

Internal Audit & Counter Fraud Shared Service
Medway Council & Gravesham Borough Council

Internal Audit Satisfaction Survey 2021-22

Medway Council

1 Introduction

- 1.1 The Internal Audit & Counter Fraud Shared Service (IA&CF) was established on 1 March 2016 to provide internal audit assurance and consultancy, proactive counter fraud and reactive investigation services to Medway Council & Gravesham Borough Council.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the service to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity, which is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The QAIP also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
- 1.3 A wider satisfaction survey was recently issued to all Service Managers, Senior Management, and elected Members for each council to seek views on their overall satisfaction with the service provided by the Internal Audit Team. The option was also given to cascade the invite to supervisors and team leaders where appropriate.

2 Executive Summary

- 2.1 The results of the survey are positive and indicate that clients are satisfied with the services available from the Internal Audit Team, with 87.5% providing a positive score; clients are also satisfied with the overall service received, with 100% of those confirming receipt of services from the Internal Audit Team in the last two years, providing a positive score.
- 2.2 There are a number of positives to be drawn from the survey results, not least of which is the apparent improvement of perceived compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles. The last time a wider satisfaction survey was undertaken in 2018-19, there were responses indicating that people disagreed with compliance with four of the principles but all respondents in 2021-22 either strongly agreed, agreed, or provided a neutral response. It was extremely pleasing to note that despite the sudden changes forced upon the service by the Covid-19 pandemic, there have been no apparent issues with the ability to contact the Internal Audit team and the efforts to improve communication with other services appear to have had an impact.
- 2.3 The majority of respondents are happy with the current balance of the type of work undertaken, although a number still indicate they would prefer to see more in-depth audits on the plan, with a greater day allocation, despite the fact this would result in less coverage across the organisation. The change in approach to the 2022-23 plan now gives the Internal Auditors more freedom to set a day allocation that fits with the work identified, so it is hoped that this will address some of the concerns associated with these responses.
- 2.4 Unlike 2018-19, where all respondents felt they were sufficiently involved in the preparation of the plan, there were two respondents who did not feel that they were sufficiently involved, although one of these was a newly elected Member who was unaware of the process. It was disappointing to see a Service Manager feeling that they were not sufficiently involved, with consultation on risks having taken place at Divisional Management Team meetings for the last two years. As the survey is anonymous, we are unable to follow up directly on this issue, but the Head of Internal Audit & Counter Fraud (HIACF) will continue to consult with services as much as possible.
- 2.5 There continues to be room for improvement in relation to making the organisation fully aware of the services that the Internal Audit team can offer and while there were no negative responses in relation to compliance with the IIA Core Principles, there were still a number of neutral responses, suggesting that the service could do more to demonstrate compliance.

3 Survey Results

- 3.1 The survey was designed to focus on six key areas:

- Awareness of the Internal Audit Team
- Communication
- The Internal Audit Plan
- Compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles
- Overall Satisfaction with Internal Audit services

3.2 There were eight responses on behalf of Medway and a breakdown of the respondent's roles and the area of the council they work in are shown in the tables below.

Role	Number of respondents
Chief Executive / Director / Assistant Director / Chief Officer/ Service Manager	5
Other Manager / Supervisor / Team Leader	0
Elected Member	3
Total	8

Division	Number of respondents
Adults	1
Childrens	0
Culture & Communities	1
Education	0
Finance & Business Improvement	1
Front Line Services	1
HR	0
Legal & Governance	0
Public Health	0
Regeneration	1
N/A - Elected Member	3
Total	8

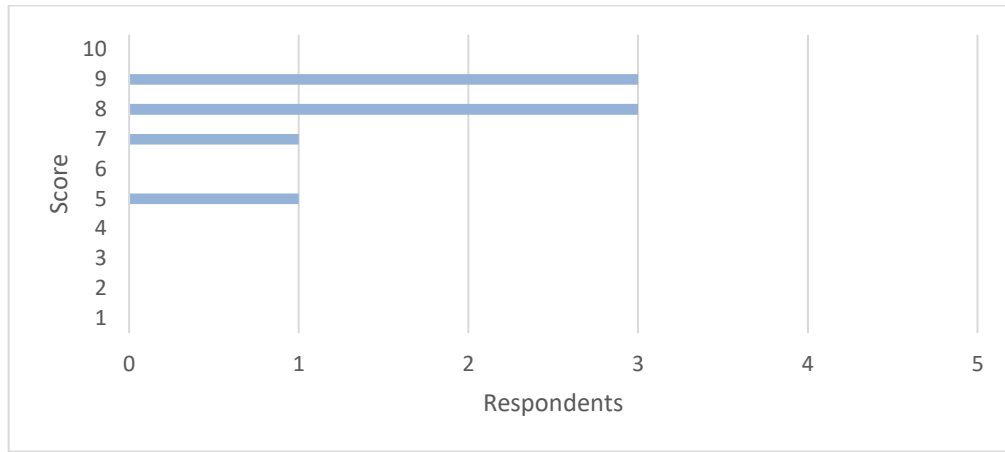
3.3 It should be noted that not all respondents answered all questions, so the detailed results that follow are not all based upon eight responses.

Awareness of the Internal Audit Team

3.4 Several questions were asked aimed at identifying whether respondents had a good understanding of the role of internal audit, the services available from the team and which services they felt added the most value to the council, with the following responses received.

3.5 Respondents were asked: *On a scale of 1-10 (1 = strongly disagree – 10 = strongly agree), how much do you agree or disagree that you have a good understanding of the role of Internal Audit?*

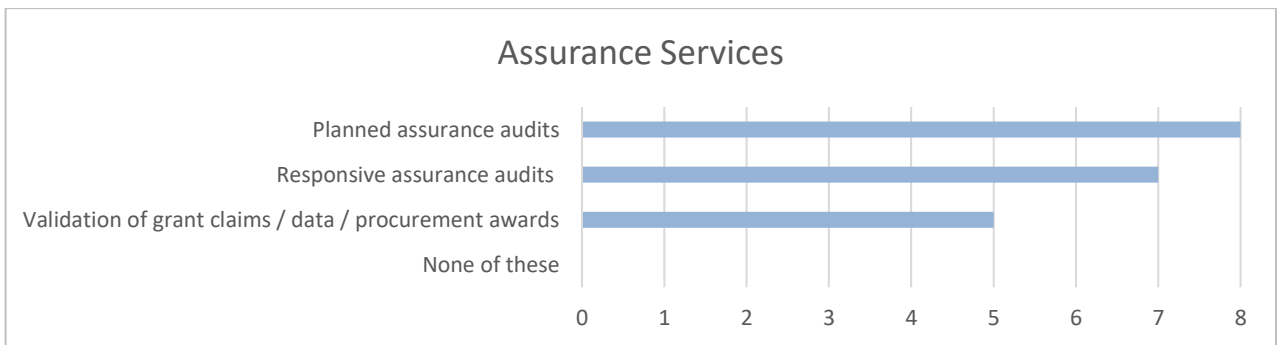
3.6 The scores received ranged from 5 to 9, with an average of 7.88 across the eight responses.



3.7 Respondents were provided with lists of both assurance and consultancy services and were asked to indicate which of the services they were aware that the Internal Audit team provides.

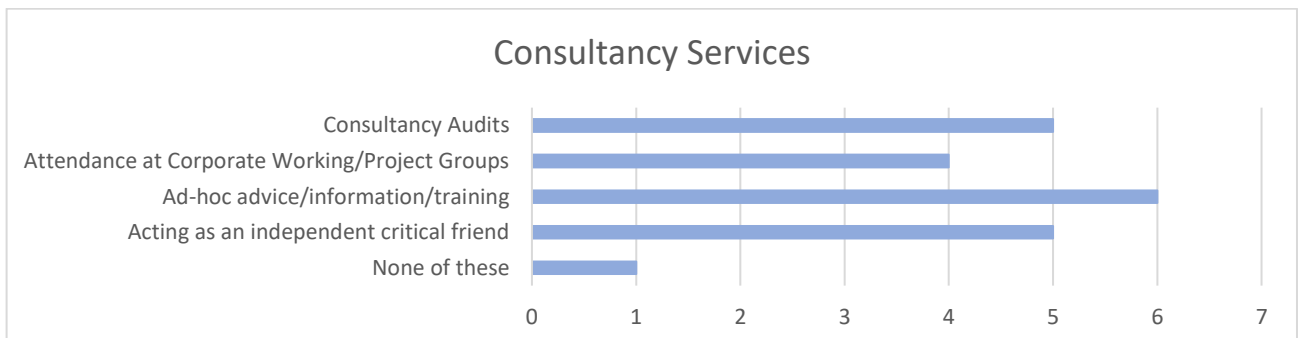
Assurance Services

- Planned assurance audits (Intended to help evaluate and improve the effectiveness of risk management, control and governance processes within a particular service or function – Identified by IA&CF as part of a periodic risk assessment).
- Responsive assurance audits (As above but identified by IA&CF in response to a new or emerging risk).
- Validation of grant claims / data / procurement awards.

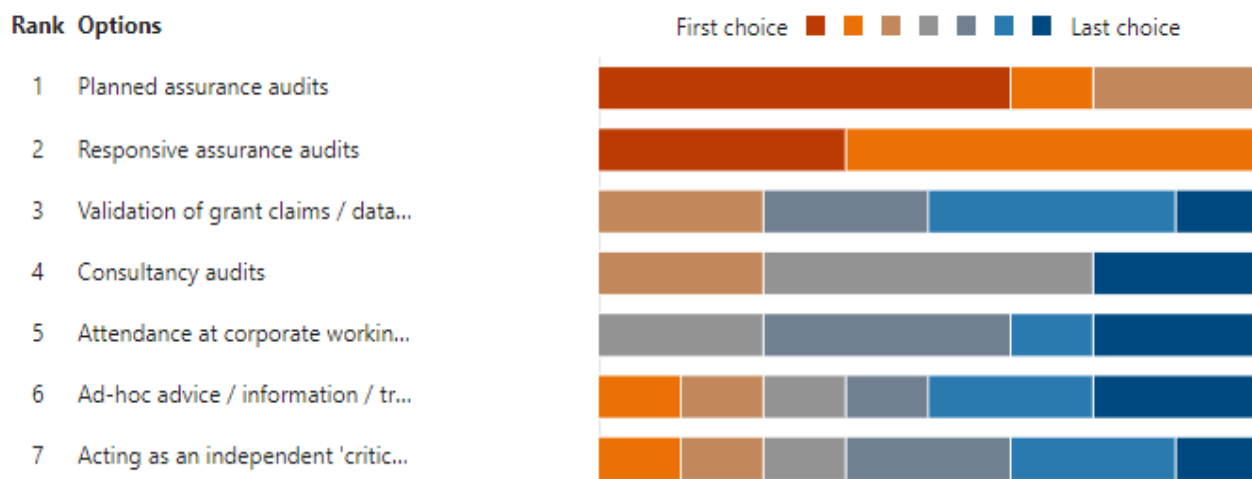


Consultancy Services

- Consultancy audits (Intended to provide suggestions to improve the effectiveness of risk management, control and governance processes within a particular service or function – Requested by management).
- Attendance at corporate working / project groups to provide advice relating to risk management, control, and governance matters.
- Ad-hoc advice / information / training relating to risk management, control, and governance matters.
- Acting as an independent 'critical friend' when requested in relation to service changes.

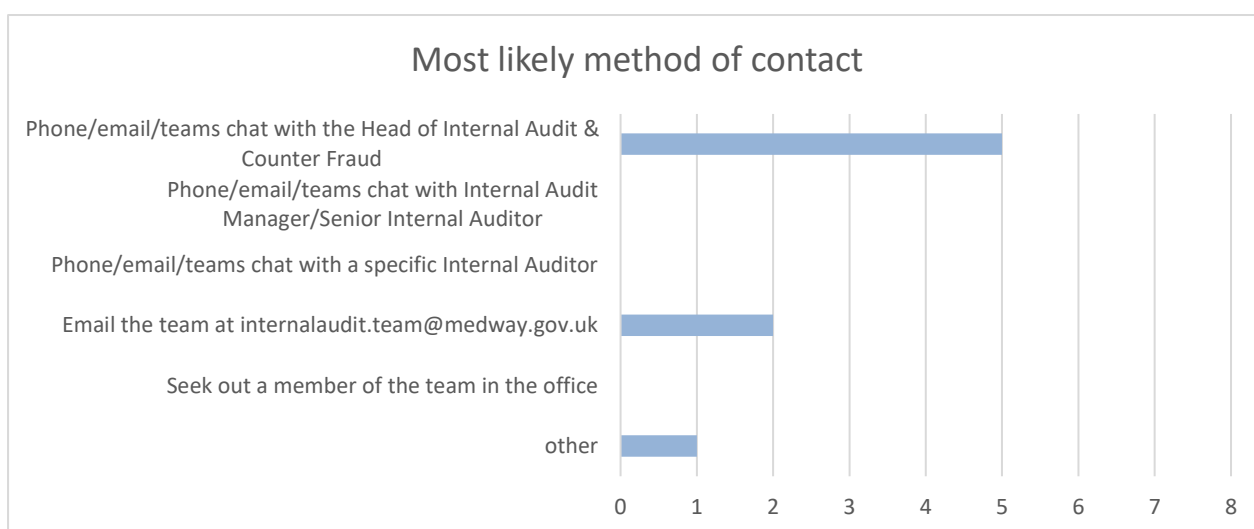


- 3.8 Respondents were then asked to rank those services in the order they felt added the most value to the council. Five (62.5%) respondents ranked planned assurance audits as adding the most value, while three (37.5%) ranked responsive assurance audits as adding the most value.
- 3.9 Attendance at corporate working groups was the only service not to appear in the top three choices of any respondent and was ranked as last choice by two (25%) respondents; as were consultancy audits and ad-hoc advice / information / training.

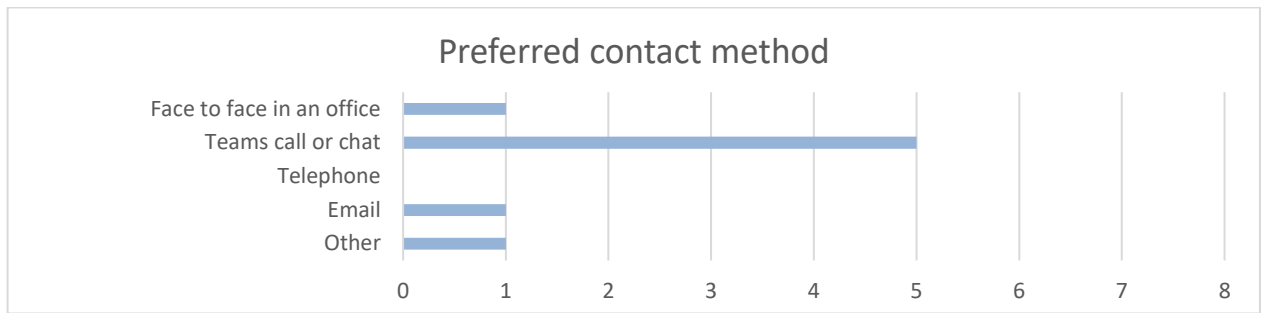


Communication

- 3.10 With the increase in remote working, there was concern that there may be a drop in engagement from client services in the event that the Internal Audit team was not easily contactable or readily available to respond to requests for advice. The questions were designed to establish which communication methods were the preferred option to make contact with the Internal Audit team, and also establish whether there had been any issues/barriers for anyone who had tried to make contact with the team.
- 3.11 Respondents were asked how they would most likely make contact with the Internal Audit team if they ever had need and were provided with six options, producing the following results.



- 3.12 Five respondents indicated that they would make contact with the HIACF, while two indicated that would email the Internal Audit team mailbox, and the remaining one selected other.
- 3.13 Respondents were then asked to indicate their preferred method of interacting with the Internal Audit team.



3.14 The majority of respondents, five out of eight, indicated that their preferred method would be a Microsoft Teams call or chat.

3.15 Five respondents indicated that they had had cause to contact the Internal Audit team in the last two years and all responded 'yes' when asked if they were able to do so easily.

The Internal Audit Plan

3.16 The Internal Audit Plan is now approved by Members on a six-monthly basis and is aimed at the highest areas of risk in the council, which is based on a comprehensive risk assessment. The questions asked were designed to identify whether respondents feel that they are adequately consulted as part of that assessment, whether they feel the plan focuses on the right areas and whether the types of work included achieve the right balance.

Question: Do you feel that you are sufficiently involved in the preparation of the Internal Audit Plan?	Number of respondents
Yes	6
No	2

Question: Do you feel that the Internal Audit Plan is focused on the right areas?	Number of respondents
Yes	8
No	0

3.17 Since the last survey in 2018-19, there has been a greater focus on consultation with services about their perceived risks and any concerns raised are factored into the internal audit risk assessment that is used to inform the plan.

3.18 The majority of respondents confirm that they are happy with their involvement in the preparation of the Internal Audit Plan. Those responding with 'no' were invited to leave comments on how they felt it could be improved and these are detailed below, along with responses from the HIACF on behalf of the service.

Comment received: Not aware when they will audit until they contact.
HIACF response: In previous years, a draft plan showing proposed audits and the quarter in which they were due to be undertaken has been shared with Service Managers. Reminders have then been issued just before the start of each quarter to alert Service Managers to impending audits, although it is acknowledged that this reminder has been missed on occasion. It is hoped that the new approach will mean greater communication between Internal Audit and client services about the timing of audits. Internal Auditors now have their allocation for the first six months of the year and can immediately make contact with all services to schedule the audits at a convenient time and also give the service more advance notice.

Comment received: New Cllr not sure to what extent we are involved

HIACF response: Members of the Audit Committee approve the Internal Audit Plans. Any areas of concern amongst other Members can either be shared via the Chair of the Audit Committee or directly with the HIACF for inclusion in the risk assessment.

3.19 Planned assurance audits form the largest proportion of the Internal Audit Plans but there are also allowances for responsive assurance and consultancy work. Questions were asked about the Internal Audit Plan for 2021-22 to understand how respondents felt about the type of work undertaken.

Question: Thinking about the 2021-22 Internal Audit & Counter Fraud Plan, do you feel the council would benefit from?	Number of respondents
More in-depth audits, with more days available to complete the review (would result in less areas being reviewed)	3
Less in-depth audits, with less days available to complete the review (would result in more areas being reviewed)	0
I'm happy with the current balance	5

Question Again, thinking about the 2021-22 Internal Audit & Counter Fraud Plan, do you feel that the resources dedicated to planned work and allowances for responsive work achieve the right balance?	Number of respondents
Yes	7
No	1

3.20 The results indicate that the majority are happy with the balance of the type of assurance audits being undertaken, although some indicated a desire for fewer, more in-depth audits. The majority also indicated that they are happy with the balance of planned and responsive work, with the one respondent replying 'no' indicating that they would rather see less planned work and more responsive allowances on the plan.

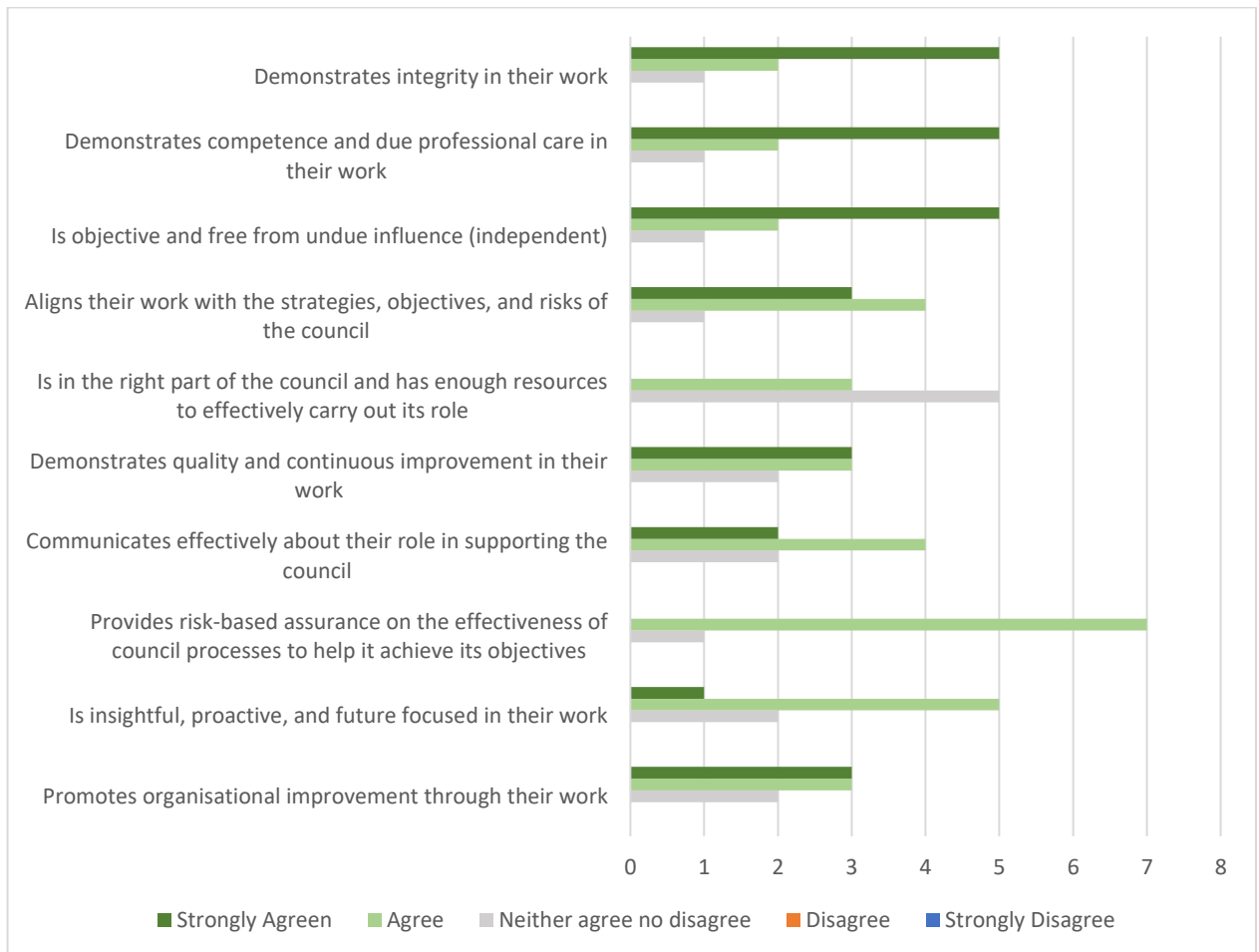
Compliance with the IIA Core Principles

3.21 The Chartered Institute of Internal Auditors (IIA) Core Principles articulate internal audit effectiveness and should be present and operating effectively at all times. While the service feels it complies with these principles, views were sought to identify the extent to which those independent of the service agree.

3.22 As part of the 2018-19 survey, the ten IIA Core Principles were expressed as statements and respondents were asked to confirm to what extent they agreed or disagreed with each statement and all 13 either strongly agreed, agreed, or provided a neutral response for six of the statements. The statements respondents disagreed with were as follows:

- The team is in the right part of the council and has enough resources to effectively carry out its role (one respondent).
- The team communicates effectively about their role in supporting the council (one respondent).
- The team is insightful, proactive, and future-focused in their work (one respondent).
- The team promotes organisational improvement through their work (two respondents).

3.23 For the 2021-22 survey, the same statements were provided, and respondents were again asked to confirm to what extent they agreed or disagreed with each statement.

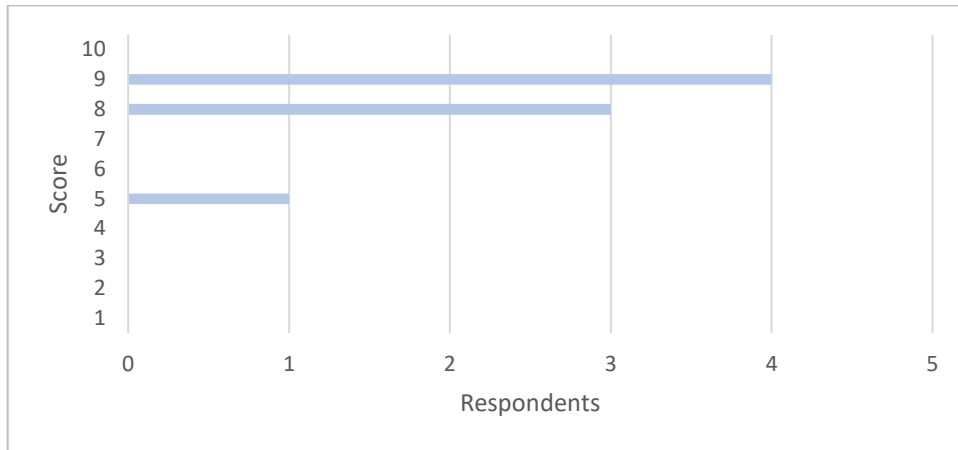


3.24 All eight (100%) respondents either strongly agreed, agreed, or provided a neutral response for all ten of the statements. While we are unable to confirm whether these responses are from the same respondents as in 2018-19, it suggests that the work to improve communication with the wider organisation and give services greater involvement in the creation of the Internal Audit Plans has been beneficial, although it is acknowledged that there is still room for further improvement.

Overall Satisfaction with Internal Audit Services

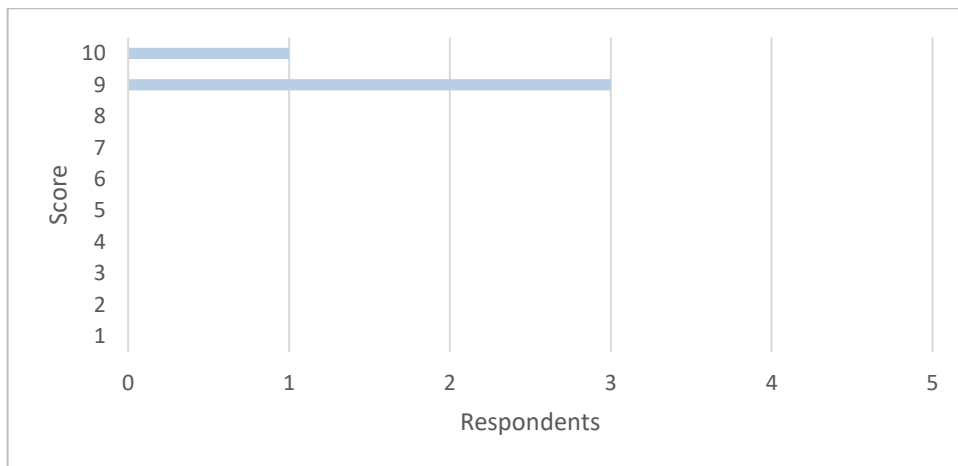
3.25 Questions relating to overall satisfaction asked respondents to score from one (completely dissatisfied) to ten (completely satisfied). Any scores of eight or above are considered to be positive satisfaction.

3.26 As it was possible that not all respondents would have interacted with the Internal Audit team during the previous two years, respondents were first asked to provide a satisfaction score in relation to the support and services that are available from the Internal Audit team.



3.27 The majority of respondents scored eight or nine, with one scoring five. This gave an average score of 8.13 and represents positive satisfaction from 87.5% of the responses received.

3.28 The four respondents who confirmed having received services from the Internal Audit team in the last two years were asked to score their overall satisfaction with the service received.



3.29 All four scored nine or higher, giving an average score of 9.25 and representing positive satisfaction from 100% of the responses received.

Other Feedback

3.30 At the conclusion of the survey respondents were asked: *Do you have any other comments that may help us improve / develop the service?*

3.31 The comments received are detailed below, along with responses from the HIACF on behalf of the service.

<p>Comment received: As a member I feel your work is imperative but is not always obvious.</p>
<p>HIACF response: It is true that the work of the Internal Audit team can often go largely un-noticed; however, we present regular update reports on our work towards delivery of the Internal Audit Plan to the Audit Committee throughout the year.</p> <p>We have a number of key documents in place, including a four-year service strategy, Internal Audit Charter, Quality Assurance and Improvement Programme, and Internal Audit Plan, which highlight the purpose and importance of internal audit, and these are regularly discussed with and presented to senior management and Members of the Audit Committee.</p>

Comment received: Resource base has fluctuated over the years. In addition, COVID crisis has moved individuals onto other services. Period of stability needed.

HIACF response: The establishment of the service has not changed in number since its creation, however, there have been changes in structure and operating methods as we have learned and tried to improve based on feedback. It is correct that staff were redeployed during the period of Covid-19 response, but all have all been back on substantive duties since the early part of 2021-22.

The Internal Audit team now operates as a separate team from counter fraud, with a clearer structure and operational responsibilities within the team, which were introduced during 2021-22. While we continue to experience the same issues as most services with staff vacancies and recruitment, it is hoped that the new structure and the operational enhancements now embedded will lead to a period of greater stability for the service.