

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

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# 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 key 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;

Role	Number of respondents
Chief Executive / Director / Assistant Director / Chief Officer	8
Service Manager	2
Other Manager / Supervisor / Team Leader	0
Elected Member	1
<b>Total</b>	<b>11</b>

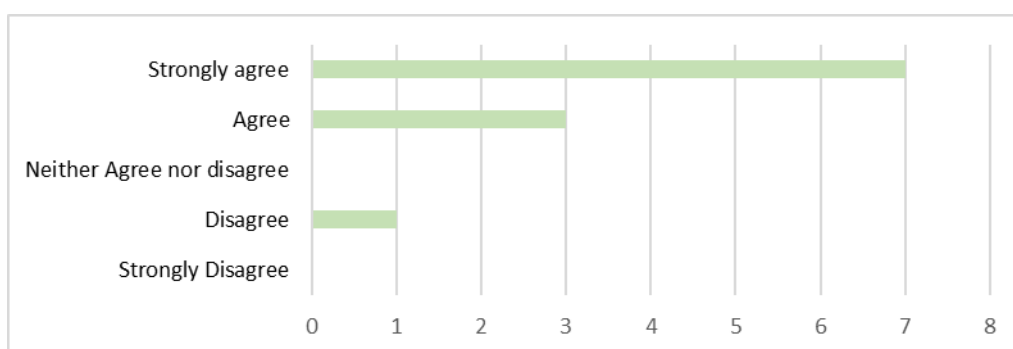
3.4 It should be noted that not all respondents have answered all questions, so the detailed results that follow are not all based upon 11 responses.

**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;

Question	Number of respondents	
	Yes	No
Over the last two years have you had contact with or met anyone in the team regarding an audit or counter fraud issue?	11	0
Do you know how to contact the team about an audit or counter fraud issue?	11	0
Do you know where the team are based?	11	0

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;

Question	Number of respondents	
	Yes	No
Do you feel that you are sufficiently involved in the preparation of the team's annual workplan?	10	1

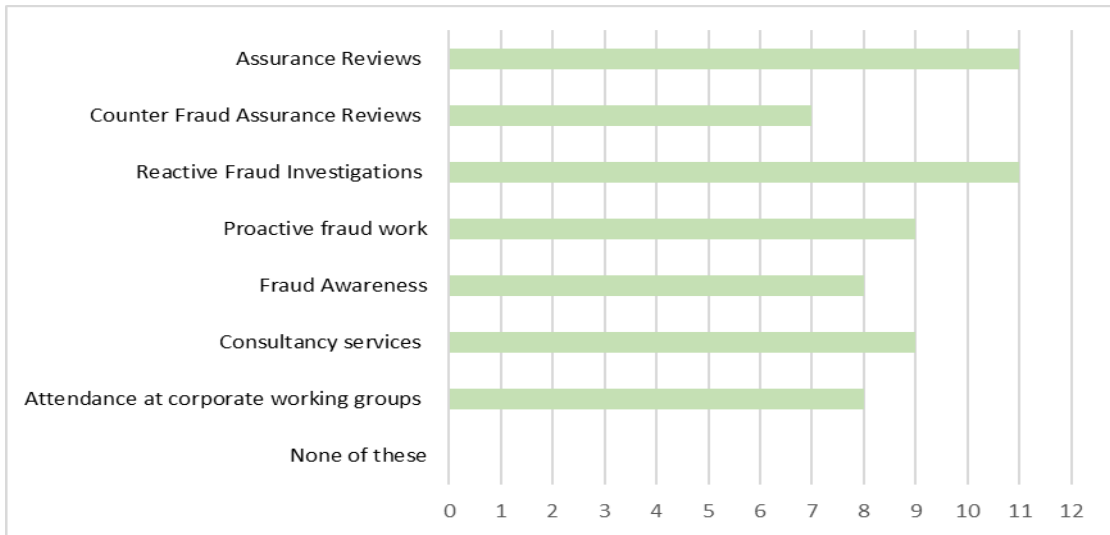
- 3.9 Anyone responding with a 'no' was asked to tell us how their involvement could be improved. One comment was received and is detailed below; along with a response from the Head of Internal Audit & Counter Fraud (HIACF) on behalf of the service.

<p><b>Comment received:</b> Whilst a draft copy is sent round it appears to be a tick box exercise and the decisions have already been taken.</p>
<p><b>HIACF response:</b> 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.</p> <p>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.</p>

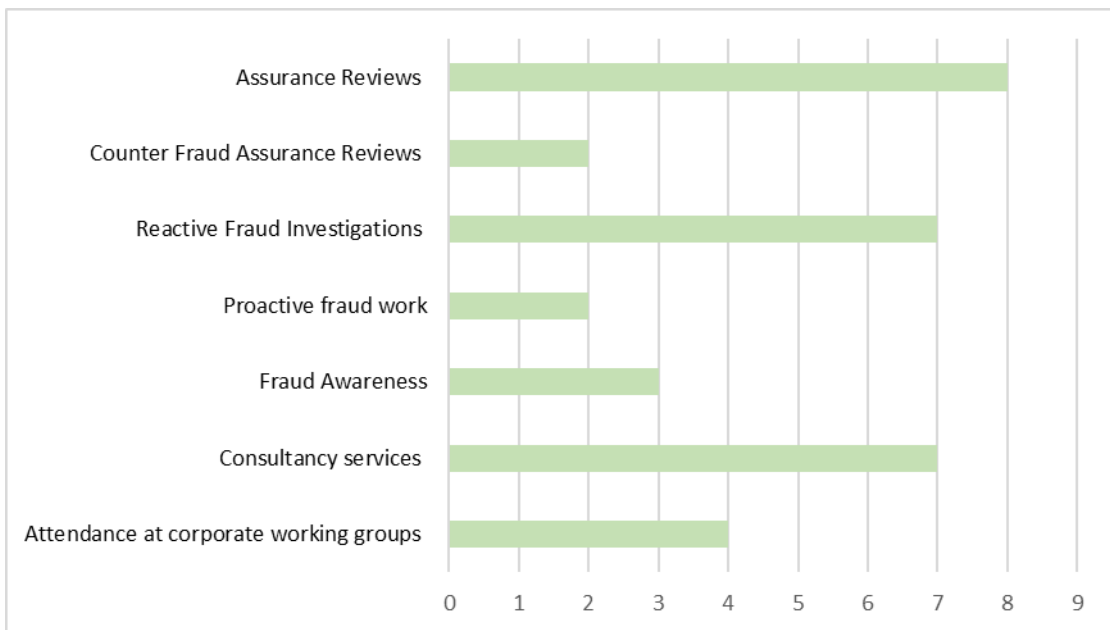
- 3.10 The responses indicate that the majority of respondents are happy with the level of involvement in the preparation of the annual workplan but the comment received was justified. As the response to that specific comment indicates, steps are already being taken to ensure that all services are involved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

Question: Do you feel the council would benefit from:	Number of respondents
Fewer cyclical audits about our governance and financial system and more risk-based audits of our current priorities and risks	4

I'm happy with the current balance	6
More cyclical audits about our governance and financial systems and fewer risk-based audits of our current priorities and risks	0

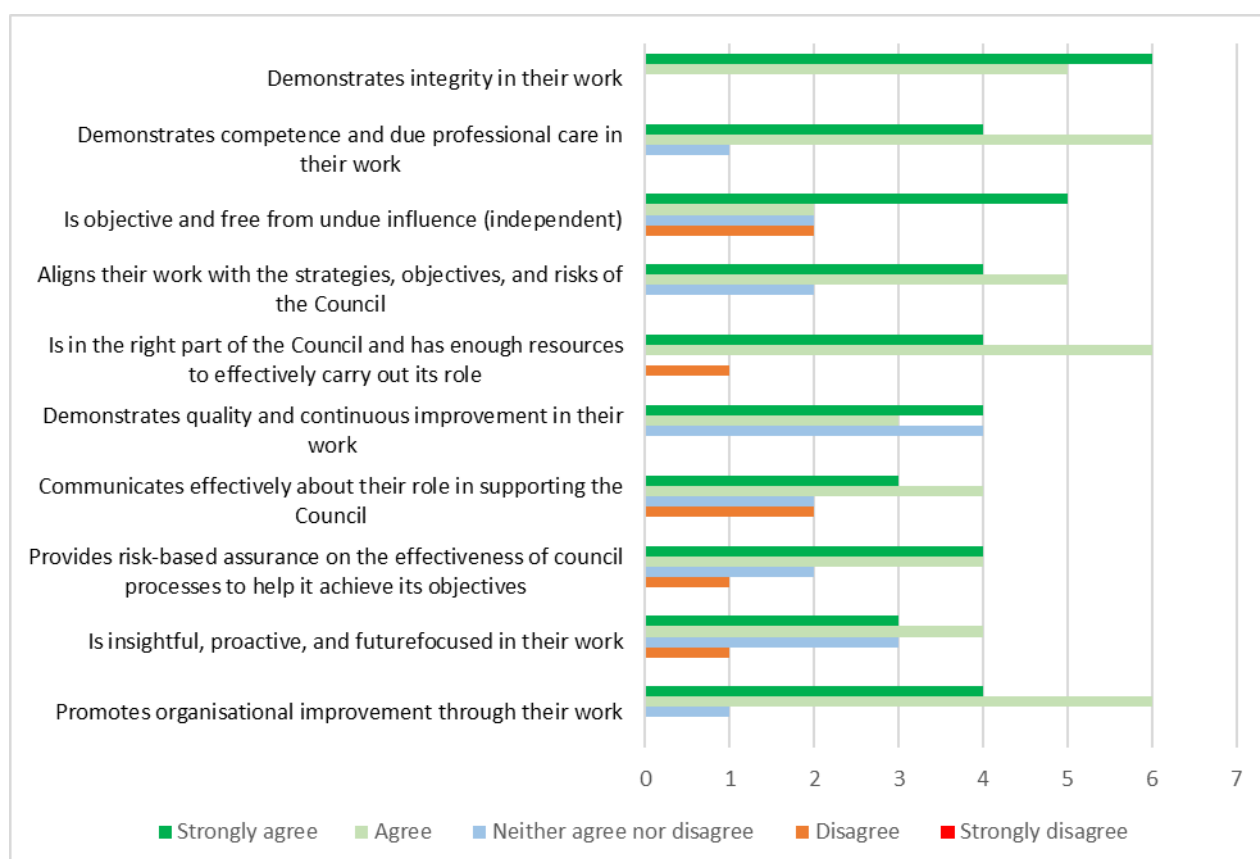
Question: Do you feel the council would benefit from:	Number of respondents
Fewer but more in depth audits with more days available to complete the review	3
I'm happy with the current balance	7
More but less in depth audits with less days available to complete the review; allowing for more areas to be reviewed	0

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 most 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;

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

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

- 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.

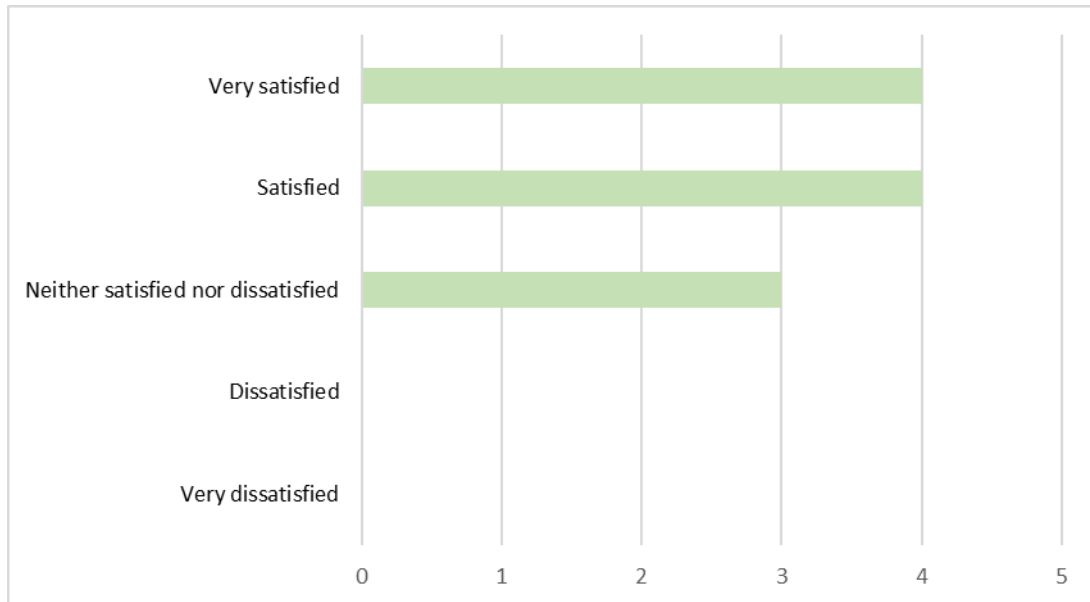
3.28 Three respondents indicated that the findings detailed in a report were inaccurate and this is something that would have been identified at the draft report stage. We are aware that the final opinion in at least two of the audits completed during 2018-19 changed following the issue of a draft report 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?



- 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.

**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.