Agenda

Audit Committee Meeting

Date: Wednesday, 16 July 2025
Time   7.00 pm
Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT

Membership:

Councillors Andy Booth, Derek Carnell, Simon Clark (Vice-Chair), Charles Gibson (Chair), Angela Harrison, Tara Noe, Richard Palmer, Terry Thompson and Dolley Wooster.

Quorum = 3

Pages

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(d)   Anyone unable to use the stairs should make themselves known during this agenda item.

2.   Apologies for Absence

3.   Minutes

To approve the Minutes of the Meeting held on 23 April 2025 (Minute Nos. 806 – 816) and the Meeting held on 14 May 2025 (Minute Nos. 34 - 35) as correct records.

4.   Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves, their families or friends.

The Chair will ask Members if they have any disclosable pecuniary interests (DPIs) or disclosable non-pecuniary interests (DNPIs) to declare in respect of items on the agenda. Members with a DPI in an item must leave the room for that item and may not participate in the debate or vote.

Aside from disclosable interests, where a fair-minded and informed observer would think there was a real possibility that a Member might be biased or predetermined on an item, the Member should declare this and leave the room while that item is considered.

Members who are in any doubt about interests, bias or predetermination should contact the monitoring officer for advice prior to the meeting.

5.   Annual Internal Audit Report and opinion 2024/25   5 - 32

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7.   Updated Risk Management Policy Statement, Strategy & Framework   49 - 76

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Issued on Tuesday, 8 July 2025

The reports included in Part I of this agenda can be made available in alternative formats. For further information about this service, or to arrange for special facilities to be provided at the meeting, please contact **democraticservices@swale.gov.uk**. To find out more about the work of this meeting, please visit www.swale.gov.uk

**Chief Executive, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

Audit Committee Meeting	
Meeting Date	16 July 2025
Report Title	Internal Audit Annual Report and Audit Opinion 2024/25
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 2024/25. 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 2024/25.

2   Background

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 Standards, in particular Standard 2450 (Overall Opinions) direct the annual report to include:

• 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.

3   Proposals

3.1   The Head of Audit Partnership is satisfied the Council can place assurance on the system of control in place during 2024/25. The Committee is asked to note this opinion.

3.2   The full Annual Report for 2024/25 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.

3.3   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.

4 Alternative Options

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 Senior 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	No implications have been identified.

Environment and Climate/Ecological Emergency	No implications have been identified.
Health and Wellbeing	No implications have been identified.
Safeguarding of Children, Young People and Vulnerable Adults	No implications have been identified.
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	No implications have been identified.
Privacy and Data Protection	We handled all information collected by the service in line with relevant data protection policies.

7   Appendices

7.1   The following documents are to be published with this report and form part of the report:
   - Appendix 1: Internal Audit Annual Report and Opinion 2024/25

8   Background Papers

Internal Audit Plan 2024/25 presented to the committee in April 2024.

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June 2025

Internal Audit Annual Report and Opinion 2024/25

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 Public Sector Internal Audit Standards (2017) state that:

"Standard 2450 requires that within the public sector: The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme."

1.3 The work undertaken into 2024/25 was completed under the Public Sector Internal Audit Standards as above. The new Global Internal Audit Standards will be applicable for work delivered in 2025/26.

1.4 This document is the 2024/25 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 of 30 June 2025.

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

1.6 The Assurance ratings and action priority definitions are included and Annex 1 of this report.

1.7 Details about the Mid Kent Audit Partnership are included at Annex 2 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 2025.
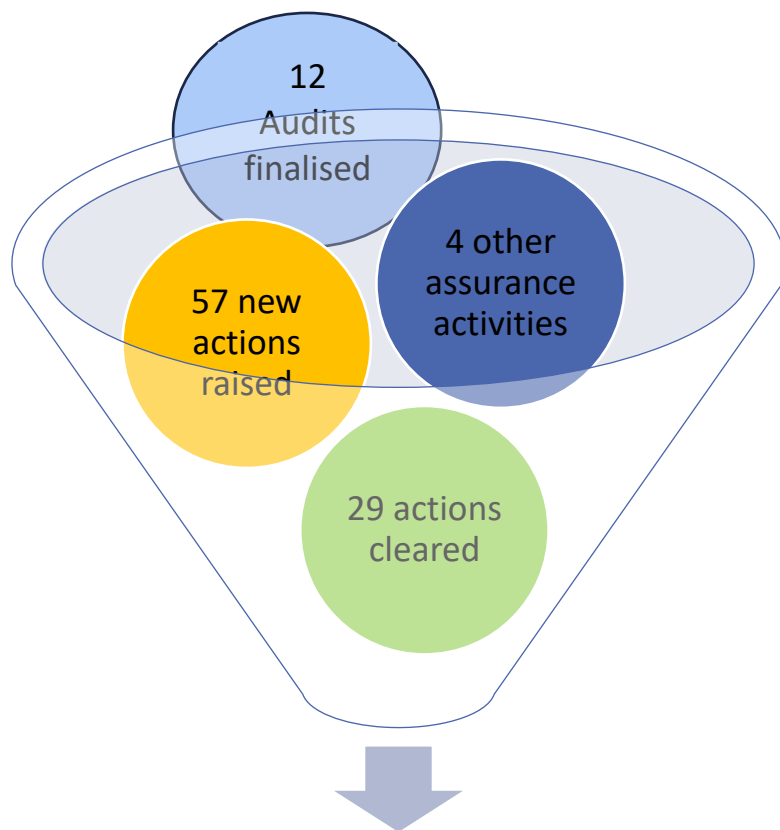
It is my opinion that **sound assurance** can be placed upon the systems in place that ensure adequate and effective management, control and governance processes exist to manage the achievement the council's objectives.

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.

………………………………………………………
Katherine Woodward
Head of Mid Kent Audit Partnership

3.   Summary of Internal Audit Activity 2024/25

12 Audits finalised

57 new actions raised

4 other assurance activities

29 actions cleared

Sound Audit Opinion

Audit Assurance report opinions

9%

8%

83%

- Strong
- Sound
- Weak
- Draft

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. The Public Sector Internal Audit Standards outlines 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** - Following a period of reduced capacity of the internal audit team due to significant staff changes and shortages, a partially successful recruitment has led to a period of greater stability within the team over the year. Overall progress on the planned programme of work delivered by internal audit has continued to improve with a greater number of audits completed in 2023/24 and this trend has continued into 2024/25. 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.

4.3 **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 an annual risk review as part of its annual 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.

4.4 **Reliance on other work** – Internal audit work from 2023/24 provided an unqualified (positive) Head of Audit Opinion and there were no audit reviews carried out with Weak or Poor assurance assessments. There were 2 High Priority actions identified in the previous year's audit reports, both of which have been actioned.

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 extend 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.

4.5 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 Borough Council's risk management, control, and governance processes.

Audit work performed.

4.6 The primary performance output of the internal audit service is delivery of the annual internal audit risk-based plan, which forms the basis of the annual audit opinion. The 2024/25 audit plan was approved by the Audit Committee in April 2024 and a progress report in January 2025 highlighted a number of audits that were under review due to resource constraints and changing organisational risk profile.

4.7 At the time of reporting twelve audits have been completed, with one audit currently in progress that will contribute to the 2025/26 annual audit opinion. Five audits have been deferred to the 2025/26 plan, detailed in the table below.

2024/25 Audits in progress or deferred to 2025/26	
Disabled Facilities Grants	In progress – Draft to be issued by end July 2025
Legal Services Audit	Scheduled for 2025/26
General Ledger	Scheduled for Q2 (Essential priority audit)
Economic Development	To be reviewed – paused until national and regional ED landscape is clearer, including certainty around future direction of Prosperity Funding.
Leisure Services Contract	Little value in auditing at present (contract extended until 2027). Review Waste Contract as substitute
ICT Network Controls and Security	Scheduled for Q2 (Essential priority audit)

4.7 **Audits with a Formal Opinion and Issued report.**

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

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
Procurement	The procurement and commissioning process at Swale Borough Council is generally well designed and correctly operated. Our work identified a good level of compliance with these rules and the Council's Contract Standing Orders (CSOs). We also found that suitable policies and procedures support the procurement process, and our work returned mainly positive results from the testing completed. The service provides regular reports to both Senior Management and Members which provide effective oversight of the arrangements. We note that the service has responded positively to the recommendations made during the previous audit of procurement in 2020, with a large reduction in the number of waivers approved year on year. The completeness of the contract register has also improved. Our work identified opportunities to strengthen some areas notably around updating the Council's Procurement and Commissioning Policy to reflect implementation of the Procurement Act 2023 and reinforcing training for managers to improve conformity with the Procurement Policy.	Sound	0	2	0
Treasury Management	Effective strategic management of financial risk is apparent through governance processes and scrutiny over strategy. Liaison with expert Treasury Management advisors, and inclusion of their advice is evident. Daily	Sound	0	1	1

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	operations are performed efficiently and consistently by the out-sourced provider, Kent County Council (KCC). All communications between the Council and KCC, including cash flow forecasting and monitoring, are proficient and positive. There are appropriate security controls over transactions, and investment and borrowing decisions are processed in accordance with strategy. Record management and reporting is effective. We raise one medium and one low priority finding and recommendation. The medium priority rated finding relates to different versions of Service Level Agreement (SLA) between SBC & Kent County Council (KCC) being held by each party. The absence of a consistent, up to date SLA undermines the validity of the agreement and leaves the Council exposed to increased risk of misunderstanding around roles and responsibilities relating to Treasury Management. The low priority rated finding relates to terminology and reporting requirements for Investment Management Practices, introduced by the 2021 CIPFA Treasury Management and Prudential Codes.				
Commercial Property Income	*Draft report issued to client.*	*Weak*			
Pre-Application Planning	Our review found that pre-application requests are processed in accordance with agreed procedures and the service is generally compliant with National Planning Policy Framework (NPPF) guidance, however our work has identified two areas to strengthen this specific area. Roles and responsibilities are well defined within the arrangements, and staff involved in the process can easily access a useful and accurate procedure note.	Sound	0	3	3

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	Our testing of ten cases confirmed that these were processed accurately and in line with guidance available. While we conclude that the procedures offer a **Sound** level of assurance, we have identified opportunities to strengthen and improve design aspects of the current process. These include: • Publishing and monitoring timescales for meeting pre-application advice requests • Introducing a mechanism to collect customer feedback • Evidencing quality control checks • Reviewing fees and charges to ensure the service is financially sustainable.				
Elections Management	The service has demonstrated that arrangements are in place to prepare for elections, but the preparations are reliant on staff knowledge and familiarity with the processes, rather than documentation. A number of recommendations have been raised in relation to improvements in existing plans, risk assessments and continuity arrangements in place for each election. Aligned with this, recommendations have been raised in regard to identifying and documenting electoral fraud, as well as creating and maintaining procedural notes for both electoral registration and elections (polls and count). The details on the Council website, and communications	Sound	0	3	6

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	regarding elections were found to be well embedded and managed, although some pages require minor changes to meet accessibility requirements. The audit found staff to be suitably qualified with opportunities for succession planning considered, supported by team meetings and knowledge sharing. Staffing for elections was recorded and tracked for each election, with roles allocated to staff based on experience and feedback. These arrangements are working, although the policies that underpin this are out of date and need reviewing. Overall, the service is delivering the immediate task needed to respond to elections, but the day to day tasks require focus to ensure the necessary arrangements are in place.				
Performance Management	Performance indicators within the reviewed service areas were clearly defined, aligned with the Council's core objectives and strategic priorities, and subject to regular oversight. An annual review process is in place to assess their continued relevance, with strategic alignment considered in consultation with service leads and the Information Governance Manager. Benchmarking is carried out across all reviewed services to compare performance against peer authorities, informing the refinement of indicators. Performance data is captured and reported through Pentana, a recognised system in use across the sector. Notice has been given on this system, with plans for a replacement scheduled by March 2026. Mid-year and end-of-year performance reports are submitted to the Policy and Resources Committee, while service-level	Sound	0	4	3

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	monitoring occurs on a monthly or quarterly basis, ensuring ongoing oversight of performance. To further strengthen controls, we raise four medium, three low, and two advisory recommendations. The medium priority findings relate to weaknesses in governance, accuracy, and consistency of performance management arrangements. Key documentation such as the Data Quality Standard and Data Quality Definition were significantly outdated, containing obsolete information and missing performance indicators from key service areas. The Performance Management Framework also lacked sufficient detail to clearly define roles, responsibilities, and escalation procedures Data discrepancies between reported and source figures for sampled indicators further highlight weaknesses in data validation. The low priority findings relate to gaps in communication and accessibility of key documentation and clarity of performance reporting. Performance Management guidance was also not readily available outside of the Information Governance Team, with limited awareness of key documents evidenced by discussions with service leads.				
Emergency Planning	*Draft report issued to client.*	*Sound*			
Parking Income	Cash collection arrangements are in place with an external contractor, APCOA, and formalised through a signed agreement which appropriately sets out the service. Our work confirmed compliance with the frequency of cash collections at Maidstone and Swale throughout the financial year 2024/25.	Strong	0	0	2

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	In addition to cash payments, both Councils use cashless payment systems. Our testing confirmed that accurate reconciliation procedures support parking income from receipt to reaching the respective bank accounts of Maidstone and Swale and differences from our testing could be adequately explained. Both Councils have a separate contract with APCOA for car parking machine maintenance, which we confirmed to an extension to the agreement. We confirmed that current agreements are also in place with Metric and IPS as suppliers of the hardware, to escalate faults which cannot be resolved by APCOA or the operations team. Our review of the fault log facilitated a discussion to strengthen the recording of machine faults, and we raise a low priority finding to this matter. We also raise a low priority finding to formally record maintenance checks to cash canisters to confirm their correct operation, ensuring physical cash is secure at point of collection. Fees and charges at both Councils are approved annually by committee and publicised for consultation prior to being implemented. The most recently agreed fees that came into effect on 1st April 2025 and have been updated on the Council's websites with a few inaccuracies noted to Swale charges, which require correction. Parking refund procedures are suitably outlined on each Council's website. Our testing of a sample of cases confirmed their validity and processing of the refund within the 3-week target time.				

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	Budget monitoring arrangements are embedded into the process with oversight from management. Reports generated under the process list actual income against budget and variances. The budget information reviewed in testing was up to date and accurate against documentation acquired for our reconciliation testing. We observed that actual parking income slightly exceeded target income for the 2024/25 financial year.				
Human Resources - Payroll	The service has demonstrated that arrangements are in place to ensure that that correct staff are paid the correct amount, taking into account voluntary and statutory deductions, as well as variations in pay. There are arrangements in place to manage starters and leavers, although a procedure needs to be implemented to cover the removal of casual staff at regular intervals.

Arrangements are also in place to support statutory and voluntary deductions, as well as variations in pay. However, a finding has been raised in regard to the need for the creation of procedural notes for annual pay increments and pay awards.

It was established that the service has measures in place to process the payroll within clear timeframes, with suitable approval recorded to support transfer of payments. Reconciliation is taking place, albeit following a slightly different process at each Council.

There is good communication in place with both the Human Resources Team and Finance Team to support the above processes. | Sound | 0 | 3 | 5 |

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	Arrangements are in place to prevent and detect fraudulent payments, and the payroll system has appropriate security measures in place to ensure access is only available to authorised individuals. Owing to discrepancies relating to the retention of payroll data, both in terms of retention periods and the destruction/disposal of data, we have raised findings in regard to both aspects. In particular, it is recommended that a joint approach to retention of payroll data is adopted across both Councils. A review of the Pay Policy Statements and Gender and Ethnicity Pay Gap Report found that although the reports are being produced, historic reports are not published on each Council's website and findings have been raised to rectify this.				
ICT Technical Support	We found that the implementation and operation of the ICT Service Desk is generally effective. The ICT Technical Analysts are suitably qualified and have access to information to assist them in their roles. We are also satisfied that there are suitable arrangements in place to manage out of hours requests. A survey of current ICT Technical Analysts was carried out as part of our Audit work, and the responses indicated general satisfaction with the training and support resources available. However, whilst we are satisfied that staff are appropriately skilled, a training matrix is not currently in operation, which could result in skills gaps	Sound	0	1	4

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	particularly in this fast-changing environment. We have raised recommendations in this regard. Positively, the service has a good standard of procedures and guidance in place, but we found that there are discrepancies in some of the content when compared with existing processes. Furthermore, although a communications procedure is in place and regular communications with service users can be evidenced, an overall communications plan does not exist. We also found that permissions for sending communications is limited to one individual, which may present an issue if this person is absent during an unanticipated disruptive event. Our testing confirmed the service are meeting their SLA and KPI and have suitable arrangements in place to monitor this.				
Revenues and Benefits – Fraud Compliance	We found that the team delivers a wide range of activities across all three Mid-Kent authorities, and there is evidence of strong commitment and subject knowledge amongst staff. However, aspects of the team's processes lack formal structure and oversight which affects transparency, consistency, and the robustness of performance reporting. The audit has identified several areas to strengthen controls, and we raise four medium and seven low priority findings and a single advisory matter. Medium priority findings relate to the absence of an overarching policy or framework underpinning the work of the team and a work programme to priorities tasks and direct resources. There is also a reliance on fragmented spreadsheets to manage workflows due to the lack of a dedicated case management	Sound	0	4	7

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	system. These issues affect the consistency and planning of work, as well as the integrity and efficiency of reporting. Additional medium-rated findings are raised regarding inconsistencies in the Single Person Discount (SPD) review process operated across the three councils, and the lack of independent assurance to support the basis and accuracy of the service's savings-based Key Performance Indicator (KPI). Low priority findings focus on addressing administrative gaps and improving procedural oversight, including introducing structured, mandatory training for all officers, and documenting procedures for some workflows (such as Kent Intelligence Network data matches). We also identified inconsistency in reporting to partner councils and found that Tunbridge Wells and Swale members do not receive routine, council-specific performance reports. Furthermore, improvements could be made to the range of KPIs monitored, to better reflect wider service performance. Additional low-rated findings include issues with the retention of Data Protection Act (DPA) responses, and system access, which was addressed during the audit.				
Revenues and Benefits – Mid Kent Enforcement Services	The Service's Procedure Manual provides a detailed description of the procedures for each stage of the enforcement process. The MKES Service Agreement also provides a detailed description of the relationship between the parties and the provision of the Service. Signed and dated contracts are held by the enforcement service for external contractors used for out of area debtors. The team works effectively with clearly detailed roles and	Sound	0	0	5

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	responsibilities and weekly plans for Enforcement Assistants. There are procedures in place for taking payments and the fees are consistently applied in line with the Taking Control of Goods 2014 regulations. Income is reconciled on a fortnightly basis and enforcement records are updated in a timely manner. To further strengthen controls, we raise five low priority findings and recommendations. The first low priority finding relates to the use of incorrect job titles in the Procedure manual. The second low priority finding is raised in relation to a lack of Key Performance Indicator reporting. The third low priority finding is raised in relation to the Handling Cash Procedure in the Procedure manual where there is no definition as to what constitutes a large sum of cash. The fourth low priority finding relates to the timeliness in which compliance reminder notices are issued in accordance with the Debt recovery flowchart. The fifth finding is raised in relation to the monitoring of body worn camera footage to check compliance with legislation and internal procedures.				

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

Work title	Summary	Conclusion
Building Control Audit (East Kent Audit Partnership)	Audit conducted by East Kent Audit Partnership for Canterbury City Council on the South Thames Gateway (STG) building control partnership. The STG is a partnership between Gravesham Borough Council, Medway Council, Swale Borough Council and Canterbury City Council. The primary findings of the audit to determine the reasonable assurance rating were: • A suitably detailed agreement is in place (and approved) between all parties that make up the STG Partnership. • All building control fees are suitably approved and readily available to members of the public. • All applications are checked for completeness which includes confirming that the correct fee has been paid. Where the fee has not been paid, that is recorded in the application file. • All income is correctly coded. • Receipts are issued for all income received. • Applications are being dealt with in accordance with LABC procedures. • Completion certificates are not issued until the fees in respect of the application have been paid in full. Scope for improvement was identified in the following areas: • Refunds are being approved in advance of the refund being made but are not checked to confirm that the correct amount has been paid to the correct entity after the payment has been made. Although procedures have now been updated to undertake a weekly check to confirm the refund was correct. • The Building Control Trading account for the Partnership is not being published as required by with the Building (Local Authority Charges) Regulations 2010.	Reasonable (Sound)

Work title	Summary	Conclusion
ICT – Public Services Network Code of Connection (CoCo) (Cabinet Office)	The ICT department are regularly assessed by the Cabinet Office to ensure that its 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 report
Legal Services Assessment (Lexcel – The Law Society)	Full re-assessment of Mid Kent Legal Services (MKLS) against the Lexcel Version 6.1 in accordance with the submitted Assessment Plan, Lexcel Scheme Rules and Assessment Guidance Notes as modified by The Law Society's procedures for a remote assessment. The assessment found 24 areas of good practice, 1 are on major non-compliance and 4 areas of minor non-compliance. All areas of non-compliance have been addressed and MKLS has been re-accredited with the Lexcel standard	Positive report
Grant Thornton – Housing Benefit Subsidy Assurance 2022/23	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. The engagement was carried out in accordance with the DWP reporting framework and does not express an assurance rating.	Not assessed

4.9 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 the Strategic 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).

This year have introduced some new processes around how we follow up on actions with the services. We now report more frequently to the management teams 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 this year.

The table below details the actions that are still to be completed and if they were overdue at the end of the year.

Actions Table	High	Medium	Low	Total
Total actions 2023/24				
Actions agreed	1	7	15	23
Actions cleared	1	7	15	23
Actions not due / in progress	0	0	0	0
Overdue actions	**0**	**0**	**0**	**0**

	High	Medium	Low	Total
Total actions 2024/25				
Actions agreed	0	21	36	57
Actions cleared	0	1	3	4
Actions not due / in progress	0	20	26	46
Overdue actions	**0**	**0**	**0**	**0**

	High	Medium	Low	Total
Total actions not due or in progress	0	20	26	46
Total overdue actions	0	0	0	0
Total	**0**	**20**	**26**	**46**

Full Definition	Short Description
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.

About Mid Kent Audit Partnership Annex 2

Standards and ethical compliance

- Government sets out the professional standards that Mid Kent Audit must work to in the Public Sector Internal Audit Standards (PSIAS). These Standards are a strengthened version of the Institute of Internal Audit's global internal audit standards, which 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 Committee on Mid Kent Audit's conformance with the Standards.

Conformance with the PSIAS

- CIPFA carried out a comprehensive External Quality Assessment (EQA) in May 2020 which confirmed that MKA was in full conformance with the Standards and the CIPFA Local Government Application Note (LGAN). The Standards requires an EQA to be carried out at least once every five years but does not stipulate specific time intervals for Internal Quality Self-Assessments (ISA) 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.

Resources

- 2024/25 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.

Use of an external provider to assist with audit reviews

- Two contractors have been procured 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.

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Audit Committee		Agenda Item:
Meeting Date	16 July 2025	
Report Title	Annual Treasury Management Report 2024/25	
EMT Lead	Lisa Fillery, Director of Resources	
Head of Service	Claire Stanbury, Head of Finance and Procurement	
Lead Officers	Claire Stanbury, Head of Finance and Procurement Olga Cole, Management Accountant	
Classification	Open	
Recommendations	1. To note the Treasury Management outturn report for 2024/25. 2. To approve the changes to the operational boundary for external debt and the external limit for external debt.	

1. Purpose of Report and Executive Summary

1.1 The purpose of this report is to review the final outturn position of treasury management transactions for 2024/25, including compliance with treasury limits and Prudential and Treasury Management Indicators.

1.2 The report also seeks approval to update indicators that have been agreed as part of the 2025/26 Treasury Management Strategy.

1.3 In February 2021 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve, as a minimum, treasury management semi-annual and annual reports.

1.4 This report includes the requirement in the 2021 Code, mandatory from 1st April 2023, of reporting of the treasury management prudential indicators and the non-treasury prudential indicators.

1.5 The Council's treasury management strategy for 2024/25 was approved at a meeting on 21 February 2024. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

1.6 For 2024/25 the Investments Section of the Kent County Council (KCC) Finance Department had operational responsibility for the daily treasury management duties. KCC Finance in undertaking this work had to comply with Swale Borough Council's Treasury Management Strategy. Overall responsibility for Treasury Management remained with the Council.

1.7 This report:

- is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code;

- details the implications of treasury decisions and transactions;

- gives details of the outturn position on Treasury Management transactions in 2024/25; and

- confirms compliance with Treasury limits and Prudential Indicators.

2. Background

Borrowing Requirement and Debt Management

2.1 The overall borrowing position is summarised below:

	Balance on 31/3/2024 £'000	Movement in Year £'000	Balance on 31/3/2025 £'000
Capital Financing Requirement	52,113	10,541	62,654
External Borrowing	(10,000)	(3,000)	(13,000)
Cumulative External Borrowing Requirement	**42,113**	**7,541**	**49,654**

2.2 Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be accounted for as a charge to the General Fund.

2.3 The reason for the increase in the CFR in 2024/25 is due to the increase in the capital spend not funded from grants, contributions or reserves, as well as the recognition of leases brought onto the balance sheet under IFRS 16.

2.4 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

2.5 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

2.6 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.42% at the end. The lowest available 10-year

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maturity rate was 4.52% and the highest was 5.71%. Rates for 20-year maturity loans ranged from 5.01% to 6.14% during the period, and 50-year maturity loans from 4.88% to 5.88%.

2.7   For the majority of the year the cost of short-term borrowing from other local authorities closely tracked Base Rate at around 5.00% - 5.25%. However from late 2024 rates began to rise, peaking at around 6% in February and March 2025

2.8   CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments. The Council has no plans to borrow to invest primarily for financial return.

2.9   The table below summarises the Council's borrowing portfolio at 31 March 2025.

Lender	Loan Value £	Borrowing Rate	Borrowing Date	Maturity Date	Duration (Days)
PWLB	5,000,000	5.33%	19/03/24	31/08/25	530
Spelthorne Borough Council	3,000,000	5.25%	08/01/25	08/07/25	181
Ashfield District Council	2,000,000	5.25%	08/01/25	08/07/25	181
Middlesbrough Council	3,000,000	5.80%	10/03/25	07/05/25	58

Investment Activity

2.10   The Council holds significant investment funds, representing income received in advance of expenditure plus balances and reserves held. During 2024/25, the Council held average daily cash balances of £21 million (£23 million for 2023/24) and our investment balances closed at £10.9 million at 31 March 2025.

2.11   The Council's budgeted investment income for 2024/25 was £526,000 and the actual income received was £1,033,000, of which £142,000 was from the Council's long-term investment in the Church, Charities and Local Authorities (CCLA) Mutual Investment Property Fund.

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2.12 The table below summarises the Council's investment portfolio at 31 March 2025. All investments made were in line with the Council's approved credit rating criteria at the time of placing the investment, and still met those criteria at 31 March 2025.

Counterparty (MMF = Money Market Funds)	Long-Term Rating	Balance Invested at 31 March 2025 £'000
Black Rock MMF	AAAmmf	1,910
Invesco MMF	AAAmmf	3,000
Aberdeen MMF	AAAmmf	3,000
CCLA Property Fund	unrated	3,000
Total		**10,910**

2.13 The ratings above are from Fitch credit rating agency. A description of the grading is provided below:

- AAAmmf: Funds have very strong ability to meet the dual objectives of providing liquidity and preserving capital.

2.14 The treasury management position at 31 March 2025 and the changes during the year is summarised below:

Investments	Balance on 31/03/24 £'000	Movement in Year £'000	Balance on 31/03/25 £'000	Average Rate at 31/03/25 %
Money Market Funds	12,210	(4,300)	7,910	4.20
Long-Term Investments	3,000	0	3,000	4.72
TOTAL INVESTMENTS	**15,210**	**(4,300)**	**10,910**	
Borrowing				
Short-Term Borrowing	(10,000)	(3,000)	(13,000)	5.41
TOTAL BORROWING	**(10,000)**	**(3,000)**	**(13,000)**	

2.15 The long-term investment shown in the table above is the Council's investment in the CCLA Property Fund. Accounting requirements dictate that financial instruments, which include this investment, are carried in the balance sheet at fair value. The fair value for this fund is based on the market price which as at 31 March 2025 was £2.8 million.

2.16 Since CCLA fund has no defined maturity date, but funds are available for withdrawal after a notice period, its performance and continued suitability in meeting the Council's medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital

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values will move both up and down on months, quarters and even years and with the expectation that over a three to five-year period total returns should exceed cash interest rates.

2.17 In keeping with the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, overnight deposits and the use of Debt Management Agency Deposit Facility (DMADF).

2.18 The Council sought to optimise returns commensurate with its objectives of security and liquidity.

2.19 The criteria applied by the Director of Resources for the approval of a counter party for deposits are:

- credit rating - a minimum long-term of A-;
- credit default swaps;
- share price;
- reputational issues;
- exposure to other parts of the same banking group; and
- country exposure.

2.20 The investments permissible by the 2024/25 Treasury Strategy were:

Counterparty	Time Limit	Cash Limits
The UK Government	50 years	Unlimited
Local Authorities and other government entities	25 years	£3m
Major UK banks / building societies unsecured deposits*	13 months	£3m
Leeds Building Society unsecured deposits*	As per credit advice	£1.5m
Close Brothers unsecured deposits*	As per credit advice	£1.5m
Money Market Funds*	n/a**	£3m each
Strategic Pooled Funds e.g., Absolute return, Equity income, Corporate Bond Funds, Multi Asset Funds	n/a**	£3m each
CCLA Property Fund	n/a**	£3m
Registered providers (unsecured) *	5 years	£3m in aggregate
Secured Investments*	25 years	£3m in aggregate
Other Investments *	5 years	£3m in aggregate
Non treasury investments	As per credit advice	To be agreed on a case by case basis

2.21 This Council takes the view that the Capital Strategy should reflect the following principles:

- investing in sustainable, affordable and social housing to increase overall supply;

- using the ability to borrow at lower rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value; and,

- ensuring that the costs of borrowing are manageable long term within the revenue budget

2.22 The maximum permitted duration for unsecured deposits with major UK Banks and building societies is 13 months. For 2024/25 the Director of Resources in consultation with chair of Policy & Resources Committee could consider longer duration. Bonds could have been purchased with a maximum duration of five years.

2.23 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return). At 31 March 2025 the Council held £3.984 million of a longstanding portfolio of 11 investment properties within the borough. These investments generated £300 thousand of investment income for the Council in 2024/25 after taking account of direct costs, representing a rate of return of 6.38%.

External Context

2.24 **Economic background**: Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President.

2.25 Arlingclose, the Council's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

2.26 UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to

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3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

2.27 The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak.

2.28 **Financial markets**: Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

2.29 The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

Credit Review

2.30 In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.

2.31 On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and also withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

2.32 Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods.

2.33 Financial market volatility is expected to remain a feature, at least in the near term and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

CIPFA Code and PWLB Lending Facility Guidance

2.34 Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal

borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.

2.35 **Statutory override**: Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024. The Council had set up a reserve of £350k to mitigate the impact of the statutory override not being extended. In view of the fact that the override may not be extended past 2029 the authority has decided to maintain this reserve.

Compliance

2.36 The Council has mostly complied with its Prudential and Treasury Management Indicators for 2024/25 which were set as part of the Treasury Management Strategy agreed by Council in February 2024.

2.37 As a result of accounting regulation changes to leases, the operational boundary and external limit for external debt in relation to other long term liabilities have both been breached. The limits were set based on the council's vehicle leases, however the year end accounting changes have resulted in two car parks now recognised as lease liabilities. The recognition of these liabilities has led to the limits being breached, although the financial obligations of the council are unchanged.

2.38 The treasury management strategy for 2025/26 was written and approved before the reporting requirement for these leases was fully assessed. Following the detailed work completed for the Statement of Accounts for 2024/25, the limits need to be increased, as detailed below. These proposed changes will be taken to the Policy & Resources Committee for formal approval in September 2025.

2.39 In Appendix I the outturn position for the year against each Prudential Indicator is set out.

2.40 The Head of Finance and Procurement confirms that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Treasury Advisers

2.41 Arlingclose has been the Council's treasury advisers since May 2009. Officers of the Council meet with Arlingclose regularly and high quality and timely information is received from them.

Capital Strategy

2.42 The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy for 2024/25, complying with CIPFA's requirement, was approved by Council on 21 February 2024.

Change to Treasury Management Prudential Indicators

2.43 As a result in the changes to the accounting treatment of leases, there are two linked indicators that need to be updated, the operational boundary for external debt, and the authorised limit for external debt.

2.44 The operational boundary is based on the Council's estimate of most likely scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement, and cash flow requirements, and is a key management tool for in-year monitoring. Other long term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt, and this is the part that needs to be increased.

2.45 The table below show the limits in the current strategy, the final position as reported in this report, and the proposed updated limits for the 2025/26 strategy.

Operational Boundary	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Current Strategy				
Borrowing	45,000	45,000	55,000	57,000
Other long term liabilities	1,000	1,000	1,000	1,000
Total operational boundary	**46,000**	**46,000**	**56,000**	**58,000**
2024/25 Outturn				
Borrowing	13,000			
Other long term liabilities	3,169			
Total operational boundary	**16,169**			
Proposed Strategy				
Borrowing	45,000	45,000	55,000	57,000
Other long term liabilities	1,000	5,000	5,000	5,000
Total Operational Boundary	**46,000**	**50,000**	**60,000**	**62,000**

2.46 The authorised limit sets the maximum level of external borrowing on a gross basis for the Council. It is measured on a daily basis against all external borrowing items on the balance sheet. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. The authorised limit is set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

2.47 The table below shows the limits in the current strategy, the final position as reported in this report, and the proposed updated limits for the 2025/26 strategy.

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Authorised Limit Current Strategy	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Borrowing	55,000	55,000	65,000	67,500
Other long term liabilities	2,500	2,500	2,500	2,500
Total authorised limit	**57,500**	**57,500**	**67,500**	**70,000**
2024/25 Outturn				
Borrowing	13,000			
Other long term liabilities	3,169			
Total authorised limit	**16,169**			
Proposed Strategy				
Borrowing	55,000	55,000	65,000	67,500
Other long term liabilities	2,500	9,000	9,000	9,000
Total authorised limit	**57,500**	**64,000**	**74,000**	**76,500**

3. Proposal

3.1   Members are asked to note the report.

4. Alternative Proposals

4.1   No alternative proposals have been considered and compliance with the CIPFA Code is mandatory.

5. Consultation Undertaken

5.1   Our treasury advisors, Arlingclose, have been consulted.

6. Implications

Issue	Implications
Corporate Plan	Supports delivery of the Council's objectives.
Financial, Resource and Property	As detailed in the report
Legal, Statutory and Procurement	CIPFA produce a framework for managing treasury activities, called a 'Code'. Councils are legally required to have regard to this Code and members of CIPFA are expected to comply with its requirements. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance
Crime and Disorder	Not relevant to this report
Environment and Climate/ Ecological Emergency	Not relevant to this report
Health and Wellbeing	Not relevant to this report

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Issue	Implications
Safeguarding of Children, Young People and Vulnerable Adults	Not relevant to this report
Risk Management and Health and Safety	Not relevant to this report
Equality and Diversity	Not relevant to this report
Privacy and Data Protection	Not relevant to this report

7. Appendices

7.1   Appendix I: Treasury Management and Prudential Indicators

8. Background Papers

None

Treasury Management and Prudential Indicators for 2024/25 - Appendix I

Introduction

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

This report compares the approved indicators with the outturn position for 2024/25. Actual figures have been taken from, or prepared on a basis consistent with, the Council's Statement of Accounts

Capital Expenditure: The Council's capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2024/25 Actual £'000
Total Capital Expenditure	**16,827**
Source of Funding Capital grants and other contributions Capital receipts Earmarked reserves Direct revenue funding Borrowing	7,765 0 130 0 8,932
Total Capital Funding	**16,827**

Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31/03/25 Estimate £'000	31/03/25 Actual £'000	31/03/25 Difference £'000
Total CFR	73,390	62,654	(10,736)
External Borrowing	(30,500)	(13,000)	17,500
Cumulative External Borrowing Requirement	**42,890**	**49,654**	**6,764**

External borrowing: as at 31 March 2025 the Council had £13 million of external

borrowing

Operational Boundary for External Debt: The Operational Boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases, and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	31/03/25 Boundary £'000	31/03/25 Actual Debt £'000	Complied
Borrowing	45,000	13,000	✓
Other long-term liabilities	1,000	3,169	x
Total Operational Boundary	46,000	**16,169**	✓

Authorised Limit for External Debt: The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the Operational Boundary for unusual cash movements.

Authorised Limit and Total Debt	31/03/25 Boundary £'000	31/03/25 Actual Debt £'000	Complied
Borrowing	55,000	13,000	✓
Other Long-Term Liabilities	2,500	3,169	x
Total Authorised Limit	**57,500**	**16,169**	✓

The Director of Resources confirms that the operational boundary and authorised limit for other long term liabilities were breached at the end of 2024/25. The reason is due to the changes in the way that leased assets are now presented on the balance sheet. The council leases a number of vehicles, plus two car parks, which create the liability of £3,169k at the financial year end. The car park leases were previously treated as rental agreements, so although the limits have been breached, there has been no increase in the financial obligations of the council.

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Treasury Management and Prudential Indicators for 2024/25 - Appendix I

Ratio of Financing Costs to Net Revenue Stream	31/03/25 Estimate %	31/03/25 Actual %	Difference %
General Fund Total	6.85	7.61	0.76

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31/03/25 Actual %	Upper Limit %	Lower Limit %	Complied
Under 12 months	100	100	0	✓
12 months and within 24 months	0	100	0	✓
24 months and within 5 years	0	100	0	✓
5 years and within 10 years	0	100	0	✓
10 years and above	0	100	0	✓

Time period starts on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2024/25 £'000
Actual Principal Invested Beyond Year End	3,000
Limit on Principal Invested Beyond Year End	10,000
Complied	✓

Investment Benchmarking

| Average Actual Return on Investments 2024/25	Original Estimate Return on Investments 2024/25	Average Bank Rate 2024/25	Average 7-day SONIA Rate 2024/25
4.20%	4.98%	4.95%	4.90%

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Treasury Management and Prudential Indicators for 2024/25 - Appendix I

SONIA is the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

Liability Benchmark: This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

	31.3.24 Actual £'000	31.3.25 Actual £'000	31.3.26 Forecast £'000	31.3.27 Forecast £'000
Loans CFR	52,113	62,654	68,378	68,150
Less: Balance sheet resources	(57,200)	(57,488)	(58,925)	(60,398)
Net loans requirement	**(5,087)**	**5,166**	**9,453**	**7,752**
Plus: Liquidity allowance	10,000	10,000	10,000	10,000
Liability benchmark	**4,913**	**15,166**	**19,453**	**17,752**
Existing borrowing	**10,000**	**13,000**	**10,000**	**10,000**

Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing in line with the capital programme, and minimum revenue provision on new capital expenditure based on appropriate asset life values (50 years, unless a shorter life is more appropriate). This is shown in the chart below together with the maturity profile of the Council's existing borrowing.
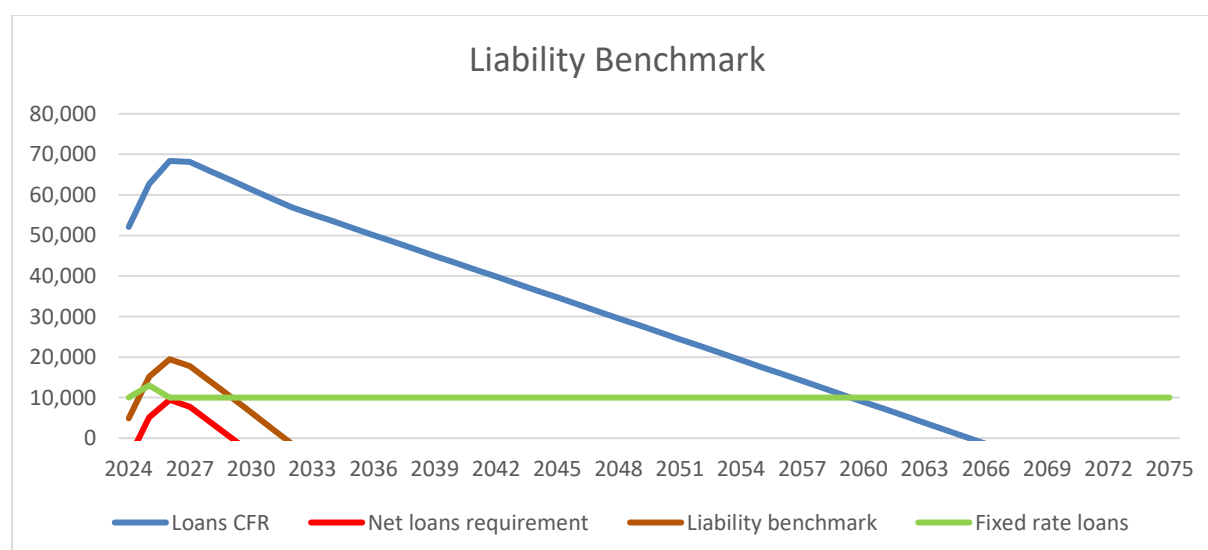
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Audit Committee Meeting	
Meeting Date	16 July 2025
Report Title	Updated Risk Management Policy Statement, Strategy & Framework
EMT Lead	Lisa Fillery – Director of Resources
Head of Service	Katherine Woodward – Head of Audit
Lead Officer	Mark Goodwin - Audit Manager
Classification	**Open**
Recommendations	1. That the Audit Committee approves and, where necessary, provides **comments** on the revised 'Risk Management Policy Statement, Strategy & Framework'.

1   Purpose of Report and Executive Summary

1.1   In accordance with the constitution the Audit Committee are responsible for governance and are required to seek assurance on the effectiveness of the operation of the risk management arrangements.

1.2   Mid Kent Audit have been working with the Council on update the previous 'Risk Management Framework'. The proposed version has been revised to include a 'Risk Management Policy Statement' and 'Risk Management Strategy', supported by the 'Risk Management Framework'.

1.3   The purpose of this report is to provide an overview of the changes contained in Appendix 1:

- A 'Risk Management Policy Statement' has been added. This sets out an overview of the Council's approach to risk, which takes into account the best practice in risk management as per the HM Government Orange Book and the Institute of Risk Management.

- A 'Risk Management Strategy' has been added. This formalises the arrangements for managing risk in the Council and sets out the criteria for this to be delivered.

  o Elements of the existing 'Risk Management Framework' have been incorporated into this, such as roles and responsibilities, risk appetite and risk rating and responses.
  o New sections have been added to explain the objectives, the risk register configuration, and monitoring and reviews that will be undertaken.

- A revised 'Risk Management Framework' has been included. This explores the practicalities and processes in place for managing risk within the Council.

The majority of the content has been transferred for the existing framework, with minor updates made to reflect the changes outlined above.

- It is important to note that there have been no changes to the Council's risk appetite, risk matrix or likelihood & impact scales.

- The changes do not alter the Council's approach to risk management, instead this revised document aligns with best practice and encapsulates aspects of risk management that were not previously documented.

2   Background

2.1   The Council's risk management arrangements have been in place since 2015, with Mid Kent Audit facilitating the operation of the overall process. The previous 'Risk Management Framework' was comprehensively updated and approved by the Audit Committee in July 2022.

2.2   Risk management is well established within the Council; with officers actively engaged in the process, and aware of their corporate, and operational, risks and how to manage them.

2.3   The Council uses risk management software (JCAD) to support risk owners with the maintenance of their risks, which is configured in accordance with the Council's risk management process.

2.4   The revised document has been reviewed against an accessibility checker, and conforms to the expected standards.

3   Proposals

3.1   The existing 'Risk Management Framework' is due a refresh in July 2025. This Committee, as those charged with governance, must gain assurance that the Council is operating an effective risk management process, and that risks are being managed. We therefore propose that the Committee approves the new 'Risk Management Policy Statement, Strategy & Framework', and provides comments on the operation of the risk management process.

4   Alternative Options

4.1   In order for any risk management process to be effective it is vital that risk information is reported to evidence that risks are monitored, and that action is taken to manage risks to an acceptable level. Reporting risks to Members is necessary to provide assurance that risks are being managed. An alternative option would be to not review how risk are managed, but this would go against the terms of reference for this Committee.

5 Consultation Undertaken or Proposed

5.1 The new 'Risk Management Policy Statement, Strategy & Framework', was designed through consultation with Executive Management Team and feedback from Audit Committee Members.

5.2 All risk owners have been involved in the identification and assessment of the risks on the register.

6 Implications

Issue	Implications
Corporate Plan	Effective risk management is part of the Council's governance framework. The purpose of the risk management process is to ensure that key risks are identified and appropriately managed as the Council pursues its corporate objectives.
Financial, Resource and Property	Investment in developing risk management arrangements is met from existing resources within the Mid Kent Audit partnership. No implications have been identified.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	No implications have been identified.
Environment and Climate/Ecological Emergency	No implications have been identified.
Health and Wellbeing	No implications have been identified.
Safeguarding of Children, Young People and Vulnerable Adults	No implications have been identified.
Risk Management and Health and Safety	This report is about risk management across the Council. No health and safety implications have been identified.
Equality and Diversity	No implications have been identified.
Privacy and Data Protection	No implications have been identified.

7   Appendices

7.1   The following documents are to be published with this report and form part of the report:
- Appendix 1: The new 'Risk Management Policy Statement, Strategy & Framework'

8   Background Papers

- Risk Management Framework 2022.

Risk Management Policy Statement, Strategy & Framework

July 2025

FOREWORD BY CHIEF EXECUTIVE

Swale Borough Council (the Council) aspires to be a place to be proud of. Recent years have seen the Council, and all local authorities, go through major changes in response to budget cuts and increased demand on services. Residents, businesses and visitors have greater expectations, and the Council needs to work with a variety of partners to meet those expectations.

As individuals we make choices every day about our lives, our work. All our staff are committed to make Swale a better place and make decisions and choices to achieve this. With choices come risks. This framework aims to help you to identify, manage and control those risks to ensure we get the results we want for our communities, and to avoid those we don't.

Risk management is not risk avoidance. The Council understands and accepts that taking risks is often necessary when delivering services and achieving our aspirations. This document sets out in clear guidance the tools and approach to achieve clarity and consistency in relation to our risks. It allows us to identify risks we are willing to accept, be clear on those we want to reject and effectively manage those we choose to take.

Larissa Reed
Chief Executive
Swale Borough Council

Quick Links:

- JCAD can be accessed here:
  https://midkentaudit.jcadcore.com/

- If you have any problems accessing, or using JCAD, please contact Mid Kent Audit on:
  midkentaudit@midkent.gov.uk

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POLICY STATEMENT

The Council's 'Risk Management Policy Statement' sets out the Council's approach to risk management.

> **What is a risk?**
> The Council defined risk as "A risk is a potential future event that, if it materialises, effects the achievement of the Council's objectives."

Swale Borough Council's Corporate Plan sets out the ambitions and priorities between 2023 - 2027. To support these priorities, this document sets out the Council's 'Risk Management Policy, Framework & Strategy', which will allow members and officers to make better informed decisions through a focus on risk and return, which in turn will enhance the value provided by the Council.

The Council is committed to an effective risk management process and the adoption of best practices in the identification, evaluation and control of risks to achieve the Council's priorities. By having risk management arrangements in place, the Council is better placed to cope with the continuing changes in local government; helping us anticipate, plan for and react to those changes.

The Council recognises that the next few years will present unprecedented challenges in local government. By having arrangements in place to identify and manage risks, the Council increases the probability of achieving corporate and operational objectives by controlling risks in balance with resources and reduces the chance of failure. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation. The only thing constant is change; risk management helps us to anticipate, plan for and react to those changes.

Risk management is a key component for effective corporate governance, and as a Local Authority we must be, and must be seen to be, careful custodians of public funds. Risk information is therefore a key component in supporting better, more informed decision making on how we use our resources.

This Risk Management Strategy and Framework is based on the previous 'Risk Management Framework' (implemented in 2015, updated in 2019 and 2022). The updates reflect the principles of best practice in risk management as per the HM Government Orange Book and the Institute of Risk Management, whilst also setting out a practical approach to risk management tailored to the Council.

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RISK MANAGEMENT STRATEGY

The Council's 'Risk Management Strategy' sets out a formal and structured approach to managing risks through the culture, processes and structures in place to manage the potential threats and opportunities to the Council achieving its objectives.

OBJECTIVES

The Council's risk management objectives are:

- Implement a strategic and operational approach to risk management to support better informed decisions and best value for money, which are critical to the successful delivery of our priorities and services.
- Set the level of risk the Council is prepared to accept on the delivery of activities and priorities.
- Develop member and officer capacity and skills in identifying, understanding and managing threats and opportunities facing the Council.
- Promote a proactive risk management culture in the Council at all levels and across all services.
- Set risk ownership and accountabilities and responding to risk in a balanced way considering the level of risk, reward, impact and cost of control measures.
- Ensure that statutory and best practice requirements in relation to risk management continue to be delivered as a key part of Corporate Governance, as well as contributing to the completion of the Annual Governance Statement.
- Maintain the ability to anticipate and respond to changes, both social, environmental, as well as legislative and political.

RISK REGISTERS

The Council's approach to managing risk is to maintain a corporate (strategic) and operational (service) risks register:

- Corporate Risks: The corporate risks are those risks which have an affect across Council services and may affect delivery of the Council's strategic priorities.
- Operational Risks: All Council services, including shared services, have identified risks which may affect delivery of their service objectives or wider Council priorities.

What is the Risk Register?
This risk register records the risks and opportunities that may affect the delivery of the Council's priorities. It contains details on the risk description, category, likelihood, impact and mitigations.

The Council utilises JCAD risk management platform to support with managing risks at both a corporate and operational level. JCAD can be accessed here: https://midkentaudit.jcadcore.com/

If you have any problems accessing, or using JCAD, please contact Mid Kent Audit on:
midkentaudit@midkent.gov.uk

ROLES AND RESPONSIBILITIES

All employees and members have a duty to be aware of and manage the risks that may prevent the Council from delivering services. The formal consideration of risk is undertaken as part of the business planning and strategic planning. The respective roles and responsibilities of those involved in the risk management process are set out below.

RISK OWNER

- Once a risk is identified, it is essential that someone owns the risk, taking principal responsibility for monitoring its course and tracking actions in response.
- The risk owner will be the officer responsible for delivering the area of the business where the risk arises. In most cases this will be the manager.
- Risk ownership is not the same as undertaking, or being responsible for, carrying out actions in response to the risk. Rather, the risk owner will ensure necessary actions are taking place, otherwise there is a chance management actions may not be completed.

HEADS OF SERVICE

- Have responsibility for identifying, assessing, recording and responding to risks in accordance with the Council's risk management processes and risk appetite.
- Identify and implement controls and actions to manage risks and monitor the effectiveness of the actions.
- Maintain a continued awareness of new and emerging risks to the services within their directorate, as well as the Council's strategic priorities.
- Identify and report risk implications relating to key decisions being put forward.
- Maintain risk registers for their area and communicate risks with the service managers.

STRATEGIC MANAGEMENT TEAM

- Have responsibility for the determination and review of the Council's risk appetite.
- Review all risks facing the Council, as reported through the risk management reports, most notably the higher rated risks (red and black).
- Actively support and guide the management of black rated risks and take action to mitigate impact and likelihood.
- Maintain a continued awareness of risks that may need to be added to the register.
- Provide overview and challenge over the corporate (strategic) level risks facing the Council, how these are affected by change and how they are being managed.
- Review and guide on the risk implications of key decisions as part of the Council's governance process.
- Communicate and support the effective management of risk with members and stakeholders.
- Ensure and monitor compliance with Risk Management practices.

MID KENT AUDIT

- Have responsibility for facilitating and coordinating the risk management processes across the Council.
- Administer, maintain and support with the JCAD risk management platform.
- Facilitate and support officers with the identification and assessment of risks, as well as the implementation of risk actions.

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- Compile and report key risk information to officers and members, through the Strategic Management Team (SMT), Policy & Resources Committee (PRC) and the Audit Committee.
- Provide advice and guidance to the Council on risk issues and emerging risks.
- Provide training and updates to officers and members on risk management practices and processes.
- Liaise with managers to embed risk management into the culture of the Council.

MEMBERS

- Assist in the identification and assessment of the Corporate Level risks directly linked to the Council's corporate/strategic plan and priorities.
- Maintain a continued awareness of emerging risks, and risk implications associated with key decisions.
- Ensure the decision-making Committees act within the agreed risk appetite and tolerance of the Council.

POLICY AND RESOURCES COMMITTEE

- Members of Policy & Resources Committee are responsible for oversight and challenge of how the Council's key risks are managed, especially the significant risks (rated red and black).

AUDIT COMMITTEE

- Members of the Audit Committee are required to seek assurance that the Council is operating an effective risk management process by monitoring the effective development and operation of risk management and corporate governance in the Council.

MONITORING AND REVIEW

The reporting of risk information is essential to ensure risks are being appropriately identified and managed. To ensure this is taking place, risk management activities will be reported as follows:

- **Risk Owners** will be prompted to review risks at least every six months via JCAD.
- The **Strategic Management Team** will be provided quarterly reports on both the corporate and operational risks. As part of this **Risk Owners** will be asked to update risks on alert status.
- **Policy And Resources Committee** will be provided twice yearly reports on corporate risks and an oversight on operational risks.
- **Audit Committee** will be provided an annual report on how the risk management process has operated throughout the year.
- **Mid Kent Audit** will facilitate a review of the Council's Risk Management Policy Statement, Framework & Strategy every three years (next review is due in 2028).
- The **Strategic Management Team**, supported by **members**, will refresh the Strategic Risk Register every 5 years.

RISK APPETITE

The Council's risk appetite articulates how much risk the Council is willing to seek, or accept, to achieve its objectives.

The Council's approach to risk is to seek the right opportunities and, where possible, minimise threats. Beyond the Council's risk appetite, is the Council's risk tolerance, which sets the level of risk that is unacceptable, whatever opportunities might follow. For each risk, the Council will calculate the unmitigated risk (current risk) and the mitigated risk. The mitigated risks should reflect the actions that can be taken and consider if these reduce the risk to a level that is within the Council's appetite.

The Council's risk appetite and tolerance is illustrated in the matrix below. The red area represents the outer limit of the risk appetite, and the black area indicates the tolerance. The Council is not willing to take risks that have significant negative consequences on the achievement of our objectives.

Risks above the Council's **Tolerance**: An unacceptable level of risk so immediate action should be taken to reduce the risk.

Outer limit of Council's **Appetite**: Risks at this level should be more closely controlled.
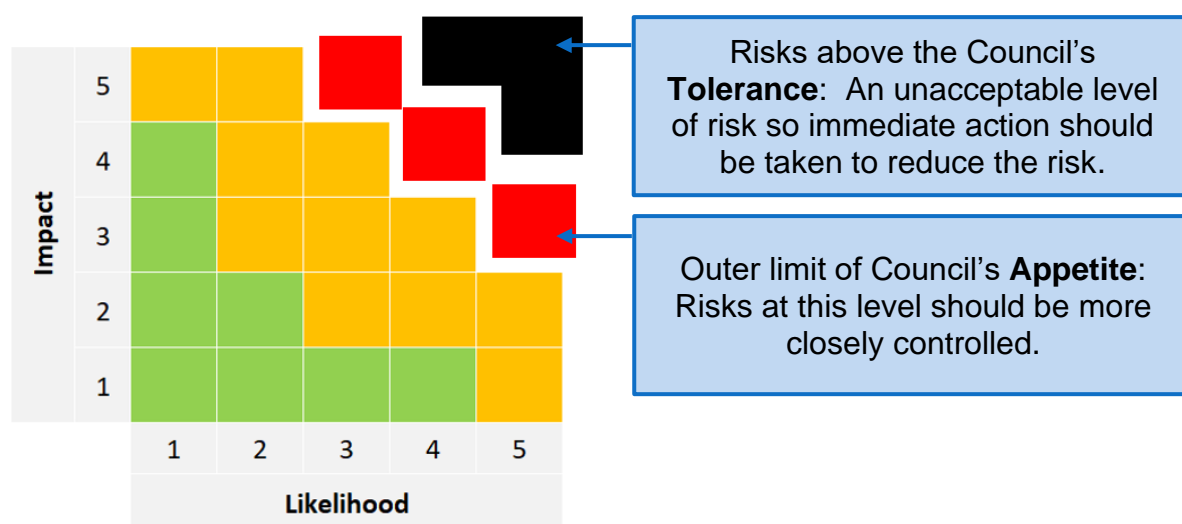
RISK RATING

As part of setting the Council's risk appetite and tolerance, the Council has set risk ratings that define the levels of risk:

Rating	Definition
Severe	Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to treat, transfer or terminate the risk.
High	These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible. Alternatively, consideration can be given to transferring or terminating the risk.
Medium	These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risks that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase.
Low	These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk.

LIKELIHOOD & IMPACT SCALES

To establish the risk rating (both unmitigated and mitigated), the score for the risk is calculated by multiplying the impact score by the likelihood score.

IMPACT

The impact considers how severely the Council would be affected if the risk materialises. The Council considers risk impact using the matrix below:

Level	Service	Reputation	Financial	Strategic Objectives	Wellbeing	Legal/ Compliance
Catastrophic (5)	Ongoing failure to provide an adequate service in a key area.	Perceived as a failing authority requiring intervention.	Uncontrollable financial loss or overspend over £1.5m.	Failure to deliver multiple key priorities.	Significant staff dissatisfaction or long-term absence, or increased staff turnover including key personnel.	Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment. Possible responsibility for death.
Major (4)	Key service areas disrupted 5+ days Other service areas ongoing failure.	Significant adverse national publicity.	Financial loss or overspend greater than £1m.	Failure to deliver key priority.	Adverse staff dissatisfaction or increased absence and turnover of staff.	Litigation expected and uncertain if defensible. Breaches of law punishable by significant fines. Fails to prevent death, causes extensive permanent injuries or long-term sick.
Moderate (3)	Key service disruption 3-5 days Other service disruption 7+ days.	Adverse national publicity of significant adverse local publicity.	Financial loss or overspend greater than £700k.	Unsatisfactory delivery of priorities.	Declining staff satisfaction, or some loss of staff due to absence or turnover.	Litigation expected but defensible. Breaches of law punishable by fines. Fails to prevent extensive permanent injuries or long-term sick.
Minor (2)	Key service disruption 2 days Other service disruption 2-7 days.	Minor adverse local publicity.	Financial loss or overspend greater than £100k.	Poor delivery of priorities.	Short-term dissatisfaction, minor loss of staff due to absence or turnover.	Complaint or litigation possible. Breaches of regulations or standards. Long term injuries or sickness.
Minimal (1)	Any service disruption 1+ day.	Unlikely to cause adverse publicity.	Financial loss or overspend under £100k.	Minimal reduction in delivery of priorities.	Loss of staff morale but unlikely to result in absence or turnover of staff.	Unlikely to cause complaint. Breaches of local procedures.

LIKELIHOOD

The likelihood is the consideration of how likely it is that the risk will occur. The Council determines likelihood by considering whether the event has occurred previously or elsewhere, how probable its occurrence is and how quickly the risk may materialise. The Council considers risk likelihood using the matrix below:

Level	Probability	Description
Highly Probable (5)	80% +	Without action is likely to occur; frequent similar occurrences in local government / Council history or anticipated within the next 6 months.
Probable (4)	60% - 80%	Similar occurrences known often in local government / Council history or anticipated within the next 12 months.
Possible (3)	40% - 60%	Similar occurrences experienced in local government / Council history or anticipated within the next 18 months.
Unlikely (2)	20% - 40%	Not unheard-of occurrence in local government / Council history. Anticipated within the next 2 years.
Rare (1)	0% - 20%	Seldom occurs; no recent similar instances in local government / Council history.

RISK RESPONSE

The Council adopts the five Ts of risk management responses:

- **transfer** - Shifting the risk, in whole or in part, to a third party.
- **tolerate** - Accepting the likelihood and consequences of the risk.
- **treat** - Put in place (or strengthen) controls - this is the most common way of manging risks.
- **terminate** - Deciding to cease the activity which causes the risk.
- **take the opportunity** - Balancing threats and opportunities to make an informed decision to accept the risk.

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RISK MANAGEMENT FRAMEWORK

The Council's 'Risk Management Framework' provides a detailed guide setting out the Council's risk management process, including the approach to identifying, assessing, managing and reporting risks within the Council.

The framework sets out the risk management process, which is illustrated on the diagram below, with a summary provided for each step.

Step 1 – Set Objectives

Clarify objectives and confirm the risk register being considered
- Corporate Risk Register (Strategic)
- Operational Risk Register (Service Level).

Step 2 – Identify Risks

Think ahead and consider if the objective hasn't been met, why? What has stopped us? What are the opportunities?

Map out risk wording – 'As a result of (cause), (event) could happen, resulting in (consequence)'.

Communication & Consultation

Reporting on risk is undertaken throughout the year by Mid Kent Audit.

Reports are circulated to Strategic Management Team, Policy and Resources Committee and Audit Committee.

Step 3 – Evaluate Risks

Establish key existing controls and whether they are managing the impact and/or likelihood of the risk.

Calculate risk rating using impact and likelihood of an event on the risk matrix.

Step 5 – Monitor & Review

Risks change throughout the year, and so the register should reflect changes as they arise.

Step 4 – Risk Response

Plot risks on the matrix based on risk score and consider the level of risk appetite that the Council is willing to accept with in pursuit of achieving objectives.

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STEP 1 - SET OBJECTIVES

As a risk is an event that could affect the achievement of objectives. Before assessing what stands in your way, you need to know where you're going. This includes understanding what the Council wants to achieve and the resources it has available (both capacity and capability) to deliver. What are your **objectives**?

- **What** are you seeking to achieve?
- by **When**? and
- **Who** is responsible for achieving them?

Risk management fits in with, and supports, service objectives, which in turn support the objectives of the Council. The link between Council objectives, through to service objectives is called the golden thread. When everyone at the Council is pulling in the same direction, we will have a much greater chance of being able to achieve our shared goals.

The Council sets its corporate objectives in the **Corporate Plan**, and services objectives are determined as part of the **Service Planning** process. The **Annual Delivery Plan** combines how these objectives will be delivered.

Clarifying your objectives will allow a greater understanding of what will stop you achieving those objectives and what opportunities you need to grasp to meet your goals. Setting your objectives clearly will also reveal links to internal and external stakeholders on whom you rely as well as other external factors that will impact your objectives.

STEP 2 – IDENTIFY RISKS

The purpose of any risk identification exercise is to find the **uncertain event** that could impact on your objective.

IDENTIFICATION EXERCISE

Events can be a single event or a series of events. As time passes, the risks will inevitably change. Therefore, this step has two elements:

- **Initial risk identification** is the addition of new risks that are not on the risk register. For example, when embarking on a project, following a major service change or creating a new service plan.
- **Continuous risk identification** changes to existing risk descriptions or changes in circumstances leading to new risks.

Common techniques used across the Council to identify risks are **brainstorming**, **workshops** and **facilitated discussions**. Asking the following questions can help identify risks:

- In a years' time, if we haven't achieved this objective, why? What could have stopped us?
- What could realistically go wrong?
- What do we need to achieve this objective? Do we depend on others to succeed?
- What opportunities might arise?

One of the pitfalls when identifying risks is to simply say the opposite of the objective. Instead, look for potential events or circumstances which could occur **in the future**. The below table illustrates what may, or may not be, considered a risk:

Objective	Potential Risk Statement	Is this a risk?
To provide the best services resources allow	Failing to provide the best services resources allow.	✖ This is simply stating the opposite of the objective.
	Public are dissatisfied with Council services.	✖ This is a statement of the potential **impact** of failing to meet the objective; not in itself a risk.
	A lack of suitably trained and available staff limiting ability to deliver efficient services.	✔ This is a risk we can **control** by, for instance, making plans to keep training up to date and reviewing our staffing needs.
	The Government has reduced our funding.	✖ This has already happened and so is an **issue** to be managed. Risks look ahead to potential events and so involve at least some uncertainty.
	The Government sharply reduces future funding.	✔ This is a risk over which we have little or no control, but we can assess **likelihood** and, if required, make **contingency plans**.

RISK DESCRIPTION

When articulating your risk, it is useful to capture the cause and consequence of the risk, i.e. as a result of [**cause**], [**risk**] could occur meaning [**consequence**]. For the above example one risk could read: *Government policy changes could result in a significant reduction in future funding, leading to a reduction in the quality of our service.*

RISK REGISTER

The risks generated from this step should be captured in the **risk register**. The Council uses JCAD software to capture, update and report on risks. The platform will guide you through the process of adding a new risk.

STEP 3 – EVALUATE RISKS

Having identified the risk, the next step is to understand how big it is. A key element of evaluating risks is establishing what controls are in place to manage the risk. This helps us to determine the 'business as usual' position, referred to as the **unmitigated risk**.

CONTROLS

A control is defined as any action taken by management or other parties to manage risk and increase the likelihood that objectives and goals will be achieved. There are different types of internal controls as described in the following table:

Control Category	Description	Examples
Preventative	Designed to limit the possibility of an undesirable outcome. These primarily manage the *likelihood* of the risk.	Financial Standing Orders Prior authorisation Access controls (system / physical) Data retention and destruction
Directive	Designed to set desired outcomes and expectations.	Policies and procedures Training and awareness Job descriptions

	Can manage the risk *impact* or *likelihood*.	Manuals
Detective	Designed to identify problems when undesirable events have occurred. These primarily manage the risk *impact*.	Analytical review Exception reporting Sample checking Physical checks
Corrective	Designed to correct an undesirable outcome and prevent re-occurrence. These primarily manage the risk *impact*.	Restoration of backup files Insurance / compensation

Consideration should be given to whether the control is designed and operating effectively or whether improvements need to be made. Where the control is not effective it will be less useful in reducing the risk and this should be taken into account when scoring the risk.

SCORE RISKS

Once the controls have been identified the risk can be evaluated. Risk evaluation incorporates two elements:

- **Impact** – how severely the organisation would be affected if the risk materialises. In other words, if the forecast event happens then what will that do to the Council?

    Risk **impact** is considered across several different criteria, including Service, Reputation, Wellbeing, Legal/Compliance, Financial and Strategic Objectives.

    For your risk consider the type of impact that would be felt by the Council. It is possible that some impact types may not be relevant. For the types of impact that apply, consider what is the most credible worst impact should the risk materialise. Once all possible impacts have been considered **the highest most credible impact score is taken as your overall impact score.**

- **Likelihood** – This is a consideration of how likely it is that the risk will occur. In other words the probability that it will materialise and become an event that needs managing.

    Risk **likelihood** is determined by considering whether the event has occurred previously or elsewhere, how probable its occurrence is and how quickly the risk may materialise.

The **score for the risk is obtained by multiplying the overall impact score by the likelihood score**. The criteria used to assess impact, and likelihood can be found in the Risk Management Strategy and should be used to guide your evaluation of each risk identified.

Document your existing controls and impact / likelihood scores in your **risk register** in JCAD.

STEP 4 – RISK RESPONSE

Now you've identified your risks and established how big they are, you will need to decide what action (if any) you are going to take. How you respond is determined by the risk score and consideration of the Councils' risk appetite.

The Council's risk appetite guides how much risk the Council is comfortable with and able to bear. The Council recognises that to achieve its objectives it must take risks, but that some risks are

unacceptable (above our tolerance) and so action should be taken immediately to manage these risks. Risk appetite and tolerance are illustrated the [Risk Management Strategy](#).

The following table outlines what risk owners should do to respond to their identified risks based on the risk score:

Rating	Definition	Guidance to Risk Owners
Severe Score – 20-25	Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to treat, transfer or terminate the risk.	Identify the actions / controls necessary to manage the risk down to an acceptable level. If necessary, steps will be taken to collectively review the risk and identify any other possible mitigation (such as additional controls).
High Score – 15-16	These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible. Alternatively, consideration can be given to transferring or terminating the risk.	Identify controls to treat the risk impact / likelihood and seek to bring the risk down to a more acceptable level.
Medium Score – 5-12	These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risks that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase.	Keep these risks on the radar and update as and when changes are made, or if controls are implemented. Movement in risks should be monitored, for instance featuring as part of a standing management meeting agenda.
Low Score – 1-4	These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk.	Keep these risks on your register and formally review at least once a year to make sure that the impact and likelihood continues to pose a low level.

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Depending on how you have decided to respond to your risk the following action will need to be taken:

- Where you have decided to **treat** your risk: document your planned controls / actions in your risk register and re-score impact and/or likelihood. This will give you your **mitigated** risk rating, which assumes all planned controls / actions have been fully implemented and are operating effectively.
- If you have decided to **Tolerate** the risk, no further action is necessary. The risk register will capture the risk and its' existing controls, and the **unmitigated** and **mitigated** scores will be the same.
- For **terminated** risks, the risk should remain in the risk register until the activity causing the risk has been stopped. You may want to capture what action is being taken to terminate the activity. Once terminated the risk should be removed from the risk register.
- Where you decide to **transfer** (in whole or in part) the risk you will need to consider what risk remains to the Council. Capture the transfer as a planned action in the risk register and re-score impact and/or likelihood. This will give you your **mitigated** risk rating. Once the risk has been transferred you may want to consider whether any risks relating to the transfer need to be recorded in the risk register.
- If **taking the opportunity**, you must balance threats and opportunities to make an informed decision to accept the risk.

PLANNED CONTROLS / ACTIONS

If you have decided to **treat** the risk and have identified actions or new controls that can be introduced care should be taken to ensure they are SMART – specific, measurable, achievable, realistic and have a timescale. Carefully consider what your planned control / action will deliver and how it will help to manage the risk.

Document your decided course of action and the mitigated impact and likelihood scores in your **risk register** in JCAD.

STEP 5 – MONITOR AND REVIEW YOUR RISKS

Monitoring risks supports our understanding of whether and how the risk profile of services and the Council is changing. It also helps us to determine the extent to which controls are working as expected to manage risks. It is therefore a key step in the process to routinely consider and review our risks. At a minimum, the standard review period of risks is every six months. For higher rated risks, a more regular review period should be adopted by the owner dependant on the nature of the risk. This can be adjusted on JCAD accordingly.

The process of monitoring and reviewing risks can take place at any time. You could choose to discuss your risk register(s) during routine management team meetings or 1:1s, or you could review risks as circumstances change – for example changes in service delivery or in the Council's external environment. To ensure risks are routinely reviewed all risks should be reviewed at a minimum of every six months.

When reviewing your risks consider whether the risk is still relevant and whether the risk description is accurate. If the risk no longer applies then mark the risk as **closed** and provide some detail explaining why. If the risk still exists but needs to be updated adjust the cause, risk and/or consequences.

Next consider the current controls and ask yourself:

- Are the controls **still in place**?
- Are the controls **operating effectively**?
- Has anything **new** been introduced?

If you have identified planned controls / actions as part of your risk response this step is the time to consider how implementation is progressing. Consider whether the action is complete, or control now introduced and operating effectively. If so, the action should be marked as complete and (where necessary) existing controls updated to reflect the changes made.

Once you have considered these areas, review the **current** and **mitigated** risk scores to consider whether any of the changes identified above have altered the scores. See step 2 for a reminder on how to score the risks**.**

COMMUNICATION AND CONSULTATION

A register of all the Council's risks is contained within JCAD and is used to report on key risks over the course of the year. Discussing key risk information and consulting on how to respond to the Councils' most critical risks ensures transparency and facilitates effective decision making.

A wide range of risk information is reported as needed, including thematic information and emerging risks. Reporting of risk information is facilitated by Mid Kent Audit Team as set out in the Risk Management Strategy.

Communication should flow throughout the Council so as well as reporting risk information up to SMT and members, feedback from these discussions is also provided to risk owners. The following diagram depicts the reporting of risk information:
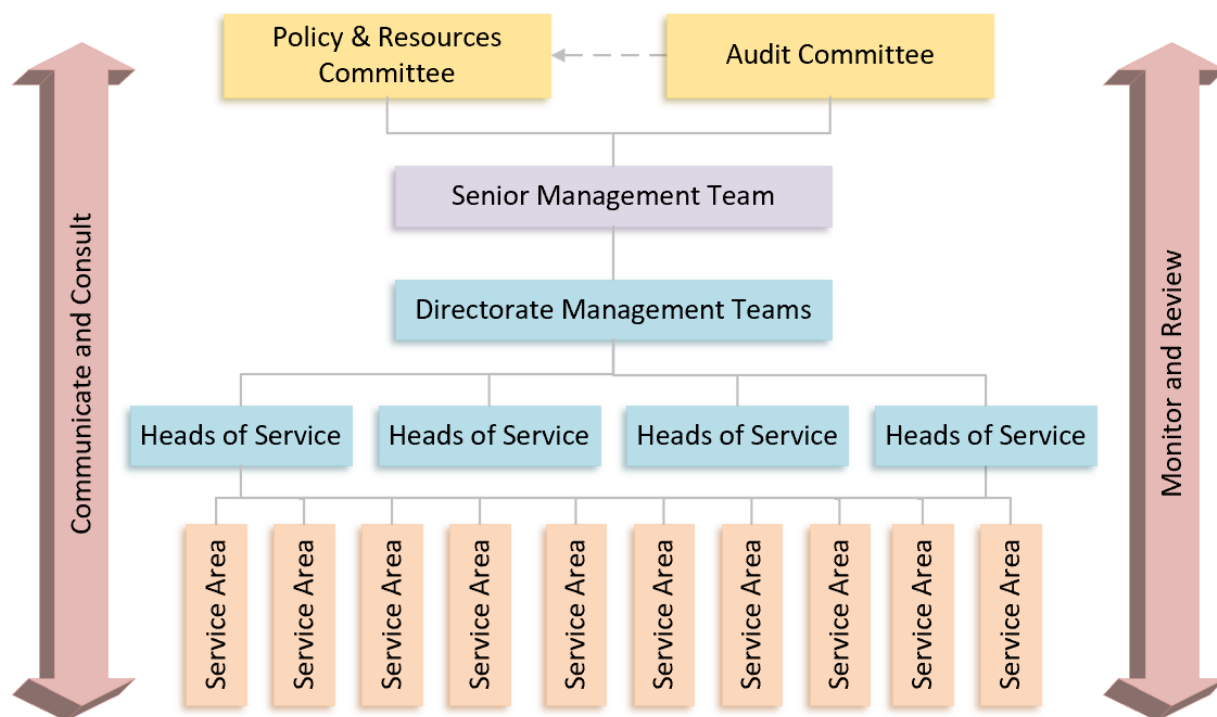
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VERSION CONTROL

Version	Date	Updated By	Summary of Changes:
4.5	July 2025	Katherine Woodward	Minor typographical amendments and reference to the Annual Deliver Plan included
4.4	June 2025	Georgia Harvey	Back cover updated.
4.3	May 2025	Georgia Harvey	Changes accepted and risk review period guidance updated. Added into template and fixed accessibility errors.
4.2	May 2025	Katherine Woodward	Reviewed changes and corrected typos.
4.1	May 2025	Georgia Harvey	Addition of Policy Statement, Risk Management Strategy and refresh of Risk Management Framework.
3.0	2022		
2.0	2019		
1.0	2015		

Swale Borough Council
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East Street
Sittingbourne
Kent ME10 3HT
www.swale.gov.uk

Front cover: Beach huts at Leysdown

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Audit Committee Meeting	
Meeting Date	16 July 2025
Report Title	Updated Whistleblowing Policy
EMT Lead	Lisa Fillery – Director of Resources
Head of Service	Katherine Woodward – Head of Audit
Lead Officer	Mark Goodwin - Audit Manager
Classification	**Open**
Recommendations	1. That the Audit Committee approves the updated Whistleblowing Policy.

1   Purpose of Report and Executive Summary

1.1   The attached policy (at Appendix 1) sets out a refreshed policy for supporting anyone who works at, and for, the council, who want to raise concerns at Swale Borough Council. The policy updates a previous version which was ratified by Strategic Management Team in July 2019. It has been updated to conform with best practice guidance from the Institute of Internal Audit (IIA), ACAS and Protect (formally Public Concern at Work).

1.2   The purpose of this report is to provide an overview of the changes contained in Appendix 1:

- The policy sets out refreshed names and a wider commitment from Executive Management Team as points of contact to raise concerns.
- The policy includes a section on routes to raise other concerns (at page 3).
- The policy including links to legislation, internal contacts and other policies.
- The policy signposts to external organisations
- The policy strengthens a commitment for reporting to the Audit Committee and for review.

2   Background

2.1   Whistleblowing is an important part of organisational governance it promotes transparency and accountability providing a mechanism to encourage staff to speak up about wrongdoings. The Council's Whistleblowing Policy was last published in July 2019 and requires updating.

2.2   It is envisioned that the policy once approved and operating will be supported through promotion to raise awareness amongst staff and provide assurance that their concerns will be taken seriously.

3   Proposals

3.1   We propose that the Committee approves the refreshed Whistleblowing Policy.

4   Alternative Options

4.1   The Council has duties under the Public Disclosure Act 1998. Aside from external requirements, supporting people who wish to raise concerns is a mark of a well governed organisation and, done right brings significant benefits in allowing an organisation to identify and respond to emerging problems before they become serious issues.

5   Consultation Undertaken or Proposed

5.1   The Whistleblowing Policy has been separately presented to Strategic Management Team. The Head of Human Resources has been consulted separately on the policy along with the Council's officer contact for Unison.

6   Implications

Issue	Implications
Corporate Plan	None on the Corporate Plan of itself. However, the nature of the issues that may be raised by staff under the Whistleblowing Policy may have impacts, but these will be considered in subsequent outcome reports.
Financial, Resource and Property	No implications have been identified.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	No implications have been identified.
Environment and Climate/Ecological Emergency	No implications have been identified.
Health and Wellbeing	No implications have been identified.
Safeguarding of Children, Young People and Vulnerable Adults	No implications have been identified. The Council has a route in place for raising Safeguarding concerns.

Risk Management and Health and Safety	No implications have been identified.
Equality and Diversity	No implications have been identified.
Privacy and Data Protection	No implications have been identified.

7   Appendices

7.1   The following documents are to be published with this report and form part of the report:
   - Appendix 1: Swale Borough Council Whistleblowing Policy

8   Background Papers

   - Whistleblowing Policy ratified July 2019.

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Whistleblowing Policy

Policy Introduction

We aim for high standards both in how we act and how we provide our services. This includes being governed by various rules, regulations and laws. Like all organisations, there is a risk that sometimes we do not live up to those standards and something illegal or unethical may be happening.

If you become aware of failures to live up to our standards, we need to know. Speaking up when you have a concern is important and essential for us to be a well-governed organisation. Your concerns will be taken seriously and treated in confidence.

You may feel worried about raising a concern. We understand, but please don't be put off. We will look into what you have to say and offer you the support you need. We will not tolerate any victimisation of someone raising a concern, nor any attempt to bully you into not raising a concern.

Larissa Read – Chief Executive.

1

Policy Aims

This policy aims to:

- Encourage staff, Members, contractors and partners to speak up on suspicions of wrongdoing as soon as possible, so that their concerns will be taken seriously and investigated while respecting confidentiality.
- Tell you how to speak up and raise concerns.
- Reassure you that you can raise genuine concerns without fear of reprisals even if you are mistaken.

Who can raise concerns?

Anyone who works at, and for, all levels of the Council. This includes people working with the Council in partnership (including external contractors), temporary and fixed-term employees, Members, and volunteers. We collectively refer to this group as **staff** in this policy.

What concerns can I raise?

You can raise a concern about any risk, malpractice or wrongdoing that you think is harming or could harm the service we deliver. The [Public Interest Disclosure Act 1998](#) (Act) sets out some examples (known as protected disclosures):

- Criminal activity (for example, theft or fraud);
- Miscarriages of justice (for example, wrongly cancelling a parking ticket);
- Dangers to health and safety (for example, faulty protective equipment);
- Damage to the environment (for example, wrongful waste disposal)
- Breaching legal requirements; and
- Covering up or concealing any of the above.

Anyone who raises a genuine concern related to any of the protected disclosures is referred to as a '**whistleblower'** by the Act. If you have concerns of this type, you should use this policy to raise your concerns about them.

Don't wait for proof. We want you to raise the matter while it is still a concern. If in doubt, speak up. It doesn't matter if you turn out to be mistaken, as long as you are genuinely troubled.

2

Routes to raise other concerns

This policy aims to primarily address concerns detailed in the Public Interest Disclosure Act. The Council has a range of help and other policies to support other types of concern. The chart below will help you determine the best route to raise your concerns. Please refer to the contact details at page 7.

I'm concerned about the safety of a child or adult.	You can raise your concerns on the Council's intranet / website and through the Safeguarding Team
I'm concerned about the safety working practices at work.	You can raise your concern via the Health and Safety Policy or contacting the Health and Safety Team
I'm concerned that a member of staff is being bullied or harassed.	You can raise your concerns using the Bullying and Harassment Policy or by contacting Human Resources.
I want to raise a concern or grievance about a work issue.	You can raise your concern using the Grievance and Resolution Policy or by contacting Human Resources.
I want to raise a concern about fraud theft or money laundering.	You can raise your concern using the Anti-Fraud and Corruption Policy, the Anti Money Laundering Policy and by contacting Mid Kent Internal Audit.
I want to make a complaint against an Elected Member of the Council.	You can raise your concern using the Councillor Code of Conduct

3

Who should I raise concerns with?

In most cases, we hope you will be able to raise concerns in the first instance with your line manager, formally or informally. If for any reason you don't think it is appropriate to raise with your manager, or your manager has not addressed your concerns, you can use any of the options set out below:

- The Head of Mid Kent Audit or any member of the Internal Audit Team.
- The Chief Executive
- The Director of Resources
- The Director of Regeneration and Neighbourhoods
- The Head of Mid Kent Human Resources
- The Head of Mid Kent Legal Services
- Use the Council's reporting line Whistleblowing@Midkent.gov.uk or the dedicated telephone number 01622 602059.

This policy aims to provide an internal route for staff to raise concerns relating to whistleblowing. However, we recognise it may sometimes be appropriate to raise the matter externally and we provide a range of contact details on page 7.

We strongly encourage you to seek advice before reporting externally, especially before contacting the media, and avoid divulging confidential and/or personal and/or sensitive information.

If you feel you cannot seek help internally in the first instance, the charity Protect can provide free independent advice which you may find helpful.
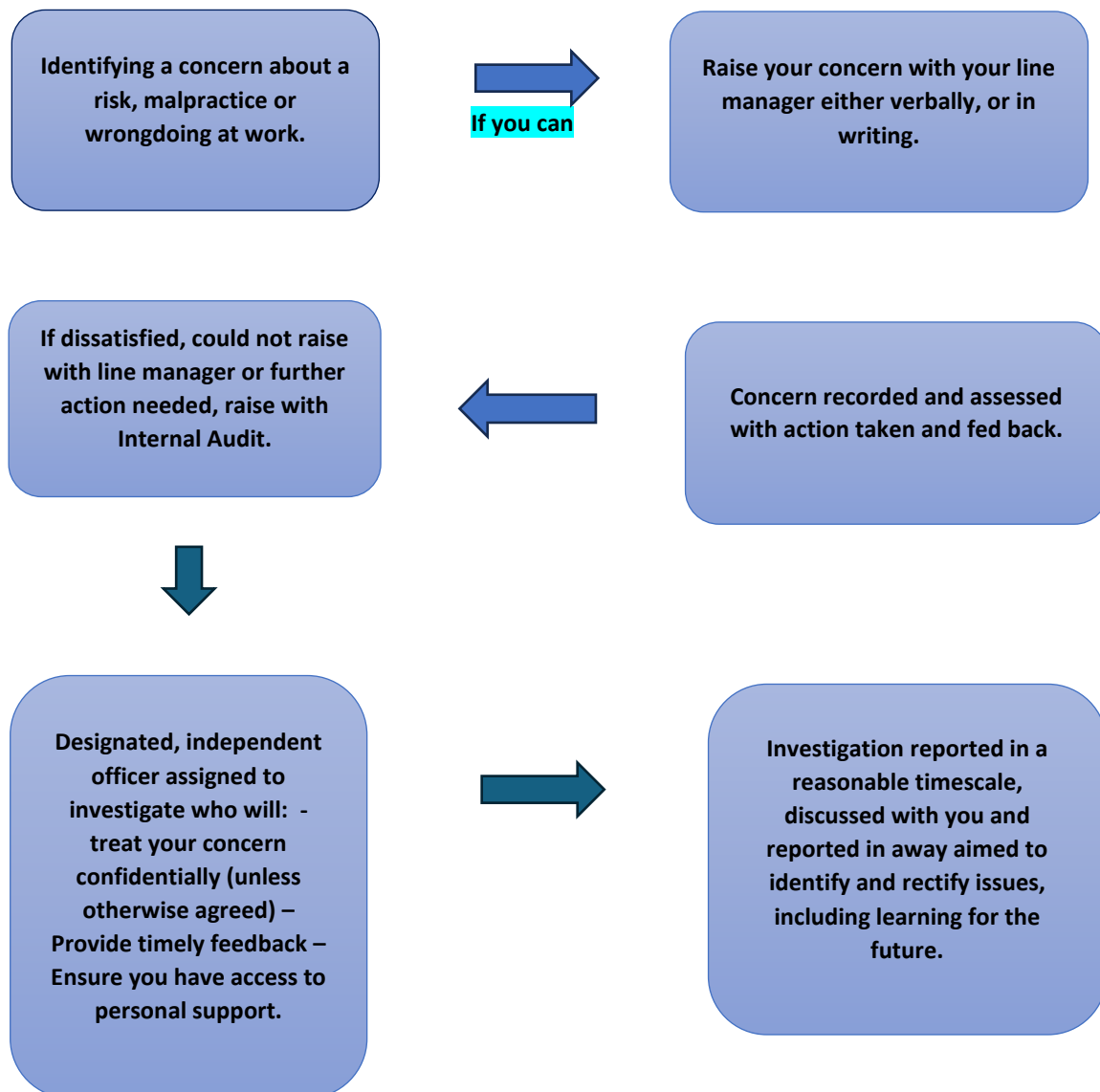
What will we do

We are committed to listening to our staff, learning lessons, and improving our services. When we receive a concern through this policy on whistleblowing, it will be recorded and you will receive an acknowledgement within two working days. We will also note the date we received the concern, whether you have requested confidentiality, a summary of the matters raised, and dates where we have provided updates or feedback.

We hope that line managers will be able to resolve matters quickly and informally. Where that is not possible, we will carry out a proportionate and independent investigation. This will aim to reach a conclusion within a reasonable timescale, which we will notify you of. The investigation will be objective and produce a report focussing on identifying and remedying any issues, including lessons to prevent problems from happening again.

We will treat you with respect and thank you for raising concerns. We will keep you informed on progress, while respecting others confidentiality, and may ask you for further assistance. You should not, however, attempt to undertake your own investigation.

4

An example process for staff raising and escalating a concern is shown below.

Identifying a concern about a risk, malpractice or wrongdoing at work.	**If you can** →	**Raise your concern with your line manager either verbally, or in writing.**
If dissatisfied, could not raise with line manager or further action needed, raise with Internal Audit.	←	**Concern recorded and assessed with action taken and fed back.**
↓		
Designated, independent officer assigned to investigate who will: - treat your concern confidentially (unless otherwise agreed) – Provide timely feedback – Ensure you have access to personal support.	→	**Investigation reported in a reasonable timescale, discussed with you and reported in away aimed to identify and rectify issues, including learning for the future.**

We understand that people raising concerns are sometimes worried about possible repercussions. We will not tolerate victimisation of people who raise concerns. Such actions are contrary to our values as a Council and may result in disciplinary action. If you are put under pressure to keep your concerns to yourself or suffer any detriment for raising a concern you should report it to a director or senior officer, including the Chief Executive.

If we conclude that a member of staff has made false allegations raised in bad faith, for example maliciously or with a view to personal gain, then they may be subject to disciplinary action. Also, speaking up does not guarantee immunity for any person who raises concerns about malpractice they have been involved in.

5

The Head of the Internal Audit Partnership maintains a record of concerns raised under this policy and the outcomes (in a form which does not endanger your confidentiality) and will report as necessary to the Audit Committee.

What if I'm not satisfied?

We cannot guarantee you will receive the outcome you seek, but we will deal with your concern fairly. You can help us do that by using this policy. However, if you are unhappy with how your concern has been handled, please raise the matter with the Head of Mid Kent Audit or the Chief Executive.

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Useful contact details

Within the Council

Larissa Reed – Chief Executive. Overall responsibility for the Council's workforce.
E: LarissaReed@Swale.gov.uk T: 01795 417390

Lisa Fillery – Director of Resources. Responsibility for financial management of the Council.
E: LisaFillery@Swale.gov.uk T:mailto:MarkGreen@maidstone.gov.uk 01795 417270

Emma Wiggins – Director of Regeneration and Neighbourhoods
E: EmmaWiggins@swale.gov.uk T: 01795 417396

Baljinder Sandher – Head of Mid Kent Human Resources
E: Baljinder.Sandher@MidKent.gov.uk T: 01622 602165

Katherine Woodward – Head of Mid Kent Audit. Responsibility for overseeing internal audit and counter fraud and the Council's lead whistleblowing officer.
E: Katherine.Woodward@Midkent.gov.uk T: 01622 602057

Claudette Valmond – Head of Legal Partnership. Responsible for advising on the probity and legality of the Council's decision making.
E: Claudette.Valmond@Midkent.gov.uk T: 01622 602124

Robin Harris – Deputy Head of Legal Partnership (Monitoring Officer).
E: Robin.Harris@MidKent.gov.uk T: 01622 602247

Reporting Line
E: [Whistleblowing@Midkent.gov.uk T:](mailto:Whistleblowing@Midkent.gov.uk) 01622 602059

External Contacts

Protect. The UKs Whistleblowing charity. [(Website)](#)
E: https://protect.tfaforms.net/f/Contact-the-Advice-Line T: 020 3117 2520

Swale Citizen Advice. [(Website)](#)
E: https://citizensadviceswale.uk/ T: 0808 278 7979

Grant Thornton. The Council's external auditors.
T: 020 7383 5100

The Secretary of State has produced a prescribed list setting out both the permitted regulatory bodies and their remits which can be found [here](#).

Version History and Review

	Date	Lead Author	Notes
1.0	July 2019	Rich Clarke	Ratified by Strategic Management Team
1.1	01.09.21		Review and updated personal details
1.3	24.04.25	Mark Goodwin	Wider review, circulation to Executive Management Team and other stakeholders.
	July 2025	Mark Goodwin	Ratified by Audit Committee

This policy will be reviewed bi-annually to ensure it remains effective and is up date with legislation.

Contacting Swale Borough Council

The customer Service Centre deals with all enquiries across the Council, it should be your first stop when contacting us.

Call 01795 417850.

Copies of this report are available on the council website.

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