **Sound** controls in place to manage its risks as they relate to the garden and bulky waste schemes.<br><br>We found effective arrangements to be in place via the Council's website and subsequent online forms to guide the public making requests to use the services. | **Sound** | 0 | 1 | 0 |

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| | The arrangements encompass a high degree of system integration between those of the Council and its Contractor, which include real-time data transfer. This automation extends to the receipt and collection of fees which are payable in advance with the system form enforcing the correct amount is paid.<br><br>We confirmed that the service regularly monitors the performance of the contractor with clear performance criteria in place, primarily utilising missed collection monitoring (PC1). However, we note the service is currently negotiating the performance criteria relating to bulky waste collections based on the availability of booking slots.<br><br>Our work identified a gap in controls where there are no arrangements in place to reconcile the income due (from new and renewing subscribers and bulky collection requests) to the income received, to ensure all income due has been received.<br><br>We have also raised an advisory recommendation to formalise the procedures for issuing refunds and adding credits (extra collections following a missed collection). While our testing confirmed all cases were legitimate, procedure notes will ensure consistency of operation between Customer Services and Environmental Services and provide resiliency to this aspect of the operations. | | | | |
| Licensing – Personal and Premises | We found that the service has **sound** controls with regards to issuing Personal and Premise licences in line with legislation and local procedures.<br><br>Our work has demonstrated that the Licensing Policy has been written in accordance with legislation, approved by members and is up to date with a new policy (currently in draft form) due to be approved and published in March 2026. We have found that committees and subcommittees are appropriately established and supported by suitable legal advice and that the Licensing Officers have clear roles and responsibilities. Staff are suitably experienced and/or qualified to undertake their expected tasks and are well supported with on the job learning and development. We have seen evidence of effective collaborative working to maximise a small team's operating resilience and to share knowledge and best practice.<br><br>With regards to the processing of licensing applications, our work has confirmed that procedures are broadly followed from the checking, validation of, and the issuance of licences. The team process all applications within advised deadlines. Managing applications, which require public advertising, is undertaken effectively and the representation process for both consultees and members of the public is generally well designed and operating. | **Sound** | 0 | 1 | 9 |

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| | However, our sample testing showed some instances where crucial validation checks were not always consistently applied or evidenced. A medium priority recommendation and two low priority recommendations have been raised to address these points. Where relevant, we have recommended that procedure notes be updated to provide more comprehensive guidance on these points as well.<br><br>We found that advertisement of a Public Licence Register needs to be improved and that some minor changes to webpages will help will to increase accessibility and transparency around licensing. We acknowledge that there is already an extensive piece of work underway which will ensure application form uniformity, increased efficiency and better website usability.<br><br>Our work has verified that managing representations against a licence application is in accordance with legislation and local policy, and that any subsequent hearings are correctly executed as per the Council's Licensing Act 2003 Sub-committee Hearing Procedure.<br><br>We have found that applicants are being charged the correct fee and applications are only validated on receipt of fees. The Licensing Team operate a robust daily income reconciliation process to correctly identify and allocate payments to the right applications. Sample testing has shown that refunds are justified, the correct forms completed and appropriate authorisation from the Licensing Team Leader sought. | | | | |
| Customer Services | We found that the service has **Strong** controls in place which ensure customers of the Council are provided with correct and timely information.<br><br>Our work covered both customer services arrangements in place and operated by the 'core' Customer Services team and a separate sub team who deal specifically with revenue and benefit enquires.<br><br>We found that arrangements overall are well designed and supported through the Granicus system, an in-house form-based solution, which guides officers and customers step by step through creating a service request. System functionality is good; tabs provide key information and next steps to share with customers, ensures that customer's expectations are managed and forms are supported by FAQs which link to up to date and comprehensive knowledge repositories. Council Tax and Benefit enquiries were found to be well managed through the Academy Revenue and Benefit system. While the system operates without the functionality provided through Granicus, we found that Revenue and Benefit Customer Service Advisors | **Strong** | 0 | 0 | 0 |

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| | are suitably guided by a comprehensive knowledge repository.<br><br>Where customer enquiries are escalated to back office teams, we found that information is securely passed through to service areas using Granicus as an interface with emailed case work, or in some examples, conversion into a compatible format for systems like Suez's Core and Uniform. We note the ongoing project to utilise Granicus forms to transfer work to Revenue and Benefit back-office systems, which currently operates through email signature based forms, although this method was found to be sound.<br><br>Our sample testing of customer transactions returned positive results in all cases. This included enquires received and resolved by the Customer Services team and for cases tested which had been passed through to different 'back office' functions for actioning. The results of our testing confirmed resolution of revenue and benefit enquires within the agreed timeframe.<br><br>Control measures outside of the purely systems environment, were also found to be good. Training of Customer Services Assistants is predominately provided by a dedicated Team Member holding this responsibility. A range of techniques are employed to induct officers new to the role, using regular feedback, coaching and introduction to different service areas. The scope of the training includes mandatory training required for all new starters and the service is proactive in anticipating forthcoming operational changes which may impact them.<br><br>The Customer Service Manager and team leaders are proactive in building and nurturing relationships with other service areas, and where possible, proactively plan around service disruption. Inter departmental relationships are not formalised through Service Level Agreements (except for Revenue and Benefits with some revisions required acknowledged by the service). However, relationships are increasingly formularised through the development of Granicus forms, providing the link between Customer Services and other service areas of the Council.<br><br>A wider observation which we would like to acknowledge from our audit, is the role played by the two Digital Officers based in the Customer Services team. The role of these officers involves liaison with service areas, on design, testing and review of Granicus forms to increase the reach of this system and, in doing so, can be seen as providing a digital transformation service more widely to the Council. A current project these officers are working on is creating a suite of forms for all licensing activities, with the aim of interfacing customer enquires with the Licensing CRM (Uniform) to improve licensing enquires for customers and provide efficiencies. This | | | | |

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| | work is both vital for the Customer Services team and, increasingly, for other service areas. It presents a wider development opportunity to evolve the delivery of Council services which should be recognised and explored further by the organisation. | | | | |
| Property Acquisitions and Disposals | Overall, the audit found that the Council has **Sound** controls in place for the management and operation of processes relating to property acquisitions and disposals.<br><br>We found that the arrangements are supported by the Asset Management Strategy (AMS), which is generally well developed, aligned to corporate priorities and legislation, and supported by clear governance arrangements. We note some overlap from our work with a recent audit on Commercial Property Income (final report September 2025) and acknowledge ongoing action by the service, which includes strengthening the AMS through the development of KPIs and a structured performance framework to support the consistent evaluation of the Council's commercial estate.<br><br>While our work identified some elements of good practice, including clearly defined roles and responsibilities within the Property Team and formal oversight arrangements, significant improvements are required to formalise processes, strengthen documentation and record management, and ensure consistent application of controls across the property lifecycle.<br><br>We found the Acquisition Policy is outdated, and process gaps exist within the Property Procedure Rules. Furthermore, none of the property policies and procedures are subject to a formal review cycle. Our testing also identified instances where approvals for the completion of property acquisitions were not clear based on onward delegations.<br><br>Controls over the Property Asset Register and supporting documentation were also found to be deficient. There is reliance on manual processes, with no centralised repository, inconsistent completion reporting, and a lack of formal reconciliation and review controls. In addition, roles and responsibilities across supporting functions (specifically Finance and Legal) are not consistently defined.<br><br>We have raised eight priority Findings with recommendations to improve the identified controls weaknesses | **Sound** | 0 | 3 | 5 |
| IT Asset Management | Overall, we conclude that controls in place to administer and manage IT Assets are generally operating effectively, resulting in a **sound** assurance rating. | **Sound** | 1 | 2 | 5 |

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| | While we noted an absence of formalised procedures relating to purchasing, we are satisfied that purchases are made and approved in line with each authority's financial processes and the Mid-Kent ICT framework agreement. Insurance policies accurately reflect the value of IT assets, and there is controlled and monitored access to storage areas, meaning that physical security measures are effectively in place to safeguard IT assets against unauthorised access and theft while in each Council's care.<br><br>Current policies and procedures in relation to IT asset management are not contained within a single document. We found that current available information generally lacked the level of guidance suggested by the Information Technology Infrastructure Library (ITIL) and did not provide a framework for tracking assets throughout their entire lifecycle. We also found that the Information Security Standards Policy specifies that hard drives should be removed prior to disposal. We were advised that this no longer happens in practise, as the built in Windows BitLocker security feature prevents any unauthorised access to files retained within hard drives. We recommend either introducing a single IT Asset Management Policy and associated guidance, or reviewing and updating existing policies and procedures to ensure that they align with current processes and suitably reflect the entire IT asset management process.<br><br>Mid Kent ICT uses multiple systems to record the status of IT assets including Autopilot Devices, Intune, and FreshService, and a process for assigning laptops and desktops to users is in operation through paper-based 'device issue' forms. However, we found instances where these forms were not attached to FreshService records, and that where they were attached, that the links to purchase order details were not always recorded by IT staff. We also found instances where users on asset lists exported from FreshService were inaccurate.<br><br>Our work identified that responsibilities for line managers to notify Mid Kent ICT when a member of staff leaves the Council and to ensure return of laptops are not formalised. Whilst our sample testing confirmed that leavers laptops had been deprovisioned, there is a risk that a member of staff could leave the Council's employment without the Service being aware, therefore retaining unauthorised access to the device. Formal monitoring of laptop return does not occur.<br><br>IT assets are disposed of through a certified disposal organisation, SPC, who hold appropriate waste exemption and data protection credentials, that provides Mid Kent ICT with certificates of data destruction, incineration/re-cycling, and/or re-use. | | | | |

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| | The Service arranges disposal on an ad-hoc basis as required. Whilst SPC offer this service free of charge, we have established instances where SPC has been paid for collected items. There is no formal agreement or contract in place with the organisation which significantly increases the risk of misunderstanding around services required and provided. We recommend that where any service in relation to disposal of IT assets is secured, a formal contract/agreement must be in place.<br><br>This issue is further compounded by a lack of reconciliation to ensure that IT assets can be traced, particularly after retirement and disposal through SPC. We are assured that current IT security controls minimise risk of data loss from lost or stolen equipment such as laptops, as the deprovisioning process associated with retirement, along with BitLocker encryption means that access to Council networks and data files is no longer possible. However, we raise a high priority recommendation to strengthen controls and reduce any potential risks arising from IT assets previously owned by the Councils being misused. | | | | |
| Environmental Enforcement – Air Quality | We found that the service has **Strong** controls with regards to stakeholder engagement, monitoring and governance arrangements for the assessment, management and improvement of local air quality under Part IV of the Environment Act 1995 (as amended by the Environment Act 2021), and associated legislation.<br>Our work has demonstrated that there is sufficient clear, timely and easily accessible information regarding live air quality levels provided for all three councils via Kent Air. Kent Air provides a range of educational resources which help educate the public on the short and long-term effects of poor air quality and practical steps on how to reduce their exposure to air quality. Testing has shown the existence of both collaborative education projects funded through successful grant awards from DEFRA and smaller scale opportunity-driven pieces of educational awareness. Each council maintains a dedicated webpage on air quality with varying degrees of information. A low priority rating has been raised to address Tunbridge Well Borough Councils webpage to ensure the information presented is up to date, clear and easily accessible.<br><br>Testing has shown that Mid Kent Environmental Health has demonstrated effective partnership working which is underpinned by good working relationships, clear legislative responsibility and the fact that the creation of air quality improvement measures is controlled through a statutory consultation process. Governance over the monitoring of agreed AQAP measures is effective through utilisation of steering groups which reinforce transparency and accountability. | **Strong** | 0 | 0 | 1 |

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| | Current and past Air Quality Management Areas (AQMAs) have been successfully enacted or revoked through a committee process (or in the case of Maidstone an executive decision with an optional call in) with minutes and current Air Quality Action Plans showing a focus on informing elected members of the advantages and limitations of AQMAs, and the air quality monitoring work that continues post revocation. | | | | |

## Annex 2 - Assurance Ratings and Action Priority Levels

| Full Definition | Short Description |
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| **Strong** – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. Reports with this rating will have few, if any, recommendations, and those will generally be low. | Service/system is performing well |
| **Sound** – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some medium and low recommendations, and occasionally high recommendations where they do not speak to core elements of the service. | Service/system is operating effectively |
| **Weak –** Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly high and medium recommendations which will often describe weaknesses with core elements of the service. | Service/system requires support to consistently operate effectively |
| **Poor** – Immediate action is required to address fundamental gaps in the control environment and / or other weaknesses or non-compliance that leave the service exposed to failure or significant risk which will affect the council as a whole. Reports with this rating will have a range of High recommendations which if not addressed, will prevent the service from achieving its core objectives. | Service/system is not operating effectively |

**High** – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging and could cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility unless the consequences of non-compliance are severe. High recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. High recommendations also describe actions the authority **must** take.

**Medium** – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Medium recommendations are likely to require remedial action within six months to a year. Medium recommendations describe actions the authority **should** take.

**Low** – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Low recommendations are likely to require remedial action within the year. Low recommendations generally describe actions the authority **could** take.

**Advisory** – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.

# Annex 3 - About Mid Kent Audit Partnership

**Standards and ethical compliance**

- Professional standards that Mid Kent Audit must work to are the Global Internal Audit Standards and Local Authorities are supplied additional guidance on how to apply these standards as set out in the Public Sector Application Note. The Global Internal Audit Standards apply across public, private and voluntary sectors in more than 170 countries around the world.

- The Standards include a specific demand for reporting to Senior Management and the Audit and Governance Committee on Mid Kent Audit's conformance with the Standards.

**Conformance with the Global Internal Audit Standards (GIAS)**

- CIPFA carried out a comprehensive External Quality Assessment (EQA) in May 2020 which confirmed that MKA was in full conformance with the previous Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note (LGAN). Both sets of Standards require an EQA to be carried out at least once every five years but does not stipulate specific time intervals for Internal Quality Self-Assessments (IQA) in the intervening period.

- In February 2021 the interim Head of Audit for Mid Kent Audit carried out an ISA of conformance with the PSIAS. This review confirmed conformance with the PSIAS and raised 13 advisory or low priority action points. These points are currently being reviewed and managed by the Head of Mid Kent Audit.

- The scope of this ISA did not include consideration of either the risk management or counter fraud work carried out by MKA. The scope did not include consideration of the resourcing of MKA, the audit risk prioritisation process or the appropriateness of the times allocated to the different stages of individual audit assignments.

- Due to the timing of the implementation of the new standards and supporting guidance becoming available from CIPFA an EQA is now due for Mid Kent Audit. The team is currently undertaking an IQA to demonstrate conformance to the new Global Internal Audit Standards and this will be completed by August 2026. Following on from this an EQA will be arranged if it is practical given the potential changes in arrangements because of Local Government Reorganisation.

**Resources**

- 2025/26 was a year of continuing staff change within Mid Kent Audit. Details of a number of these changes have previously been reported to the Audit Committee in the reports submitted by Mid Kent Audit. At the end of the financial year there were still vacancies and recruitment is underway.

# Annex 3 - About Mid Kent Audit Partnership

### Use of an external provider to assist with audit reviews

- A contract has been procured with a local government audit provider to carry out a number of the audit reviews for which Mid Kent Audit did not have the available resources to deliver in-house. This reflects that Mid Kent Audit has ensured the difficulties with staffing experienced during the year have been partially mitigated.