Medway Council
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Audit Committee

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Internal Audit Strategy 2025-28 Progress Update

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Summary

This report provides Members with an update on progress against the objectives included in the Internal Audit Strategy 2025-28 during 2025-26.

1. Recommendations

1.1. The Committee is recommended to note the progress during 2025-26 against the Internal Audit Strategy 2025-28.

2. Budget and policy framework

2.1. Council delegates responsibility for monitoring and reviewing the performance of internal audit and the effectiveness of the internal audit function to the Audit Committee.

3. Background

3.1. The Global Internal Audit Standards (GIAS) and Application Note: GIAS in the UK Public Sector (‘the Standards’) require that the Chief Audit Executive:

- Develops and implements a strategy for the internal audit function that supports the strategic objectives and success of the organisation and aligns with the expectations of senior management, the Audit Committee and other key stakeholders.
- Reviews the strategy with senior management and the Audit Committee periodically.

4. Introduction

4.1 Internal audit services are delivered to Medway Council and Gravesham Borough Council by the Internal Audit team, within the Internal Audit & Counter Fraud Share Service, in accordance with the Standards.

4.2 The Internal Audit Strategy 2025–2028 was approved by the Audit Committee in March 2025 and sets out the vision and strategic direction for the internal audit function over a three-year period, ensuring that internal audit services are aligned to the priorities and values of both councils. This report provides Members with an update on progress against the objectives included in the Strategy during 2025-26.

5. Progress Against Strategic Objectives

5.1. The work of the Internal Audit team has been further aligned with the councils' strategic objectives and key risks. Audit planning is driven by a structured, risk-based methodology, supported by regular engagement with senior management and Members to ensure coverage reflects organisational priorities and emerging risks. In addition, a phased planning approach and service consultation have improved responsiveness and coordination, enabling resources to be targeted effectively while minimising disruption. Progress on assurance mapping has been limited due to capacity pressures but remains a priority for 2026-27.

5.2. Capacity and capability have strengthened following significant staff turnover in 2024-25. Recruitment activity has returned the team to a full establishment, supported by the Internal Audit Career Progression Framework, which created structed development pathways, improving both recruitment and retention and contributing to a more resilient workforce. This has driven improved performance, with increased plan delivery and finalisation of legacy work.

5.3. Impact has also been strengthened through increased stakeholder engagement and visibility across both councils. The team actively contributes to corporate governance and risk management forums, providing advice insight and foresight on key initiatives. Reporting and audit processes have also been refined to improve quality and timeliness, and engagement with senior management and Members continues to reinforce the internal audit team's role as a trusted advisor, supporting improved governance, risk management, and control processes.

5.4. A more detailed update on progress against each individual objective is set out in Appendix 1.

6. Risk management

6.1. The Internal Audit Strategy 2025-28 is designed to meet the requirements of the Standards and provides a framework to ensure the internal audit function is able to fulfil its purpose and mandate, as detailed in the Internal Audit Charter. The purpose and mandate grant the authority needed to provide internal audit services, which in turn help improve the effectiveness of the council's governance, risk management and control processes.

7. Climate change implications

7.1. There are no climate change implications in this report.

8. Financial implications

8.1. An adequate and effective internal audit function provides the council with assurance on the proper, economic, efficient, and effective use of council resources in delivery of services.

9. Legal implications

9.1. The Accounts and Audit Regulations 2015 require local authorities to: undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Global Internal Audit Standards and associated guidance. The Section 151 Officer is responsible for establishing the internal audit function.

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Appendices

Appendix 1 – Detailed Progress Against Internal Audit Strategy 2025-28.

Background papers

None