

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.

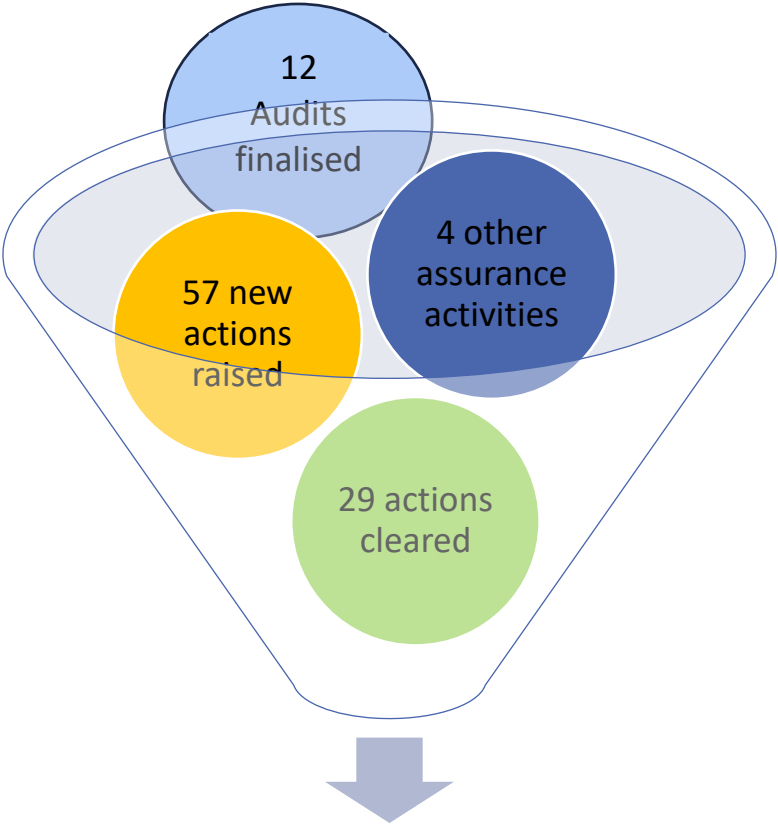
It is my opinion that **sound assurance** can be placed upon the systems in place that ensure adequate and effective management, control and governance processes exist to manage the achievement the council's objectives.

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.

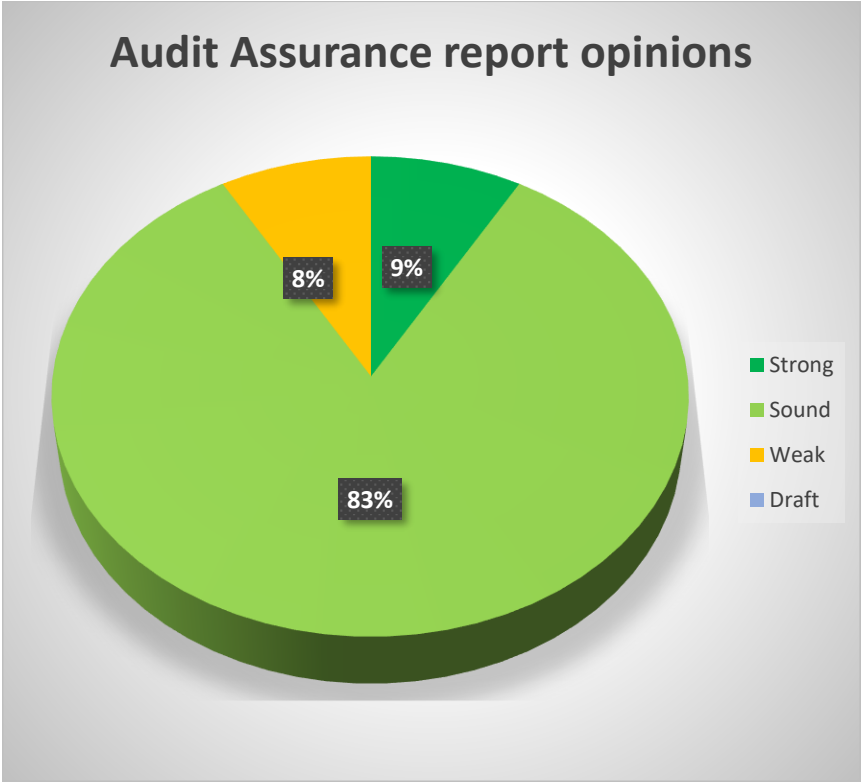


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Katherine Woodward
Head of Mid Kent Audit Partnership

3. Summary of Internal Audit Activity 2024/25



Sound Audit Opinion



4. Basis of forming the Annual Audit Opinion

Governance arrangements, Risk management and the Control Environment

- 4.1 The Head of Internal Audit provides an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control operating within the organisation. 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 extent to which agreed actions have been addressed by management and that the risk exposure has been mitigated.

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

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

- 4.5 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	<p>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.</p> <p>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.</p> <p>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.</p>	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
	<p>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.</p> <p>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.</p>				
Commercial Property Income	<i>Draft report issued to client.</i>	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
	<p>Our testing of ten cases confirmed that these were processed accurately and in line with guidance available.</p> <p>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:</p> <ul style="list-style-type: none"> • 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	<p>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).</p> <p>The details on the Council website, and communications</p>	Sound	0	3	6

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	<p>regarding elections were found to be well embedded and managed, although some pages require minor changes to meet accessibility requirements.</p> <p>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.</p> <p>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.</p>				
Performance Management	<p>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</p>	Sound	0	4	3

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	<p>monitoring occurs on a monthly or quarterly basis, ensuring ongoing oversight of performance.</p> <p>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.</p> <p>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.</p>				
Emergency Planning	<i>Draft report issued to client.</i>	<i>Sound</i>			
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
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>				

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

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	<p>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.</p> <p>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.</p> <p>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.</p>				
ICT Technical Support	<p>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.</p> <p>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</p>	Sound	0	1	4

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	<p>particularly in this fast-changing environment. We have raised recommendations in this regard.</p> <p>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.</p> <p>Our testing confirmed the service are meeting their SLA and KPI and have suitable arrangements in place to monitor this.</p>				
Revenues and Benefits – Fraud Compliance	<p>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.</p> <p>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</p>	Sound	0	4	7

Audit	Summary of audit findings	Assurance rating	No of agreed actions		
			High	Medium	Low
	<p>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).</p> <p>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.</p>				
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
	<p>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.</p> <p>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.</p>				

Additional Sources of Assurances and Consultancy work

Work title	Summary	Conclusion
<p>Building Control Audit (East Kent Audit Partnership)</p>	<p>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.</p> <p>The primary findings of the audit to determine the reasonable assurance rating were:</p> <ul style="list-style-type: none"> • 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. <p>Scope for improvement was identified in the following areas:</p> <ul style="list-style-type: none"> • 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. 	<p>Reasonable (Sound)</p>

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)	<p>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.</p> <p>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</p>	Positive report
Grant Thornton – Housing Benefit Subsidy Assurance 2022/23	<p>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.</p> <p>The engagement was carried out in accordance with the DWP reporting framework and does not express an assurance rating.</p>	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

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

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.

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.