

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

Internal Audit Satisfaction Survey 2024

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

2 Executive Summary

- 2.1 The level of response to the survey was largely consistent with 13 responses received, compared to 11 in 2023 and 14 in 2022. The results are very positive and show improvements in all areas in comparison to 2022 and 2023.
- 2.2 Respondents are satisfied with the services available from the Internal Audit Team, with an average score of ten out of ten, compared to 8.82 out of ten in 2023 and 8.21 in 2022. Respondents are also satisfied with the overall service received, with 100% of those confirming receipt of services from the Internal Audit Team within the last twelve months, providing a positive score.
- 2.3 Most respondents seem to have a good understanding of the role of internal audit and the services available, however, 38% did indicate that more training or information about the role of internal audit and the services available would be useful. The team will now be looking at the best way for this to be delivered.
- 2.4 100% of respondents confirmed that they were sufficiently involved in the preparation of the Internal Audit Plans and felt that the plans were focused on the right areas. Most also confirmed that there was sufficient communication about the plans and notification of the planned reviews to be undertaken.
- 2.5 Perceived compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles has shown significant improvement with only one response of 'disagree' to one of the ten statements, namely 'is in the right part of the council and has enough resources to carry out its role'. This is compared to responses of 'disagree' to three of the ten statements in both 2022 and 2023, all of which were agreed with by all respondents this year.
- 2.6 Overall, the results of the survey indicate improved satisfaction with our services, although there are still some areas that could have further improvement and the team will continue with their efforts to address any issues raised.

3 Survey Results

- 3.1 The survey was designed to focus on four keys areas:
 - Awareness of the Internal Audit Services
 - The Internal Audit Workplan
 - Compliance with the Chartered Institute of Internal Auditors (IIA) Core Principles
 - Overall Satisfaction with the Internal Audit Team

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

3.3 There were 13 responses on behalf of Gravesham, compared to 11 in 2023 and 14 in 2022, and a breakdown of the respondent's roles and the area of the council they work in are shown in the tables below.

Role	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Chief Executive / Director / Assistant Director	4	5	5
Service Manager	4	3	4
Other Manager / Supervisor / Team Leader	1	2	0
Elected Member	5	1	4
Total	14	11	13

Directorate	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Chief Executives Office	0	2	1
Communities	3	2	1
Corporate Services	5	3	4
Environment	0	1	1
Housing	2	2	2
N/A - Elected Member	4	1	4
Total	14	11	13

3.4 It should be noted that not all respondents answered all questions, so the detailed results that follow are not all based upon 13 responses.

Awareness of the Internal Audit Services

3.5 Several questions were asked aimed at identifying whether respondents had a good understanding of the role of internal audit and the services available from the team, with the following responses received.

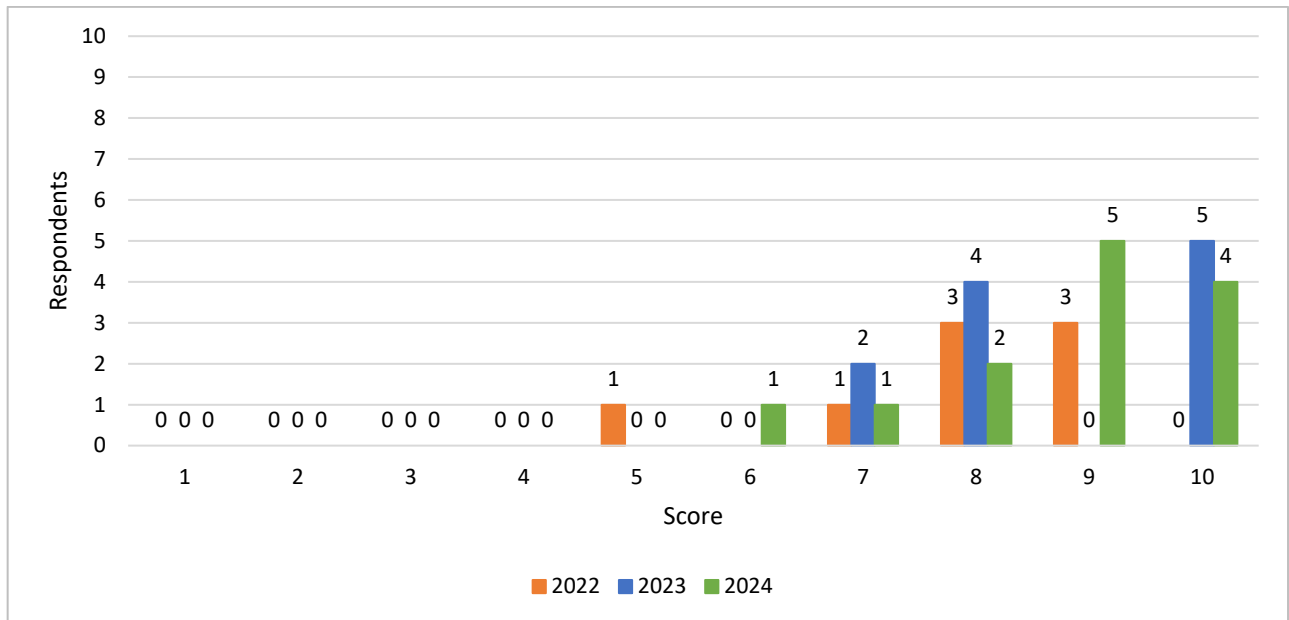
3.6 The work undertaken by the Internal Audit Team is supported by the Internal Audit Charter, which sets out the responsibility, purpose, and authority of Internal Audit, and is approved by the Corporate Management Team and the Finance & Audit Committee.

*Question: Have you seen / read the Internal Audit Charter?	Number of respondents 2023	Number of respondents 2024
Yes	9	13
No	2	0

3.7 The Charter, it is a key document that managers should be aware of, so it was extremely positive that all respondents confirmed they had seen/read the charter.

3.8 Respondents were asked: *On a scale of 1-10 (1 = strongly disagree – 10 = strongly agree), how much do you agree or disagree that you have a good understanding of the role of Internal Audit?*

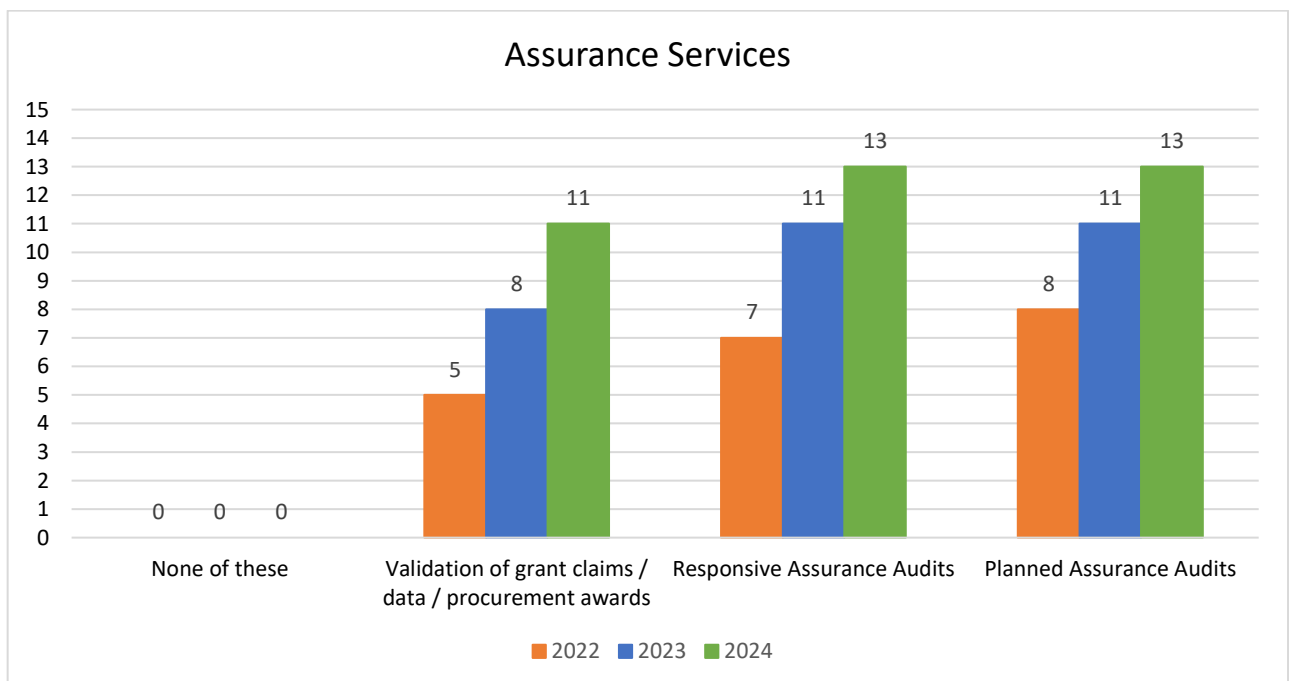
3.9 The scores received ranged from 6 to 10, with an average of 8.77 across the 13 responses. This in comparison to an average of 8.73 across 11 responses in 2023 and 8.36 across 14 responses in 2022, which shows continuing improvement in awareness of the team.



3.10 Respondents were provided with lists of both assurance and consultancy services and were asked to indicate which of the services they were aware that the Internal Audit Team provides.

Assurance Services

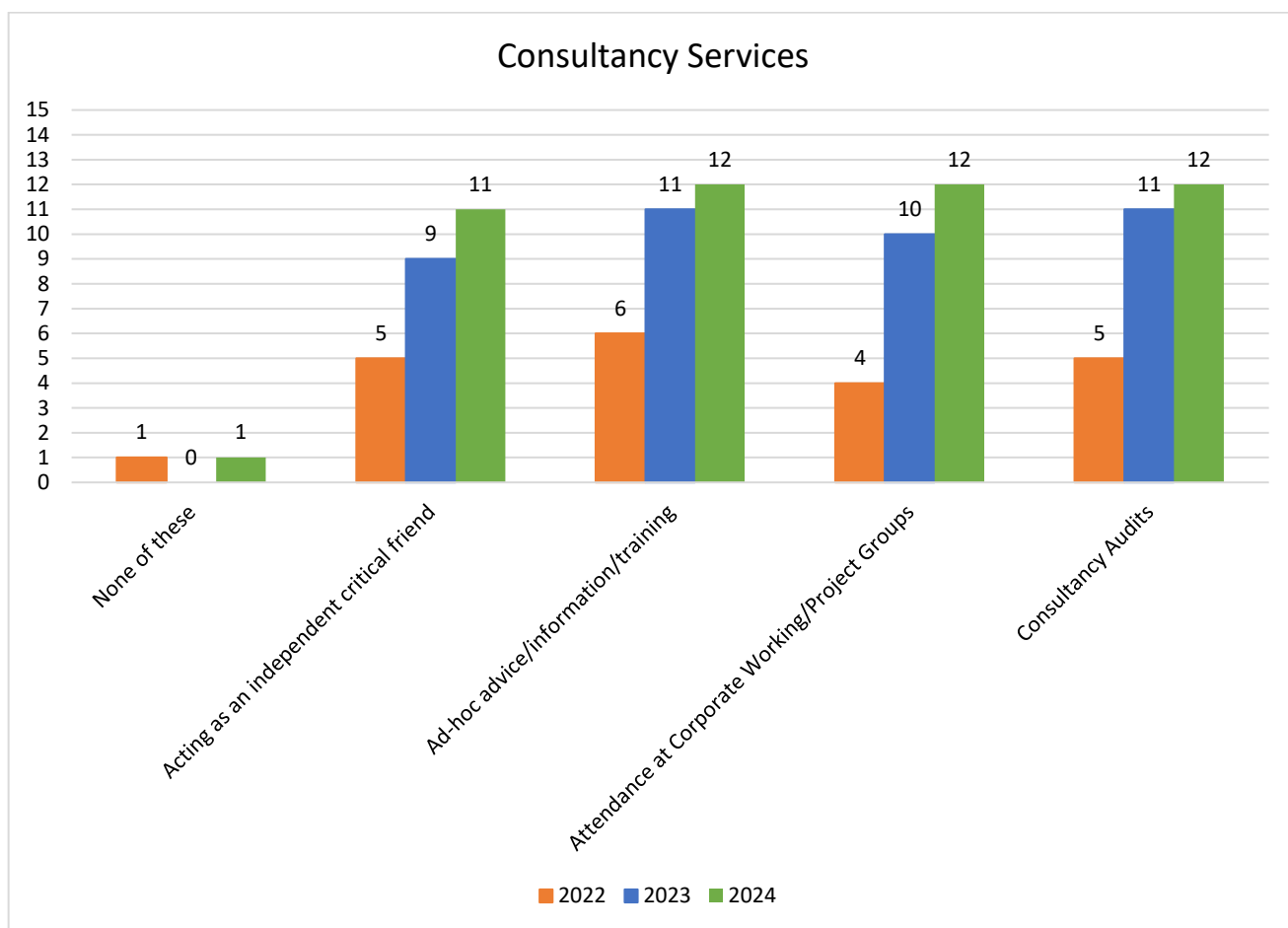
- Planned assurance audits (Intended to help evaluate and improve the effectiveness of risk management, control and governance processes within a particular service or function – Identified by IA&CF as part of a periodic risk assessment).
- Responsive assurance audits (As above but identified by IA&CF in response to a new or emerging risk).
- Validation of grant claims / data / procurement awards.



Consultancy Services

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

- Ad-hoc advice / information / training relating to risk management, control, and governance matters.
- Acting as an independent 'critical friend' when requested in relation to service changes.



3.11 In both cases, the responses show an improvement in comparison to 2022 and 2023, indicating that some of the work to raise awareness of the services available from the team appears to be having the desired effect.

3.12 However, to really understand whether there has been an improvement in awareness, a new question was added for 2024, and respondents were asked 'Do you feel that more training/information about the role of internal audit and our services would be useful?'

*Question: Do you feel that more training/information about the role of internal audit and our services would be useful?	Number of respondents
Yes	8
No	5

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

The Internal Audit Workplan

3.14 The work of the Internal Audit Team is largely directed by the Internal Audit Plans, which are prepared on a six-monthly basis. Planned audits make up the bulk of the plans and their selection is based on a periodic assessment of the council's current priorities and risks, which also includes consultation with Directorate Management Teams.

3.15 The first questions asked were designed to identify whether respondents feel that they are adequately consulted as part of that assessment and whether they feel the plans focus on the right areas. These same questions were asked in 2022 and 2023 and the responses for all three years are provided for comparison purposes.

Question: Do you feel that you are sufficiently involved in the preparation of the Internal Audit Plans?	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Yes	13	11	13
No	1	0	0

Question: Do you feel that the Internal Audit Plans are focused on the right areas?	Number of respondents 2022	Number of respondents 2023	Number of respondents 2024
Yes	12	11	13
No	2	0	0

3.16 Additional questions were asked in relation to communication about the agreed plans and notifications of individual audits.

*Question: Do you feel that you receive sufficient communication about the agreed Internal Audit Plans?	Number of respondents 2023	Number of respondents 2024
Yes	11	12
No	0	1

*Question: Do you feel that you receive sufficient notification of the planned audits to be undertaken?	Number of respondents 2023	Number of respondents 2024
Yes	11	12
No	0	1

3.17 All respondents seem to be happy with the level of engagement in terms of involvement in preparation of the internal audit plans and their focus, but one respondent did not feel that communication about the agreed plans was sufficient and provided the following comment.

- Only informed at F&A committee meetings. More detailed information before of the agreed Audit plan is agreed before the next F&A meeting would be useful.

3.18 The Head of Internal Audit & Counter Fraud undertakes a consultation exercise as part of the process for formulating the Internal Audit Plans, which includes 1-2-1 discussions with the Chief Executive and attendance at Directorate Management Team meetings to seek the views of Service Managers, Assistant Directors, and Directors, on what they consider to be the risks facing their services. The Chair of the Audit Committee can also be consulted as part of this process.

3.19 All of the information is used to determine the highest risk areas where internal audit resource should be directed to provide assurance over governance, risk management, and internal control processes, which are then entered into the Plans. The plan remains in draft until agreed by the Finance & Audit Committee where the basis for the reviews proposed is outlined.

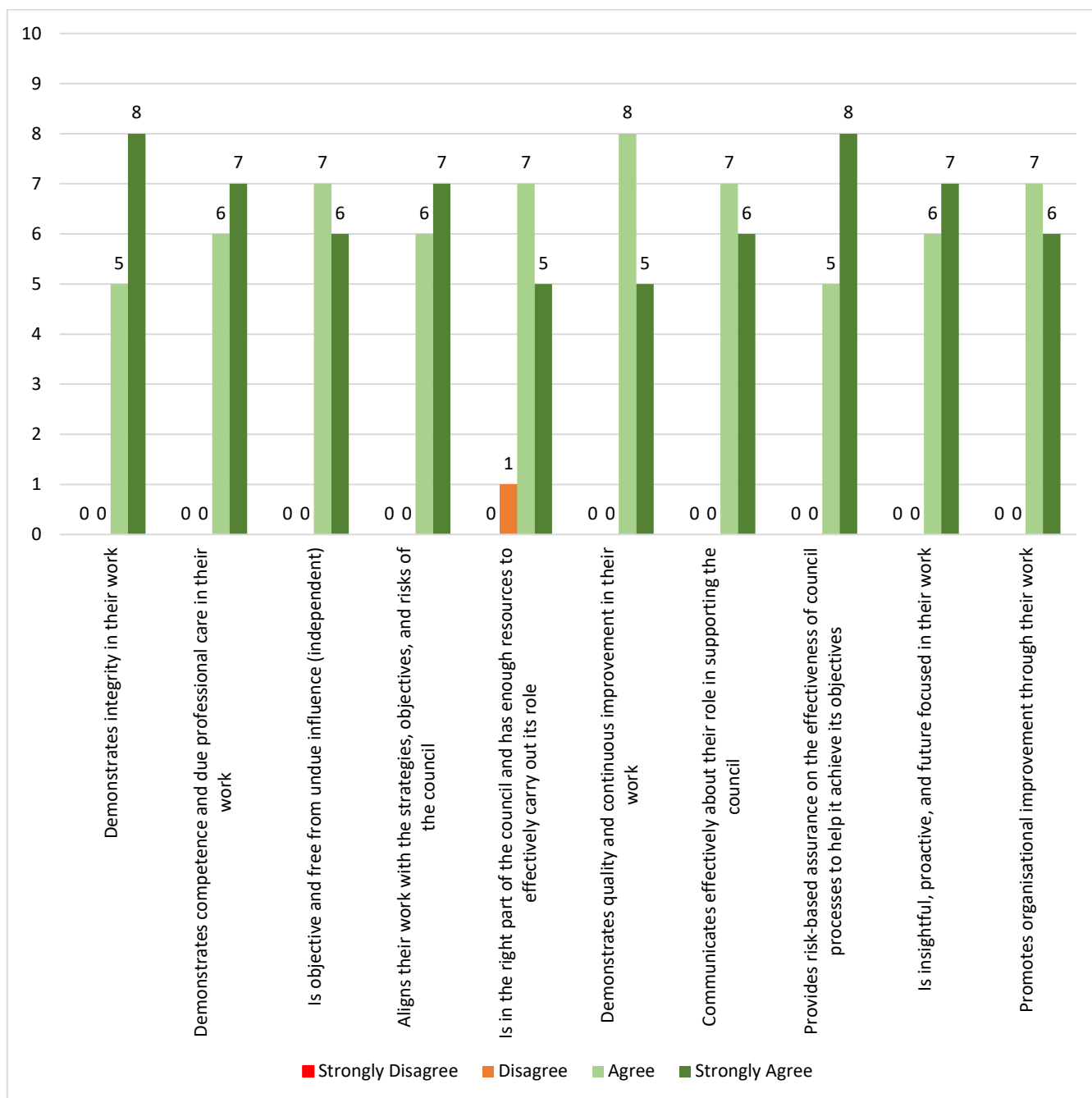
Compliance with the IIA Core Principles

3.20 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.

3.21 As part of the surveys in 2022 and 2023, the ten IIA Core Principles were expressed as statements and respondents were asked to confirm to what extent they agreed or disagreed with each statement.

3.22 For the 2024 survey, the same statements were provided, and respondents were again asked to confirm to what extent they agreed or disagreed with each statement. As an addition for 2024, respondents who

disagreed with any of the statements were asked to explain why, so we can better understand what action may need to be taken in order to improve.



3.23 12 respondents either agreed or strongly agreed with all ten statements. However, there was still a negative response, so further analysis has been detailed in the table below for comparison purposes.

Statement	Disagree 2022	Disagree 2023	Disagree 2024	Strongly Disagree 2022	Strongly Disagree 2023	Strongly Disagree 2024
Demonstrates integrity in their work	0	0 ↔	0 ↑	0	0 ↔	0 ↔
Demonstrates competence and due professional care in their work	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Is objective and free from undue influence (independent)	1	0 ↔	0 ↔	0	0 ↔	0 ↔

Aligns their work with the strategies, objectives, and risks of the council	1	0 ↔	0 ↔	0	0 ↔	0 ↔
Is in the right part of the council and has enough resources to effectively carry out its role	0	0 ↔	1 ↑	0	0 ↔	0 ↔
Demonstrates quality and continuous improvement in their work	0	0 ↔	0 ↔	0	1 ↑	0 ↔
Communicates effectively about their role in supporting the council	2	2	0 ↓	0	0 ↔	0 ↔
Provides risk-based assurance on the effectiveness of council processes to help it achieve its objectives	0	0 ↔	0 ↔	0	0 ↔	0 ↔
Is insightful, proactive, and future focused in their work	0	1 ↑	0 ↓	0	0 ↔	0 ↔
Promotes organisational improvement through their work	0	1 ↑	0 ↓	0	0 ↔	0 ↔

3.24 Where one response of 'disagree' was received in relation to the statement 'Is in the right part of the council and has enough resources to effectively carry out its role', the following comment was received.

- Finance and Audits are an integral part of a council. Without efficient and thorough scrutiny of all aspects of the accounts processes errors can happen, I sometimes feel this section of the council needs more resources to achieve this.

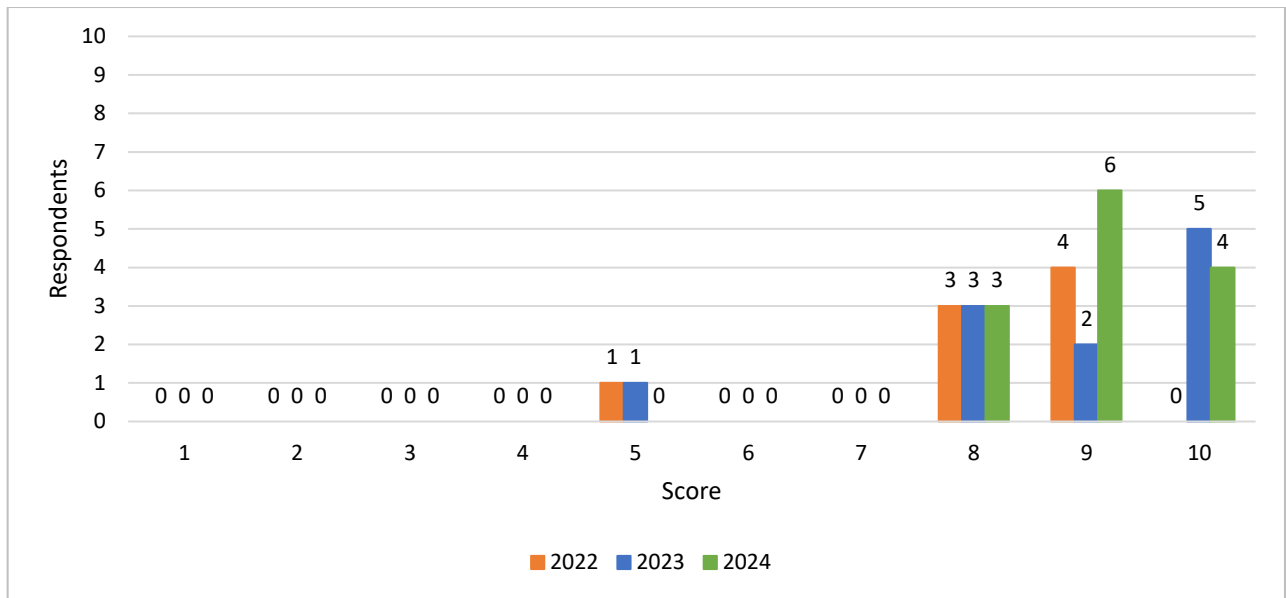
3.25 It is actually external audit that undertake the review of the council's accounts, although internal audit do review the internal controls around various elements of the council's financial procedures. We cannot comment on the resources available to external audit, but the Section 151 officer is content that the internal audit function has the correct level of resource for the council.

3.26 Overall, the results indicate a number of improvements in comparison to the previous two years. The team always maintain compliance with these core principles in the delivery of their work and will continue to try and demonstrate this to our clients.

Overall Satisfaction with Internal Audit Services

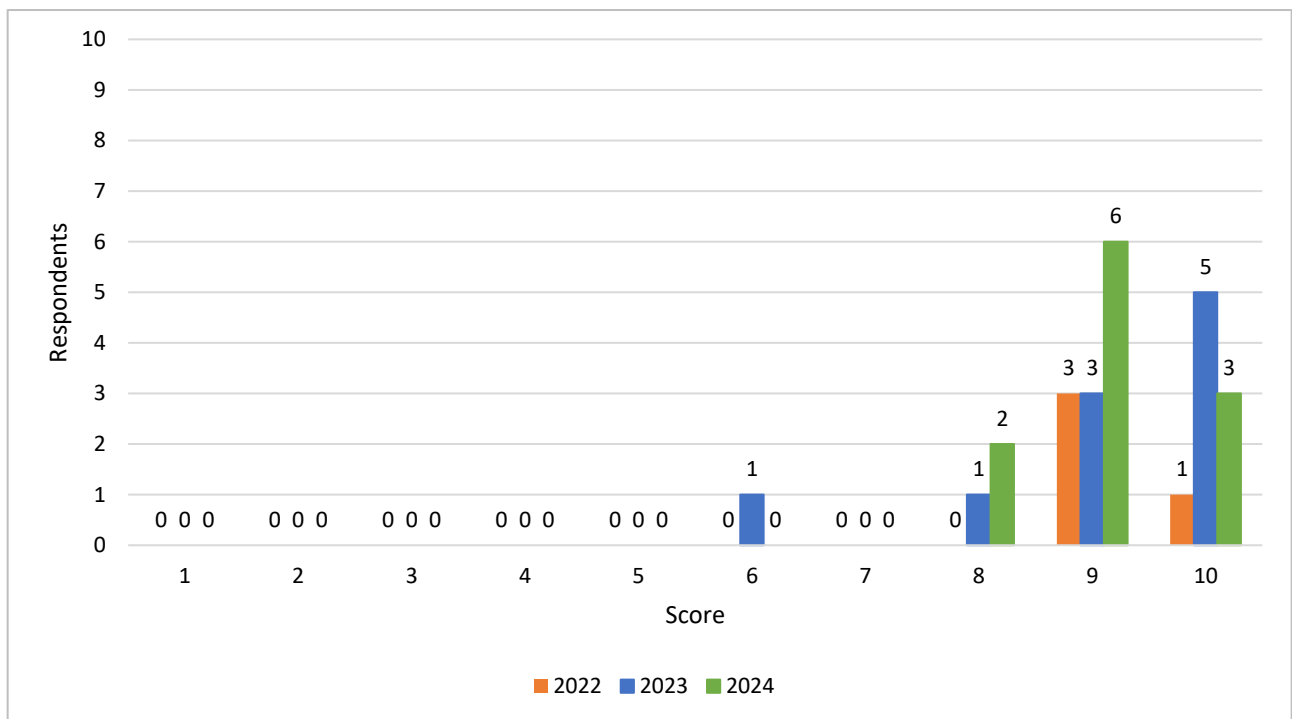
3.27 Questions relating to overall satisfaction asked respondents to provide a score from one (completely dissatisfied) to ten (completely satisfied). Any scores of eight or above are considered to be positive satisfaction.

3.28 As it was possible that not all respondents would have interacted with the Internal Audit Team during the previous year, respondents were first asked to provide a satisfaction score in relation to the support and services that are available from the Internal Audit Team. The scores from 2022, 2023 and 2024 have been provided for comparison.



3.29 The average score across the 13 respondents was 9.08 and represents positive satisfaction from 100% of the responses received. This is in comparison to an average score of 8.82 and positive satisfaction of 90.9% from the 11 responses received in 2023, and an average score of 8.21 and positive satisfaction of 71.4% from the 14 responses received in 2022.

3.30 The 11 respondents who confirmed having received services from the Internal Audit Team in the last year were asked to score their overall satisfaction with the service received.



3.31 Scores ranged from eight to ten, giving an average score of 9.09 and representing positive satisfaction from 100% of the responses received. This is compared to an average score of 9.10 and positive satisfaction of 90% from the ten responses received in 2023, and 8.7 and positive satisfaction of 90% from the ten responses received in 2022.

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

Compliments

Comment received: I always feel reassured that the audits are a positive 'critical friend' and a useful tool to support our services. Thank You.

Suggestions

Comment received: A suggestion I have is assigning an auditor who's dealt with my service before. I understand the reasons why you'd assign different auditors but from my recent experience, you often have to cover a lot of ground you've covered in previous audits with the previous auditor. My staff and I are spending a lot of time on this, and it seems a backward step. I think it would be a lot more efficient to assign someone to audit IT who we have developed a solid working relationship with. Someone who knows the setup, the technology being used etc. As audits are checked by management before being issued then I think this could be an option.

HIACF response: While we understand this suggestion and do not disagree with the logic behind it, we have to balance this with the need for auditors to remain completely independent and unbiased in the delivery of their work. While assigning one auditor to work with a service on an ongoing basis may lead to some efficiencies if they are already aware of how the service works, it could potentially lead to unconscious bias in the conduct of those reviews, which subsequently leads to inaccurate findings. This doesn't mean that the same auditor cannot conduct more than one review in an area, and we always consider the skillset of the auditor assigned to each review, but it's unlikely that we would be able to assign a specific auditor to a service.

Comment received: Really impressed with the work of the team. Would like to see them deployed on strategic projects too e.g. how the corporate plan is delivered, assured etc. or in major procurement decision business case.

HIACF response: We currently conduct independent validation of the outturns of performance Indicators included in the Performance Management Framework that forms part of the Corporate Plan and are happy to be part of corporate working groups or project groups, which may include procurement matters, where we can provide advice in relation to governance, risk management and internal control matters on a consultancy basis.