Kent County Council

Internal Audit Annual Report 2024-25

September 2025

1. Purpose and Background

1.1 This Annual Report provides a summary of the work completed by the Internal Audit service during 2024-25.

1.2 Professional Internal Audit Standards require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance to support the Council's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015. This report should include the following:

- An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework;
- A summary of the audit work from which the opinion is derived;
- Any issue the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- A comparison of the work undertaken with the work that was planned and a summary of the performance of the Internal Audit function against its performance measures and criteria;
- A statement on conformance with professional standards and the result of the Internal Audit Quality Assurance and Improvement Programme;
- Disclosure of any qualifications to the opinion, together with the reasons for the qualification; and
- Disclosure of any impairments (in fact or appearance) or restriction in scope.

1.3 The purpose of this report is to satisfy these requirements and members are requested to note its content and the Annual Internal Audit Opinion provided.

1.4 Additionally, the report highlights key messages and outcomes, issues, patterns, strengths and areas for development in respect of internal control, risk management and governance arising from work undertaken by Internal Audit.

1.5 The Annual Opinion is derived from evaluation of the outcomes of Internal Audit work with specific emphasis upon the following key factors:

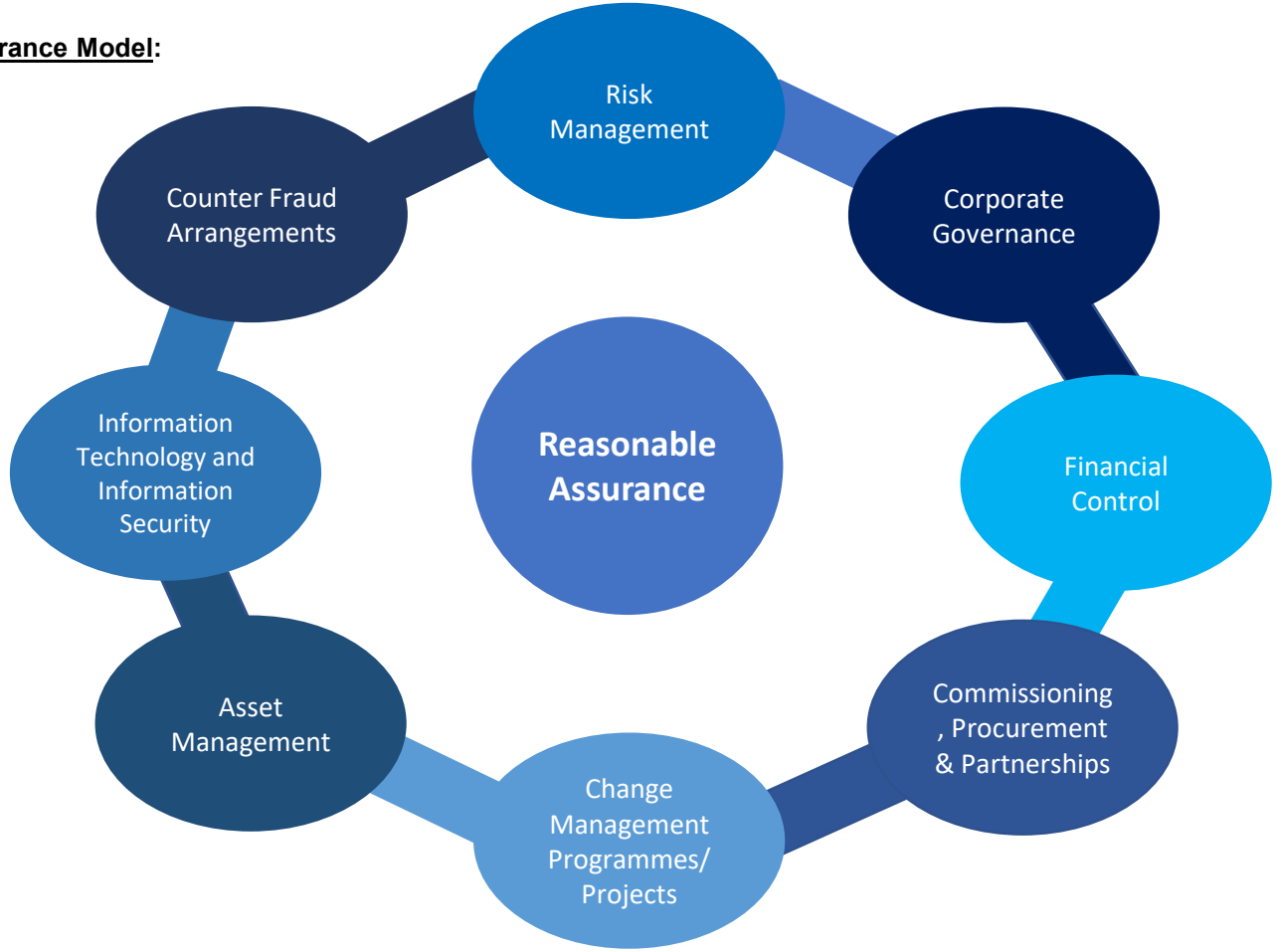
- Assurance Opinions from audit assignments;
- The increased use of audit resources on advisory engagements;
- Follow Up reviews of audits assigned as Limited or No Assurance;
- Assessment of audit outcomes against key themes of corporate health (the "Reasonable Assurance" model); and
- The level of implementation by management of agreed actions to improve internal control and the management of risk.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

1.6 The “Reasonable Assurance” Model evaluates the outcomes of Internal Audit and Counter Fraud work against the following 8 themes of what a healthy organisation requires to operate effectively.

Figure 1: Reasonable Assurance Model:



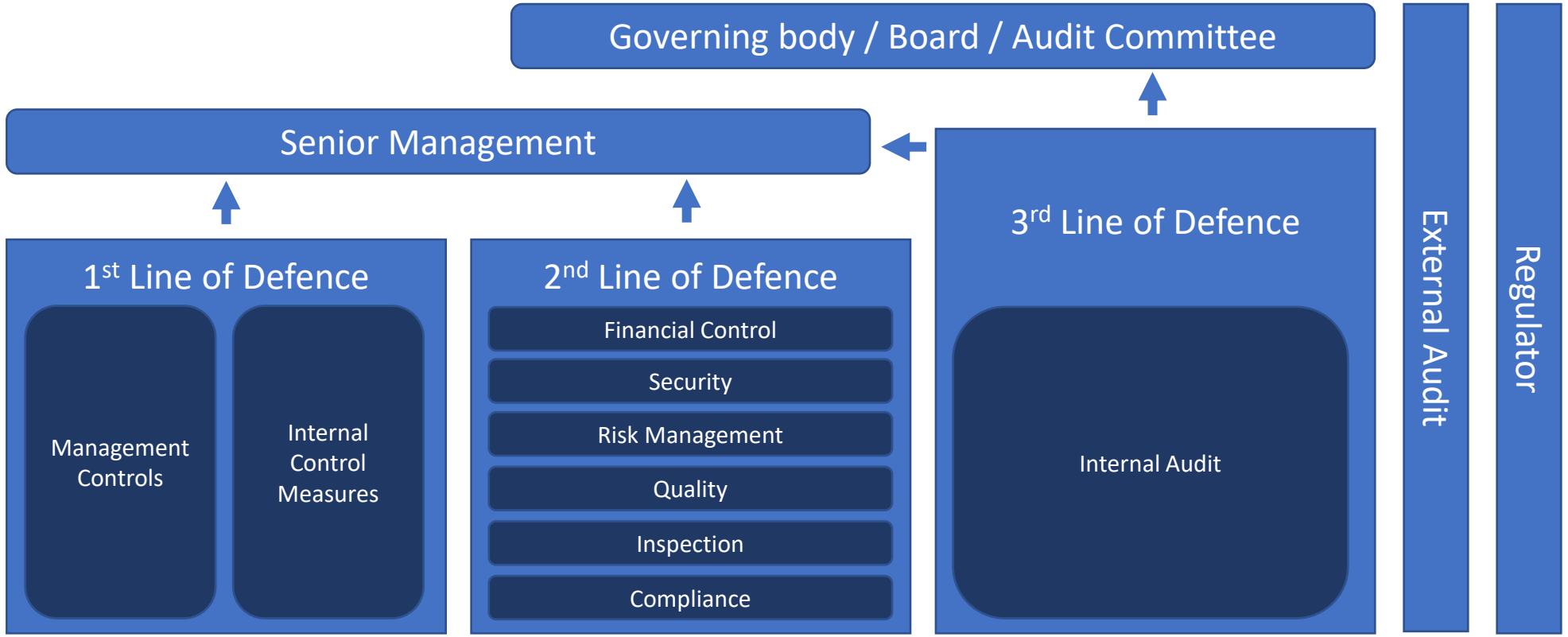
1.7 Internal Audit is guided by the Internal Audit Charter, which is reviewed annually. Internal Audit provides an independent and objective opinion on the Council’s control environment through the work based on the Annual Internal Audit Plan agreed by the Governance and Audit Committee.

.

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

1.8 The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines of Defence Model:

Figure 2: Three Lines of Defence Model:



Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

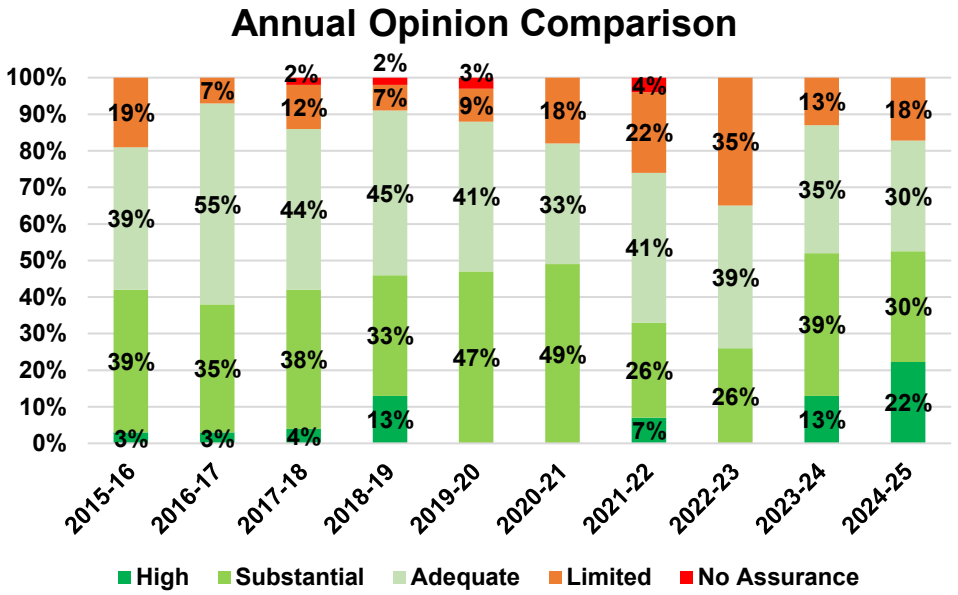
2. Annual Opinion

Overall Assurance and Opinion

2.1 Internal Audit concludes that **Adequate** Assurance can be assigned in relation to the Council's corporate governance, risk management and internal control arrangements.

2.2 This opinion is principally based upon the evaluation of the findings, conclusions and assurances from the work undertaken by Internal Audit compared to eight key indicators of corporate health, as set out in paragraphs 3.7-3.9, which concludes "Adequate" assurance overall.

2.3 There has been an improvement and upward trajectory in the proportion of systems, processes or functions which are assigned an assurance level of "Substantial" or High" with 52% in 2024-25 compared to 42% in 2023-24 and 26% in 2022-23. There was a slight increase in the assigning of "Limited" assurance in 2024-25 to 18% from 13% in 2023-24.



2.4 Significant level of audit resources cover non- assurance work such as Advisory and Programmed Follow Ups of previous audits assigned "Limited" or "No" assurance. The outcomes from this non-assurance work has highlighted improvements across 2024-25. Thus, for example, the outcome of the Programmed Follow Up work was that of 21 issues raised, 76% had been fully implemented.

2.5 The opinion is also based on the evaluation of the implementation by management of actions to address internal control and risk management issues identified by Internal Audit reports. In 2024-25, full implementation rates increased to 62% in 2024-25 from 34% in 2023-24. This was a positive step in the implementation of agreed management actions and should be built upon in 2025-26.

2.6 It should be emphasised that the assignment of an overall "Adequate" assurance opinion in 2024-25 is consistent with the overall opinion since 2019-20. The Adequate" assurance opinion should be considered in the context of the unprecedented challenges faced by the Council in recent years and the significant risks it continues to address. It is important to emphasise the improvements in audits assigned assurance opinions in 2024-25.

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

2.7 Internal Audit aims to add value and continues to work collaboratively with stakeholders, senior management and the Governance and Audit Committee to improve governance and internal control arrangements via identifying improvements such as:

- Being a critical friend and trusted advisor for Council projects such as the Oracle Cloud programme;
- Auditing what matters and revising areas of coverage to reflect new risks and assisting the organisation in times of challenge;
- Help the Council look back and learn from experiences with clear and targeted reports;
- Providing insight by evaluating the Council's current state and examining the strengths, weaknesses and maturity of the organisation;
- Highlighting emerging risks that require monitoring and managing;
- Championing effective corporate governance, strong risk management, greater efficiency of operations and effective processes and internal controls,
- Continued coverage of information technology and information governance risks;
- Attendance at various external groups to share best practice and inform horizon scanning of significant risks;
- Delivery of an effective proactive and reactive Counter Fraud service;
- Retention of services delivered to external clients;
- Promoting and delivering on the ethos of talent management and development of members of the service; and
- Input to Council wide Information Governance and Risk groups.

2.8 There have been no significant limitations to the scope of Internal Audit work, but it should be noted that the assurance expressed can never be absolute and as such Internal Audit provides assurance based on the work performed.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

3. Summary of Internal Audit Work 2024-25

Delivery Against the Internal Audit Plan

3.1 Appendix 1 details delivery against the 2024-25 Internal Audit Plan including amendments and changes.

Assurance Opinions from Audit Assignments

3.2 Assurance levels are assigned to completed risk-based audit reviews based on the criteria in **Appendix 5**. For the 2024-25 Audit Plan, a total of 42 audit engagements were undertaken of which 23 (57%) were opinion based and the assurance levels assigned are set out in **Appendix 5**.

3.3 Overall, 52% of systems or functions have been assigned with "Adequate" assurance or lower with 30% assigned Adequate and 18% assigned Limited assurance. There has been an increase in the assigning of "Substantial" or "High" assurance opinions (52%) in 2024-25 compared to 2022-23 (26%). Furthermore, the levels of High assurance reviews (22%) has increased from 2023-24 (13%). as illustrated in Table 1.

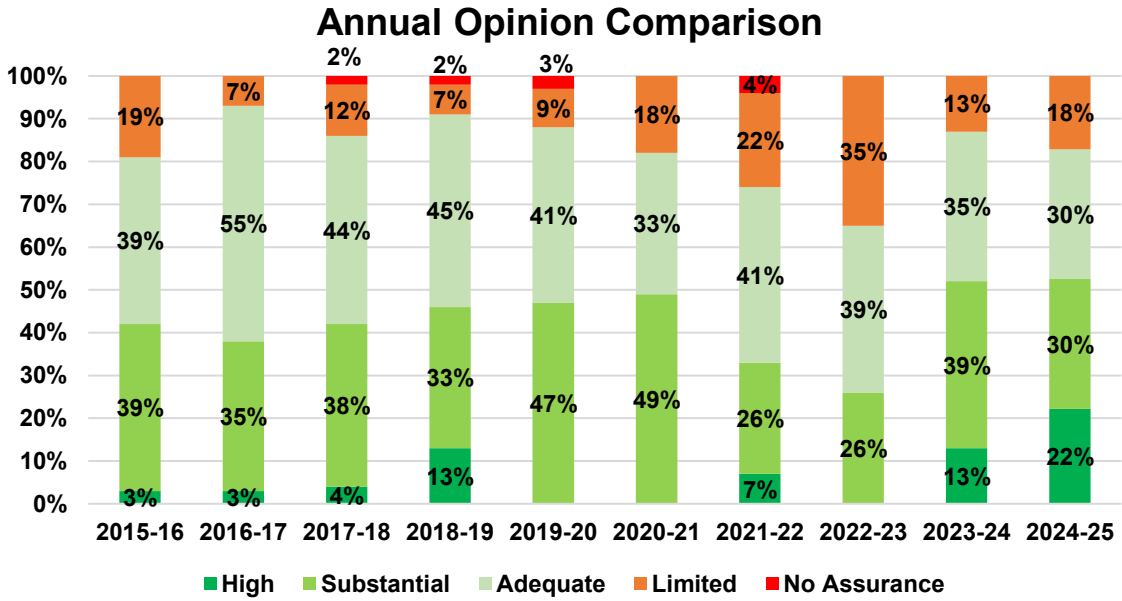


Table 1: Summary of Assurance Opinions 2015-16 to 2024-25

Assurance Level	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
High	3%	3%	4%	13%	0%	0%	7%	0%	13%	22%
Substantial	39%	35%	38%	33%	47%	49%	26%	26%	39%	30%
Adequate	39%	55%	44%	45%	41%	33%	41%	39%	35%	30%
Limited	19%	7%	12%	7%	9%	18%	22%	35%	13%	18%
No Assurance	0%	0%	2%	2%	3%	0%	4%	0%	0%	0%
Substantial or Above	42%	38%	42%	46%	47%	49%	34%	26%	52%	52%

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

3.4 Detailed summaries on the outcomes from Internal Audit work completed for 2024-25 Audit Plan have been reported in Progress reports to the Governance and Audit Committee throughout the year.

Prospects for Improvement

3.5 On the conclusion of each audit assignment, an assessment of the prospects for improvement is provided in the respective audit report. This is based on the criteria set out in **Appendix 5**.

3.6 Overall, 95% of systems or functions have been assessed as having good, or better, prospects for improvement. This is a slight increase from the previous year, as illustrated in **Table 2**.

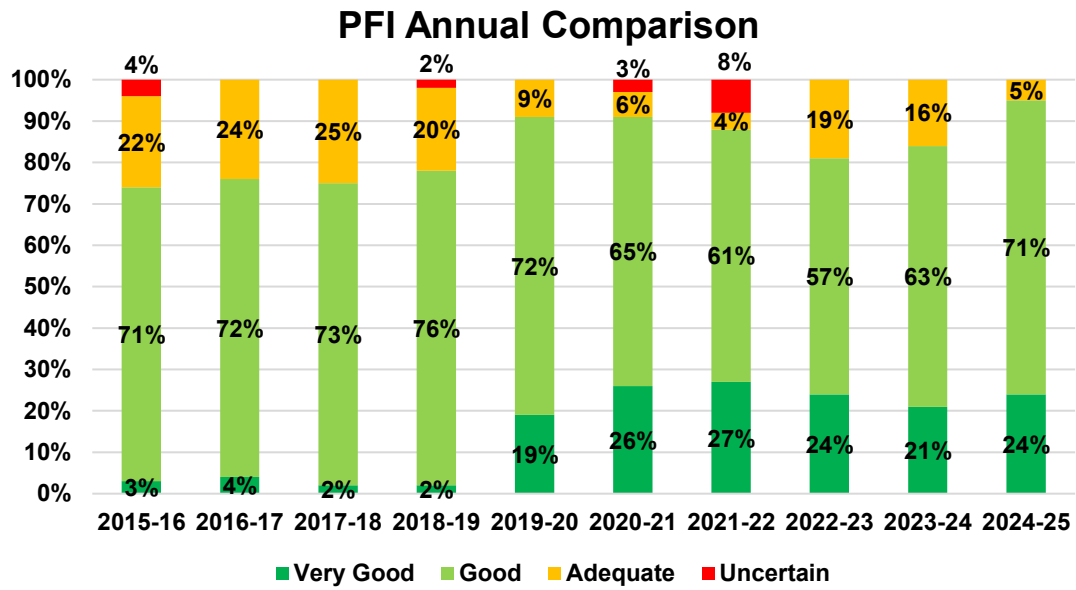


Table 2: Summary of Prospects for Improvement 2015-16 to 2024-25

Prospects for Improvement	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Very Good	3%	4%	2%	2%	19%	26%	27%	24%	21%	24%
Good	71%	72%	73%	76%	72%	65%	61%	57%	63%	71%
Adequate	22%	24%	25%	20%	9%	6%	4%	19%	16%	5%
Uncertain	4%	0%	0%	2%	0%	3%	8%	0%	0%	0%
Good or Above	74%	76%	75%	78%	91%	91%	88%	81%	84%	95%

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Reasonable Assurance Methodology Analysis

3.7 Evaluation of Internal Audit outcomes from audits undertaken utilising the Reasonable Assurance Model (as referred to at paragraph 1.6) provides focus on those audits which both assign an opinion and make audit conclusions and observations in management letters on the 8 themes of corporate health. Thus, this analysis forms the key component of the derivation of the Head of Internal Audit Annual Opinion.

3.8 In planning to be able to conclude an opinion on the whole risk management, governance and internal control framework, Internal Audit work is assessed around the 8 key lines of enquiry. Internal Audit assessments for each theme is summarised in **Table 3**:

Table 3: Audit Outcomes Evaluated on Reasonable Assurance Model

1. Corporate Governance				Direction of Travel
		NO / LIMITED / ADEQUATE / SUBSTANTIAL / HIGH		→
No.	**Audit**	**Opinion**	**Prospect for Improvement**	**Summary to Committee**
3	RB37-2025 – Facilities Management	ADEQUATE	GOOD	November 2024 GAC
9	ICT01-2025 - Artificial Intelligence	SUBSTANTIAL	VERY GOOD	January 2025 GAC
10	RB47-2025 - Oracle Cloud Program – Programme and Financial Management	LIMITED	ADEQUATE	January 2025 GAC
13	RB46-2025 - Climate Adaptation	EMBEDDED ASSURANCE	N/A	January 2025 GAC
22	RB08-2025 - Key Decision-Making Process	ADEQUATE	GOOD	July 2025 GAC
23	RB09-2025 - Decisions on Accepting Grant Funding	N/A – ADVISORY	N/A	July 2025 GAC
26	RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation	ADEQUATE	VERY GOOD	July 2025 GAC
28	RB15-2025 - Public Health Service Transformation	ADEQUATE	GOOD	July 2025 GAC
36	RB18-2025 - KCC Improvement Action Plan	SUBSTANTIAL	TBC	September 2025 GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

1. Corporate Governance

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
32	CR04-2025 - Review of SEND Assurances	HIGH	N/A	September 2025 GAC
33	RB01-2025 – ASCH Savings Delivery Plans	INTERIM REPORT	N/A	September 2025 GAC
34	RB03-20205 - Equality, Diversity & Inclusion including Equalities Act Follow-up	SUBSTANTIAL	GOOD	September 2025 GAC
-	CR01-20205 - Oracle Cloud Program – Embedded Assurance	EMBEDDED ASSURANCE	N/A	September 2025 GAC
46	RB55-2025 - Oracle Cloud Program – Business Readiness	EMBEDDED ASSURANCE	N/A	July/ September 2025 GAC

A Governance Recommendation Improvements Plan (GRIP) is in place which tracks identified improvements from Internal and External Audit, AGS and associated reports.

The review of the Key Decision-Making Process identified whilst overall there is a broadly sound control framework in place with enhancement brought in from May 2025 with the introduction of the Decision-Making App which forces advice at an early stage from Finance, Procurement and Legal , there were areas which can be enhanced further through enhancing training and making guidance more explicit.

For the review of Artificial Intelligence (AI), it was found that there was appropriate governance arrangements in place.

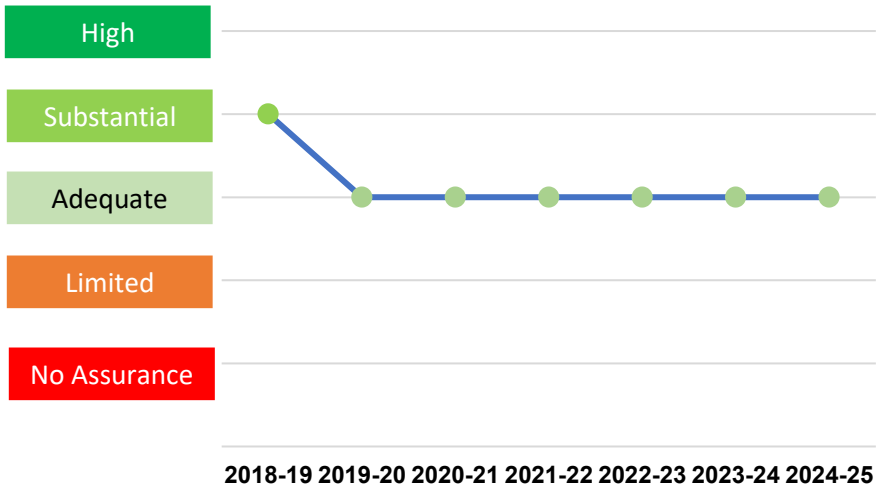
Although School Capital Programme – Basic Need and High Needs Allocation received an Adequate opinion, the governance within this area was found to be robust.

The advisory work undertaken on Decisions on Accepting Grant Funding found that the governance was broadly positive.

The Care Quality Commission (CQC) review of Adult's Services identified a number of areas for improvement and assessed the Council as requires Improvement overall. The review also found Governance, Management and Sustainability required improvement. Full details are documented within the other sources of assurance section of the Annual Report.

Internal Audit continue to provide embedded assurance on the Oracle Cloud Programme which will continue into 2025-26. Observations found that there is a refreshed governance structure which oversees the whole Programme. There are clear roles, responsibilities and accountabilities and Terms of Reference for each project team / group.

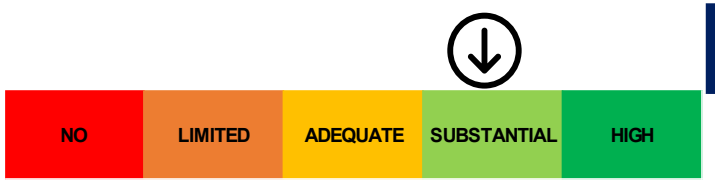
Corporate Governance Direction of Travel



Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

2. Risk Management



Direction of Travel

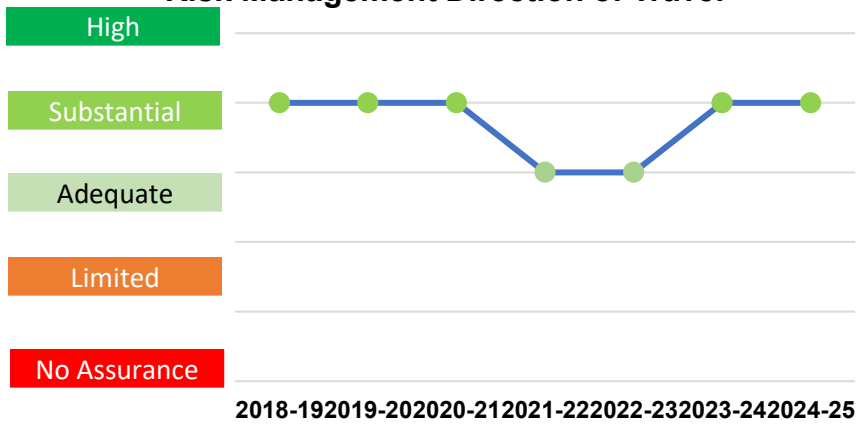
No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
4	RB41-2025 - Border Control – EU Entry Exit System Checks (EES)	ADEQUATE	GOOD	November 2024 GAC
10	RB47-2025 - Oracle Cloud Program – Programme and Financial Management	LIMITED	ADEQUATE	January 2025 GAC
21	RB33-2025 - Education – Alternative Provision (Pupil Referral Units)	ADEQUATE	GOOD	July 2025 GAC
26	RB49-2025 - School Themed Review – Safeguarding	SUBSTANTIAL	N/A	July 2025 GAC
31	RB52-2025 - Data Security Protection Toolkit (DSPT)	HIGH	GOOD	July 2025 GAC
32	CR04-2025 - Review of SEND Assurances	HIGH	N/A	September 2025 GAC
43	RB30-2025 - Risk Management	HIGH	VERY GOOD	September 2025 GAC
-	CR01-2025 - Oracle Cloud Programme – Embedded Assurance	EMBEDDED ASSURANCE	N/A	September 2025 GAC

Review of Oracle Cloud Program (OCP) identified that early during the course of 2024-25 that risk management practices within the programme should be enhanced. Internal Audit have observed an improvement in this with greater emphasis taken at the OCP Board and financial risk quantification taking place.

The Care Quality Commission (CQC) review of Adult's Services identified a number of areas for improvement and one particular area highlighted surrounded Safeguarding. Full details are documented within the other sources of assurance section of the Annual Report.

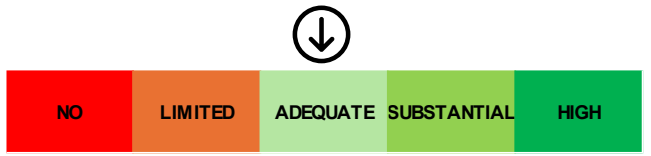
The Corporate Risk Register and Strategy have been Committees throughout the year and have been scrutinised by Members and provide a fair reflection of the current risk landscape facing the Council. Internal Audit also undertook a review of Risk Management during 2024-25 and found A comprehensive and formally approved framework is in place, aligned with ISO 31000 and the Orange Book. Roles, responsibilities, and escalation protocols are clearly defined.

Risk Management Direction of Travel



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

3. Financial Control



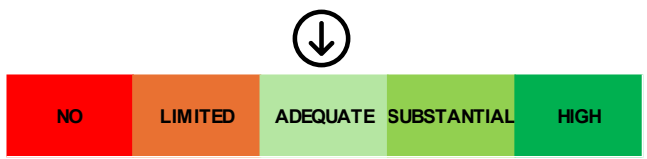
Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
2	RB06-2024 - Kent Cards and Direct Payments – Policies and Practice	LIMITED	GOOD	November 2024 GAC
3	RB37-2025 – Facilities Management	ADEQUATE	GOOD	November 2024 GAC
10	RB47-2025 - Oracle Cloud Program – Programme and Financial Management	LIMITED	ADEQUATE	January 2025 GAC
15	RB02-2025 - Compliance with Financial Regulations – Follow-up	FOLLOW-UP	N/A	January 2025 GAC
20	RB21-2025 - Treasury Management	HIGH	VERY GOOD	July 2025 GAC
25	RB51-2025 - Sundry Debt Recovery – Cancellation of Invoices – Follow-up	FOLLOW-UP	N/A	July 2025 GAC
27	RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation	ADEQUATE	VERY GOOD	July 2025 GAC
30	RB50-2025 - Loans to Schools – Follow-up	FOLLOW-UP	N/A	July 2025 GAC
38	RB23-2025 - Budget Savings including Follow-up	ADVISORY	N/A	September 2025 GAC
45	RB39-2025 – Payroll	HIGH	GOOD	September 2025 GAC
-	CR01-2025 - Oracle Cloud Program – Embedded Assurance	EMBEDDED ASSURANCE	N/A	September 2025 GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

3. Financial Control



Direction of Travel

No.	Audit	Opinion	Prospects for Improvement	Summary to committee
33	RB01-2025 – ASCH Savings Delivery Plans	INTERIM REPORT	N/A	September 2025 GAC
-	Imprest Investigation	N/A – FINANCIAL IRREGULARITY	N/A	September 2025 GAC
-	Essential Living Allowance - CYPE	N/A – FINANCIAL IRREGULARITY	N/A	September 2025 GAC
-	ASCH – Provider invoicing	N/A – FINANCIAL IRREGULARITY	N/A	May 2024 GAC & July 2025 GAC
-	IR35 (Off Payroll Working)	N/A – FINANCIAL IRREGULARITY	N/A	May 2024 GAC
-	Home to School Taxi Services	N/A – FINANCIAL IRREGULARITY	N/A	November 2024, March 2025 & July 2025

Treasury Management received "High" assurance particular areas to highlight were in respect to the controls in place for accountability, responsibility and oversight whilst testing found that all investment decisions had been documented and approved in line with the treasury strategy.

Certification on a wide range of funding received by the Council has confirmed that funds had been spent in accordance with the respective conditions of the grants.

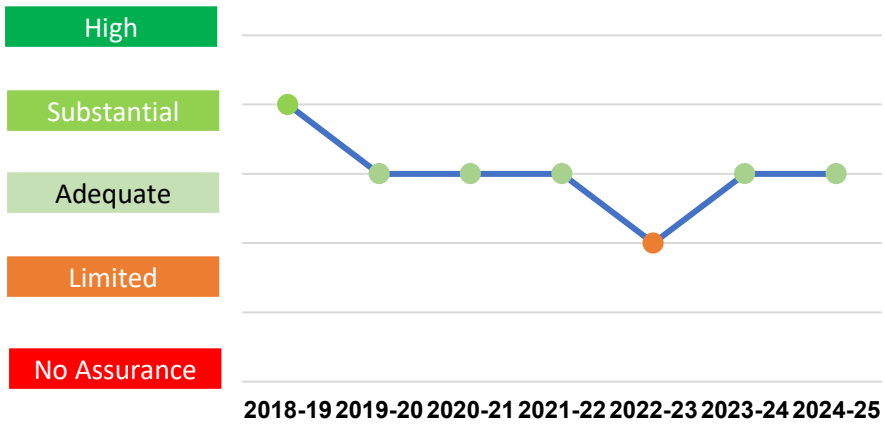
A Limited assurance review of Direct Payments where a number of actions linking to financial control were identified including timeliness of when amendments to a direct payment should be actioned and there being an inefficient process in place for identifying "unusual transactions" against care plans.

Embedded assurance work on the Oracle Cloud Programme initially identified significant weaknesses in relation to financial management but by the end of the year there had been an improvement on the financial monitoring and reporting of the budget position to the Programme Board.

5 Financial Irregularities pertinent to financial control were investigated resulting in financial loss to the Council as reported in the Counter Fraud Annual Report to July 2025 Governance and Audit Committee.

A number of Follow Up audits of a Limited Assurance audit reports which apply to financial control has seen positive improvements where the vast majority of previously identified issues were found to be implemented during the course of the audit or have later been closed during the course of Internal Audits follow-up process.

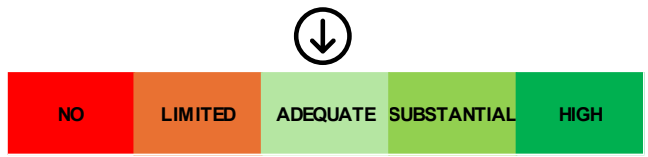
Financial Control Direction of Travel



Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

4. Change, Programme and Project Management

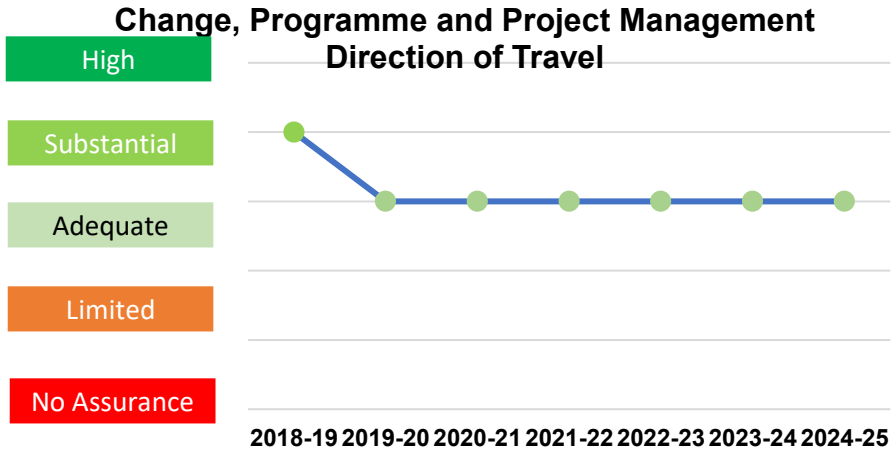


Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
4	RB41-2025 - Border Control – EU Entry Exit System Checks (EES)	ADEQUATE	GOOD	November 2024 GAC
9	ICT01-2025 - Artificial Intelligence	SUBSTANTIAL	VERY GOOD	January 2025 GAC
10	RB47-2025 - Oracle Cloud Program – Programme and Financial Management	LIMITED	ADEQAUTE	January 2025 GAC
18	ICT04-2025 – KCC Website Review	N/A – ADVISORY	N/A	July 2025 GAC
28	RB15-2025 - Public Health Service Transformation	ADEQUATE	GOOD	July 2025 GAC
33	RB01-2025 – ASCH Savings Delivery Plans	INTERIM REPORT	N/A	September 2025 GAC
46	RB55-2025 - Oracle Cloud Program – Business Readiness	N/A – ADVISORY	N/A	July/ September 2025 GAC
-	CR01-2025 - Oracle Cloud Program – Embedded Assurance	EMBEDDED ASSURANCE	N/A	September 2025 GAC

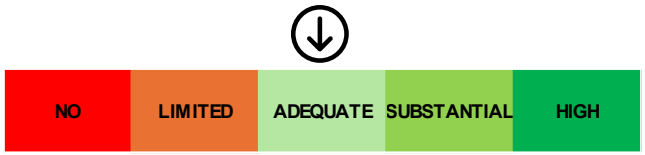
Internal Audit continue to provide ongoing embedded assurance on the Oracle Cloud Programme (OCP). Two reports have been provided to GAC relating to Business Readiness, Programme and Financial Management which highlighted several issues between the two reviews including financial monitoring. However, it has been observed at OCP board that there is improvements to this along with a revised governance structure in place.

Public Health Service Transformation found that whilst broadly a number of key strengths were identified such as the governance arrangement and approvals. There were some programme management elements that had not been completed. Similar findings were found in the KCC Website review also relating to project documentation.



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

5. Procurement, Commissioning and Partnerships



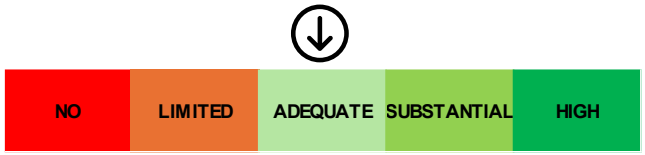
Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
12	RB17-20205 – Everyday Life Activities (EDLA) Contract Award – Lessons Learnt	N/A – ADVISORY	N/A	January 2025 GAC
14	CR05-2025 - Highways Term Maintenance Contract	EMBEDDED ASSURANCE	N/A	January 2025 GAC
29	RB26-2025 - Procurement – Follow-up	FOLLOW-UP	N/A	January 2025 GAC
37	RB22-2025 - Contract Variations / Waiver Process and Approvals	ADEQUATE	GOOD	September 2025 GAC
39	RB25-2025 - Contract Extensions – Follow-up	FOLLOW-UP	N/A	September 2025 GAC
40	RB47-2025 - Modern Slavery	ADVISORY	N/A	September 2025 GAC
42	RB29-2025 - Contract Novation	LIMITED	GOOD	September 2025 GAC
47	RB54-2025 - Commercial & Procurement Oversight Board (CPOB)	ADVISORY	N/A	September 2025 GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

5. Procurement, Commissioning and Partnerships

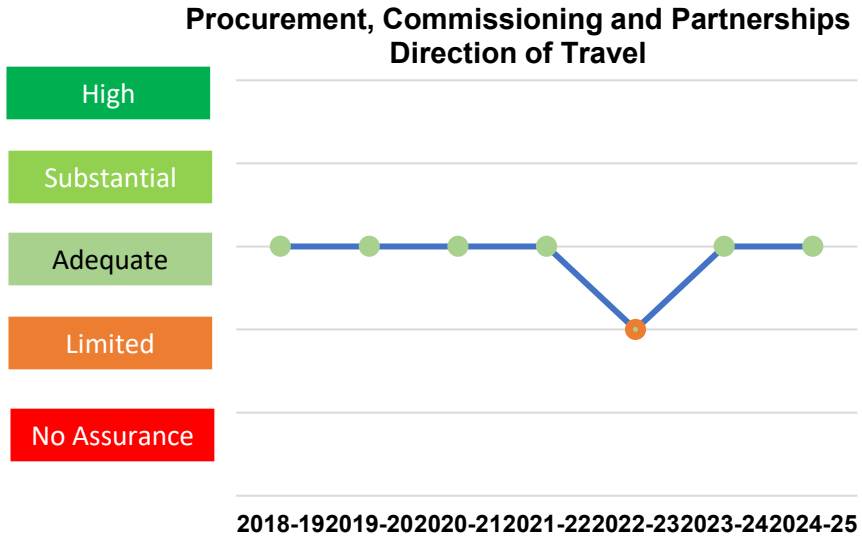


Direction of Travel

The Care Quality Commission (CQC) review of Adult's Services identified a number of areas for improvement and one particular area highlighted surrounded Partnerships and Communities. Full details are documented within the other sources of assurance section of the Annual Report.

Though it is recognised that there have been a number of positive strides in relation to how KCC approaches procurement, commissioning and partnerships such as the work of the Commercial & Procurement Oversight Board and Contract Review Group. There are still further enhancements that need to be addressed as identified in a number of follow-up audits undertaken during 2024-25.

From November 2024, KCC has implemented a No PO No Pay Policy which should enhance the control environment. Continued emphasis in 2025-26 on Procurement, commissioning and partnerships related audits which will include an audit of Contract Management and Monitoring.



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

6. Information Technology and Information Security

NO | LIMITED | ADEQUATE | SUBSTANTIAL | HIGH

Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
9	ICT01-2025 - Artificial Intelligence	SUBSTANTIAL	VERY GOOD	January 2025 GAC
17	ICT03-2025 - Cyber Security Assurance Map	ASSURANCE MAP	N/A	July 2025 GAC
18	ICT04-2025 - KCC Website Review	N/A – ADVISORY	N/A	July 2025 GAC
19	ICT05-2025 - KCC Incident Response Plan	SUBSTANTIAL	GOOD	July 2025 GAC
31	RB52-2025 - Data Security Protection Toolkit (DSPT)	HIGH	GOOD	July 2025 GAC
46	RB55-2025 - Oracle Cloud Program – Business Readiness	N/A – ADVISORY	N/A	July/ September 2025 GAC

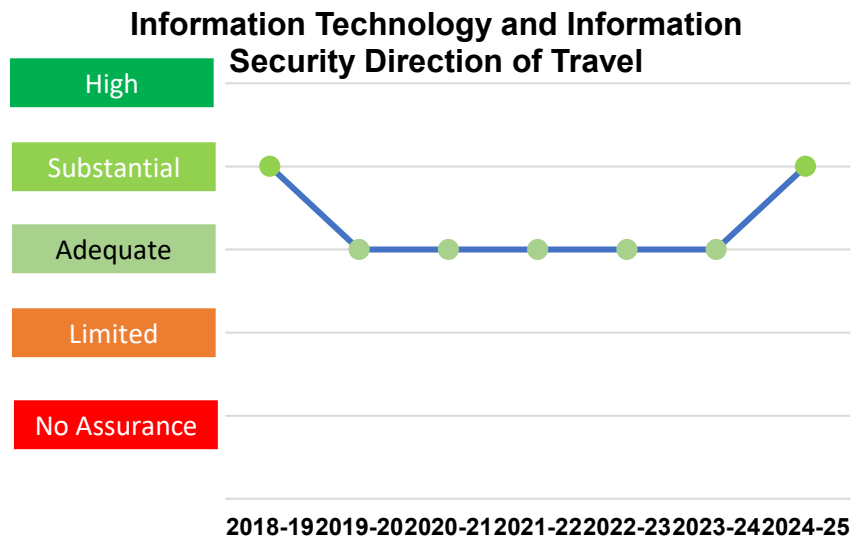
For the review of Artificial Intelligence (AI), it was found that there was appropriate governance arrangements in place. However, for AI some areas for improvement moving forward were suggested namely around procedures, tools and storage with the need for further review.

The Cyber Security Assurance Map found that there is broadly assurances available across the 3 lines of defence to manage the corporate risk (CRR00014 – Cyber & Information Security Resilience). Some areas for enhancement were identified and appropriate actions have been determined to build on the assurances available.

The audit of KCC Incident Response Plan found that this is appropriate in design with only some minor improvements identified.

The DSPT review found that the Council is fully compliant with required mandatory assertions and no areas for improvement were identified.

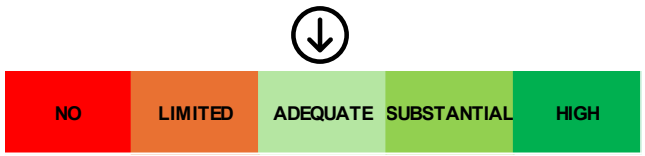
Awareness of Information Governance was raised through the annual Information Governance week which was attended by many Officers across the organisation. Oversight of Information Technology is undertaken by Corporate Information Governance Group and Information Governance Cross Directorate Working Group.



Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

7. Asset Management



Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
3	RB37-2025 - Facilities Management	ADEQUATE	GOOD	November 2024 GAC
27	RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation	ADEQUATE	VERY GOOD	July 2025 GAC
34	RB03-20205 - Equality, Diversity & Inclusion including Equalities Act Follow-up	SUBSTANTIAL	GOOD	September 2025 GAC
40	RB27-2025 - Modern Slavery	ADVISORY	N/A	September 2025 GAC
41	RB28-2025 - Use of Consultants	LIMITED	TBC	September 2025 GAC
44	RB36-2025 – Disciplinaries	SUBSTANTIAL	VERY GOOD	September 2025 GAC

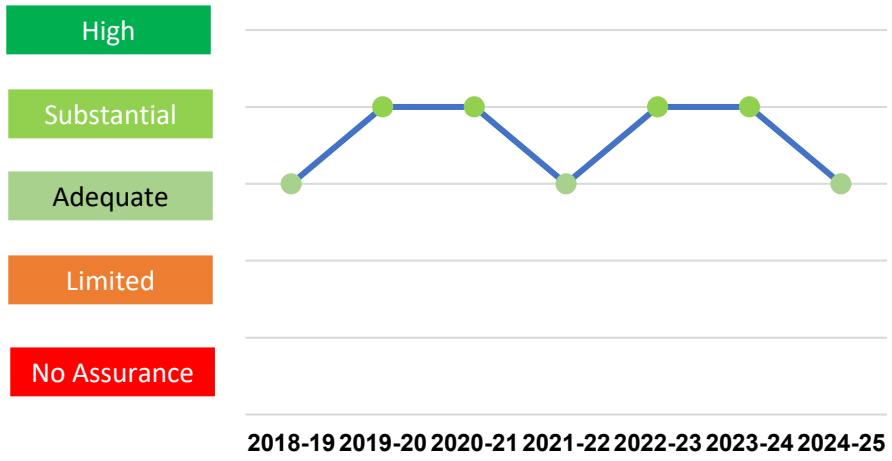
The review of Facilities Management found that there were adequate arrangements in place in relation to the contract management of facilities management. Enhancements were identified in relation to finalising the deed of variation and the practices to support management of the contract.

The review of Modern Slavery found that significant work had been undertaken to address known weaknesses following the Serious Organised Crime project and to develop more robust processes, including introduction of a new team.

The audit of Equalities, Diversity and Inclusion found there is a sound control framework in place with diverse communication channels in place with positive feedback/ engagement from younger staff (16-25).

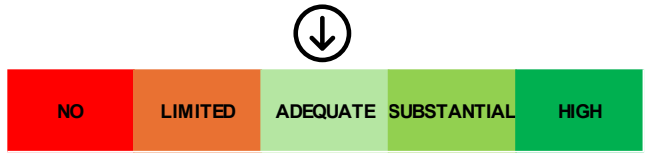
The review of the School Capital Programme found that the governance framework is transparent and subject to regular review. The medium priority issue identified lends towards improvement that would be considered in the financial control pillar which relate to Corporate Director oversight of the Capital Programme Budget.

Asset Management Direction of Travel



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

8. Counter Fraud Arrangements

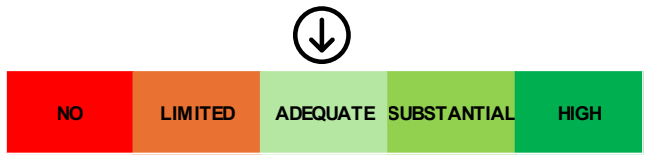


Direction of Travel

No.	Audit	Opinion	Prospect for Improvement	Summary to Committee
9	ICT01-2025 - Artificial Intelligence	SUBSTANTIAL	VERY GOOD	January 2025 GAC
11	RB06-2025 – Effectiveness of Whistleblowing	SUBSTANTIAL	GOOD	January 2025 GAC
19	ICT05-2025 - KCC Incident Response Plan	SUBSTANTIAL	GOOD	July 2025 GAC
25	RB51-2025 - Sundry Debt Recovery – Cancellation of Invoices – Follow-up	FOLLOW-UP	N/A	July 2025 GAC
29	RB26-2025 - Procurement – Follow-up	FOLLOW-UP	N/A	July 2025 GAC
39	RB25-2025 - Contract Extensions – Follow-up	FOLLOW-UP	N/A	September 2025 GAC
40	RB27-2025 - Modern Slavery	ADVISORY	N/A	September 2025 GAC
41	RB28-2025 - Use of Consultants	LIMITED	TBC	September 2025 GAC
42	RB29-2025 - Contract Novation	LIMITED	GOOD	September 2025 GAC
-	Imprest Investigation	N/A – INVESIGATION	N/A	
-	Essential Living Allowance	N/A – INVESTIGATION	N/A	
-	No Recourse To Public Funds	N/A – FINANCIAL IRREGULARITY	N/A	May 2024 GAC
-	Payment to providers – CYPE – Adult Education	N/A – FINANCIAL IRREGULARITY	N/A	November 2024 GAC

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

8. Counter Fraud Arrangements



Direction of Travel

Financial controls were found to need improving within the way providers invoice for services within the Supporting Living Contract in Adult Social Care, in that there is a lack of relevant business records on the level of services delivered (care records / rotas) when submitting invoices for payment, therefore no reconciliation on services being delivered can be done on receipt of the invoice, this issue was reporting in 2023/24 and continued into 2024/25.

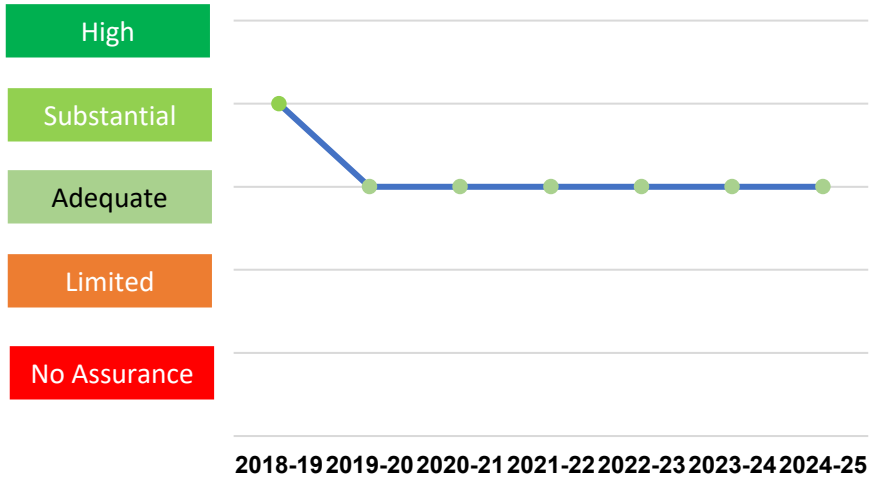
Irregularities within CYPE on payments to providers were identified by management through the checking of service delivery, this has resulted in losses being prevented through verification of delivery of courses, however this control was not embedded within previous payments. Management also identified irregularities within payments to care leavers, a review identified improvements needed in the controls on authorisation, procedures and reconciliation.

The Counter Fraud team continue to provide a critical friend role to management in their ownership of fraud and error risks, delivery of awareness across 2024/25 has seen over 1000 front line and management receiving awareness sessions.

Further work is need to embed fraud risk assessments within business-as-usual activity with prompts to management for these to be completed being included in key decision making, procurement and grant acceptance process.

The Annual Counter Fraud Report was presented to July Governance and Audit Committee which identified an increase in the number of published irregularity referrals and total actual losses of £1,000,000 for 2024-25. This is, in part, due to greater awareness within the services of the reporting requirements into Internal Audit.

Counter Fraud Direction of Travel



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

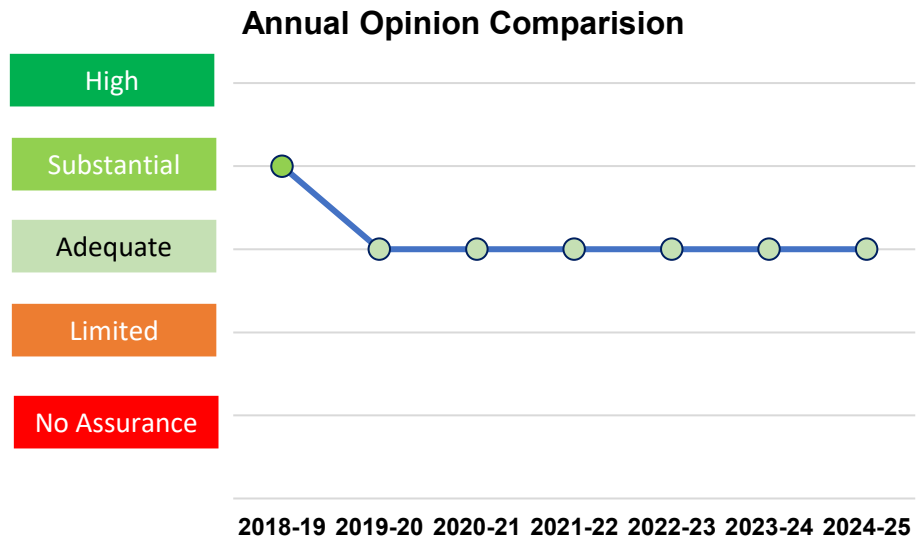
Table 4: Audit Opinion based on Reasonable Assurance Model

No.	Theme	Overall Opinion
1	Corporate Governance	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
2	Risk Management	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
3	Financial Control	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
4	Change Programme and Project Management	NO LIMITED ADEQUATE SUBSTANTIAL HIGH

No.	Theme	Overall Opinion
5	Procurement, Commissioning and Partnerships	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
6	Information Technology and Information Security	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
7	Asset Management	NO LIMITED ADEQUATE SUBSTANTIAL HIGH
8	Counter Fraud	NO LIMITED ADEQUATE SUBSTANTIAL HIGH

Overall Assurance Opinion

NO LIMITED ADEQUATE SUBSTANTIAL HIGH



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Strengths and Areas for Development

3.9 The annual review of audit outcomes has highlighted the following key strengths and areas for development:

Strengths:

- 50% of systems and functions that were assigned a High or Substantial Assurance opinion;
- The Overall Opinion assigned for the Information Technology and Information Security theme of Corporate Health has improved in 2024-25; and
- Adequate arrangements in place to manage the risk of fraud.

Areas for further development:

- Positive progress has been made in the level of full implementation of agreed actions to address internal control and risk management issues identified by Internal Audit however, this needs to be built upon moving forward.
- The Overall Opinion assigned for the Asset Management theme of Corporate Health has reduced in 2024-25

Assessment against Significant Risks at KCC

3.10 **Appendix 3** details the significant risks with a risk rating of 25 at KCC as reported to the Governance and Audit Committee in July 2025 with identification of relevant Internal Audit work undertaken against these risk areas. Reliance is placed against the work undertaken by the Corporate Risk Team in the identification of, assessment, recording and reviewing of risk mitigations, updating and monitoring of and their regular reporting of the Corporate Risk Register to the Governance and Audit Committee during the course of the year.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Other Sources of Assurance

3.11 In line with Global Internal Audit Standards (GIAS) standard 9.5, the Chief Audit Executive (Head of Internal Audit) must consider relying on the work of internal and external assurance providers. Institute of Internal Auditors' Practice Guidance, there is a criteria, summarised in **Appendix 2**, which should be utilised for Internal Audit to be able to place reliance upon other assurance providers, which maybe either internal or external sources of assurance.

3.12 All sources of assurance identified are taken at a point in time and, based on the criteria, absolute assurance for the vast majority of other assurances cannot be derived from these pieces of work undertaken.

3.13 During the course of the 2024-25 Internal Audit plan, the Care Quality Commission (CQC) undertook a review of Adult's Services and providing the Council with a rating of "Requires Improvement". The assessment was made over 4 themes encompassing 9 areas:

Themes	Quality Statement Scores	Rating
Theme 1: How Kent County Council Works with People	Assessing Needs	Requires Improvement
	Supporting People to Lead Healthier Lives	Requires Improvement
	Equity in Experience and Outcomes	Good
Theme 2: Providing Support	Care Provision, Integration and Continuity	Requires Improvement
	Partnerships and Communities	Requires Improvement
Theme 3: How Kent County Council ensures safety within the system	Safe Pathways, Systems and Transitions	Requires Improvement
	Safeguarding	Requires Improvement
Theme 4: Leadership	Governance, Management and Sustainability	Requires Improvement
	Learning, Improvement and Innovation	Good

3.14 The key themes from the CQC review have been considered in the Annual Opinion for 2024-25 within section 2 of the report.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

3.14 In order to identify gaps in assurance, prevent duplication in the assurance process and record the outcomes of the assessment of the adequacy and effectiveness of the service's internal control, risk management and corporate governance arrangements, assurance mapping processes are undertaken each year to ensure it reflects developing processes and procedures. A number of assurance mapping exercises have been undertaken across the Council by Internal Audit and it is intended that they will be refreshed as part of the 2025-26 Audit Plan. The maps currently completed are as follows in Table 5:

Table 5: Summary of Assurance Mapping

Risk	Last Reviewed	Risk Register		1st Line of Defence				2nd Line of Defence				3rd Line of Defence					
		Current	Tolerance	Policies & Procedures	Training	Mgmt. Info	Self Assess Process	Compliance/ Financial Control	Quality	Internal Groups	Risk Mgmt.	3rd Parties	Partners	Regulators	Internal Audit	External Audit	Other
Information Governance	2021-22	High	Medium														
Cyber Security	2024-25	High	Medium														
Safeguarding Children	2020-21	Medium	Medium														
Safeguarding Adults	2020-21	Medium	Medium														
Simultaneous Response, Recovery & Resumption	2022-23	Medium	Medium														
Fraud & Error	2022-23	Medium	Low														
Public Health	2023-24	Medium	Low														

RAG Rating	No Assurance Available	Some Assurance Available	Assurance Available	N/A

3.15 The assurance mapping exercises to date have highlighted a number of areas for further enhancements such as Cyber Security Training which was reviewed as part of the 2024-25 Audit plan. More broadly, the maps have highlighted there are internal working groups to provide oversight for each risk reviewed in most instances reviewed. Risk management is also present for each area. The Simultaneous Response, Recovery and Resumption assurance mapping exercise found some assurance is available across each line of defence however, a review of Business Continuity Planning will be undertaken during 2025-26 to provide further assurance.

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

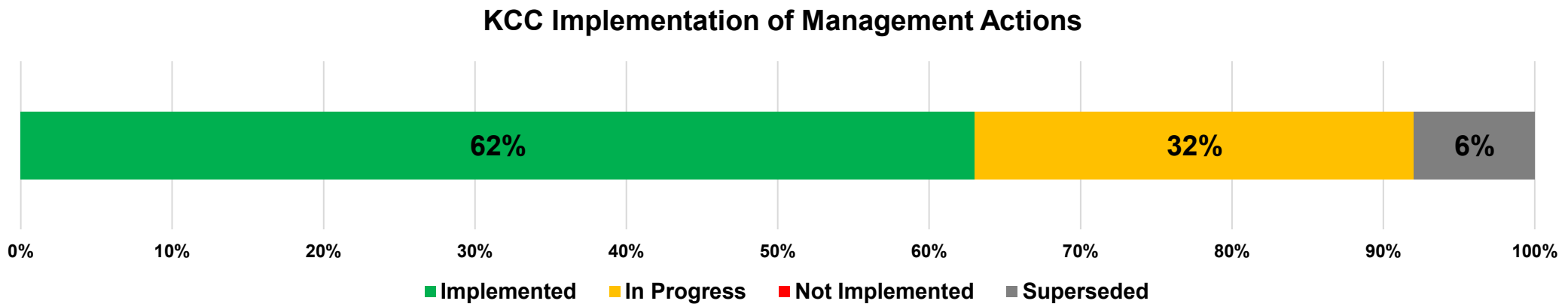
4. Implementation of Agreed Actions

4.1 Details of the year end position on the implementation of actions from Internal Audit reports is set out in the below section. Summary of the details reported to July GAC are contained within this section of the report.

4.2 The status of implementation is summarised in Table 6:

Table 6: Summary of Action Implementation

	Total Number Open Issues		Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
Total	39	69	18	19	11	12	6	6	0	0	1	1
				Total %	61%	63%	33%	32%	0%	0%	6%	5%%

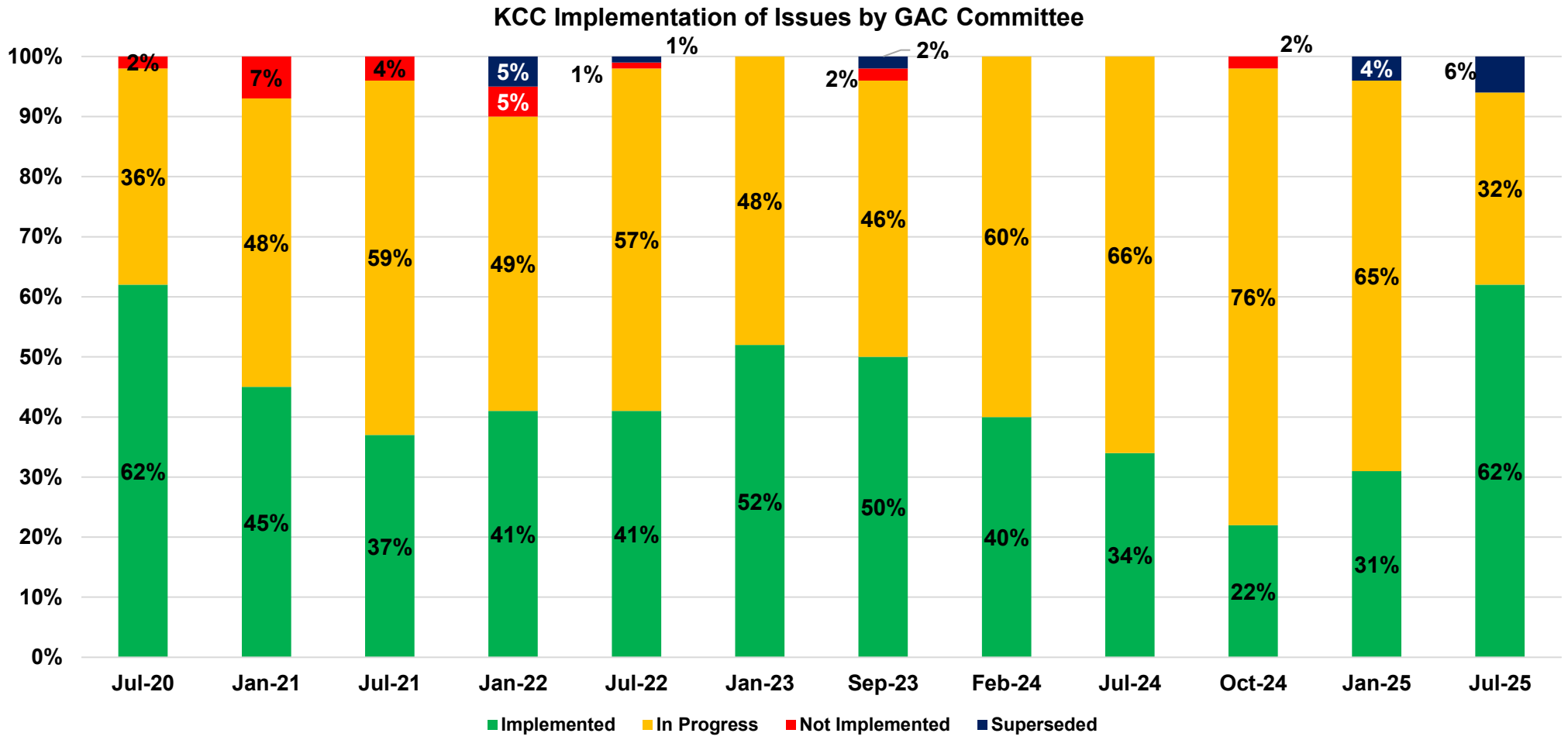


Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

4.3 The analysis of the implementation of actions to address internal control and risk management actions following Internal Audit reports, highlights an improved position from 2023-24 as shown in the graph from 34% (July 2024) to 62% (July 2025) full implementation.

4.4 Current implementation rates are now comparable to those reported in July 2020 and this should now be built on further to continue to improve implementation rates further into 2025-26.

4.5 In addition, Internal Audit have made enhancements to the follow-up process which includes providing dashboards of outstanding issues to Directorates. The process will remain under review during 2025-26 for any further enhancement to support the implementation of management actions.



Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Programmed Follow Ups

4.5 Programmed Follow Ups, undertaken as part of the 2024-25 Internal Audit Plan, were reported to July GAC which included, six in depth follow ups were undertaken of areas where, mainly, in the previous year audit opinions had been Limited, with the following results:

Table 7: Programmed Follow Ups 2024-25

Audit	Previous Opinion	Number of Issues Previously Raised		Implemented		In Progress		Not Implemented		Superseded	
		High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
RB51-2025 – Sundry Debt Recovery – Cancellation of Invoices Follow-up*	LIMITED	1	2	1	1	0	1	0	0	0	0
RB25-2025 – Contract Extensions Follow-up	LIMITED	3	3	2	3	1	0	0	0	0	0
RB26-2025 – Procurement Follow-up	LIMITED	2	2	1	1	1	1	0	0	0	0
RB50-2025 - Loans to Schools Follow-up	LIMITED	2	2	2	2	0	0	0	0	0	0
Equality, Diversity & Inclusion including Equalities Act Follow-up	LIMITED	2	0	2	0	0	0	0	0	0	0
Budget Savings including Follow-up	LIMITED	2	0	1	0	1	0	0	0	0	0
	Total	12	9	9	7	3	2	0	0	0	0

* For **RB51-2025 – Sundry Debt Recovery – Cancellation of Invoices** Follow-up, updates on actions were received after completion of audit and have been factored into the above table.

4.6 There has been good progress in the full implementation of agreed actions with 76% fully implemented while 24% remain in progress. Follow-ups of Loans to Schools and Equalities Act had made significant progress against the agreed actions which all are now considered closed. Revised audit opinions have not been given for these audits because of the limited scope of the follow-up, which focussed only on the areas where issues were raised in the previous report. Where action remains outstanding, revised dates for implementation have been agreed and these will be followed-up to their conclusion.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

5. Other Audit Work including Grant Certification

5.1 Internal Audit perform a vital service for the Council in the auditing of grant claims to evidence spend is in accordance with grant terms and conditions. Thus, in 2024-25, Internal Audit audited / certified 11 government grants to the value of £60m.

The breakdown of the 11 grants was:

- 5 Department for Transport;
- 5 Department of Health; and
- 1 Sport England grant.

5.2 The work undertaken in the grant certifications undertaken did not highlight any material inaccuracies or control weaknesses.

5.3 The diversification of Internal Audit by offering a proportion of our services to other public sector related or associated bodies has continued throughout 2024-25, including:

- Commercial Services Group (CSG) – 33 companies including, Invicta Law, The Education People and Cantium Business Solutions;
- Appointed auditor to 10 Parish Councils;
- Internal audit of Kent and Essex Inshore Fisheries and Conservation Authority;
- Internal audit of Kent and Medway Fire and Rescue Service;
- Internal Audit of Canterbury Cathedral; and
- Management of the audit and fraud service at Tonbridge and Malling Borough Council.

Income within the outturn budget for 2024-25 was £435k, which is a 43% increase from 2018-19. Since 2019-20 Internal Audit have yielded £2.4m in income, which assists the Council financially.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

6. Conformance with Professional Standards

6.1 Professional Internal Audit Standards (Standards) are mandatory for all internal audit functions. The Standards require Internal Audit functions to maintain a Quality Assurance and Improvement Programme (QAIP), which should include both internal and external assessments of compliance against the Standards. Outcomes of the QAIP are detailed in **Appendix 4** which includes actions to be undertaken during 2025-26.

6.2 The last external quality assessment (EQA) was completed in February 2021. The EQA concluded that the service 'Generally Conforms' with the Public Sector Internal Audit Standards, which is the highest possible assessment available and was in line with our own internal self-assessment. An EQA will be undertaken during 2025-26 and the outcomes will be reported to Governance and Audit Committee upon completion.

6.3 The internal self-assessment for 2024-25 has been completed and has confirmed the Internal Audit function broadly 'generally conform' with the Standards. There are currently 4 standards in which there is partial conformance which have action plans in place to address ahead of the EQA in 2025-26. Details of the assessment are detailed in **Table 9.**

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Table 9: Conformance with Professional Standards

		Generally Conforms	Partially Conforms	Does Not Conform
	Definition of Internal Auditing			
Reference	Principle 1 – Demonstrate Integrity			
1.1	Honesty and Professional Courage	✓		
1.2	Organisation's Ethical Expectations	✓		
1.3	Legal and Ethical Behaviour	✓		
Reference	Principle 2 – Maintain Objectivity			
2.1	Individual Objectivity	✓		
2.2	Safeguarding Objectivity	✓		
2.3	Disclosing Impairments to Objectivity	✓		
Reference	Principle 3 – Demonstrate Competency			
3.1	Competency	✓		
3.2	Continuous Professional Development	✓		
Reference	Principal 4 – Exercise Due Professional Carte			
4.1	Conformance with the Global Internal Audit Standards		✓	
4.2	Due Professional Care	✓		
4.3	Professional Scepticism	✓		
Reference	Principle 5 – Maintain Confidentiality			
5.1	Use of Information	✓		
5.2	Protection of Information	✓		
Reference	Principal 6 – Authorised by the Board			
6.1	Internal Audit Mandate	✓		
6.2	Internal Audit Charter	✓		
6.3	Board and Senior Management Support	✓		

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

		Generally Conforms	Partially Conforms	Does Not Conform
Reference	Principle 7 – Positioned Independently			
7.1	Organisational Independence	✓		
7.2	Chief Audit Executive Qualifications	✓		
Reference	Principal 8 – Overseen by the Board			
8.1	Board Interaction	✓		
8.2	Resources	✓		
8.3	Quality	✓		
8.4	External Quality Assessment	✓		
Reference	Principle 9 – Plan strategically			
9.1	Understand Governance, Risk Management and Control Processes	✓		
9.2	Internal Audit Strategy	✓		
9.3	Methodologies		✓	
9.4	Internal Audit Plan	✓		
9.5	Coordination and Resilience	✓		
Reference	Principle 10 – Manage Resources			
10.1	Financial Resource Management	✓		
10.2	Human Resource Management		✓	
10.3	Technological Resources	✓		
Reference	Principle 11 – Communicate Effectively			
11.1	Building Relationships and Communicating with Stakeholders	✓		
11.2	Effective Communication	✓		
11.3	Communicating Results	✓		
11.4	Errors and Omissions	✓		
11.5	Communicating the Acceptance of Risk	✓		

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

		Generally Conforms	Partially Conforms	Does Not Conform
Reference	Principle 12 – Enhance Quality			
12.1	Internal Quality Assessment	✓		
12.2	Performance Management		✓	
12.3	Oversee and Improve Engagement Performance	✓		
Reference	Principle 13 – Plan Engagements Effectively			
13.1	Engagement Communication	✓		
13.2	Engagement Risk Assessment	✓		
13.3	Engagement Objective and Scope	✓		
13.4	Evaluation Criteria	✓		
13.5	Engagement Resources	✓		
13.6	Work Program	✓		
Reference	Principle 14 – Conduct Engagement Work			
14.1	Gathering Information for Analysis and Evaluation	✓		
12.2	Analysis and Potential Engagement Findings	✓		
14.3	Evaluation of Findings	✓		
14.4	Recommendations and Action Plans	✓		
14.5	Engagement Conclusions	✓		
14.6	Engagement Documentation	✓		
Reference	Principle 15 – Communicate Engagement Results and Monitor Action Plans			
15.1	Final Engagement Communication	✓		
15.2	Confirming the Implementation of Recommendations or Action Plans	✓		

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

7. Internal Audit Performance

7.1 The performance of the Internal Audit Team is measured and monitored throughout the year and the year-end position is shown in Table 10 below:

Table 10: Internal Audit Performance 2024-25

A. Strategic Alignment

Basis
For Internal Audit to be relevant, its coverage must be aligned to the Council's main risks

Measured By
Either an Assurance Map on Internal Audit coverage or reporting to the Committee on annual coverage compared to the Corporate Risk Register

Details of how the audit coverage aligns to the Corporate Risk Register is detailed in Appendix 3. Based on this, the majority of significant Corporate risks have been covered within audit coverage during the current year, including increased coverage of financial risks after the Securing Kent's Future was published. However, gaps identified will require consideration in the coming year.
One assurance map has been undertaken in the current audit year relating to cyber security. This links to CRR0014 – Cyber and information security resilience on the corporate risk register.

B. Rolling Audit Plan

Basis
Having a Rolling Audit Plan reflects the need for coverage of key risks at the right time

Measured By
a) Number of Relationship Management meetings held to discuss Rolling Audit Plan
b) Stakeholder feedback on the effectiveness of IA coverage

A) During the course of the work to support 2024-25 annual opinion, 82 relationship management meetings were undertaken to discuss the rolling Internal Audit Plan.

B) Stakeholder feedback on the effectiveness of IA coverage found that **100%** of responses either **strongly agreed** or **agreed** that Internal Audit has provided an effective service for the Council in 2024-25.

C. Timely Insights

Basis
In addition to the timeliness of reports, insights should be provided in a timely manner to managers and stakeholders

Measured By
a) Stakeholder feedback on effectiveness of collaboration
b) Stakeholder Feedback on Embedded Assurance insights

A) Stakeholder feedback for the effectiveness of collaboration found that 75% of responses either **strongly agreed** or **agreed** that Internal Audit collaborates with the Council to assist in achieving the Council's objectives and managing your risks.

B) Stakeholder feedback identified that 75**%** responded as **strongly agree** or **agree** that Internal Audit provides timely reports which are of a high standard and meets your needs.

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

D. Adding Value

Measured By
a) The proportion of audit coverage providing wider assurance via the use of data analytics
b) Recording how audit coverage has contributed to the Council saving money.
c) Documenting how and where IA has provided guidance for improving poor or effective controls.
d) Documenting how IA has provided embedded assurance advice from the initial stages of strategic initiatives

a) 73% of the Rolling Internal Audit Plan utilised data analytics as part of the work undertaken where it was feasible to undertake.
b) The coverage of the Rolling Internal Plan aligned to Securing Kent's Future to ensure that the audits undertaken supported the organisation on the areas where assurance was needed. In addition, paragraph 2.8 highlights the ways in which Internal Audit adds value.
c) 42 audits have been undertaken during the course of 2024-25 in which **11 high priority** and **37 medium priority** issues were raised.
d) IA have also undertaken a number of embedded assurance and advisory pieces of work to enable timely insights which includes reviews of Artificial Intelligence, Climate Adaptation and continued work on the Oracle Cloud Programme.

E. Management Actions

Basis
To determine if there has been actual improvement from Internal Audit reviews

Measured By
a) % of high priority / risk issues agreed
b) % of high priority / risk issues implemented.
c) % of all issues agreed
d) % of all issues implemented.

% of High Priority Issues Agreed
100%

% of High Priority Issues Implemented
61%

% of All Issues Agreed
100%

% of All Issues Implemented
62%

F. Client Satisfaction

Basis
Determining whether value is added

Measured By
a) Client satisfaction surveys at the end of each audit.
b) Annual Key stakeholder perception survey (some questions to be amended)

Client Satisfaction surveys at the end of each audit
95%

A) Further details on client satisfaction can be found at paragraphs 7.2 and 7.3

B) Stakeholder feedback as set out in the client perception section of the report and Appendix 5 found that overall a positive view of the Internal Audit Service with 5 out of the 12 questions asked receiving 100% either strongly agree or agree.

G. Audit Efficiency

Basis
In addition to the timeliness of reports, insights should be provided in a timely manner to managers and stakeholders

Measured By
a) Time from audit planning to draft report being issued.
b) Completion of all Grant Certifications for the Council/ respective Directorates within set timescales.

Average Number of Days, Audit Planning to Draft Report
60.18 Days

There were 7 audits which impacted on the average number of days which were caused by delays in receiving information and/ or management responses. In addition, agreement of the engagement plan takes 10 working days as per Internal Audits standard practices.

% of all Grant Certifications for the Council/ respective Directorates within set timescales.
100%

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Client Satisfaction

7.2 The cumulative result for these surveys was 93% satisfaction, which is a similar position from 2023-24 performance.

7.3 The survey also requested any additional comments and comments received are replicated below:

"The Audit Manager provided excellent advice which helped us to improve our new process and ensure that the right linkages were made with other parts of the organisation. The Audit Manager also joined us to present an item to the Corporate Management Team on 1st April and articulate the findings of the Internal Audit advisory piece, this was greatly appreciated. The Counter Fraud Manager also provided excellent support and advice from a counter fraud perspective."

"Audit will be extremely useful in providing clear actions for the newly formed Working Group."

"Found the approach by the Deputy Audit Manager very collaborative and helpful."

"Communication was clear and responses were swift to ensure proposed timescales were adhered to. Audit colleagues were very clear in the feedback they provided."

"The Deputy Audit Manager was incredibly approachable and patient throughout the entire process. Having not had any experience with Internal Audit before the pre-audit meeting, I was unsure of what to expect and was anticipating immediate criticism. The complete opposite occurred, and I felt as though a good working relationship was established as a result of the Deputy Audit Manager's manner. I believe that the work that we are set to undertake is better placed a result of engaging with Internal Audit and I'm grateful for the guidance it has provided me with.

"The Audit Manager engaged with us straight after the G&A Committee. We were able to agree how we best moved matters forward in a way which provided the assurances members were looking for but also assured our work as we went, rather than "marking it" after the event.

"There was timely engagement with key stakeholders as well as clarity of expectation."

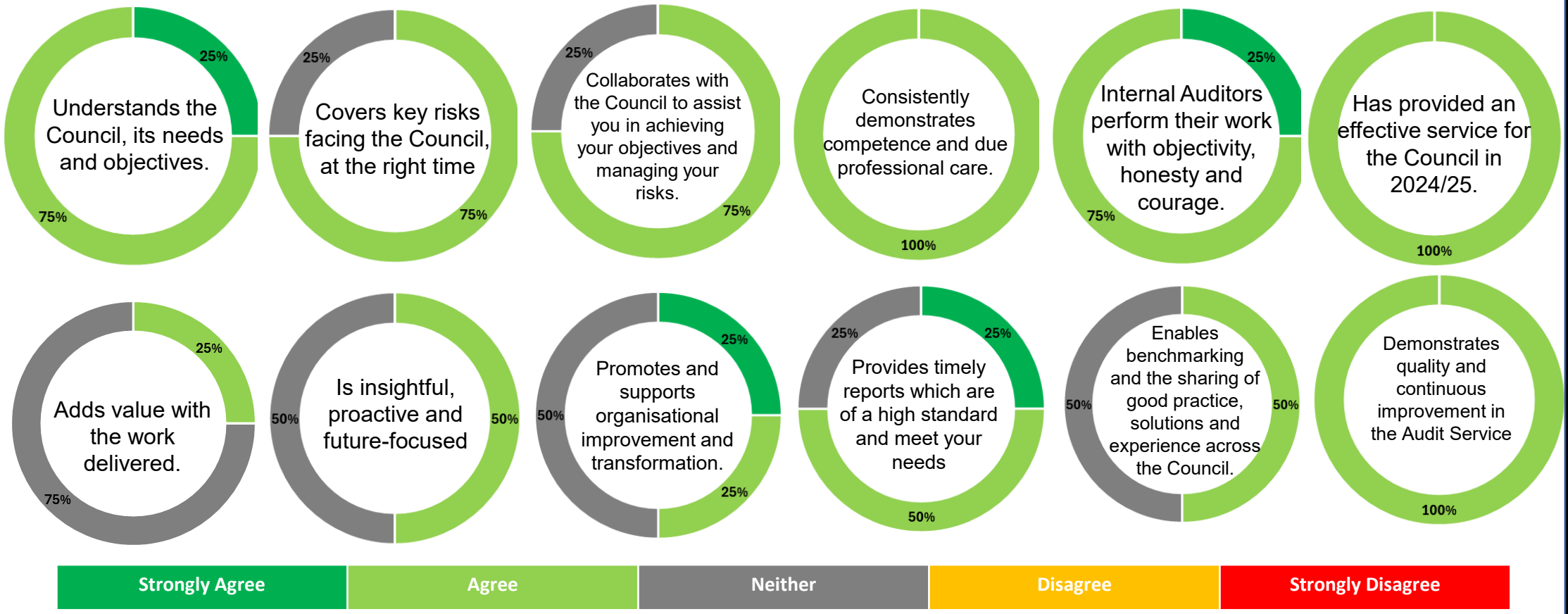
"Good conversations with the auditors who were knowledgeable and understood our challenges."

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Client Perception – Member of Governance and Audit Committee

7.5 In addition to the Client Satisfaction surveys, an annual Perception Survey has been completed requesting views of the Corporate Management Team on the quality of Internal Audit services. The views of the Governance and Audit Committee have not been sought for 2024-25 due to the new membership however these will be obtained for the 2025-26 Annual Opinion. The questions are intentionally challenging for the service and the responses, with the comments received, will be utilised as part of the continuous improvement for the service. The results are detailed below, and the key responses were (with comparison to 2023-24):



7.6 The above are broadly comparable to those obtained from CMT in 2023-24. The survey demonstrates received positive perception of the service as all areas covered in the perception survey did not receive either strongly disagree or disagree. However, there are some areas in which Internal Audit build upon into 2025-26.

Section Navigation
1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

8. Internal Audit Resources

8.1 In accordance with professional standards, members of the Committee need to be appraised of relevant matters relating to the resourcing of the Internal Audit function.

8.2 Although there has been some staff turnover during the course of the year, the service has conducted successful recruitment exercises in a challenging market and excellent new colleagues have joined the team.

8.3 It is important that all parties are fully aware of the need for sufficient resources to be available constantly for an Internal Audit service that commercially supplies services to nearly 30 other organisations, which is a significant source of income to Kent County Council.

8.4 Internal Audit has adequate resources in relation to technology with software available to support undertaking data analytics such as PowerBi and Audit Management Software to document audits undertaken which facilitates follow-up of agreed management actions.

8.5 It is also concluded that there have been no limitations of scope which adversely impacted upon the ability to provide an annual opinion.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

9. Disclosure on Impairment and Statement of Independence

9.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. (Source: Public Sector Internal Audit Standards and Local Government Application Note).

9.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:

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

9.3 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Leader of the Council, Chief Executive, Senior Management Boards, which includes the s.151 Officer, and the Chair of the Governance and Audit Committee.

9.4 There has been no significant restrictions on the scope of Internal Audit work findings during 2024-25. In any instance where there is a potential or perceived impairment to independence, for example when delivering critical reports within the Division where Internal Audit is within the Council structure, then such matters are addressed with management accordingly.

9.5 Consequently, although there are periodic challenging factors, it is confirmed that the independence of the Internal Audit and its ability to form an evidenced audit opinion has not been adversely affected in 2024-25.

9.6 The new Global Internal Audit Standards require reviews of elements that impact upon the independence of Internal Audit, which include the role that an Audit Committee should have in relation to aspects such as the budget for Internal Audit and measuring the performance of the Head of Internal Audit.

9.7 Summaries of audit work completed have been provided to the Committee throughout the year and have identified areas that have required escalation.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Appendix 1 – 2024-25 Internal Audit Plan Status

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
-	CR01-2025	Oracle Cloud Programme	ONGOING			
-	CR02-2025	Section 117 Aftercare Payments	ONGOING			
-	CR03-2025	Process review of SEND Payments	REMOVED			
32	CR04-2025	Review of SEND Assurances	COMPLETE	HIGH	N/A	September GAC
14	CR05-2025	Highways Maintenance Term Contract	ONGOING	ADVISORY	N/A	January GAC
9	ICT01-2025	Artificial Intelligence	COMPLETE	SUBSTANTIAL	VERY GOOD	January GAC
-	ICT02-2025	Laptops Follow-up	DEFERRED			
17	ICT03-2025	Cyber Security Assurance Map	COMPLETE	ASSURANCE MAP	N/A	July GAC
18	ICT04-2025	KCC Website Review	COMPLETE	ADVISORY	N/A	July GAC
19	ICT05-2025	KCC Incident Response Plan	COMPLETE	SUBSTANTIAL	GOOD	July GAC
-	ICT06-2025	Backups	DEFERRED			
-	ICT07-2025	Payment Card Industry Data Security Standards (PCI DSS) Follow-up	DEFERRED			
-	ICT08-2025	Legacy Systems	DEFERRED			
33	RB01-2025	ASCH Savings Delivery Plans	ONGOING	N/A	N/A	September GAC
15	RB02-2025	Compliance with Financial Regulations Follow-up	COMPLETE	FOLLOW-UP	N/A	January GAC
34	RB03-2025	Equality, Diversity & Inclusion including Equalities Act Follow-up	COMPLETE	SUBSTANTIAL	GOOD	September GAC
-	RB04-2025	Restructures	DEFERRED			
-	RB05-2025	Business Continuity Planning (BCP)	DEFERRED			
11	RB06-2025	Effectiveness of Whistleblowing	COMPLETE	SUBSTANTIAL	GOOD	January GAC
-	RB07-2025	Establishments	DEFERRED			
22	RB08-2025	Key Decision-Making Process	COMPLETE	ADEQUATE	GOOD	June GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
23	RB09-2025	Decisions on Accepting Grant funding	COMPLETE	ADVISORY	N/A	July GAC
-	RB10-2025	Mosaic – Pay Portal	DEFERRED			
-	RB11-2025	Payment to Providers	DEFERRED			
-	RB12-2025	ASCH Referrals and Signposting	DEFERRED			
-	RB13-2025	3rd Party Social Care Risks	DEFERRED			
35	RB14-2025	Commissioning & Transformation Board	ONGOING	ADVISORY	N/A	September GAC
28	RB15-2025	Public Health Service Transformation	COMPLETE	ADEQUATE	GOOD	July GAC
-	RB16-2025	Public Health - Budget Forecasting & Expenditure	DEFERRED			
12	RB17-2025	Review of Specific Contract Award Lesson Learnt (EDLA)	COMPLETE	ADVISORY	N/A	January GAC
36	RB18-2025	KCC Governance Improvement Action Plan	DRAFT REPORT	SUBSTANTIAL	GOOD	September GAC
-	RB19-2025	Voluntary Community Sector	DEFFERRED			
	RB20-2025	Application of Spending Controls	DEFFERRED			
20	RB21-2025	Treasury Management	COMPLETE	HIGH	VERY GOOD	June GAC
37	RB22-2025	Contract Variations / Waiver Process and Approvals	COMPLETE	ADEQUATE	GOOD	September GAC
38	RB23-2025	Budget Savings including Follow-up	DRAFT REPORT	ADVISORY	N/A	September GAC
-	RB24-2025	Standards of Public Life	DEFERRED			
39	RB25-2025	Contract Extensions Follow-up	COMPLETE	FOLLOW-UP	N/A	September GAC
29	RB26-2025	Procurement Follow-up	COMPLETE	FOLLOW-UP	N/A	July GAC
40	RB27-2025	Modern Slavery	COMPLETE	ADVISORY	N/A	September GAC
41	RB28-2025	Use of Consultants	DRAFT REPORT	LIMITED	TBC	September GAC
42	RB29-2025	Contract Novation (merged with RB22-2025)	COMPLETE	LIMITED	GOOD	September GAC
43	RB30-2025	Risk Management	COMPLETE	HIGH	VERY GOOD	September GAC
	RB31-2025	KCC Registered Children's Care Homes	FIELDWORK			

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
-	RB32-2025	School Themed Review - Procurement	DEFERRED			
21	RB33-2025	Education - Alternative Provision (Pupil Referral Units)	COMPLETE	ADEQUATE	GOOD	July GAC
-	RB34-2025	Decision Making (CYPE)	DEFERRED			
27	RB35-2025	School Capital Programme – Basic Need and High Needs Allocation	COMPLETE	ADEQUATE	VERY GOOD	July GAC
44	RB36-2025	Disciplinaries	COMPLETE	SUBSTANTIAL	VERY GOOD	September GAC
3	RB37-2025	Facilities Management	COMPLETE	ADEQUATE	GOOD	November GAC
-	RB38-2025	Unaccompanied Asylum Seeking Children (USAC) Accommodation	DEFERRED			
45	RB39-2025	Payroll	DRAFT REPORT	HIGH	GOOD	September GAC
-	RB40-2025	Strategic Reset Programme (SRP)	DEFERRED			
4	RB41-2025	Border Control - EU Entry Exit System Checks (EES): - Business continuity - Emergency Planning - Supply Chain Management	COMPLETE	ADEQUATE	GOOD	November/ January GAC
-	RB42-2025	Economic Strategy Delivery	DEFERRED			
-	RB43-2025	Waste and Circular Economy	DEFERRED			
-	RB44-2025	Income and Sales	DEFERRED			
-	RB45-2025	Department for Environment, Food & Rural Affairs (DEFRA) Checking of Goods Changes	DEFERRED			
13	RB46-2025	Climate Adaptation	COMPLETE	ADVISORY	N/A	January GAC
10	RB47-2025	Oracle Cloud Programme - Programme Management	COMPLETE	LIMITED	ADEQUATE	January GAC
-	RB48-2025	Helping Hands Follow up	DEFERRED			
26	RB49-2025	School Themed Review – Safeguarding	COMPLETE	SUBSTANTIAL	N/A	July GAC
30	RB50-2025	Loans to Schools Follow-up	COMPLETE	FOLLOW UP	N/A	July GAC
25	RB51-2025	Sundry Debt Recovery - Cancellation of Invoices Follow-up	COMPLETE	FOLLOW UP	N/A	July GAC
31	RB52-2025	Data Security Protection Toolkit (DSPT)	COMPLETE	HIGH	GOOD	July GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
-	RB53-2025	Annual Governance Statement Follow-up	CANCELLED			
47	RB54-2025	Commercial & Procurement Oversight Board (CPOB)	COMPLETE	ADVISORY	N/A	September GAC
46	RB55-2025	Oracle Cloud Program – Business Readiness	COMPLETE	ADVISORY	N/A	September GAC
2	RB06-2024	Kent Cards and Direct Payments – Policies and Practice	COMPLETE	LIMITED	GOOD	November GAC

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Appendix 2 - IIA Assessment Criteria Other Sources of Assurance

The institute of Internal Auditors suggests that the Chief Audit Executive (Head of Internal Audit) should not rely on outdated work that no longer reflects the current risk landscape, is not aligned with the objectives and scope of the internal audit engagement or is otherwise irrelevant. The following criteria is suggested to determine the reliance of internal and external assurance providers:

Assessment of Reliance of Internal or External Assurance Providers

Element	No Reliance	Low reliance	Moderate reliance	High reliance
Purpose	The provider shows limited understanding of, or alignment with, the objectives and scope of the internal audit function. The provider's work lacks relevance or fails to contribute to strategic goals.	The internal audit function recognises the assurance provider's work but performs substantial independent testing or revalidation to confirm the adequacy and accuracy of the findings. Reliance on the work product is minimal and limited to specific, noncritical areas.	A formal agreement or memorandum of understanding establishes authority and delineates the scope of assurance activities. The internal audit function moderately relies on the provider's work products, supplementing them with periodic validations or targeted reviews to ensure alignment with internal audit standards.	A charter or contract provides the authority and scope of assurance activities and establishes the intent for the internal audit function to rely on the assurance provider's work product.
Independence and Objectivity	The provider has significant conflicts of interest and lacks independence.	The provider maintains some independence but may have occasional conflicts of interest.	The provider is mostly independent with minor potential conflicts.	The provider's professional judgment is impartial, free from inappropriate interference from others.
Competency	The provider lacks the necessary experience and qualifications.	The provider has basic qualifications but limited experience.	The provider possesses adequate skills and experience for standard tasks and performs effectively on routine engagements.	The provider understands the risks to organisational processes, how controls are designed to operate in response to the risks, and what constitutes a weakness or deficiency.
Elements of Practice: Risk Assessment and Planning	The provider's methodologies are considered inadequate or misaligned with organisational needs.	Assurance activities are inconsistently guided by risk-based methodologies, with notable gaps in their application or execution.	Assurance activities are guided by generally sound methodologies, but engagement plans may not fully align with best practices or the engagement risk assessment.	Assurance activities are guided by appropriate methodologies and include engagement plans that incorporate a risk assessment.
Elements of Practice: Performance of Assurance Engagements	The provider lacks a demonstrated history of competency, reliability, or adherence to professional standards.	The provider's performance history is uneven, with limited evidence of reliable results. Documentation may be incomplete or fail to meet professional standards.	The provider demonstrates a history of meeting objectives, but the reliability of the results shows some inconsistencies or limitations.	The provider demonstrates a history of achieving the established objectives and producing reliable results. Documentation should be maintained as evidence of performance to relevant professional standards.
Communication of Results	The results of assurance activities are not reported clearly, and there is little or no follow-up on identified issues.	The provider communicates results but may lack clarity or timeliness.	The provider communicates results clearly but may not always provide timely updates.	The results of assurance activities are reported timely to an appropriate level of management, and issues are tracked until they are mitigated.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Appendix 3 – Extract of KCC Significant Risks

The detail below shows Internal Audit projects against high-risk areas from the Corporate Risk Register

CR0003	Securing resources to aid economic recovery and enabling infrastructure		High (25)
Ref	Audit	Opinion	PFI
RB09-2025	Decisions on Accepting Grant Funding	Advisory	N/A

CR0009	Future financial and operating environment for local government		High (20)
Ref	Audit	Opinion	PFI
CS01-2024	Budget Savings Follow Up	Advisory	N/A
RB02-2025	Compliance with Financial Regulations – Follow-up	Follow-up	N/A
RB51-2025	Sundry Debt Recovery	Follow-up	N/A
RB21-2025	Treasury Management	High	Very Good
RB44-2024	Re-Letting Key Contracts	Advisory	N/A

CR0014	Cyber and information security resilience		High (20)
Ref	Audit	Opinion	PFI
RB52-2025	Data Security and Protection Toolkit (DSPT)	High	Very Good
ICT01-2025	Artificial Intelligence	Substantial	Very Good
ICT03-2025	Cyber Security Assurance Map	Advisory	N/A
ICT04-2025	KCC Websites	Advisory	N/A
ICT05-2025	KCC Incident Response Plan	Substantial	Good

CR0015	Managing and working with the social care market		High (20)
Ref	Audit	Opinion	PFI
RB17-2025	Review of Specific Contract Award – Lessons Learnt	Advisory	N/A
RB01-2025	Securing Kents Future Delivery Plans	Interim Report	N/A
RB06-2024	Direct Payments	Limited	Good

CR0042	Border fluidity, infrastructure and regulatory arrangements		High (20)
Ref	Audit	Opinion	PFI
RB41-2025	Border Control – EU Entry Exit System Checks	Adequate	Good

CR0052	Impacts of Climate Change on KCC Services		High (20)
Ref	Audit	Opinion	PFI
RB46-2024	Climate Adaptation	Advisory	N/A

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

CR0053	Capital Programme affordability		High (25)
Ref	Audit	Opinion	PFI
RB35-2025	Capital Programme (Schools)	Adequate	Good

CR0056	SEND Delivery Improvement and High Needs Funding shortfall		High (25)
Ref	Audit	Opinion	PFI
CR04-2025	Review of SEND Assurances	Advisory	N/A

CR0045	Maintaining effective governance and decision making in a challenging financial and operating environment		High (20)
Ref	Audit	Opinion	PFI
CR01-2025	Oracle Cloud Programme	Embedded Assurance	N/A
RB47-2025	Oracle Cloud Programme – Programme Management	Limited	Adequate
RB01-2025	Securing Kents Future Delivery Plans	Interim Report	N/A
RB18-2025	KCC Governance Improvement Action Plan	Substantial	Good
RB08-2025	Key Decision-Making Process	Adequate	Good

CR0059	Significant failure to bring forecast budget overspend under control within budget level assumed		High (25)
Ref	Audit	Opinion	PFI
RB23-2025	Budget Savings including follow-up	Advisory	N/A
RB02-2025	Compliance with Financial Regulations – Follow-up	Follow-up	N/A
RB51-2025	Sundry Debt Recovery – Follow-up	Follow-up	N/A
RB01-2025	Securing Kents Future Delivery Plans	Interim Report	N/A

CR0063	Capacity to accommodate and care for Unaccompanied Asylum-Seeking (UAS) Children		High (16)
Ref	Audit	Opinion	PFI
No Coverage			

CR0064	Risk of Failing to Deliver Effective Adult Social Care Services		High (20)
Ref	Audit	Opinion	PFI
RB17-2025	Review of Specific Contract Award – Lessons Learnt	Advisory	N/A
RB01-2025	Securing Kents Future Delivery Plans	Interim Report	N/A
RB16-2025	Public Health Transformation	Adequate	Good
RB06-2024	Direct Payments	Limited	Good

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Appendix 4 – Quality Assurance & Improvement Programme (QAIP)

The professional standards describe the QAIP as:

"A QAIP is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement."

As acknowledged by the External Assessor in 2021, Internal Audit have a robust process for undertaking the QAIP, which includes the completion of the following reviews to confirm compliance with PSIAS:

- **Self- Assessment** - completed for each audit engagement, proactive fraud review and complex investigation.
- **Hot Reviews** - complete for each audit investigation and fraud investigation.
- **Cold Reviews-** carried out annually across all clients using a judgemental sample and least one per individual.
- **Internal Assessment** - competed annually against PSIAS.
- **External Assessment** - completed every 5 years for Audit and Counter Fraud.
- **Customer Feedback** - competed for each audit engagement and proactive counter fraud review.
- **Stakeholder Perception - completed annually.**

During 2024-25, the following Improvement areas were addressed:

Improvement Issue
Assessment of compliance against new Global Internal Audit Standards and address any areas of non-conformance.
Implemented a more effective approach to following up Cold Reviews.
Integration of new Audit Management software and updating the Audit Manual to align.
Utilisation of artificial intelligence in audit planning.
Implementation of a new follow-up process.
Continue to develop wellbeing, support and approaches for the team.
Implementation of key priorities from Internal Audits Income Strategy.
Assessment of compliance against new Global Internal Audit Standards and address any areas of non-conformance.

Improvements required for the service in 2025-26 include:

Improvement Issue
Implementation of identified actions for compliance with Global Internal Audit Standards
Continue to develop wellbeing, support and approaches for the team
Determine an action plan to implement priorities from the Internal Audit Strategy.
Utilisation of artificial intelligence in audit planning.
Continue to review new audit management software for efficiencies in its use including follow-up of management actions.
Improved use of data analytics.

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Appendix 5 - Definitions

Audit Opinion

High	**Internal control, Governance and the management of risk are at a high standard. The arrangements to secure governance, risk management and internal controls are extremely well designed and applied effectively.** **Processes are robust and well-established. There is a sound system of control operating effectively and consistently applied to achieve service/system objectives.** **There are examples of best practice. No significant weaknesses have been identified.**
Substantial	**Internal Control, Governance and management of risk are sound overall. The arrangements to secure governance, risk management and internal controls are largely suitably designed and applied effectively.** **Whilst there is a largely sound system of controls there are few matters requiring attention. These do not have a significant impact on residual risk exposure but need to be addressed within a reasonable timescale.**
Adequate	**Internal control, Governance and management of risk is adequate overall however, there were areas of concern identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.** **There are some significant matters that require management attention with moderate impact on residual risk exposure until resolved.**
Limited	**Internal Control, Governance and the management of risk are inadequate and result in an unacceptable level of residual risk. Effective controls are not in place to meet all the system/service objectives and/or controls are not being consistently applied.** **Certain weaknesses require immediate management attention as there is a high risk that objectives are not achieved.**
No Assurance	**Internal Control, Governance and management of risk is poor. For many risk areas there are significant gaps in the procedures and controls. Due to the absence of effective controls and procedures no reliance can be placed on their operation.** **Immediate action is required to address the whole control framework before serious issues are realised in this area with high impact on residual risk exposure until resolved**

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions

Prospects for Improvement

Very Good	**There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.**
Good	**There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.**
Adequate	**Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives**
Uncertain	**Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.**

Issue Risk Ratings

High	**There is a gap in the control framework or a failure of existing internal controls that results in a significant risk that service or system objectives will not be achieved.**
Medium	**There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system objectives.**
Low	**There is scope to improve the quality and/or efficiency of the control framework, although the risk to overall service or system objectives is low.**

Section Navigation

1. Purpose & Background
2. Annual Opinion
3. Summary of Internal Audit Work
4. Implementation of Management Actions
5. Other Audit Work Including Grant Certification
6. Conformance with Public Sector Internal Audit Standards
7. Internal Audit Performance
8. Internal Audit Resources
9. Disclosure on Impairment and Statement of Independence
Appendix 1 – 2024/25 Internal Audit Plan Status
Appendix 2 - IIA Assessment Criteria Other Sources of Assurance
Appendix 3 - Extract of KCC Significant Risks
Appendix 4 - QAIP
Appendix 5 – Definitions