

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

Internal Audit Satisfaction Survey 2024

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 is issued annually to senior managers and elected Members (primarily those on the Audit Committee) to seek views on their overall satisfaction with the services provided by the Internal Audit Team, which forms part of the teams key performance indicators. The option is also given to cascade the invite to supervisors and team leaders who may be involved in the audit review process and interactions with the team.

2 Executive Summary

- 2.1 The level of response to the survey was down slightly, with 16 responses received, in comparison to 22 in 2023, although still significantly better than the eight received in 2022. The results are largely positive and indicate that respondents are satisfied with the services available from the Internal Audit Team, with an average score of nine out of ten, compared to 8.64 out of ten in 2023 and 8.13 in 2022. Respondents are also satisfied with the overall service received, with 92.3% 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, almost 40% of respondents have not seen/read the Internal Audit Charter and all of those are in a Service Manager role. 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. In addition, 43.75% of respondents indicated that more training or information about the role of internal audit and the services available would be useful. The team will now be looking at the best way for this to be delivered.
- 2.3 100% of respondents confirmed that they were sufficiently involved in the preparation of the Internal Audit Plans, felt that the plans were focused on the right areas, felt that they received sufficient communication about the agreed plans, and sufficient notification of planned audits to be undertaken. This is an improvement on 2023 and demonstrates that the efforts to improve communications are having the desired effect.
- 2.4 Perceived compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles has shown some improvement, with one response of 'disagree' on two statements, these being; 'Is in the right part of the council and has enough resources to effectively carry out its role', and 'Communicates effectively about their role in supporting the council'. A comment was only received in relation to the latter, so we do not know the reason for disagreement regarding our resources.
- 2.5 Overall, the results of the survey indicate improved satisfaction with our services, although there are still some areas that could have further improvement and the team will continue with their efforts to address any issues raised.

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 Where practical, statistics from the surveys undertaken in 2022 and 2023 have been included for comparison purposes, although in some cases questions may have been added/removed as the surveys were refined. Any new questions added since the first survey in 2022 are marked with an asterisk to reflect that not all previous year data is available.

3.3 There were 16 responses on behalf of Medway, compared to 22 in 2023 and 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	Number of respondents 2023	Number of respondents 2024
Chief Executive / Director / Assistant Director / Chief Officer/ Strategic Service Manager	5	6	3
Service Manager	N/A	10	10
Other Manager / Supervisor / Team Leader	0	4	1
Elected Member	3	2	2
Total	8	22	16

Division	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Adults	1	0	1
Childrens	0	2	1
Communications	N/A	0	0
Culture & Communities	1	0	1
Education	0	1	0
Finance & Business Improvement	1	10	7
Front Line Services	1	0	0
HR	0	3	N/A
Legal & Governance	0	2	4
Public Health	0	1	0
Regeneration	1	2	0
N/A - Elected Member	3	1	2
Total	8	22	16

3.4 It should be noted that not all respondents answered all questions, so the detailed results that follow are not all based upon 16 responses.

Awareness of Internal Audit Services

3.5 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.

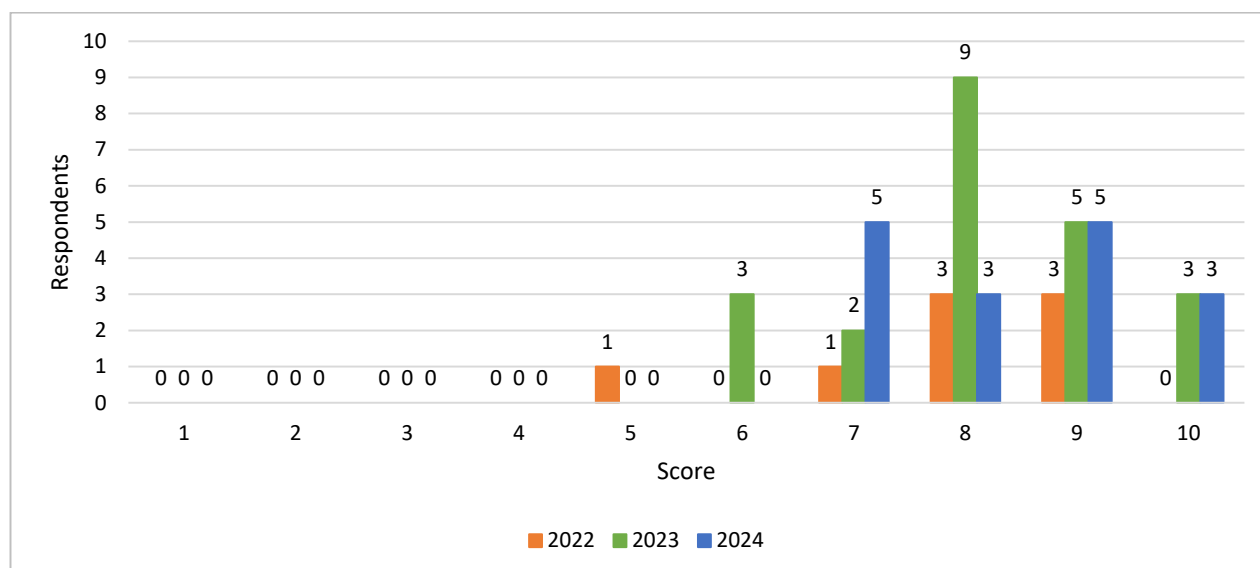
3.6 The work undertaken by the Internal Audit Team is supported by the Internal Audit Charter, which is approved by the Audit Committee.

*Question: Have you seen / read the Internal Audit Charter?	Number of respondents 2023	Number of respondents 2024
Yes	12	10
No	10	6

3.7 As with 2023, only just over half the respondents have seen/read the Charter and the six responding 'no' all listed themselves as Service Managers. As the Charter sets out the responsibility, purpose, and authority of internal audit, it is a key document that managers should be aware of, so we 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.

3.8 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?*

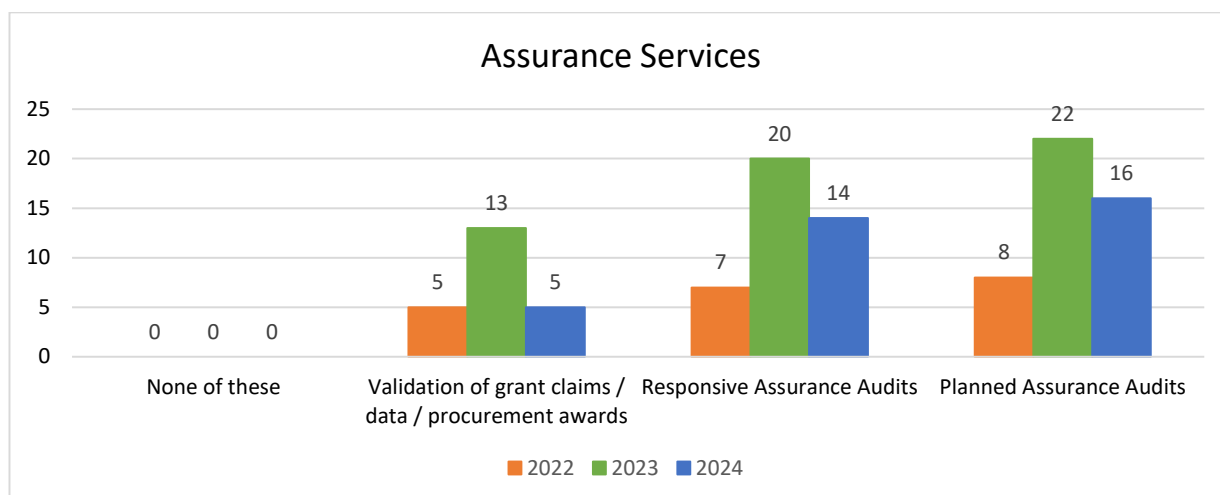
3.9 The scores received ranged from 7 to 10, with an average of 8.38 across the 16 responses. This is in comparison to an average of 8.14 across 22 responses in 2023 and 7.88 across eight responses in 2022, which shows continuing improvement in awareness of the team.



3.10 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.

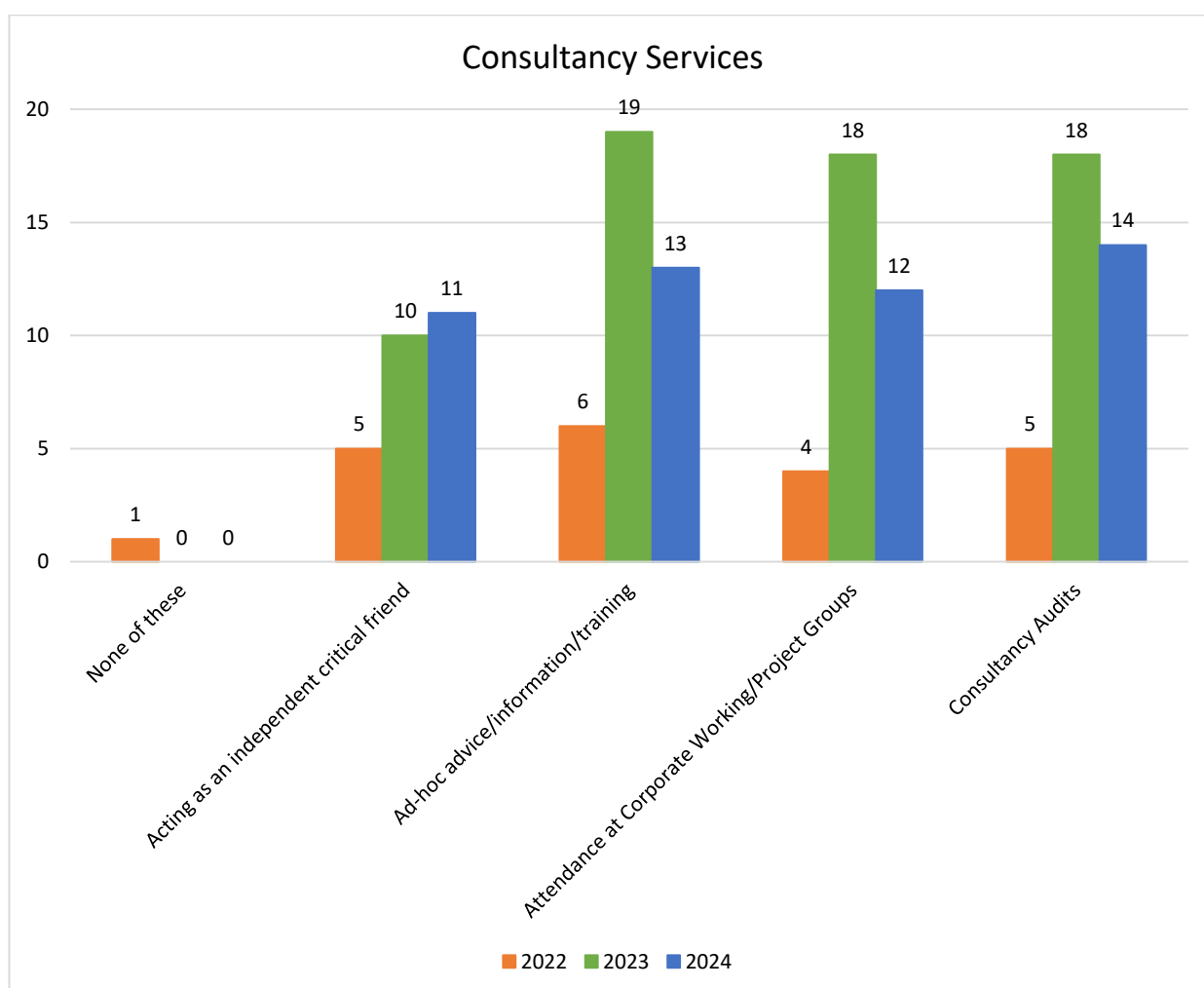
Assurance Services

- 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.



3.11 In both cases, the responses are largely comparable with 2023 in percentage terms. However, to really understand whether there has been an improvement in awareness, a new question was added for 2024, and

respondents were asked 'Do you feel that more training/information about the role of internal audit and our services would be useful?'

*Question: Do you feel that more training/information about the role of internal audit and our services would be useful?	Number of respondents
Yes	9
No	7

- 3.12 This indicates that awareness training may be useful. The team will begin exploring the best way to deliver this activity, whether that be awareness sessions or some form of information document that can be distributed.

The Internal Audit Workplan

- 3.13 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.

- 3.14 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 plans focus on the right areas. These same questions were asked in 2022 and 2023 and the responses for all three years are provided for comparison purposes.

Question: Do you feel that you are sufficiently involved in the preparation of the Internal Audit Plans?	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Yes	6	20	16
No	2	2	0

Question: Do you feel that the Internal Audit Plans are focused on the right areas?	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Yes	8	20	16
No	0	2	0

- 3.15 Additional questions were asked in relation to communication about the agreed Internal Audit Plans and notification of individual audits.

*Question: Do you feel that you receive sufficient communication about the agreed Internal Audit Plans?	Number of respondents 2023	Number of respondents 2024
Yes	21	16
No	1	0

*Question: Do you feel that you receive sufficient notification of the planned audits to be undertaken?	Number of respondents 2023	Number of respondents 2024
Yes	21	16
No	1	0

- 3.16 All respondents seem to be happy with the level of engagement in terms of involvement in preparation of the internal audit plans and their focus, and the efforts to improve communication about the agreed plans and notification of planned audits also appears to be having a positive effect.

Compliance with the IIA Core Principles

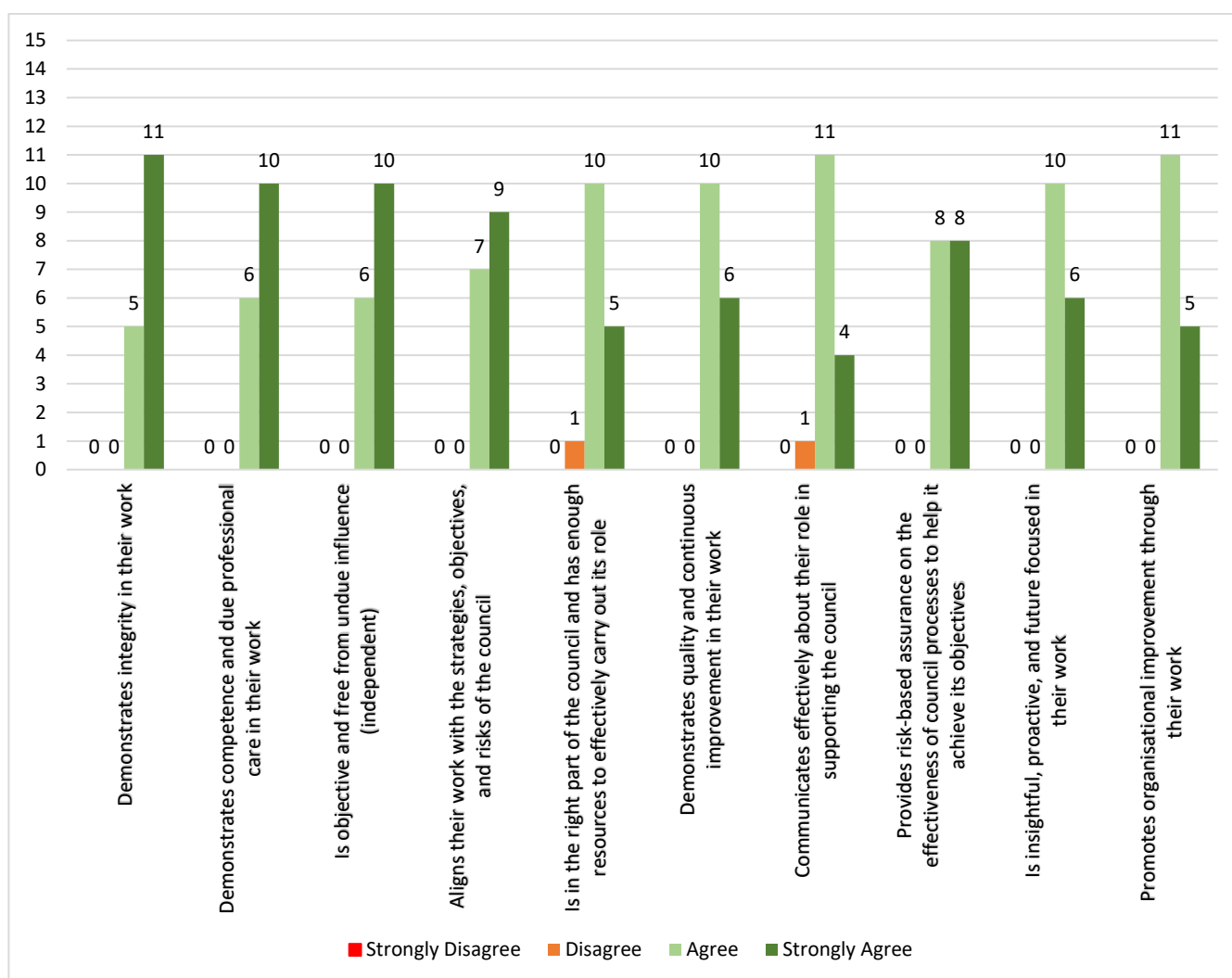
3.17 The Chartered Institute of Internal Auditors (IIA) Core Principles articulate internal audit effectiveness and should be present and operating effectively at all times. While the service feels it complies with these principles, views were sought to identify the extent to which those independent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

3.18 As part of the surveys in 2022 and 2023, 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.

3.19 In 2022, all eight respondents either strongly agreed, agreed, or provided a neutral response for all ten statements. In 2023, the option for the neutral response of 'neither agree nor disagree' was removed in an attempt to get a clearer picture of views, and two respondents disagreed with the following statements:

- Is in the right part of the council and has enough resources to effectively carry out its role.
- The team communicates effectively about their role in supporting the council.
- Is insightful, pro-active, and future focused in their work.
- Promotes Organisational Improvement through their work.

3.20 For the 2024 survey, the same statements were provided, and respondents were again asked to confirm to what extent they agreed or disagreed with each statement. As an addition for 2024, respondents who disagreed with any of the statements were asked to explain why, so we can better understand what action may need to be taken in order to improve.



3.21 14 respondents either agreed or strongly agreed with all ten statements. However, there were still some negative responses, so further analysis has been detailed in the table below for comparison purposes.

Statement	Disagree 2022	Disagree 2023	Disagree 2024	Strongly Disagree 2022	Strongly Disagree 2023	Strongly Disagree 2024
Demonstrates integrity in their work	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Demonstrates competence and due professional care in their work	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Is objective and free from undue influence (independent)	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Aligns their work with the strategies, objectives, and risks of the council	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Is in the right part of the council and has enough resources to effectively carry out its role	0	2 ↑	1 ↓	0	0 ↔	0 ↔
Demonstrates quality and continuous improvement in their work	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Communicates effectively about their role in supporting the council	0	1	1 ↔	0	0 ↔	0 ↔
Provides risk-based assurance on the effectiveness of council processes to help it achieve its objectives	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Is insightful, proactive, and future focused in their work	0	1 ↑	0 ↓	0	0 ↔	0 ↔
Promotes organisational improvement through their work	0	1 ↑	0 ↓	0	0 ↔	0 ↔

3.22 A comment was only provided in relation to the statement 'Communicates effectively about their role in supporting the council', and this is detailed below.

- I think there is still not enough understanding within the Council of the range of activity which our internal auditors could support, which suggests that the service could do more to effectively communicate its role to the rest of the organisation.

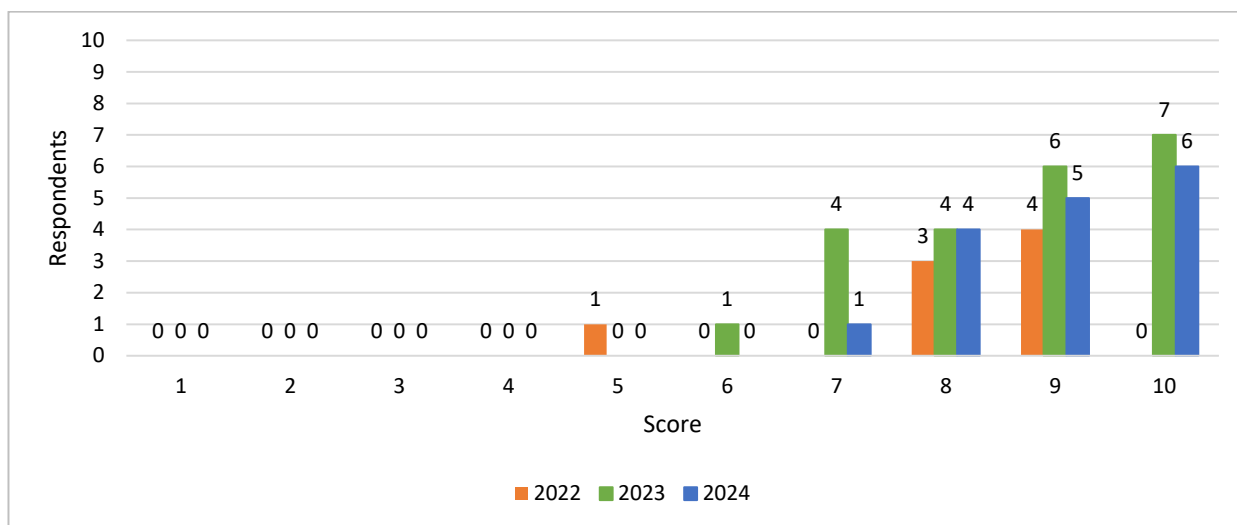
3.23 We completely agree with this statement, and this is why we included a new question in this years survey asking if respondents felt that more training/information about internal audit and our services would be useful. Given the level of people who indicated this would be of interest, we will be looking at the best method to communicate this.

3.24 Overall, the results indicate a number of improvements in comparison to 2023, although some work is required to strengthen this further. The team always maintain compliance with these core principles in the delivery of their work and will continue to try and demonstrate this to our clients.

Overall Satisfaction with Internal Audit Services

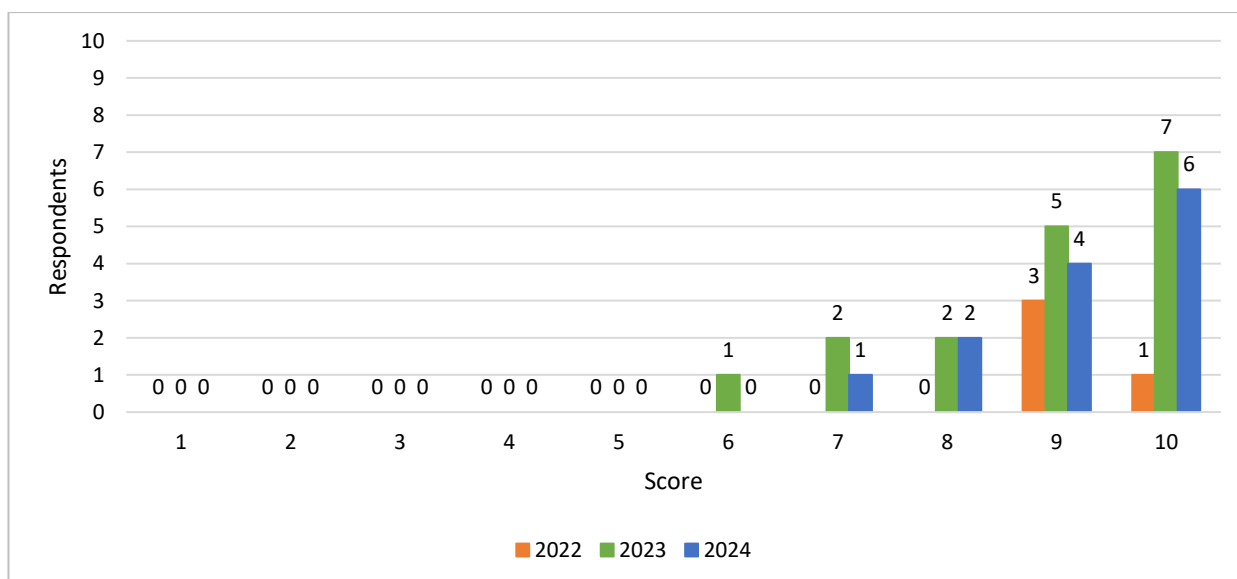
3.25 Questions relating to overall satisfaction asked respondents to provide a score from one (completely dissatisfied) to ten (completely satisfied). Any scores of eight or above are considered to be positive satisfaction.

3.26 As it was possible that not all respondents would have interacted with the Internal Audit Team during the previous 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 2022, 2023 and 2024 have been provided for comparison.



3.27 The average score across the 16 respondents was 9.00 and represents positive satisfaction from 93.8% of the responses received. This is in comparison to an average score of 8.64 and positive satisfaction of 77.3% from the 22 responses received in 2023, and an average score of 8.13 and positive satisfaction of 87.5% from the eight responses received in 2022.

3.28 The 13 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.



3.29 Scores ranged from seven to ten, giving an average score of 9.15 and representing positive satisfaction from 92.3% of the responses received. This is compared to an average score of 8.88 and positive satisfaction of 82.4% from the 22 responses received in 2023, and 9.25 and positive satisfaction of 100% from the eight responses received in 2022.

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 have been grouped into compliments, which were gratefully received, or suggestions for improvement. A response from the Head of Internal Audit & Counter Fraud (HIACF) on behalf of the service has been included where appropriate.

Compliments

Comment received: I suspect that a number of my answers have benefitted from my knowledge of the team and the work it does given my previous support and ongoing semi-regular attendance at the Audit Committee. I have always found the members of the team to be very helpful, supportive, and professional when I have had dealings with them.

Comment received: ***** was our contact through our Audit. She was professional and polite and extremely helpful ensuring that we were kept up to date with the progress of our Audit and clear on the information that she needed in order to progress through the Audit which made it quicker and easier for our team to provide the information that she required.

Suggestions

Comment received: Follow up and follow through is more on a report rather than ongoing support or understanding of the challenges service may face to implement. There may be greater collaboration if the outcomes are shared more and the narrative is understood.

HIACF response: At this stage the comment appears to relate to actions arising from audits and the follow up process that we have in place. While I've been trying to seek clarification on this, due to diary commitments I have been unable to meet with the officer leaving the comment, so this response is based on my current understanding.

I think it's fair to point out that we moved away from recommendations a few years ago in favour of agreed management actions. If an audit identifies a potential control weakness, these are discussed with the service during the course of the audit, and indeed at the final 'wash up' meeting before we produce any reports. These discussions identify the best course of action to address the control weakness using the experience and knowledge of the service rather than internal audit recommending something that is impractical.

When draft reports are issued, the service are asked to confirm dates for implementation, and we now strongly encourage all services to consider any resource implications when setting these dates. While it is obviously necessary to address control weaknesses within reasonable time frames, we do ask services not to set themselves an impossible target because this will ultimately mean that actions become overdue. This need for balance can be a challenge to stop the risk exposure continuing for too long but we are ensuring we take a pragmatic approach.

When it comes to the follow up of agreed actions, we are acutely aware that circumstances may change after implementation dates are agreed, which have a knock-on effect to completion. Again we do our best to work with services and are sympathetic to challenges that may have arisen but we rely on communication from those services to understand the situation and then make allowances where necessary.

Comment received: As I've discussed with the Head of Audit and Counter Fraud, the organisation must learn to use internal audit more creatively to provide support and assurance.

HIACF response: We will be trying to make areas of the council more aware of the services available from internal audit to try and further promote how we can provide assistance.

Comment received: I am very impressed with the detailed reports produced. My only disappointment is with the slow response to recommendations by some areas of the organisation.

HIACF response: We appreciate the positive feedback in relation to our reports. It is difficult for us to comment on the activities of other areas of the organisation, but we do our best to ensure that timescales set for actions are appropriate but also realistically achievable for the service. We do acknowledge that the actions are agreed at a point in time and there may be subsequent changes to service pressures/priorities that impact on their ability to meet the agreed timescales.