Members of the Performance and Administration Cabinet Committee of Gravesham Borough Council are summoned to attend a meeting to be held at the on Tuesday, 24 September 2019 at 7.30 pm when the business specified in the following agenda is proposed to be transacted.

S Walsh
Service Manager (Communities)

Agenda

Part A
Items likely to be considered in Public

1. Apologies

2. Minutes (Pages 3 - 6)

3. Declarations of Interest

4. To consider whether any items in Part A of the agenda should be considered in private or those (if any) in Part B in public.

5. Annual review of the Audit & Counter Fraud Shared Service (Pages 7 - 18)

6. Audit & Counter Fraud Satisfaction Survey 2018-19 (Pages 19 - 40)

7. Revenues & Benefits Update Oral Update

8. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.

Civic Centre, Windmill Street, Gravesend Kent DA12 1AU
9. Exclusion
To move, if required, that pursuant to Section 100A (4) of the Local Government Act 1972 that the public be excluded from any items included in Part B of the agenda because it is likely in view of the nature of business to be transacted that if members of the public are present during those items, there would be disclosure to them of exempt information as defined in Part 1 of Schedule 12A of the Act.

Part B
Items likely to be considered in Private

Members
Cllr Narinder Singh Thandi (Chair)
Cllr Brian Francis (Vice-Chair)

Councillors: Gurjit Kaur Bains
Harold Craske
Dakota Dibben
Sarah Gow
Gary Harding
Leslie Hills
Peter Scollard
Gurbax Singh

Substitutes: To be notified
Performance and Administration Cabinet Committee

Thursday, 4 July 2019 7.30 pm

Present:

Cllr Narinder Singh Thandi (Chair)
Cllr Brian Francis (Vice-Chair)

Councillors:  Harold Craske
             Dakota Dibben
             Sarah Gow
             Gary Harding
             Leslie Hills
             Peter Scollard
             Gurbax Singh

Mike Bytheway       Service Manager (Revenues & Benefits)
James Larkin        Head of Internal Audit & Counter Fraud
Jackie Baker        Assistant Manager (Revenue & Benefits)
Michelle Batstone   Corporate Change Manager
Ben Turner          Corporate Performance Manager
Chris Wakeford      Committee Services Officer (minutes)

49. Apologies

Apologies for absence were received from Cllr Gurjit Kaur Bains.

50. Minutes

The minutes of the meeting held on 26 March 2019 were signed by the Chair.

51. Declarations of interest

No declarations of interest were made.

52. Overview of Performance & Administration Portfolio

The Service Manager (Revenues & Benefits) highlighted the terms of reference for Cabinet Committees, included in Annex 1.7 of the Council’s Constitution:

“To make recommendations to the relevant portfolio holder as to determining any matters within his/her remit. The Committees may invite such other persons as appear appropriate to attend and take part in their deliberations, subject to the nondisclosure of confidential and exempt information (as defined in the Access to Information Rules set out in Annex 2.2 to this Constitution)”.

1
The following service areas have been designated as within the scope of the Performance & Administration Committee:

- Revenue & Benefits
- Corporate Performance
- Internal Audit & Counter Fraud
- Corporate Change
- Information Governance

The Service Manager (Revenues & Benefits) Head of Internal Audit & Counter Fraud, Corporate Change Manager and Corporate Performance Manager provided the Committee with an overview of the service areas included within the Performance & Administration Portfolio, as detailed above and in Appendix 2 of the report.

The Committee considered each area in turn and officers provided responses to Members questions, as detailed below:

Revenue & Benefits

The Service Manager (Revenues & Benefits) highlighted the following:

- There is a legal process to the recovery of council tax whereby customers are sent a reminder letter followed by a second reminder in some cases and/or a final reminder letter before a summons letter is issued. Prior to the summons hearing at the Magistrates Court a summons surgery is held so that customers have an opportunity to speak to us face to face. Summons surgeries are quite well attended (into double figures). The Service Manager (Revenues & Benefits) mentioned that it is difficult to provide a more personal service due to the fact that there are over 40,000 council tax accounts. The Service Manager (Revenues & Benefits) agreed to circulate the summons letter to the Committee.
- The Council’s housing benefit caseload is dropping (15% reduction in claimants) because people now have to claim Universal Credit instead of coming directly to the Council.
- The Council works with as many support agencies as it can including; Citizens Advice Bureau, Jobcentre Plus etc.
- Long Term Empty Homes Premium; GBC has 76 homes at 100% premium. The Service Manager (Revenues & Benefits) agreed to provide a monetary figure or this.
- There is not a waiting list for Discretionary Housing Payments; each application is assessed on its own merits however not all can be granted due to there being limited funding.
- The Discretionary Rate Relief (DRR) scheme does still apply. With the introduction of the Business Rates Retention Scheme from the 1 April 2013 the awarding of DRR has a direct financial effect upon the Authority (having previously been funded largely by Central Government only).
Corporate Performance

- The Corporate Performance Manager explained the team's scope of duties and that the current focus is the development of the council's new Corporate Plan in line with community needs, community expectations, as established by a recent consultation, and the pledges made in the administration's election manifesto. It was also confirmed that performance reporting, to chart the progress of work against the Corporate Plan's policy objectives, will continue to Cabinet Committees on a quarterly basis.

The Committee commended the good work that had gone into creating a clear performance management framework.

Internal Audit & Counter Fraud

The Head of Internal Audit & Counter Fraud highlighted the following:
- 95% completion of 2018-19 audit plan (on target)
- 65% of productive resource used on audit assurance & consultancy and 35% on counter fraud in line with targets
- Fraud savings in 2018-19 total: £166,760 which can be broken down as follows:
  - £13,860 cashable
  - Notional savings: £72,000
  - Blocked fraudulent right to buy application: £80,900 (prevented loss)
- Gravesham share of service costs 2018/19: £193,242

The Committee commended the good work of the Internal Audit & Counter Fraud Team.

Corporate Change

The Corporate Change Manager provided an overview of the activities that the Corporate Change Team are involved in, highlighting the corporate support nature of the work. Specifically, Members drew out the following points:
- Engagement with staff is critical and Members were keen to understand how this is addressed. The Corporate Change Manager advised that, in the past, there has been a tool for employees to put forward their ideas and consideration is currently being given to resurrecting this procedure.
- Members were keen to understand the mental health support provided by the council, given that change can be very stressful for people. The Corporate Change Manager advised that the Human Resources team do a lot of work in respect of mental health awareness with staff and the Council has designated trained officers to help staff. In addition, the council has an Employee Assistance Program for staff which enable staff to access external support on specific areas should they require it. The Corporate Change Manager advised that she would ask the HR Team to provide an overview of the support provided to officers to the Committee.
Information Governance

The Corporate Change Manager, in the absence of the Information Governance Manager, provided an overview of the Information Governance arrangements that the council has in place. Specifically, Members drew out the following points:

- In 2018/19 the Council responded to 86% of the 799 FOI/EIR requests within the 20 working days but the Information Commissioner expects 90% of responses to be made on time. Members were keen to understand what action the ICO may take in respect of performance dropping below the 90% threshold. The Corporate Change Manager advised that she would liaise with the Information Governance Manager to provide a response to this question to the Committee.

- The Corporate Change Manager advised that there had not been any serious data breaches by the council in recent years. Any data breach should be reported within 72 hours and Members enquired as to the ramifications for the local authority should they not meet this requirement. The Members were advised that the council has an Information Governance Group to address any governance issues and, if necessary, an emergency meeting would be called to ensure timescales are met for any breach that has been identified. The Corporate Change Manager advised she would liaise with the Information Governance Manager to provide a response to the Committee regarding the ICO approach to non-notification of breaches.

- There has been a 20% increase in Freedom of Information and Environmental Information Regulations (FOI/EIR) requests and Members were keen to understand the trend in respect of FOI requests over recent years. Members were advised that requests cover all areas of the Council including; Housing Benefits, Business Rates, Debt etc and these are monitored on a weekly basis by officers across the council. The Corporate Change Manager agreed to speak to the Information Governance Manager and ask her to provide trend analysis data to the Committee regarding the increase in FOI/EIR requests.

Resolved that the Committee noted the report

The Assistant Manager (Revenue & Benefits) highlighted the upcoming Revenues & Benefits Member training session that is taking place on 15 July 2019.

Close of meeting

The meeting ended at 8.26 pm
Gravesham Borough Council

Report to: Performance & Administration Committee

Date: 24 September 2019

Reporting officer: James Larkin, Head of Internal Audit & Counter Fraud Shared Service (Chief Audit Executive)

Subject: Annual review of the Audit & Counter Fraud Shared Service

Purpose and summary of report:
To provide Members of the Performance & Administration Committee with a copy of the annual review that has been conducted in respect of the Audit & Counter Fraud shared service with Medway Council.

Recommendations:
1. None - this paper is for information purposes only

1. Introduction

1.1 Since December 2015, the council has had in place a shared service with Medway Council for the delivery of the Audit & Counter Fraud service. This involved the transfer of all Gravesham Borough Council (GBC) staff who were employed within Internal Audit and Fraud at GBC to Medway Council.

1.2 The Audit and Counter Fraud team underwent a restructure in February 2016 (which took effect from 1 March 2016), to take account of the changes to the delivery of fraud service brought about from the introduction of the Single Fraud Investigation Service (SFIS).

1.3 As such, the current Audit & Counter Fraud team have been operational in their current format for just over three years (at the time of the review).

2. Annual Review

2.1 As per the council's Working in Partnership Framework (which was adopted by Council on 16 April 2019), the annual review of the Audit & Counter Fraud arrangement was undertaken in June 2019 and reported to the Gravesham Borough Council Management Team accordingly.
2.2 A copy of the final review document is attached at appendix two for Member perusal.

3. **Background Papers**

3.1 Background papers pertaining to this report are as follows:

- “Proposed development of a fully shared Internal Audit and Fraud Service with Medway Council” – report to Cabinet – 07 September 2015

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.
<table>
<thead>
<tr>
<th>IMPLICATIONS</th>
<th>APPENDIX 1</th>
</tr>
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</table>
| Legal        | The Accounts & Audit Regulations 2011 require a relevant body to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.” Proper practice has been defined as that contained within the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note to the Public Sector Internal Audit Standards. 

The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against them. 

Section 151 of the Local Government Act 1972 requires the council to “make arrangements for the proper administration of their financial affairs”. 

Finally, the shared service arrangement has been established with due regard to Section 113 of the Local Government Act 1972, which allows a local authority to place any of its officers, who consent to the arrangement, at the disposal of another local authority on such terms as may be agreed between the parties. |
| Finance and Value for Money | In respect of the 2019-20 financial year, the payment to Medway Council for the provision of Audit and Counter Fraud services is budgeted as £209,667 which is a increase in the sum paid in the previous financial year (£193,242 in 2018-19), however it should be noted that this was as the result of an underspend. An underspend is also predicted for 2019-20, so Gravesham would see a reduction in costs in that event. |
| Risk Assessment | The risks associated with this arrangement are considered to be ‘low’ at this time. 

The annual review and the annual performance reports has shown that the service is meeting and in some cases, exceeding its objectives. |
| Data Protection Impact Assessment | A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process. 

a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? 

Once the council decides to pursue the formation of a LATCo, the council’s Information Governance Manager will be consulted to ensure that all Data Protection issues are considered, including the completion of a Data Protection Impact Assessment (DPIA). 

b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? 

N/A (at this stage) |
| Data Protection Impact Assessment | c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. 

N/A (at this stage) |
| Equality Impact Assessment | a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. |
### IMPLICATIONS

<table>
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<tr>
<th>APPENDIX 1</th>
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| b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. |
| No |

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.

### Corporate Plan

The work of the Audit & Counter Fraud team contributes to the overall internal control and governance arrangements of the council, therefore supporting all of the objectives set out within the Corporate Plan.

Specifically, the delivery of a shared service contributes to Objective 4 - "A sound and self-sufficient council" through delivery of the following commitments:

- Underpin all council activity with sound governance and internal control measures minimising the opportunities for fraud and corruption.
- Deliver on opportunities for the sharing and selling of council services

### Crime and Disorder

Internal Audit provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisations’ objectives. The work of Internal Audit combined with a sound internal control environment has a positive contribution to community safety in its broadest sense.

The counter fraud arrangements of the council acknowledge that the council can be exposed to fraud and are intended to, as far as possible, prevent fraud occurring and pursue criminal action if needed when fraud is detected. Working with partners to combat crime and disorder has a positive contribution to community safety in its broadest sense.

### Digital and website implications

There are no digital or website implications resulting from this report.

### Safeguarding children and vulnerable adults

There are no safeguarding children and vulnerable adults implications resulting from this report.
Review of the Audit & Counter Fraud
Shared Service

(Shared service Commenced: December 2015)

Author(s):
Stuart Bobby, Director (Corporate Services) at Gravesham Borough Council
and Phil Watts, Chief Financial Officer at Medway Council

Date:
June 2019
In line with all shared service/shared working arrangements, it is necessary to undertake an annual review of the arrangement. The purpose of the review is two-fold; to ensure that the shared service is delivering against its agreed objectives and to identify any improvements/changes that need to be made to ensure the successful continuation of the arrangement.

The objectives identified for the Audit & Counter Fraud shared service are as follows:

- Deliver the statutory internal audit function.
- Deliver an effective counter fraud and investigation service.
- Provide a Single Point of Contact (SPOC) for the Department for Works and Pensions (DWP) for their investigation of Housing Benefit Fraud.
- Deliver a reduction in the cost of service delivery to mitigate the reduction in funding from the DWP as a result of the introduction of the Single Fraud Investigation service (SFIS).
- Provide increased resilience and flexibility to meet the needs of both councils.

Key areas of focus for the 2018-19 financial year were identified as follows:

- Delivery of the Audit & Counter Fraud Workplans for 2018-19
- Delivery of assurance work in reduced timescales
- Increased counter fraud activity
Review Findings

How is the shared service operating?

1. Has the shared service delivered on the objectives that are set out on page two of the review document?

   Yes [ ]  No [ ]  In part [ ]

   Please provide details of how the objectives have been met. If they haven’t been met or have been met in part, please provide the reasons for this and any action identified to rectify this.

   - Deliver the statutory internal audit function – Internal Audit elements of targets set have been met and annual opinions delivered.
   - Deliver an effective counter fraud and investigation service – a service has been delivered but undermined by sickness.
   - Provide a Single Point of Contact (SPOC) for the Department for Works and Pensions (DWP) for their investigation of Housing Benefit Fraud – excellent service maintained
   - Deliver a reduction in the cost of service delivery to mitigate the reduction in funding from the DWP as a result of the introduction of the Single Fraud Investigation service (SFIS) – cost of service has increased in line with salary increases but still delivers a saving against the previous service if same increases were applied to the 2015-16 baseline budgets as a comparison.
   - Provide increased resilience and flexibility to meet the needs of both councils – resilience only achieved for audit.
   - Delivery of the Audit & Counter Fraud Workplans for 2018-19 - Plan completion 95% for GBC and 97% for Medway
   - Delivery of assurance work in reduced timescales – overall only 63% of reviews delivered within set timescales
   - Increased counter fraud activity – some results are higher but still significantly impacted by sickness.
2. Have there been any other, unforeseen benefits, as a result of the shared service?

Yes  √  No  

Please provide details of any other benefits, which were not anticipated at the start, which have come about as a result of the shared service.

As identified in the 2018 review, the service has been able to provide comprehensive investigations into disciplinary matters. It continues to be the preferred point of contact on a number of disciplinary matters for both advice and investigation at both Gravesham and Medway as the availability of trained investigators means that managers do not have to undertake investigations and results are often achieved more quickly, saving resources and time.

3. Have there been any unforeseen issues or problems resulting from the shared service?

Yes  No  √

Please provide details of any other issues of problems that have arisen which were not previously identified and how these have been managed/rectified.

The service had been impacted by significant sickness in the last two years and while this is not a direct result of working in a shared service, it was an unforeseen problem that has impacted on the service’s ability to work towards its key objectives.

The most significant impact has been the ability for staff to be trained in a new discipline to meet the objective of all staff becoming multi-disciplinary.

4. What has been the financial impact of the shared service on both authorities?

Please provide details of the financial impact of the shared service i.e. confirmation of any savings achieved, if these are above/below anticipated levels, any costs that were not previously considered or have arisen etc.

Both authorities have seen budget savings from the introduction of the shared service, with baseline budgets being significantly reduced in comparison to before the service was launched.

While the cost of service has increased due to salary increases in line with national changes, it still delivers a saving against the previous services, which would be demonstrated if the same increases were applied to the 2015-16 baseline budgets as a comparison.
5. Feedback from officers involved in the shared service:

Please provide details of feedback that you have received from officers involved in the shared service. This section could be completed via a short team meeting for example, whereby officers views are sought.

Positives

- The majority of staff said that they are happy working as part of the shared service and a number feel that it has had a positive effect on them as individuals, with more opportunities for progression and to develop in a new discipline.

- A number of staff members indicated that they like the multi-disciplinary approach, albeit one highlighted that it would be useful to spend some time focusing on perfecting their ‘new’ discipline and 1 said they prefer doing single skill and the role they are better at. Another highlighted successes with investigators who have embraced auditing through the shared service.

- Several staff members indicated that they enjoy the freedom of working across two sites and appreciate the flexible working arrangements in the team.

- The majority of staff said that they have found it useful to see how two different council’s work, particularly given the differences in the services that the two council’s provide. Staff also feel that there have been instances where they have been able to make suggestions to improve services at one council by using examples of good practice at the other, including within our own team.

- Several staff members indicated that they appreciate the commitment to training and qualifications.

- One staff member said that they found it useful that the shared service was formed with staff who originated from each council and could therefore share with the team the intricacies of how each council works.

- One staff member commented that there have been examples of good engagement with staff where decisions are needed on matters that affect them.

Negatives

- The majority of staff highlighted the difficulties associated with needing to learn the various different systems / processes at two councils, as well as, the challenges of knowing who everyone is and what they do at two organisations. This is particularly relevant to officers complete new to both organisations.

- Several staff members also commented on the challenges of learning a new discipline.

- A number of staff members highlighted the need for a period of stability in the team due numerous changes in staffing, leadership, direction / approach and structure over the last few years. Several staff members made the link to concerns regarding the levels of
sickness absence in the team. Staff also highlighted a desire to have a clear picture of the direction in which the team is heading and what we, as a team, are aiming to achieve. (multi-discipline or not)

- Several staff members commented on the lack of audit knowledge / experience in the team and the reliance that places on the few members of the team with that knowledge / experience. A link was also made to the impact of this on the quality of work.

- Several staff members indicated that they feel there has been less opportunity / expectation for auditors to upskill to investigators than there has been for investigators to up skill to auditors.

- A number of staff members indicated that they feel there has been a reduction in the level of engagement with / profile of the team by officers at both council’s since the shared service, with engagement particularly low at Medway. Once commented that there is less visibility of senior management at Medway as it is a much larger organisation and several also have the perception that our services aren’t valued by the two councils, with concern that we are not seen as independent as per the results of the recent satisfaction survey.

- One staff member said that they felt the centralised training budget / focus on apprenticeships had restricted to some extent the commitment to upskill staff through training and qualifications.

- One staff member commented that they would have appreciated a formal induction for each council (introduction to senior members of staff, housekeeping etc.) at the start of the shared service.

- One staff member indicated that there is still an element of an ‘us and them’ mentality in the team with officers who previous came from audit / fraud and Medway / Gravesham.

- One staff member indicated that building relationships with colleagues is harder as the cross site working means you can go long periods without seeing some team members, although it is acknowledged that the bi-monthly team days are a means of addressing this.

- One staff member indicated additional plan consideration required to ensure auditors can effectively undertake their role, avoiding duplication and issues with engagement.
Moving forward with the shared service

6. Based on the review that has been undertaken will the shared service continue to operate?

Yes ☑

No

If ‘No’ please provide details of why it is felt that the shared service should not continue and any exit plans that have been discussed/agreed.

If the answer is ‘Yes’ but there are changes that need to be made to ensure the shared service is effective, please provide details of the changes that are required and how they will be addressed.

7. If the shared service is to continue to operate, what are the key areas of focus for the coming year for both authorities?

If answered ‘Yes’ to question 6, please provide details of the key aspects of work that are going to be undertaken in the year in order to ensure the shared service continues and is further strengthened.

- Ensure delivery of the audit & Counter Fraud work plans for 2019-20
- Create a period of stability within the service
- Look for training opportunities to achieve ambition for multi-disciplinary officers

Summary of recommendations

Please list any recommendations that you feel need to be reviewed by the relevant Directors at both authorities. This may include changes to processes or potential supplement increases (if applicable) if it is felt that partnership is working well.

1. Investigate potential apprenticeship opportunities for staff development

2.

3.
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Gravesham Borough Council

Report to: Performance & Administration Committee
Date: 24 September 2019
Reporting officer: James Larkin, Head of Audit & Counter Fraud Shared Service (Chief Audit Executive)
Subject: Audit & Counter Fraud Satisfaction Survey 2018-19

Purpose and summary of report:
To inform Members of the results of a survey aimed at identifying the level of satisfaction with the services provided by the Audit & Counter Fraud Team.

Recommendations:
Members are requested to:
1. Note the results of the Audit & Counter Fraud satisfaction survey 2018-19.

1. Background
1.1 The Public Sector Internal Audit Standards (Standards) require that: The Chief Audit Executive (CAE) must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

1.2 On 18 February 2019, the Finance & Audit Committee approved the Quality Assurance & Improvement Programme (QAIP) prepared to meet this requirement, which included a target for ‘customer satisfaction with overall service’.

1.3 A survey was issued to Officers and Members within the organisation to determine client satisfaction with the service.

2. Survey Results
2.1 The Audit & Counter Fraud Shared Service with Medway Council has been in operation since March 2016, with 2018-19 being the third full year of operation. This was felt to be an appropriate time to issue a survey to Officers and Members of both organisations to receive feedback on the satisfaction with services provided by the Audit & Counter Fraud Team.

2.2 The report at Appendix 2 provides the detailed results of the responses received from respondents within Gravesham Borough Council.
2.3 Appendix 3 provides the summary of the combined responses from both Medway Council and Gravesham Borough Council to provide Members with an overall picture of the views across both organisations.

3. BACKGROUND PAPERS

3.1 Nil
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Legal</strong></td>
<td>The Accounts &amp; 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 public sector internal auditing standards or guidance. The Section 151 Officer of a local authority is responsible for establishing the internal audit service; Gravesham Borough Council has delegated this responsibility to the Section 151 Officer of Medway Council.</td>
</tr>
<tr>
<td><strong>Finance and Value for Money</strong></td>
<td>An adequate and effective Audit &amp; Counter Fraud function provides the council with assurance on the proper, economic, efficient and effective use of council resources in delivery of services, as well as helping to identify fraud and error that could have an adverse effect on the financial statements of the council.</td>
</tr>
<tr>
<td><strong>Risk Assessment</strong></td>
<td>The work of the Audit &amp; Counter Fraud team, provides a key source of assurance for the council on the adequacy and effectiveness of its internal control arrangements.</td>
</tr>
<tr>
<td><strong>Data Protection Impact Assessment</strong></td>
<td>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</td>
</tr>
<tr>
<td>a.</td>
<td>Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links.</td>
</tr>
<tr>
<td>b.</td>
<td>If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</td>
</tr>
<tr>
<td>c.</td>
<td>If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>. N/A</td>
</tr>
<tr>
<td><strong>Equality Impact Assessment</strong></td>
<td>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</td>
</tr>
<tr>
<td>b.</td>
<td>Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</td>
</tr>
</tbody>
</table>

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above*
<table>
<thead>
<tr>
<th>Corporate Plan</th>
<th>The work of the Audit &amp; Counter Fraud Team supports the council in achieving all of its objectives set out in the Corporate Business Plan but is particularly relevant to Objective 4: Sound &amp; self-sufficient council.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crime and Disorder</td>
<td>The Audit &amp; Counter Fraud Team provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisations’ objectives. The work of the team combined with a sound internal control environment has a positive contribution to community safety in its broadest sense.</td>
</tr>
<tr>
<td>Digital and website implications</td>
<td>None.</td>
</tr>
<tr>
<td>Safeguarding children and vulnerable adults</td>
<td>There are no direct safeguarding implications to this report.</td>
</tr>
</tbody>
</table>
Satisfaction Survey
2018-19
Gravesham Borough Council
1 Introduction

1.1 The Audit & Counter Fraud Shared Service 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 Standards require the QAIP to include both internal and external assessments.

1.3 The QAIP for the Audit & Counter Fraud Shared Service is designed to cover both the delivery of internal audit and counter fraud work wherever appropriate and to drive continuous improvement in the delivery of the service as a whole. Surveys are issued with all final reports to gauge client satisfaction in relation to individual reviews but with the service coming to the end of its third full year of operation, a wider satisfaction survey was issued to all Service Managers, Senior Management and Members of the respective Audit Committees for each council to seek views on their overall satisfaction with the service provided by Audit & Counter Fraud. 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 indicate that clients are largely satisfied with the services received from Audit & Counter Fraud, with eight of the 11 respondents saying they were very satisfied or satisfied with the overall service; the remaining three gave a neutral response.

2.2 The key positives drawn from the survey are that the majority of respondents are happy with the current balance of the type of audit reviews undertaken and also with the balance of the depth of the scope based on the number of days available for each review. The majority also indicated that they are happy with the current format of reports and volume of information they contain. In addition, almost all respondents stated that they understand the role of the service and know how the team can be contacted.

2.3 Areas for improvement have also been identified, the main one relating to communication with the wider organisation to provide a better understanding of the role of the service and how it supports the council in reaching its objectives and also in relation to the preparation of the annual Audit & Counter Fraud Plan. Accuracy of reports and the value of recommendations were also identified as areas that clients felt could be improved and while steps have already been taken to address this, further improvements will be sought.

3 Survey Results

3.1 The survey was designed to focus on six keys areas, which are listed below with a brief explanation behind the views being sought;

a. Awareness of the Audit & Counter Fraud Team – As Audit & Counter Fraud is operated as a shared service, not all officers are on site at Gravesham every day, though the service aims to maintain a physical presence at all times. As a consequence views were sought to identify whether respondents are aware of how to make contact with and understand the role of the team.

b. The Audit & Counter Fraud Annual Workplan – An Audit & Counter Fraud Plan is approved by Members on an annual basis following a comprehensive risk assessment. The questions asked were designed to identify whether respondents feel that they are adequately consulted on the plan.

c. Audit & Counter Fraud Services – The services provided by Audit & Counter Fraud can broadly be split into seven categories. The questions asked were designed to identify whether respondents are aware of the types of assistance available and which of these they feel add the most value to the work they do.

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

e. Audit & Counter Fraud Reports – The service issues reports for all reviews undertaken to outline the findings and, if appropriate, any recommendations. The questions asked were designed to identify whether recipients are happy with the level of information provided in reports and to seek their opinions on the content of any reports they have received.

f. Overall Satisfaction with Audit & Counter Fraud – Regardless of any opinions expressed in relation to the team, workplan, services, Core Principles and reports, officers and Members were asked if they are satisfied with the overall level of support and service provided by Audit & Counter Fraud.

3.2 A link to the survey was issued to the council’s Wider Management Team and Members of the Finance & Audit Committee, meaning that approximately 30 people were invited to provide their views and opinions; however, the option was also given to cascade the invite to supervisors and team leaders where appropriate.

3.3 There were 11 responses on behalf of Gravesham and a breakdown of their roles is shown in the table below;

<table>
<thead>
<tr>
<th>Role</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive / Director / Assistant Director / Chief Officer</td>
<td>8</td>
</tr>
<tr>
<td>Service Manager</td>
<td>2</td>
</tr>
<tr>
<td>Other Manager / Supervisor / Team Leader</td>
<td>0</td>
</tr>
<tr>
<td>Elected Member</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
</tr>
</tbody>
</table>

3.4 It should be noted that not all respondents have answered all questions, so the detailed results that follow are not all based upon 11 responses.

Awareness of the Audit & Counter Fraud Service/Team and services provided

3.5 Several questions were asked aimed at identifying whether respondents are aware of the team and how to make contact, to determine whether further work was necessary to raise the general profile of the service. The responses received were as follows;

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the last two years have you had contact with or met anyone in the team regarding an audit or counter fraud issue?</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Do you know how to contact the team about an audit or counter fraud issue?</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Do you know where the team are based?</td>
<td>11</td>
<td>0</td>
</tr>
</tbody>
</table>

3.6 Respondents were also asked: How much do you agree that you have a good understanding of the role of the Audit & Counter Fraud Team?

3.7 The results show that all 11 (100%) respondents have had contact with the team and are aware of how to contact them and 10 (90%) respondents have a good understanding of the service’s role within the
organisation. This indicates that the general profile of the service among management within the organisation is good.

The Audit & Counter Fraud Annual Workplan

3.8 The survey explained that the work of the Audit & Counter Fraud Service is largely driven by the annual workplan and provided a link to a copy of the 2018-19 plan as a point of reference; the following question was then asked:

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you feel that you are sufficiently involved in the preparation of the team’s annual workplan?</td>
<td>Yes: 10  No: 1</td>
</tr>
</tbody>
</table>

3.9 Anyone responding with a ‘no’ was asked to tell us how their involvement could be improved. One comment was received and is detailed below; along with a response from the Head of Internal Audit & Counter Fraud (HIACF) on behalf of the service.

**Comment received:** Whilst a draft copy is sent round it appears to be a tick box exercise and the decisions have already been taken.

**HIACF response:** This is a fair comment and I am fully aware that the plans for 2018-19 and 2019-20 have been circulated by email with any comments requested. It is not an ideal way to seek input from services and has unfortunately been the result of other circumstances impacting on my ability to speak to services individually.

While the plan must be based upon our independent assessment of risks across the council, we do value input from the individual services as they will often be aware of issues that we are not and could therefore influence our decisions about the level of risk. That is something I really want to factor into the planning for 2020-21 and I am already taking steps to address the issue moving forward having been making arrangements to attend meetings of all Directorate Management Teams in December 2019 as part of a consultation process for the 2020-21 plan.

3.10 The responses indicate that the majority of respondents are happy with the level of involvement in the preparation of the annual workplan but the comment received was justified. As the response to that specific comment indicates, steps are already being taken to ensure that all services are involved in the preparation of the 2020-21 plan.

Audit & Counter Fraud Team Services

3.11 To establish whether respondents are aware of the services provided by Audit & Counter Fraud respondents were asked: *Which, if any, of the following services were you aware that the Audit & Counter Fraud team provides? (Please tick all that apply).*
3.12 Respondents were then asked: *Of the services below, which THREE do you feel add (or have the potential to add) the most value to the work you do? (Please tick up to THREE boxes).*

3.13 The results are largely positive with approximately 63% (7) of the respondents being aware of all the services available from Audit & Counter Fraud and none indicating that they were not aware of any of the services provided.

3.14 As respondents were limited to choosing only three of the services listed when being asked which services added most value to their work, it is perhaps not surprising that the three main services, assurance reviews, reactive investigations and consultancy services, scored highest with scores of nine, seven and seven respectively. However, it does suggest that it may be beneficial for Audit & Counter Fraud to provide more information to the wider organisation on the benefits of the other services that can be provided.

3.15 Audit assurance reviews form the largest proportion of the annual workplan and an explanation of the types of assurance reviews was provided; with respondents asked to think about the 2018-19 plan and provide responses to the following statements:

<table>
<thead>
<tr>
<th>Question: Do you feel the council would benefit from:</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer cyclical audits about our governance and financial system and more risk-based audits of our current priorities and risks</td>
<td>4</td>
</tr>
</tbody>
</table>
3.16 The results indicate that the majority are happy with the balance of the types of assurance reviews undertaken and with the time made available for each, which determines the overall volume of reviews on the plan.

3.17 A number of respondents do seem to feel that more focus should be on risk based reviews rather than those which are cyclical and occur more frequently.

3.18 Compliance with the IIA Core Principles

3.19 The Chartered Institute of Internal Auditors ten core principles were expressed as statements and respondents were asked to confirm to what extent they agree or disagree with each statement.

3.20 All 11 (100%) respondents either strongly agreed, agreed or provided a neutral response for five of the statements but there were statements where respondents disagreed, these being:

- The team is objective and free from undue influence (independent) (two respondents)
- 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 (two respondents)
The team provides risk-based assurance on the effectiveness of council processes to help it achieve its objectives (one respondent)

The team is insightful, proactive, and future-focused in their work (one respondent)

3.21 It is clear from these responses that the service needs to improve its communication with the wider organisation to explain its role, especially in relation to providing assurance on the effectiveness of council processes as this is one of the key, and possibly must fundamental, element of the service’s work. It is likely that these both relate to the same respondent who indicated that they did not have a good understanding of the service’s role within the organisation earlier in the survey.

3.22 The two responses indicating that people feel the service is not free from undue influence is of particular concern. Attempts will be made to gain more information from respondents, who are at present anonymous, to better understand the reason for their responses and seek to address any issues within the service or what may be inaccurate perceptions from those outside.

3.23 It is hoped that the plans to have greater involvement with services in the preparation of the 2020-21 work plan will address the concerns around the team not being proactive and future focused by gaining a greater understanding of the challenges faced by services. This will also be disseminated to officers within the Audit & Counter Fraud Service for consideration when conducting audit reviews.

Audit & Counter Fraud Reports

3.24 The views of respondents were sought in relation to the reports issued by the Audit & Counter Fraud Service as part of the assurance review process. Nine respondents confirmed that they had received one of the service’s reports in the last two years and were subsequently asked to provide their opinions;

<table>
<thead>
<tr>
<th>Question: How would you have preferred to receive the findings of your review?</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>A full report (Introduction, Executive Summary, Detailed findings and Recommendation Action Plan / Matrix)</td>
<td>6</td>
</tr>
<tr>
<td>A summary report (Executive Summary and Recommendation Action Plan / Matrix)</td>
<td>3</td>
</tr>
<tr>
<td>Another format</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question: Were you satisfied with the level of information provided in the report?</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, it needed more information</td>
<td>1</td>
</tr>
<tr>
<td>Yes, it was about right</td>
<td>7</td>
</tr>
<tr>
<td>No, it needed less information</td>
<td>1</td>
</tr>
</tbody>
</table>

3.25 Based on these responses the majority of respondents are comfortable with the current format of reports and level of information provided, so no changes to the report format, in terms of content, are proposed as a result of the survey.

3.26 Respondents were also provided with specific statements about the reports they have received and asked to state how much they agreed or disagreed with each;

Question: Thinking about the report to what extent do you agree or disagree with the following statements;
3.27 Those disagreeing with any statements were asked to tell us what we could do to improve our reports and two such comments were received. These are detailed below, along with responses from the Head of Internal Audit & Counter Fraud (HIACF) on behalf of the service.

**Comment received:** More recently, there does seem to be a need for reports to include recommendations that do not always appear to have a clear purpose. The team need to remember and be clear that they are here to provide assurances that processes and procedures are working effectively in practice, as well as making recommendations to address weaknesses or enhance existing controls. If there are no control issues found, it’s perfectly acceptable for the report to contain no recommendations. Making invalid or poorly based recommendations undermines the integrity of the service in my view.

**HIACF response:** We are aware of this issue and agree that unnecessary recommendations undermine the work being completed. We are taking steps to address this issue through one to one meetings with officers and training at our bi-monthly team days.

**Comment received:** I feel in some ways we have gone back in time and feel that the auditors (especially those with a fraud background) are looking for issues/problems, instead of providing good and practical advice on how we can grow and improve the service.

**HIACF response:** This is also an issue that we were already aware of and have been taking steps to address through one to one meetings with officers and training at our bi-monthly team days. We are working to ensure that all officers highlight positive assurance; as well as identifying any weakness in controls, with practical recommendations for improvement.

3.28 Three respondents indicated that the findings detailed in a report were inaccurate and this is something that would have been identified at the draft report stage. We are aware that the final opinion in at least two of the audits completed during 2018-19 changed following the issue of a draft report after inaccuracies in findings were identified. We have already taken steps to make improvements in this area and ‘wash up’ meetings with audit clients have been made compulsory for all reviews. These meetings are intended to provide services
with an early indication of findings and allow any errors or inaccuracies to be identified before draft reports are issued to a wider circulation, ensuring that any amendments to reports are clerical rather than factual.

**Overall Satisfaction with Audit & Counter Fraud**

Question: Overall how satisfied or dissatisfied are you with support available from the Audit & Counter Fraud Team?

<table>
<thead>
<tr>
<th>Satisfied Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>73%</td>
</tr>
<tr>
<td>Satisfied</td>
<td>27%</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>3%</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>0%</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>0%</td>
</tr>
</tbody>
</table>

3.29 While a number of issues and areas for improvement have been identified as a result of the responses received, eight of the 11 respondents (73%) were either satisfied or very satisfied with the overall service provided by Audit & Counter Fraud. The remaining three (27%) gave a neutral response.

3.30 As such it is felt that the overall satisfaction with the service is positive, although it is acknowledged that there is still room for improvement.

**Other Feedback**

3.31 At the conclusion of the survey respondents were asked: Is there any other feedback about the Audit & Counter Fraud Team or the work we do that you would like to provide?

3.32 The comments received are detailed below, along with responses from the Head of Internal Audit & Counter Fraud (HIACF) on behalf of the service.

**Comment received:** When we asked the service to investigate a potential internal fraud, where we thought the service could really add value and insight, we were turned down so we are undertaking the investigation ourselves, which is not ideal, with the help of HR. My perception is that there is an emphasis on cyclical internal audits but that the gaps between returning to a particular function is too short.

**HIACF response:** The service will always respond to allegations of fraud linked to members of staff. However, any referrals received that relate to disciplinary matters are first discussed with HR to check the details of the allegation and determine the most appropriate course of action. This is largely because there is a requirement under the disciplinary policy for the officer to be advised that they are being investigated and by whom. On occasion, preliminary enquiries identify that there has been no informal action by managers to address the concerns raised and this normally prompts HR to refer the matter back to the manager for action as moving straight to formal disciplinary investigations may not be appropriate. I am happy to look into the individual case further if details are provided.
**Comment received:** All members of the staff that have interacted with have been efficient and effective in their responses. I don’t know if their resources are sufficient - it could be that staff members are giving more than would normally be expected but I can just say I am satisfied with the relationship we have as a service.

**HIACF response:** Thank you for the positive comment, which will be passed on to the officers within the team.

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**Comment received:** A greater understanding of employment law and how an investigation would be different to a prosecution/police case.

**HIACF response:** We have already taken steps to address this issue. Officers and managers within the service completed a training course with ACAS on 29 March 2019, which was focused on how to conduct disciplinary investigations and the requirements of employment law. As part of our drive for continuous improvement, we will be working with HR to review policies and also look at how parallel investigations, those requiring both criminal and disciplinary, will be co-ordinated and managed.
Combined Results of Satisfaction Survey 2018-19
About You

I am Responding for:

- Gravesham Borough Council
- Medway Council

My role is:

- Chief executive / Director / Assistant Director / Chief Officer
- Service Manager
- Other manager / Supervisor / Team Leader
- Elected Member

Awareness of the Audit & Counter Fraud Team

There are currently 14 members of the Audit & Counter Fraud team who split their time between the Gravesham Borough Council and Medway Council Offices.

Question: Over the last two years have you had contact with or met anyone in the team regarding an audit or counter fraud issue? (Please tick one box)

- Yes
- No

Question: Do you know how to contact the team about an audit or counter fraud issue? (Please tick one box)

- Yes
- No

Question: Do you know where the team are based? (Please tick one box)

- Yes
- No
Question: How much do you agree or disagree that, you have a good understanding of the role of the Audit & Counter Fraud Team? (Please tick one box)

The Audit & Counter Fraud Annual Workplan

The work of the Audit & Counter Fraud team is largely directed by the annual Audit & Counter Fraud Plan.

Question: Do you feel that you are sufficiently involved in the preparation of the team’s annual workplan? (Please tick one box)

Audit & Counter Fraud Services

Question: Which, if any, of the following services were you aware that the Audit & Counter Fraud team provides? (Please tick all that apply)
Question: Of the services below, which THREE do you feel add (or have the potential to add) the most value to the work you do? (Please tick up to THREE boxes)

Audits (Assurance reviews) make up the bulk of the work that we do. The assurance reviews included in the Annual Audit & Counter Fraud Plan are split into two categories - ‘core governance and financial systems reviews’ which are scheduled based on the cyclical programme provided at Appendix A to the Plan and ‘corporate risks and assurance reviews’ which are based on an annual assessment of the council’s current priorities and risks.

Question: Thinking about the 2018-19 Audit & Counter Fraud Plan, do you feel the council would benefit from: (Please tick one box)

Compliance with the IIA Core Principles

As a team we have committed to working in line with the Institute of Internal Auditor’s core principles.

Thinking about the following statements, to what extent do you agree or disagree that the team:

- Demonstrates integrity in their work
- Demonstrates competence and due professional care in their work

- Is objective and free from undue influence (independent)

- Aligns their work with the strategies, objectives, and risks of the Council

- Is in the right part of the Council and has enough resources to effectively carry out its role
- Demonstrates quality and continuous improvement in their work

- Communicates effectively about their role in supporting the Council

- Provides risk-based assurance on the effectiveness of council processes to help it achieve its objectives

- Is insightful, proactive, and future focused in their work

- Promotes organisational improvement through their work
Audit & Counter Fraud Reports

The end product for most of the Audit and Counter Fraud team services is a report summarising the work that has been carried out.

Question: In the last two years have you received a summary report from the Audit & Counter Fraud Team? (Please tick one box)

[Bar chart showing the percentage of respondents who have received a summary report]

Question: How would you have preferred to receive the findings of your review? (Please tick one box)

[Bar chart showing the preferences for receiving findings]

Question: Were you satisfied with the level of information provided in the report? (Please tick one box)

[Bar chart showing the level of satisfaction with information provided]

Question: Thinking about the report to what extent do you agree or disagree with the following statements;

The report was clear and easy to read

[Bar chart showing the agreement with the clarity of the report]

The findings were accurate

[Bar chart showing the agreement with the accuracy of the findings]
Any recommendations were relevant, practical and realistic

The review and any recommendations added value to the service

Sufficient information / guidance was provided to identify actions to address any recommendations made

Overall Satisfaction with Audit & Counter Fraud

Question: Overall how satisfied or dissatisfied are you with support available from the Audit & Counter Fraud Team?