

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 19 July 2022

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

Subject: Internal Audit & Counter Fraud Annual Surveys 2021-22

Purpose and summary of report:

This report informs Members of the results of the surveys aimed at identifying the level of satisfaction with the services provided by the Internal Audit & Counter Fraud Teams.

Recommendations:

1. The Committee is recommended to note the results of the Internal Audit & Counter Fraud satisfaction surveys.

Key Implications:	
Item	Implications
Legal	The Accounts & 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 to deliver internal audit services through the Shared Service to both authorities.
Finance and Value for Money	An adequate and effective Internal Audit & 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.
Corporate Plan	The work of the Internal Audit & Counter Fraud supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress.
Climate Change	There are no direct climate change implications to this report.

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (Standards) require that: The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.
- 1.2 On 15 February 2021, the Finance & Audit Committee approved the Quality Assurance & Improvement Programme (QAIP) prepared to meet this requirement in 2021-22, which included a target for 'customer satisfaction with overall service'.
- 1.3 Surveys should be undertaken annually but the last survey was conducted at the end of 2018-19. Due to the impact of the covid pandemic, it was not possible to conduct the surveys at the end of 2019-20 and 2020-21.
- 1.4 The survey conducted at the end of 2018-19 related to the Internal Audit & Counter Fraud Service as a whole but a different approach has been taken for 2021-22 given the move to separate Internal Audit & Counter Fraud Teams within the service.
- 1.5 A survey was issued to Senior Officers and Members within the organisation to determine client satisfaction with the services received from Internal Audit, while a separate survey was issued to all staff and members in relation to counter fraud activity to determine client satisfaction with services received and also the level of fraud awareness across the organisation.
- 1.6 Due to the different approach, we are unable to make direct comparisons across all questions with the previous survey but will be able to do so in future reports.

2. Internal Audit & Counter Fraud Surveys 2021-22

- 2.1 The Internal Audit survey was designed to determine satisfaction with services received and also take a more detailed look at specific areas, including,
 - general awareness of the internal audit team,
 - communication,
 - the internal audit workplan, and
 - compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles.
- 2.2 The results of the survey were largely positive, with good general awareness of the Internal Audit Team and available services, the balance of work in the internal audit plan and good overall satisfaction with services available and services received. Some issues around communication were identified, as well as perceived non-compliance with core principles.
- 2.3 Appendix 2 provides the detailed results of the responses received in relation to the internal audit survey.
- 2.4 The Counter Fraud survey was also designed to determine satisfaction with services received and take a more detailed look at specific areas, including,
 - General awareness of the counter fraud team,
 - Communication,
 - Fraud awareness,
 - Reporting concerns, and
 - Compliance with core principles

- 2.5 The results of the survey were largely positive, with good levels of satisfaction for services received. Awareness of the team and fraud awareness in general was the biggest issue identified, however, given the changes in the service and redeployments during the pandemic that have resulted in a lack of awareness training, this was anticipated. Some perceived non-compliance with core principles was also noted.
- 2.6 Appendix 3 provides the detailed results of the responses received in relation to the counter fraud survey.

3. Appendices

- 3.1 The following documents are to be published with the report:
- 3.2 Appendix 2: Internal Audit satisfaction survey results 2021-22
- 3.3 Appendix 3: Counter Fraud satisfaction survey results 2021-22

4. Background Documents

- 4.1 There are no background documents.

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Secondary Implications	
Risk Assessment	The work of the Internal Audit & Counter Fraud Shared Service, provides a key source of assurance for the council on the adequacy and effectiveness of its internal control arrangements.
Data Protection Impact Assessment	<p><i>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.</i></p> <p>a. 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. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>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</p>
Equality Impact Assessment	<p>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</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>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</i></p>
Crime and Disorder	The Internal Audit & Counter Fraud Service 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 service combined with a sound internal control environment has a positive contribution to community safety in its broadest sense..
Digital and website implications	There are no direct Digital or Website implications to this report.
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.