

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

Internal Audit Satisfaction Survey 2023

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 Senior Managers and elected Members for each council to seek views on their overall satisfaction with the services 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 level of response to the survey was greatly improved with 22 responses received, compared to eight in 2022. The results are largely positive and indicate that clients are satisfied with the services available from the Internal Audit Team, with an average score of 8.64 out of ten, compared to 8.13 out of ten in 2022. Clients are also satisfied with the overall service received, with 82.4% of those confirming receipt of services from the Internal Audit team within the last twelve months, providing a positive score.
- 2.2 Most respondents seem to have a good understanding of the role of internal audit and the services available, however, only just over 50% had seen/read the Internal Audit Charter. Given that this sets out the responsibility, purpose and authority of internal audit, a wider knowledge across the organisation would be beneficial and methods of distributing it to relevant staff will be investigated.
- 2.3 90% of respondents confirmed that they were sufficiently involved in the preparation of the Internal Audit Plans and felt that the plans were focused on the right areas, while 95% felt that there was sufficient communication about the plans and notification of the planned reviews to be undertaken. Comments were received from respondents who answered 'No' to any of the questions, and these will be followed up to gain a better understanding of where they feel things could be improved.
- 2.4 Perceived compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles has shown differing results to 2022 when all respondents either strongly agreed, agreed, or provided a neutral response to all ten statements. There were responses of disagree on four statements, although it should be noted that the neutral response was removed this year, which may have prompted some of those negative results.
- 2.5 There continues to be room for improvement in some areas, particularly around perception of compliance with core principles and we will continue to work on more clearly demonstrating how we comply.

3 Survey Results

- 3.1 The survey was designed to focus on four keys areas:
 - Awareness of Internal Audit Services
 - The Internal Audit Workplan
 - Compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles
 - Overall Satisfaction with Internal Audit Services
- 3.2 There were 22 responses on behalf of Medway, compared to eight in 2022, 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	
	2022	2023
Chief Executive / Director / Assistant Director / Chief Officer/ Strategic Service Manager	5	6
Service Manager	N/A	10
Other Manager / Supervisor / Team Leader	0	4
Elected Member	3	2
Total	8	22

Division	Number of respondents	
	2022	2023
Adults	1	0
Childrens	0	2
Communications	N/A	0
Culture & Communities	1	0
Education	0	1
Finance & Business Improvement	1	10
Front Line Services	1	0
HR	0	3
Legal & Governance	0	2
Public Health	0	1
Regeneration	1	2
N/A - Elected Member	3	1
Total	8	22

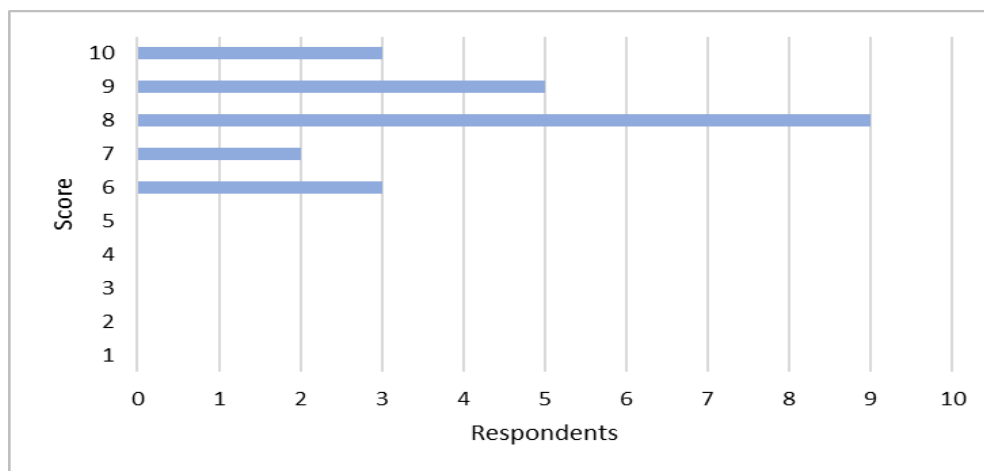
- 3.3 It should be noted that not all respondents answered all questions, so the detailed results that follow are not all based upon 22 responses. Where the same questions were asked in the 2022 survey, those results have been included for comparison.

Awareness of Internal Audit Services

- 3.4 Several questions were asked aimed at identifying whether respondents had a good understanding of the role of internal audit and the services available from the team, with the following responses received.
- 3.5 The work undertaken by the Internal Audit team is supported by the Internal Audit Charter, which is approved by the Corporate Management Team and the Audit Committee.

Question: Have you seen / read the Internal Audit Charter?	Number of respondents
Yes	12
No	10

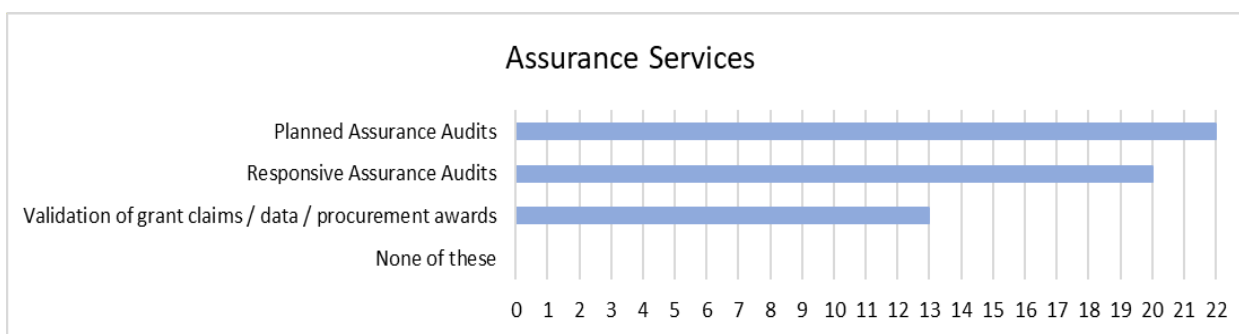
- 3.6 As the Charter sets out the responsibility, purpose, and authority of Internal Audit, it is a key document that managers should be aware of. The team will need to investigate the best means of sharing this document to increase awareness amongst key staff, who will act as clients for the service.
- 3.7 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?*
- 3.8 The scores received ranged from 6 to 10, with an average of 8.14 across the 22 responses. This is in comparison to an average of 7.88 across eight responses in 2022, suggesting that some of the work undertaken has led to an improvement in awareness of the team.



3.9 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.

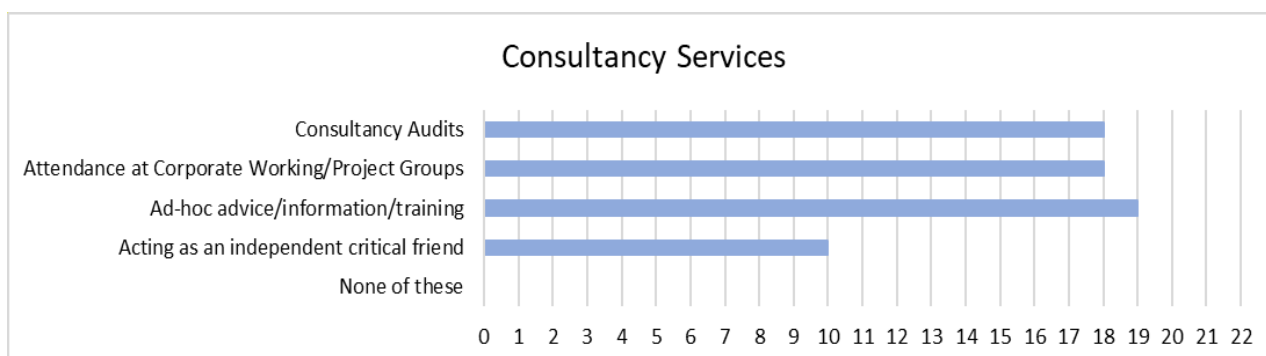
Assurance Services

- 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.



- 3.10 In both cases, the responses show an improvement in comparison to 2022, although some further work may be required to increase awareness in relation to some of the services available.

The Internal Audit Workplan

- 3.11 The work of the Internal Audit team is largely directed by the Internal Audit Plans, which are prepared on a six-monthly basis. Planned audits make up the bulk of the plans and their selection is based on a periodic assessment of the council's current priorities and risks, which also includes consultation with Divisional Management Teams.
- 3.12 The first questions asked were designed to identify whether respondents feel that they are adequately consulted as part of that assessment and whether they feel the plan focuses on the right areas. The same questions were asked in 2022 and the responses for both years are provided for comparison purposes. Where respondents answered 'no', they were offered the opportunity to provide comments for suggested improvements. Those comments have been included below along with a response from the Head of Internal Audit & Counter Fraud (HIACF).

Question: Do you feel that you are sufficiently involved in the preparation of the Internal Audit Plans?	Number of respondents	
	2022	2023
Yes	6	20
No	2	2

Comment received: This isn't a criticism of my ability to be involved in the current process, but I really don't think Medway's Service Managers/CMT are involved enough in developing the plan so they don't own the assessment of risk and don't support the work as much as they should. I recognise this is really tricky, but I think throwing more time to engage service managers, maybe workshop sessions or use of Service Managers sessions to run through the risk assessment stage would help?

HIACF response: The risk assessment used to inform the plan is undertaken independently by internal audit, but I acknowledge fully that I am not an expert in the responsibilities of all service areas and the potential risks to delivery. Since 2018-19 I have been attending Divisional Management Team meetings to seek the views of Service Managers and Assistant Directors on where they see risks in their areas. Their feedback is factored into the overall risk assessment used to inform the Internal Audit Plan and draft plans are also shared with Service Managers for comment before a final draft is submitted to CMT and Audit Committee for approval. If this needs to be expanded to include other managers, I am open to having that input.

I am open to a session at a Service Managers meeting to explain more about the process, but workshop sessions would be difficult. Due to the nature of the shared working arrangements, I am preparing plans for both Medway and Gravesham at the same time, which are all time sensitive due to committee deadlines, so I do not think it would be realistic to fit in workshop sessions.

Comment received: Don't have specific details of the individual audits

HIACF response: The draft plan is shared with Service Managers for comment and once agreed by the Audit Committee, a list of audits included on the agreed Internal Audit Plan is shared with the affected Service Managers. This communication includes details of the expected clients for each audit, with Service Managers asked to provide details of any other managers who should be included, in order that the Internal Audit can make contact at the outset of the audit. The Internal Audit Plan lists a high-level description of what is to be reviewed but the specifics are agreed as part of the engagement process when the audit commences.

Question: Do you feel that the Internal Audit Plans are focused on the right areas?	Number of respondents	
	2022	2023
Yes	8	20
No	0	2

Comment received: I found this really difficult to answer and wanted to click yes, but then wouldn't have had anywhere to make any comments, sorry! I think given the process that's followed and the level of engagement from CMT, the resources are well directed. However, when I think about the council's biggest risks, it's difficult to see those reflected on the audit plan - possibly because the team's work relies on other programmes of work/assurance activity on those risks? If that's the case, then maybe the plan could explicitly feature reviews of progress in managing those risks? Happy to discuss what I mean if this isn't very clear, sorry!

HIACF response: The council's objectives and risk register are considered as part of the Audit Needs Assessment (risk assessment) and we aim to focus on the highest areas of risk to provide the necessary assurance. You are correct that we rely upon assurance from other independent bodies, but this wouldn't necessarily be explicitly outlined in the plan itself. It is my intention to try and conduct an assurance mapping exercise to really understand what forms of assurance are available, in addition what is provided by internal audit, and have it documented, so that this can also be relied upon when considering my annual assurance opinion.

Comment received: Don't know of all the areas being audited

HIACF response: As stated in a previous comment, draft plans are shared with Service Managers for comment once agreed by the Audit Committee, a list of audits included on the agreed Internal Audit Plan is shared with the affected Service Managers.

- 3.13 Additional questions were asked in relation to communication about the agreed Internal Audit Plans and notification of individual audits. As with the previous questions, those answering 'no' were offered the opportunity to provide comments for suggested improvements, which are included below along with a response from the HIACF.

Question: Do you feel that you receive sufficient communication about the agreed Internal Audit Plans?	Number of respondents	
	2022	2023
Yes	8	21
No	0	1

Comment received: A published annual breakdown of the areas being audited highlighted via comms.

HIACF response: The Internal Audit Plans are approved by the Audit Committee and are therefore published on the council website with all other Committee papers. Update reports and annual reports giving a breakdown of the areas audited and their results are also published. As stated in a previous comment, once agreed by the Audit Committee, a list of audits included on the agreed Internal Audit Plan is shared with the affected Service Managers.

Question: Do you feel that you receive sufficient notification of the planned audits to be undertaken?	Number of respondents	
	2022	2023
Yes	8	21
No	0	1

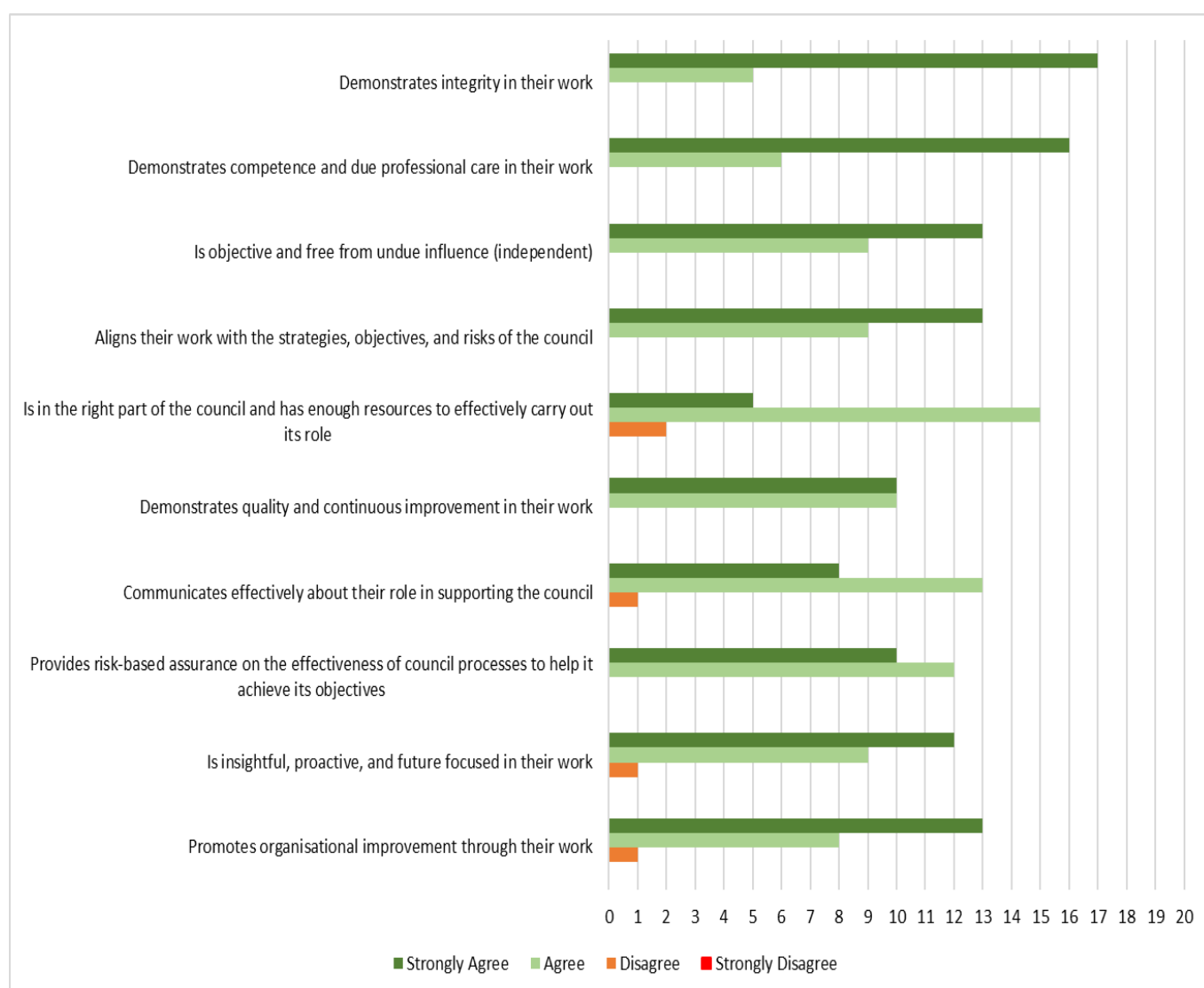
Comment received: If there was a published annual plan teams could start to pull together documents that maybe used within the audit.

HIACF response: As stated in a previous comment, once agreed by the Audit Committee, a list of audits included on the agreed Internal Audit Plan is shared with the affected Service Managers but until the scope of the review has been agreed with a client, it is not possible for us to say what documentation will be required. The individual Internal Auditor will work with the service to discuss what evidence is needed and a suitable time is agreed for the service to provide it.

- 3.14 As with the responses received in 2022, the majority of respondents seem to be happy with the level of engagement but the comments received will be taken on board to see if further improvements can be made.

Compliance with the IIA Core Principles

- 3.15 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.
- 3.16 As part of the 2022 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 eight either strongly agreed, agreed, or provided a neutral response for all ten statements.
- 3.17 For the 2023 survey, the same statements were provided, and respondents were again asked to confirm to what extent they agreed or disagreed with each statement. However, the option for the neutral response of 'neither agree nor disagree' was removed in an attempt to get a clearer picture of views.



- 3.18 One respondent strongly disagreed with all ten statements, but this conflicted greatly with their overall satisfaction score of ten, so clarification was sought, and it was found that they had made an error and intended to select strongly agree for all statements. As a result, correction to the error means that all respondents either agreed or strongly agreed with six of the ten statements.
- 3.19 One response of 'disagree' was received in relation to three of the four remaining statements, these being; 'Communicates effectively about their role in supporting the council', 'Is insightful, proactive, and future focused in their work' and 'Promotes organisational improvement through their work'. The last statement of

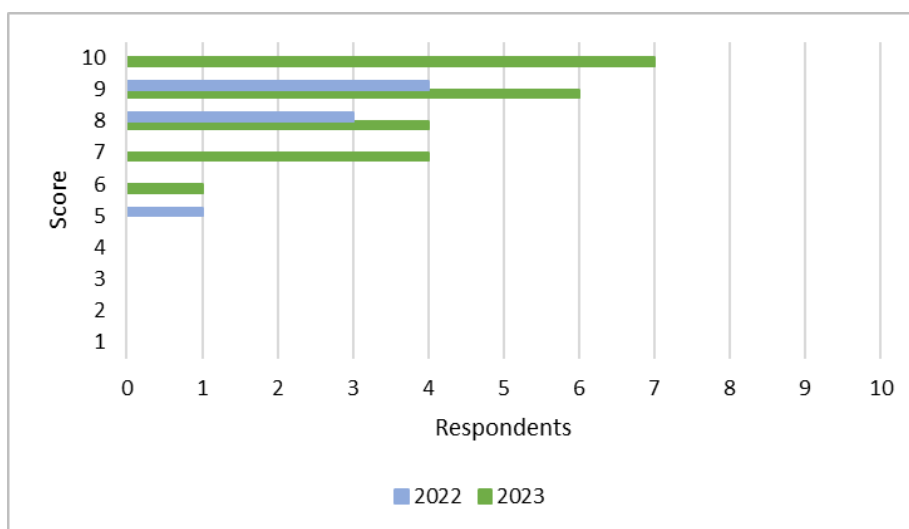
'Is in the right part of the council and has enough resources to effectively carry out its role' received two responses of disagree.

3.20 The negative responses were from three different respondents and two have provided their name, so there is opportunity to gather more information and gain a better understanding of what they feel needs to improve.

Overall Satisfaction with Internal Audit Services

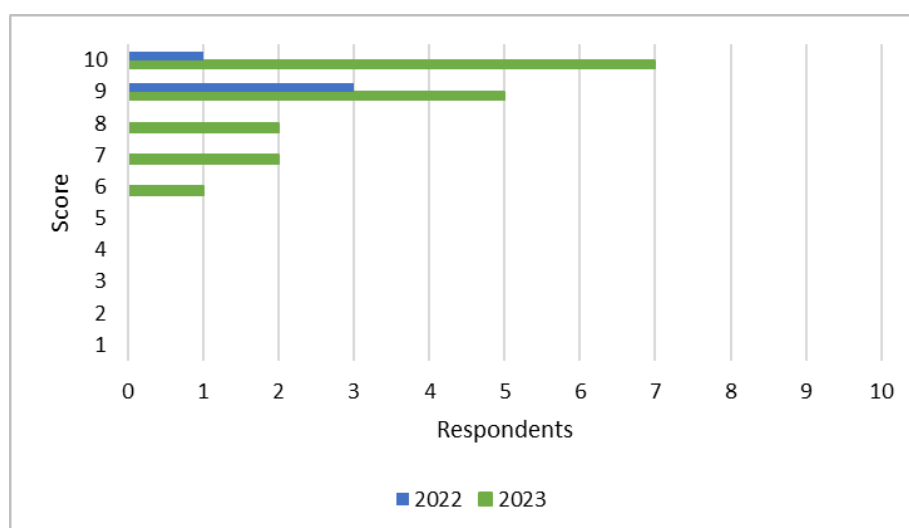
3.21 Questions relating to overall satisfaction asked respondents to score from one (completely dissatisfied) to ten (completely satisfied). Any scores of eight or above are considered to be positive satisfaction.

3.22 As it was possible that not all respondents would have interacted with the Internal Audit team during the previous year, respondents were first asked to provide a satisfaction score in relation to the support and services that are available from the Internal Audit team. The scores from both 2022 and 2023 have been provided for comparison.



3.23 The average score across the 22 respondents was 8.64 out of ten and represents positive satisfaction from 77.3% of the respondents. This is in comparison to an average score of 8.13 and positive satisfaction of 87.5% from the eight respondents in 2022.

3.24 The 17 respondents who confirmed having received services from the Internal Audit team in the last year were asked to score their overall satisfaction with the service received.



- 3.25 Scores ranged from six to ten, giving an average score of 8.88 and representing positive satisfaction from 82.4% of the respondents. This is compared to an average score of 9.25 and positive satisfaction of 100% from the four respondents in 2022.

Other Feedback

- 3.26 At the conclusion of the survey respondents were asked: *Do you have any other comments that may help us improve / develop the service?*
- 3.27 The comments received are detailed below, along with responses from the HIACF on behalf of the service.

Comment received: The team are always very approachable and considerate of other pressures faced by the service when planning/carrying our audits.

HIACF response: The positive feedback is appreciated. We strive to ensure the audit process is productive and any disruption is minimised as much as possible.

Comment received: I wanted to add clarity to some of my more "negative" agree/disagree comments in Q13. I think that there are still opportunities to join up the work of Internal Audit and Business Change / Transformation to better explore opportunities for the Council to save money and maximise income. Work on this has started, but I don't think we are quite there yet (and this is as much on me and my teams as it is Audit!)

HIACF response: We too appreciate the benefits of Internal Audit and Business Change working together and to this end, the Chief Information Officer has been regularly attending Internal Audit team meetings in order for information relating to the work of the two teams to be shared. Further opportunities for collaboration will be explored by the HIACF and Internal Audit Manager.

Comment received: The audit process has been hampered by changes in IT during the time however there have been delays with data being requested and sent. Still waiting for a draft or final report.

HIACF response: On occasion delays are inevitable and these occur for both internal audit and our clients. I do however acknowledge that there have been delays in reports being issued during 2022-23, which are the consequence of issues connected to staff turnover. We are working hard to catch up and doing our best to ensure that we don't end up in a similar position again.

Comment received: Audit recommendations monitoring is cumbersome. May be useful to consider something a little more streamlined.

HIACF response: Significant work has been undertaken over recent years to move away from making recommendations, and move towards agreeing actions collaboratively with clients, allowing the service-experts the opportunity to ensure that actions are realistic and practical, and that the timescales for implementation are realistic. Alongside this, we have also made enhancements to our process for following-up on actions, however we appreciate that this can be complicated where unforeseen circumstances occur which mean changes to actions and timescales for implementation are necessary. In these circumstances, we are happy with work with clients on an individual basis to ensure the process is smooth as possible and we are happy to take suggestions on ways the process could be streamlined further.