

## **Internal Audit Survey of Managers and Members**

### **Introduction**

During March 2018 Internal Audit undertook an annual survey as required within the Public Sector Internal Audit Standards (PSIAS) and to also evaluate the organisations view of our performance during the year and strategic needs. Individuals surveyed included:

- Directors and Heads of Service;
- Councillors including the Leader of the Council, Members of the Audit Committee and Cabinet Member for Resources
- Other selected managers with whom we have frequent contact;
- Staff from partnership and external organisations such as Serco, Vivacity and Schools

There were 17 respondents in total, amounting to 31% 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.

Responses continue to indicate that Internal Audit are seen in a traditional role, with compliance auditing, fraud investigations and finance being seen as important aspects of our work. However 94% of respondents are recognising the need for internal audit to be evaluating if risks are being identified and managed which supports the risk management process within the organisation. This indicator has had a % shift in weighting to Critical from important since the previous survey. This said we need to further evaluate how we can raise the profile of the work that internal audit undertakes as there is still some indication that this is not understood. This will be explored further through Departmental Team meetings.

Some new areas were explored within the survey this year with regards to the view of internal audit as a business partner, ethics and values promoted within the organisation and subsequent breakdown of controls in areas reviewed. Similarly positive results were received. Please see the full results of the survey detailed below.

### **Conclusion**

Whilst we clearly carry out work that is valued, we need to continue to do more to raise awareness and understanding across the council. 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. It is therefore encouraging to see that there has been greater recognition of this this year which is something to build on with the organisation moving forwards. Whilst the survey indicates that high importance and value is placed on our traditional areas of work, it is considered to be a success of the service that internal audit is considered as a business partner contributing to new initiatives as well as providing insight and foresight over and above the core work programme.

**Peterborough City Council Internal Audit Survey March 2018**

<b>1. Internal audit can provide a range of different types of audit in order to have a positive impact on Governance, Risk and Control. Each type has a different purpose, as described below. Please rate each type in terms of how important you feel they are to the Council.</b>	<b>Critical</b>	<b>Important</b>	<b>Optional</b>	<b>Not Required</b>	<b>Not Known</b>
Compliance reviews to ensure policies / procedures / laws are followed	11 (65%)	6 (35%)	0	0	0
Risk based audits to determine if risks are being identified and managed.	10 (59%)	6 (35%)	1 (6%)	0	0
Consultancy work to advise on controls within new or changing operations	1 (6%)	11 (65%)	4 (23%)	0	1 (6%)
Value for money reviews to evaluate economy and efficiency	3 (18%)	10 (59%)	4 (23%)	0	0
System based audits to evaluate the effectiveness of controls	5 (29%)	10 (59%)	2 (12%)	0	0
Follow-ups to monitor the implementation of recommendations	5 (29%)	8 (47%)	4 (24%)	0	0
Investigation into allegations of fraud, corruption and impropriety	14 (82%)	3 (18%)	0	0	0
Grant certification to ensure monies are spent according to grant requirements	7 (41%)	8 (47%)	2 (12%)	0	0
Proactive detection of fraud to enable its investigation	8 (47%)	8 (47%)	1 (6%)	0	0

<b>2. The scope of Internal Audit's work covers all council activities. Some key activities that we cover are listed below. How important do you feel our work is in each of these areas?</b>	<b>Critical</b>	<b>Important</b>	<b>Optional</b>	<b>Not Required</b>	<b>Not Known</b>
Financial processes – eg payroll, income and payments systems	10 (59%)	6 (35%)	0	0	1 (6%)
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Schools – financial processes, contracts and procurement, IT and data security	3 (18%)	10 (59%)	2 (12%)	0	2 (12%)
Projects and Programmes – management of budgets and deliverables	6 (35%)	7 (41%)	1 (6%)	1 (6%)	2 (12%)
Contracts and Procurement – tendering and managing contracts, buying goods and services	6 (35%)	9 (53%)	0	1 (6%)	1 (6%)
Shared Services, Partnerships and Joint Ventures – governance and financial arrangements	7 (44%)	7 (44%)	1 (6%)	0	1 (6%)
Risk Management – policy and process of identifying and assessing risks	9 (53%)	7 (41%)	1 (6%)	0	0
Information Governance – management and security of data	7 (41%)	8 (47%)	1 (6%)	0	1 (6%)
Other Services and Governance– any service that the council provides, or activity it undertakes in the provision of services.	2 (13%)	10 (67%)	3 (20%)	0	0
Contracted out activities – our management of major contracts such as Serco, Skanska etc	6 (38%)	7 (44%)	2 (12%)	0	1 (6%)

<b>3. As customers of Internal Audit, how do you rate our performance in the following areas?</b>	<b>Excellent</b>	<b>Good</b>	<b>Adequate</b>	<b>Poor</b>	<b>Not Known</b>
The extent to which we raise awareness of the work of Internal Audit	3 (18%)	7 (41%)	3 (18%)	1 (6%)	3 (18%)
How well we engage with your management teams	4 (23%)	7 (41%)	2 (13%)	0	4 (23%)
The quality of the relationship between auditors and your staff	6 (35%)	8 (47%)	1 (6%)	0	2 (12%)
How responsive we are to your requests	6 (35%)	8 (47%)	1 (6%)	0	2 (12%)
The timeliness of our work	4 (23%)	9 (53%)	2 (12%)	0	2 (12%)
Keeping you up to date with progress	4 (25%)	7 (44%)	3 (19%)	0	2 (12%)
The alignment of our work to business need	4 (23%)	9 (53%)	2 (12%)	0	2 (12%)
The alignment of our work to identified risks	4 (25%)	8 (50%)	2 (12%)	0	2 (13%)
The opportunity you have to contribute to the annual planning process	8 (47%)	4 (23%)	2 (12%)	0	3 (18%)
The opportunity you have to contribute during an audit review	6 (35%)	6 (35%)	2 (12%)	0	3 (18%)

<b>4. Based on your contact with audit team members over the last year, how do you rate them on the following attributes?</b>	<b>Excellent</b>	<b>Good</b>	<b>Adequate</b>	<b>Poor</b>	<b>Not Known</b>
Unbiased, objective attitude	8 (47%)	6 (35%)	0	0	3 (18%)
Professional integrity	10 (59%)	4 (23%)	0	0	3 (18%)
Knowledge of your area of work	5 (29%)	7 (41%)	2 (12%)	0	3 (18%)
Understanding of risks in your area	4 (23%)	9 (53%)	1 (6%)	0	3 (18%)
Constructive and stimulates challenge	3 (18%)	10 (59%)	1 (6%)	0	3 (18%)
Forward thinking	5 (29%)	8 (47%)	0	0	4 (23%)
Confidentiality	8 (47%)	6 (35%)	0	0	3 (18%)

<b>5. The final product of our work is usually a formal report, but it can also be a less formal written response such as an email or memo or verbal feedback. How often do we meet the following standards?</b>	<b>Always</b>	<b>Frequently</b>	<b>Sometimes</b>	<b>Rarely</b>	<b>Not Applic</b>
Reports / responses are clear and easily understood	11 (65%)	2 (12%)	0	0	4 (23%)
Reports / responses are factually accurate	10 (59%)	3 (18%)	0	0	4 (23%)
The format of the report / Response is appropriate	10 (59%)	3 (18%)	0	0	4 (23%)
The length of the report / response is appropriate]	9 (53%)	4 (23%)	0	0	4 (23%)
Our control issues/findings are appropriate and supported by adequate evidence	8 (47%)	5 (29%)	0	0	4 (23%)
Recommendations are relevant, practical, commercial and proportionate	7 (41%)	6 (35%)	0	0	4 (23%)
Our recommendation gradings help you to prioritise your action plan, improve business processes and meet strategic objectives	8 (47%)	4 (23%)	0	0	5 (29%)
Our audit opinions are helpful to you	10 (59%)	4 (23%)	0	0	3 (18%)
Your comments are accurately reflected in the report	8 (47%)	4 (23%)	0	0	5 (29%)
Reports / responses are issued in a timely manner	10 (59%)	4 (23%)	0	0	3 (18%)
Reports / responses are issued to the right people	11 (65%)	3 (18%)	0	0	3 (18%)

<b>6. How do you rate the value of our work to your team and Council as a whole?</b>	<b>Agree</b>	<b>Partially Agree</b>	<b>Do not Agree</b>	<b>Not Applicable</b>
Senior Managers understand and fully support the work of internal audit	13 (81%)	3 (19%)	0	0
Internal audit has a positive impact on the governance, risk management, and the system of control of the organisation	14 (88%)	2 (12%)	0	0
There have not been any significant control breakdowns or surprises in areas that have been positively assured by internal audit	12 (75%)	2 (12%)	0	2 (13%)
Internal Audit activity promotes appropriate ethics and values within the organisation	15 (94%)	0	0	1 (6%)
Internal Audit provides insight and foresight over and above the core work programme	7 (44%)	8 (50%)	0	1 (6%)
Internal Audit is viewed as a business partner, with advice being sought along with participation in new initiatives	13 (81%)	3 (19%)	0	0

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