

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

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# Internal Audit Satisfaction Survey 2021-22

Gravesham Borough Council

## 1 Introduction

- 1.1 The Internal Audit & Counter Fraud Shared Service (IA&CF) was established on 1 March 2016 to provide internal audit assurance and consultancy, proactive counter fraud and reactive investigation services to Medway Council & Gravesham Borough Council.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the service to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity, which is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The QAIP also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
- 1.3 A wider satisfaction survey was recently issued to all Service Managers, Senior Management, and elected Members for each council to seek views on their overall satisfaction with the service provided by the Internal Audit Team. The option was also given to cascade the invite to supervisors and team leaders where appropriate.

## 2 Executive Summary

- 2.1 The results of the survey are positive and indicate that clients are satisfied with the services available from the Internal Audit Team, with 71.4% providing a positive score; clients are also satisfied with the overall service received, with 90% of those confirming receipt of services from the Internal Audit Team in the last two years, providing a positive score.
- 2.2 There are a number of positives to be drawn from the survey results, not least of which is the apparent improvement of perceived compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles. The last time a wider satisfaction survey was undertaken in 2018-19, there were responses indicating that people disagreed with compliance with five of the ten principles, but this has reduced to three.
- 2.3 It was extremely pleasing to note that despite the sudden changes forced upon the service by the Covid-19 pandemic, there have been no apparent issues with the ability to contact the Internal Audit team, however, there is clearly still work required in relation to the team's own communication about its work.
- 2.4 The majority of respondents are happy with the current balance of the type of work undertaken, although a number still indicate they would prefer to see more in-depth audits on the plan, with a greater day allocation; despite the fact this would result in less coverage across the organisation. The change in approach to the 2022-23 plan now gives the Internal Auditors more freedom to set a day allocation that fits with the work identified, so it is hoped that this will address some of the concerns associated with these responses.
- 2.5 The majority of respondents continue to feel sufficiently involved in the preparation of the plan, although there was still one respondent who did not feel that they were sufficiently involved but could not provide any comment on how to improve this. The Head of Internal Audit & Counter Fraud (HIACF) will continue to consult with services as much as possible to ensure senior management have involvement in preparation of the annual plans.
- 2.6 There continues to be room for improvement in relation to compliance with the IIA Core Principles as there were still a small number of negative responses but also a large number of neutral responses, suggesting that the service could do more to demonstrate compliance.

## 3 Survey Results

- 3.1 The survey was designed to focus on six key areas:
  - Awareness of the Internal Audit Team
  - Communication
  - The Internal Audit Plan

- Compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles
- Overall Satisfaction with Internal Audit services

3.2 There were 14 responses on behalf of Gravesham 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 |
|---|-----------------------|
| Chief Executive / Director / Assistant Director / Chief Officer | 4                     |
| Service Manager   | 4                     |
| Other Manager / Supervisor / Team Leader                        | 1                     |
| Elected Member  | 5                     |
| <b>Total</b>  | <b>14</b>             |

| Directorate             | Number of respondents |
|-------------------------|-----------------------|
| Chief Executives Office | 0                     |
| Communities             | 3                     |
| Corporate Services      | 5                     |
| Environment             | 0                     |
| Housing                 | 2                     |
| N/A - Elected Member    | 4                     |
| <b>Total</b>            | <b>14</b>             |

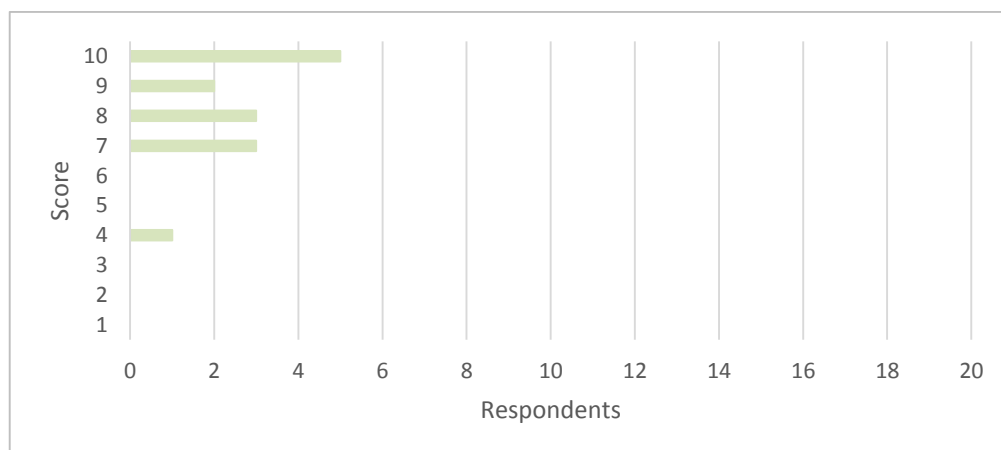
3.3 It should be noted that not all respondents answered all questions, so the detailed results that follow are not all based upon 14 responses.

#### Awareness of the Internal Audit Team

3.4 Several questions were asked aimed at identifying whether respondents had a good understanding of the role of internal audit, the services available from the team and which services they felt added the most value to the council, with the following responses received.

3.5 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?*

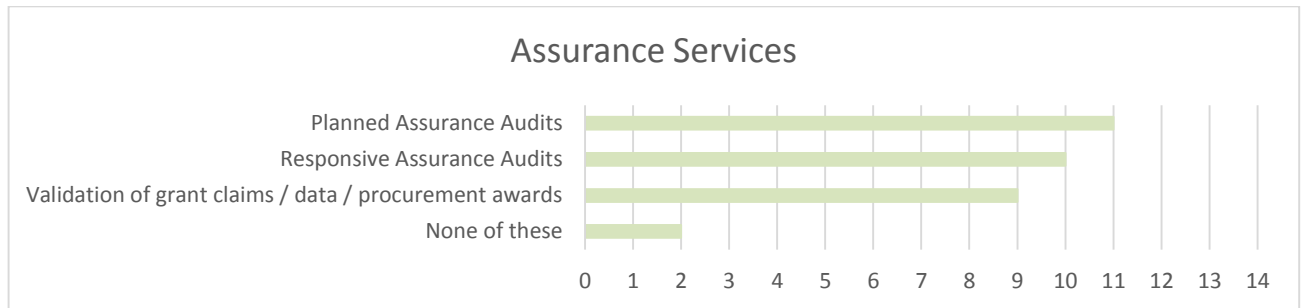
3.6 The scores received ranged from 4 to 10, with an average of 8.36 across the 14 responses.



3.7 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.

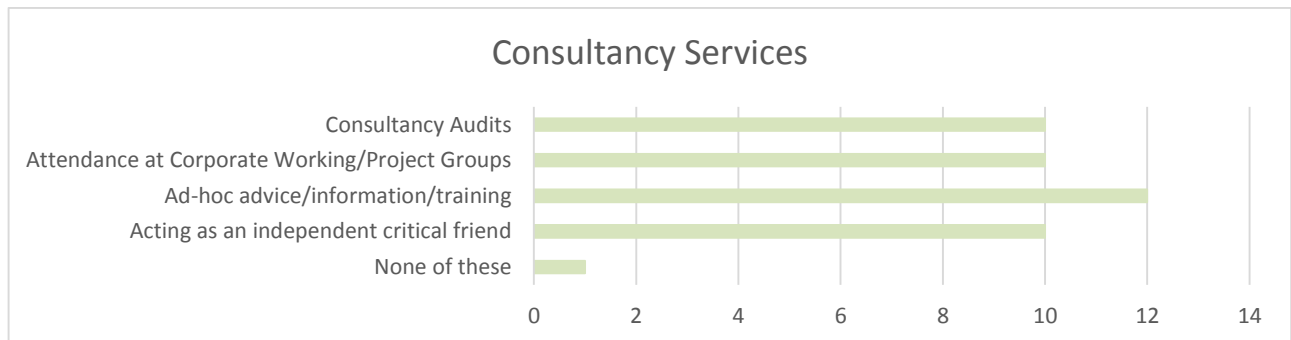
## Assurance Services

- 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

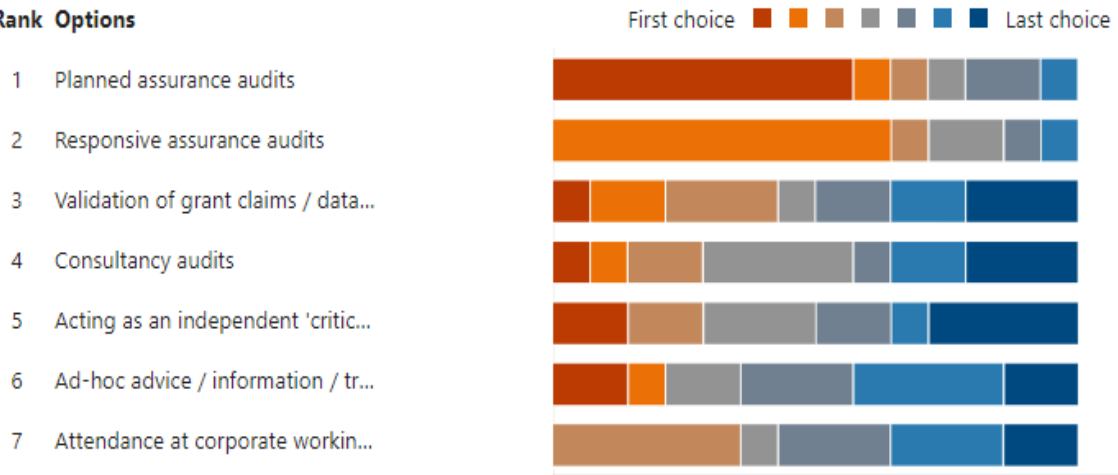
- Consultancy audits (Intended to provide suggestions to improve the effectiveness of risk management, control and governance processes within a particular service or function – Requested by management).
- Attendance at corporate working / project groups to provide advice relating to risk management, 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.



3.8 Respondents were then asked to rank those services in the order they felt added the most value to the council. 57.1% of respondents ranked planned assurance audits as adding the most value, while acting as an independent critical friend and ad-hoc advice/information/training were the next highest first choices with 14.3% each. Responsive assurance audits were not the first choice of any respondent but were second choice for 64.3%.

3.9 Attendance at corporate working groups was the only service not to appear in the top two choices of any respondent and was ranked as last choice by 14.3% of respondents.

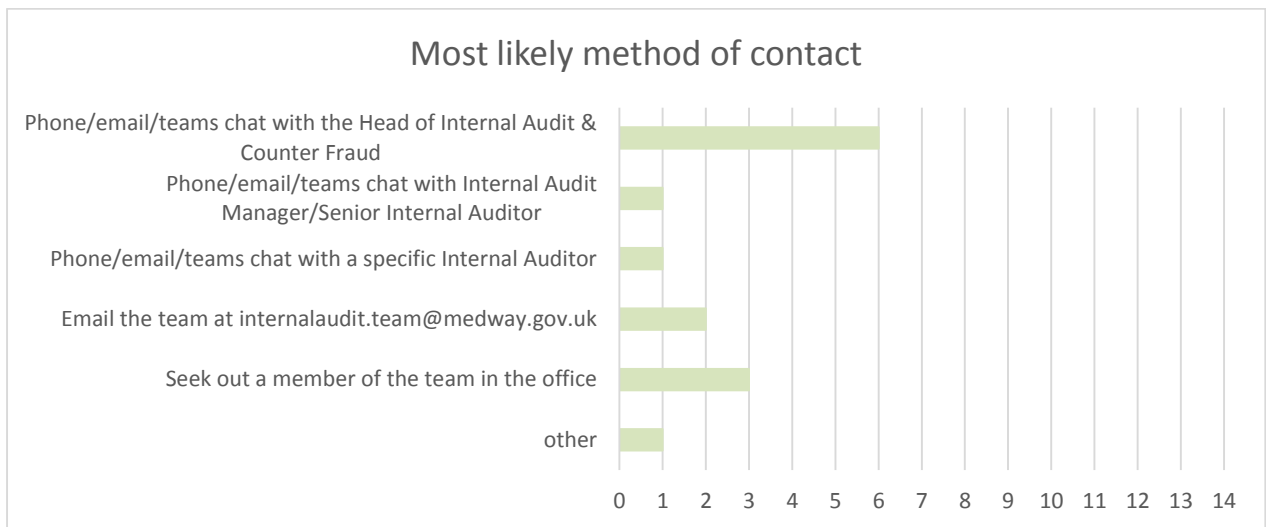
**Rank Options**



**Communication**

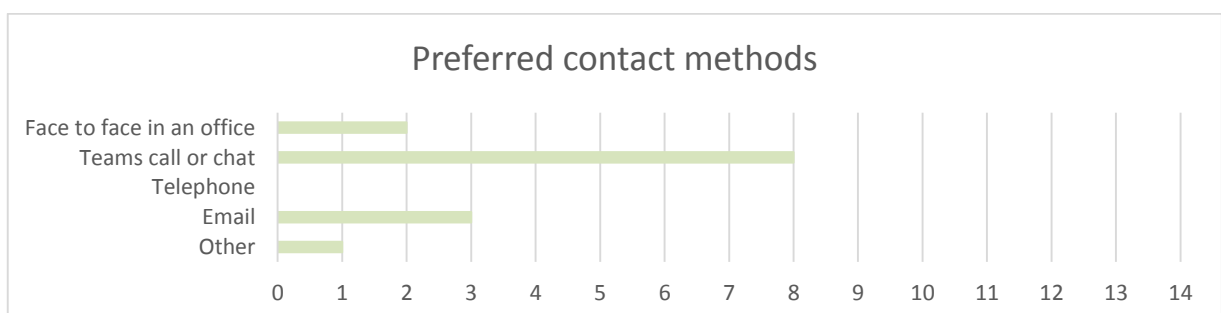
3.10 With the increase in remote working, there was concern that there may be a drop in engagement from client services in the event that the Internal Audit team was not easily contactable or readily available to respond to requests for advice. The questions were designed to establish which communication methods were the preferred option to make contact with the Internal Audit team, and also establish whether there had been any issues/barriers for anyone who had tried to make contact with the team.

3.11 Respondents were asked how they would most likely make contact with the Internal Audit team if they ever had need and were provided with six options, producing the following results.



3.12 Six respondents indicated that they would make contact with the HIACF, while three indicated that they would seek out a member of the team in the office and two indicated that they would email the Internal Audit team mailbox. All other options received one vote each.

3.13 Respondents were then asked to indicate their preferred method of interacting with the Internal Audit team.



- 3.14 The majority of respondents, eight out of 14, indicated that their preferred method would be a Microsoft Teams call or chat, with a few opting for face to face in the office or email. Interestingly nobody selected telephone.
- 3.15 Nine respondents indicated that they had had cause to contact the Internal Audit team in the last two years and all responded 'yes' when asked if they were able to do so easily.

### The Internal Audit Plan

- 3.16 The Internal Audit Plan is now approved by Members on a six-monthly basis and is aimed at the highest areas of risk in the council, which is based on a comprehensive risk assessment. The questions asked were designed to identify whether respondents feel that they are adequately consulted as part of that assessment, whether they feel the plan focuses on the right areas and whether the types of work included achieve the right balance.

| Question: Do you feel that you are sufficiently involved in the preparation of the Internal Audit Plan? | Number of respondents |
|---|-----------------------|
| Yes   | 13                    |
| No  | 1                     |

| Question: Do you feel that the Internal Audit Plan is focused on the right areas? | Number of respondents |
|---|-----------------------|
| Yes   | 12                    |
| No  | 2                     |

- 3.17 Since the last survey in 2018-19, there has been a greater focus on consultation with services about their perceived risks and any concerns raised are factored into the internal audit risk assessment that is used to inform the plan.
- 3.18 The majority of respondents confirmed that they are happy with their involvement in the preparation of the Internal Audit Plan. Those responding with 'no' were invited to leave comments on how they felt it could be improved and these are detailed below, along with responses from the HIACF on behalf of the service.

|   |
|---|
| <b>Comment received:</b> Really not sure.   |
| <b>HIACF response:</b> There are opportunities to provide input during the consultation process but if you are not part of these meetings, I'm happy to receive information directly or have a discussion about perceived risk areas. |

- 3.19 The majority of respondents also confirmed that they feel the plan is focused on the right areas. Again, those responding with 'no' were invited to leave comments, which are detailed below, along with responses from the HIACF on behalf of the service.

|   |
|---|
| <b>Comment received:</b> Seems to go over the same areas and yet when had a potential fraud issue that wanted investigating a few years back the team didn't have the time.   |
| <b>HIACF response:</b> It is true that previously there was a cyclical element to the internal audit plan that focused on key areas. We have made changes this year to remove the cyclical elements and have a plan that is truly risk based, so we shouldn't be going over the same areas repeatedly, unless there continues to be significant control risk concerns.<br>With regards to the fraud issue, I would need to know more details to be able to comment properly but we have made a number of changes over the last few years to improve the counter fraud services, which are separate from internal audit. |

- 3.20 Planned assurance audits form the largest proportion of the Internal Audit Plans but there are also allowances for responsive assurance and consultancy work. Questions were asked about the Internal Audit Plan for 2021-22 to understand how respondents felt about the type of work undertaken.

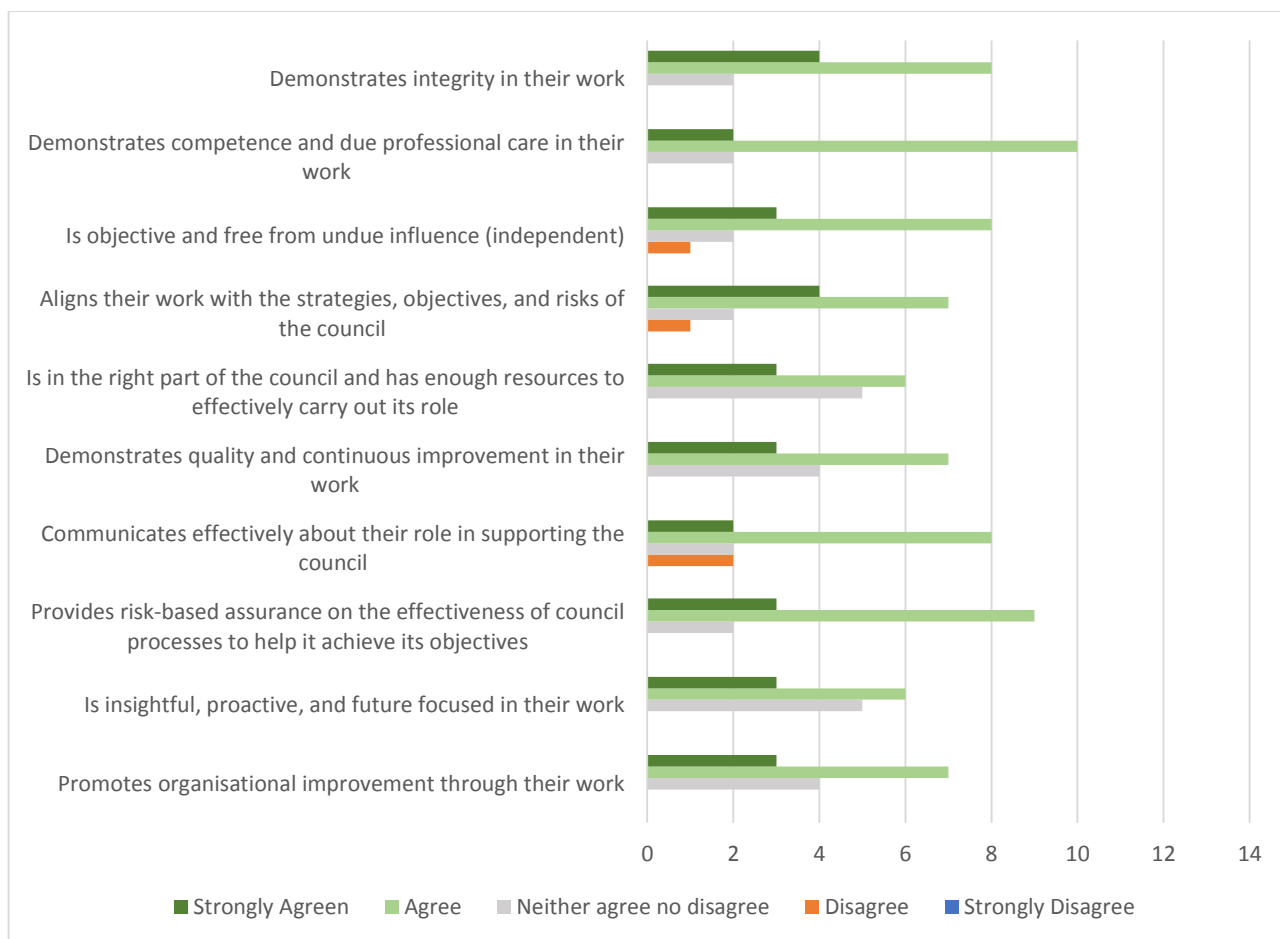
| <b>Question:</b> Thinking about the 2021-22 Internal Audit & Counter Fraud Plan, do you feel the council would benefit from? | <b>Number of respondents</b> |
|--|------------------------------|
| More in-depth audits, with more days available to complete the review (would result in less areas being reviewed)            | 3                            |
| Less in-depth audits, with less days available to complete the review (would result in more areas being reviewed)            | 0                            |
| I'm happy with the current balance   | 11                           |

| <b>Question</b> Again, thinking about the 2021-22 Internal Audit & Counter Fraud Plan, do you feel that the resources dedicated to planned work and allowances for responsive work achieve the right balance? | <b>Number of respondents</b> |
|---|------------------------------|
| Yes   | 12                           |
| No  | 2                            |

- 3.21 The results indicate that the majority are happy with the balance of the type of assurance audits being undertaken, although some indicated a desire for fewer, more in-depth audits. The majority also indicated that they are happy with the balance of planned and responsive work, with the two respondents replying 'no' indicating that they would rather see less planned work and more responsive allowances on the plan.

#### **Compliance with the IIA Core Principles**

- 3.22 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.
- 3.23 As part of the 2018-19 survey, the ten IIA Core Principles were expressed as statements and respondents were asked to confirm to what extent they agreed or disagreed with each statement and all 11 either strongly agreed, agreed, or provided a neutral response for five of the statements. The statements respondents disagreed with were as follows:
- The team is objective and free from undue influence (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).
- 3.24 For the 2021-22 survey, the same statements were provided, and respondents were again asked to confirm to what extent they agreed or disagreed with each statement.



3.25 All 14 respondents either strongly agreed, agreed, or provided a neutral response for seven of the statements. While we are unable to confirm whether these responses are from the same respondents as in 2018-19, it does show some improvement. However, there were still negative responses in relation to independence, aligning the work with the objectives of the council and communication, so there is still room for further improvement.

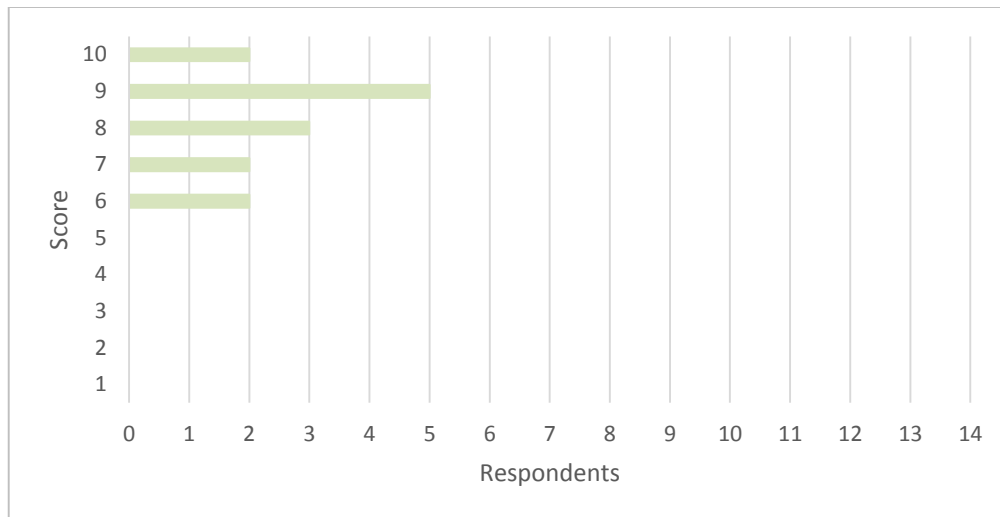
3.26 It is hoped that the new approach to planning for 2022-23 will provide more clarity over how the work is aligned with council priorities as it now shows links to corporate risks. Clearly there are still perceived issues in relation to communication and this forms part of our ongoing improvement work and forms part of individual targets for officers. It is disappointing to still see some disagreement about the independence of the service, however the survey neglected to include an option to provide comments on these responses, so there is no further information available to determine why the respondent has this opinion.

### Overall Satisfaction with Internal Audit Services

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

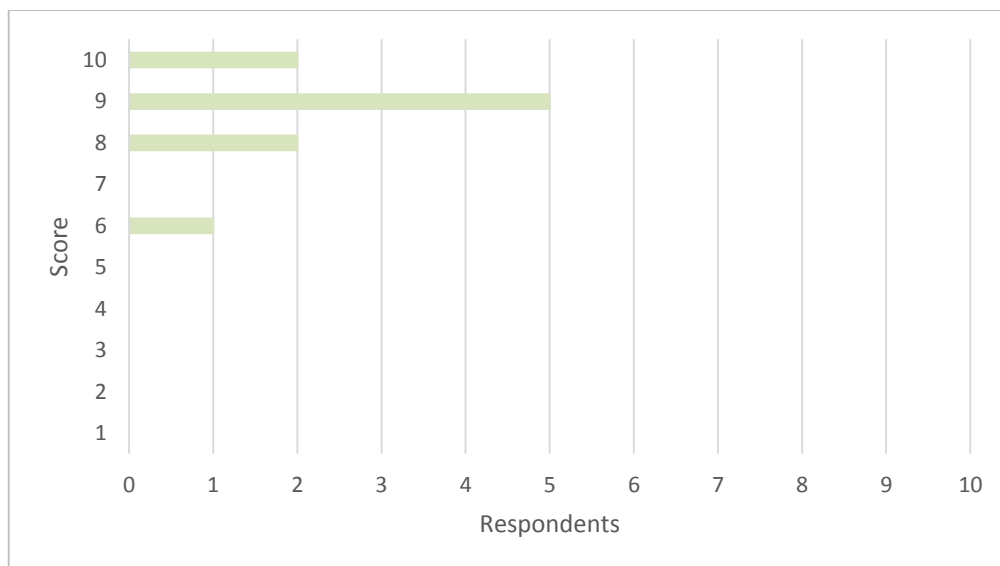
3.28 As it was possible that not all respondents would have interacted with the Internal Audit team during the previous two years, respondents were first asked to provide a satisfaction score in relation to the support and services that are available from the Internal Audit team.





3.29 The majority of respondents scored eight or higher, with four scoring six or seven. This gave an average score of 8.21 and represents positive satisfaction from 71.4% of the responses received.

3.30 The ten respondents who confirmed having received services from the Internal Audit team in the last two years were asked to score their overall satisfaction with the service received.



3.31 Nine of the ten respondents scored eight or higher, with the remaining one scoring six, giving an average score of 8.7 and representing positive satisfaction from 90% of the responses received.

**Other Feedback**

3.32 At the conclusion of the survey respondents were asked: *Do you have any other comments that may help us improve / develop the service?*

3.33 The comments received are detailed below, along with responses from the HIACF on behalf of the service.

|   |
|---|
| <p><b>Comment received:</b> During pandemic period Audit team spend lot of time providing help to other departments.</p>  |
| <p><b>HIACF response:</b> It is true that staff from both internal audit and counter fraud spent time providing help to other services during the pandemic, but all staff have returned to their substantive roles.</p> |

**Comment received:** Only tiny gripe can sometimes be the large period of radio silence from fact finding exercises to getting a draft report. A little more conversation would negate the need to go back and correct work later on. This isn't always the case - just in some audits I've had more recently.

**HIACF response:** The team experienced a number of staff vacancies during 2020-21 and into 2021-22, particularly at a senior level, which created a significant backlog in the quality control phase of the audit process. Since vacancies have been filled, we have been working hard to clear this backlog and are hopeful that our new structure will ensure that we do not end up in this position in the future. However, internal auditors should be keeping in contact with clients to keep them up to date with the situation during any audit, so this is something that will be addressed as part of the ongoing work on communication.