

Internal Audit Survey of Managers and Members

Managers

During 2016 we surveyed Directors, Heads of Service and other selected managers with whom we have frequent contact, including staff from Serco, Vivacity and some schools. The aim was to obtain a view on our services and the scope of our work, as well as how well we perform our work and respond to the needs of the Council.

There were 19 respondents in total, amounting to 40% of those contacted.

Overall the response was very positive, with the majority of our services regarded as Critical or Important, and our performance rated as Excellent or Good by many.

One of the main themes that emerged is around awareness and understanding of our role. Responses indicate that Internal Audit are seen in a more traditional role, with compliance auditing, fraud investigations and finance being seen as the most important aspects of our work. In addition, it was notable that respondents rated our work as providing more value for their teams than for the council as a whole.

Members

We decided to carry out a similar survey of Members for comparison, which we carried out recently. There were 12 respondents representing a 24% response rate. Two thirds of respondents were Members who have previously served or are currently serving on the Audit Committee, or are regular attendees.

Again the response was broadly positive, mirroring the results from the management survey in terms the importance of our services and the priority given to compliance, fraud and financial work. Interestingly, Members rated the importance of different aspects of our work more highly than managers: there were more 'critical' than 'important' ratings, as illustrated in the tables below. It is perhaps understandable that Members, who are not involved in day to day operations, value highly an independent view of the council that Internal Audit can provide.

Audit Types	Managers		Members	
	Critical %	Important %	Critical %	Important %
Compliance audit	42	58	75	25
Risk Based	32	63	58	42
Value for Money	5	63	33	67
Follow-ups	16	68	33	58
Fraud Investigation	74	26	92	8
Fraud Detection	32	68	58	33

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Areas of work	Managers		Members	
	Critical %	Important %	Critical %	Important %
Finance	67	33	73	27
Schools	22	39	27	64
Projects and Programmes	17	61	36	64
Contracts and Procurement	22	61	55	45
Risk Management	28	61	45	55
Information Governance	22	61	64	36

Performance ratings by Members were positive, with over 50% of respondents rating us as Excellent or Good in most areas, including the quality of information we provide to the Audit Committee. However, there were clearly some areas where it was felt we could do better.

We asked different performance questions in the Member survey compared to the manager survey so comparisons cannot be made in all areas, but raising awareness of Internal Audit is something that both managers and Members feel could be improved. It was evident that Members felt this more strongly, with 27% of Members (but no managers) judging us to be poor in this area. Also, 18% of Members judged the opportunity to provide views to Internal Audit to be poor. It was notable too that more Members than managers responded with Not Known to some of the questions, further reinforcing the lack of awareness the Members feel they have.

On the question of how well the Audit Committee fulfil their terms of reference, over 60% rated this as Excellent or Good; 18% as Adequate or Poor and 9% as Not Known.

How officers supporting the Audit Committee engage with Members is therefore something we need to explore, both in terms of how we provide information about our role and our work, and also how members can engage with the audit process more easily. Development of our website and training material (including the Audit Committee handbook) will be key actions for Internal Audit. We will also consider whether the All Party Members Forum could be utilised to reach a wider Member audience.

Conclusion

Whilst we clearly carry out work that is valued, we need to do more raise awareness and understanding across the council. We are mindful that professional audit standards and statute dictate that our role has moved away from purely compliance and finance related work to one of risk based assurance covering the whole governance, risk and control framework of an organisation. And whilst the surveys indicate that people place greater importance on our traditional areas of work, a greater understanding will hopefully demonstrate the value that we can add in other areas of work, whilst still giving those traditional areas priority when required.