

## **Northumbria Police**

### **Internal Audit and Risk Service Consultancy Protocol**

The purpose of this protocol is to document and formalise the approach to be taken to consultancy work by the Internal Audit and Risk Service for Northumbria Police, including both the Police and Crime Commissioner and the Chief Constable.

Internal Audit and Risk currently offer consultancy advice in the form of audit recommendations on possible actions to be taken in response to control weaknesses identified in the course of assurance work. Internal audit also offer advice during systems development to help ensure that effective control is built into new systems at the time of their development.

There are increasingly situations where consultancy work may be required as part of a programme of work planned to meet management need rather than purely assurance needs as we go through a period of significant change to meet challenging financial pressures.

The scope of the consultancy service that internal auditors can offer is bounded by their skills set in the Audit Charter. This puts the focus on risk, control and governance arrangements.

Whereas assurance work appraises the adequacy and effectiveness of established systems of risk management, control and governance, consultancy work is likely to be on areas where the control environment is yet to be fully put in place.

Consultancy may take the following forms:

- Facilitation of management activity- Internal Auditors may facilitate a workshop such as a session looking at controls around a particular issue.
- Educational role- Internal Auditors may support management by imparting appropriate risk and control skills and techniques to equip managers to undertake their own role effectively.
- Specific advice- advice on particular risk and control issues, including in the development of new systems.

The consultancy service is inextricably linked to the assurance role. Consultancy activities may arise from assurance assignments where the conclusion is that there are significant risk and control issues to be resolved. Conversely, consultancy activities that arise at management request promote internal audit's knowledge and understanding of the whole world of risk, control and governance in the organisation and make a contribution to the overall assurance that is delivered by the Chief Internal Auditor.

There will be agreed Terms of Reference for any consultancy work specific to each project. These Terms of Reference will state that the Chief Internal Auditor is accountable only for ensuring due professional care is taken in developing advice offered on risk and control issues. If management chose to place reliance on specialist advice drawing on skills beyond the internal audit skills set this will be at their own risk in respect of due professional care.

The Terms of Reference for each consultancy assignment will include:

- A detailed plan setting out the scope of what is to be reviewed.
- Objectives defined in output terms.
- The exact role of the internal auditor in the assignment.
- The reporting formats to be used.
- Details of timescales.

The Terms of Reference will be signed off by the Chief Internal Auditor and the Manager requesting the consultancy work before any consultancy work will begin.

Any consultancy work requested will be assessed by the Chief Internal Auditor to ensure it will deliver improvements in the risk, control and governance of Northumbria Police before any resources are allocated to ensure all internal audit resources are used effectively.