

**NORTHUMBERLAND**

Northumberland County Council

**Internal Audit and Risk Management  
Service**

**Strategic Audit Plan 2018/19**

# 1 Introduction

- 1.1 Internal Audit is “*an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*”<sup>1</sup>. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 1.2 The Internal Audit is an independent resource available to assist the organisation to explore areas of potential efficiency, and matters of probity and internal control. We seek to use our business intelligence and knowledge of the Authority to make sensible, informed recommendations for improvement, and thus contribute to the effective running of the organisation.
- 1.3 Internal Audit provides assurance to the organisation that controls established to manage risks to the achievement of the Authority’s objectives are operating effectively. This has a positive impact on the risk environment, informing management whether the action which they are taking to control and manage risks is working as it should.
- 1.4 The Strategic Audit Plan has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) and a specific Local Government Application Note on the Standards. These were introduced in 2013 (revised in 2017) and build upon the good practice set out in previous professional regulations, including audit planning requirements, and have the force of law. Preparation has involved establishing a risk-based plan to determine the priorities of internal audit activity, consistent with the organisation’s goals and the aspirations of key stakeholders with regard to assurance activity for the Authority.
- 1.5 The Strategic Audit Plan, more detail of which is included in section 9, helps to ensure that Internal Audit is able to meet its objectives as an independent assurance function for the Authority and to provide an independent and objective opinion to the organisation on the adequacy and effectiveness of the framework of governance, risk management, and control. Internal Audit must be independent in its planning and operation. Accordingly, in producing the Strategic Audit Plan, the Chief Internal Auditor is required to determine the priorities of Internal Audit, following consultation with stakeholders and assessment of risk, and to present this Plan to senior management and the ‘Board’ for review and approval.

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<sup>1</sup> Public Sector Internal Audit Standards, CIPFA / IIA, revised April 2017

## **2 Period Covered by the Strategic Audit Plan**

- 2.1 The Strategic Audit Plan sets out the assurance coverage which Internal Audit will deliver within the coming financial year, 2018/19. The Plan needs to be realistic and achievable, and sufficiently flexible to respond to changing priorities as they occur.
- 2.2 On an annual basis, the areas which may benefit from audit review, and the risk associated with the Authority's operations are reassessed. Every year, an updated Strategic Audit Plan is presented to the Audit Committee for approval.
- 2.3 The key objectives for the audit reviews identified to take place during 2018/19 are shown in section 9 of this document and each audit has been mapped to the Corporate Plan 2018-2021, to demonstrate that assurance is not provided in isolation but contributes directly to the achievement of the Authority's main goals.

## **3 Risk Assessment and Audit Planning**

- 3.1 It is important that audit resources are targeted at areas in which audit coverage will produce greatest benefit. Risk-based internal auditing requires Internal Audit to understand and analyse management's assessment of risk, and base audit efforts around this assessment of risk to the organisation.
- 3.2 Internal Audit adopts assurance mapping to assess the level of confidence the Council can have in its service delivery, management of risks, operation of controls and performance. Considering the prevailing corporate risks, details of assurance sources have been mapped across three levels often referred to as the three lines of defence, i.e. management, corporate oversight and independent assurance. This provides information on assurances the Council has on areas of the business that matter most, and highlighting where there may be potential deficiencies.
- 3.3 Consultation has been undertaken with the Council's Executive Directors and Members of the Audit Committee. Potential assurance requirements were discussed, and views were sought on any additional areas considered worthy of audit review over the course of the Strategic Audit Plan.
- 3.4 Those auditable areas identified as most risk-sensitive by this process have been prioritised for audit in the Plan. Changes in the risk environment along with progress against the Plan will continue to be monitored and assessed throughout the year, and the results of this assessment used to inform in-year and future audit priorities. This ensures that the Plan remains flexible and reflects the risks facing the Authority.
- 3.5 The Strategic Audit Plan has therefore been based on an assessment of the Authority's objectives and business goals, risks facing the organisation and its achievement of these goals, known strengths and weaknesses in the internal

control system, the Accounts and Audit Regulations 2015, and the views of consultees.

## **4 Internal Control: Roles of Management and of Internal Audit**

4.1 It is a management responsibility to establish effective internal controls, in order that activities are conducted in an efficient and well-ordered manner. Internal control comprises the whole system of controls and systems, financial and otherwise, established by management to:

- safeguard assets and prevent fraud;
- ensure the completeness and reliability of records;
- monitor adherence to laws, regulations, policies and directives;
- promote operational efficiency and good value for money; and
- manage risk.

4.2 Amongst its responsibilities, Internal Audit examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit assists management in delivering the objectives of the Authority through assessing exposure to risk and recommending, where appropriate, practical improvements to the control environment. Internal Audit's remit includes:

- assessing if operations are being carried out as planned, and if objectives / goals are being achieved;
- assessing the adequacy of systems established to ensure compliance with policies, plans, procedures, laws and regulations, i.e. rules established by the management of the organisation or externally;
- assessing the completeness, reliability and integrity of information, both financial and operational;
- assessing the extent to which the Authority's assets, data and interests are properly accounted for and safeguarded from losses of all kinds, including fraud, corruption, waste, extravagance, abuse, ineffective management and poor value for money; and
- assessing the economy, efficiency and effectiveness with which resources are deployed.

4.3 It is usual that a project brief is produced and distributed prior to an audit starting so that the objectives of the audit and approach to be adopted are understood by both Internal Audit and the audit client.

## **5 Relationship with External Audit**

5.1 Internal Audit is a management tool. As such, its remit is wide and it may be called upon by management for support and assistance in a variety of situations. The duties of the External Auditor are more prescriptively defined in their relevant Codes of Practice and legislation. In summary, the External

Auditor's principal objectives are to review and report on the audited body's financial statements and arrangements for securing economy, efficiency and effectiveness in the use of resources<sup>2</sup>.

- 5.2 Although the emphasis of internal and external audit is different, both are concerned with the financial well-being of the Authority, the stewardship of public funds, and the systems of internal control in place. Internal Audit will continue to liaise and co-ordinate its work with the Authority's External Auditor for the benefit of the Authority, where ever possible.

## **6 Quality Standards**

- 6.1 Under the Accounts and Audit Regulations 2015, the Council must "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control". The Department for Communities and Local Government (DCLG) has determined that the 'proper practices in relation to internal control' will comprise both the new PSIAS and the specific Local Government Application Note. The Chartered Institute of Public Finance and Accountancy (CIPFA) has been designated the relevant Internal Audit Standard Setter for local government bodies under the new PSIAS.
- 6.2 The PSIAS incorporate a Code of Ethics for internal auditors, and a number of clear attribute and performance standards with which Internal Audit functions are required to comply.

## **7 Resource Management**

- 7.1 The Chief Internal Auditor must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. Internal Audit's establishment currently comprises the equivalent of 5.92 full time employees and the shared Chief Internal Auditor. To recognise the calls on resource which occurred during 2017/18, approval was given to appoint a temporary Senior Auditor resource, which is continuing into 2018/19. This provides an additional 0.8 FTE. Resourcing is currently being evaluated to ensure that staffing levels are sufficient to deliver all responsibilities under the PSIAS.
- 7.2 An advantage of the shared working arrangement for the delivery of Internal Audit services with North Tyneside Council is the opportunity for shared learning across the two authorities. Both authorities can benefit from this approach through sharing of good practice, subject to compliance with ethical walls procedures, and achieving resource efficiencies, for example, in research time, preparation and planning for an audit area.
- 7.3 The shared services arrangement additionally enables the Chief Internal Auditor to respond to skills and short term resourcing demands for both local authorities, by redirecting resources where required.

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<sup>2</sup> Code of Audit Practice, National Audit Office April 2015

## 8 Key Themes in the Strategic Audit Plan, 2018/19

- 8.1 This Strategic Audit Plan aims to increase the benefits of the Shared Service by optimising the leverage of shared learning between the two partner authorities. The objectives of audit assignments have been developed to incorporate opportunities for shared learning where beneficial and appropriate. This follows a comparison of new and emerging risks facing both councils and their services and the aspirations of consultees for Internal Audit coverage. Based on Internal Audit's assessment of risk, including knowledge of the Authority's internal controls, areas of strength and weakness and the Authority's priorities, the Strategic Audit Plan bears the following key themes.

### **Advice & Programme Assurance**

#### *Advice and Consultancy, and Contingencies*

- During the year Internal Audit will be approached by management for advice, or requested to examine ad-hoc areas, systems or irregularities. A contingency has been set aside in order that Internal Audit is able to respond efficiently to such requests. The required number of contingency days is difficult to predict and can by its very nature be subject to variation as it includes responding to potential irregularities and performing special investigations. For the purposes of resource planning, historic data on the ad-hoc requests previously made to Internal Audit, and the time required, have been reviewed and used to inform the allocation set out.

#### *Programme and Project Assurance*

- The Strategic Audit Plan recognises Internal Audit's project assurance role. This increasing role involves advising on, and challenging, the approach to internal control within new or improved systems and methods of service delivery. By undertaking this role, the Internal Audit Service proactively acts as a partner to the business and adds maximum value to service improvement, in order to assist the Authority's Corporate Leadership Team and the organisation to achieve objectives.

### **Audit and Assurance**

#### *Corporate and Cross Cutting Activities*

- Areas which are important throughout all of the Authority's services in respect of which audit review helps give assurance to the organisation or highlights aspects in which improvement could be made. During 2018/19 these audit activities will include:
  - (i) Following up audit recommendations;
  - (ii) Pre-submission review of grant claims;
  - (iii) The Chief Internal Auditor's Annual Opinion;

- (iv) Governance reviews; and
- (v) Value for money reviews.

### *Service Area Assurance*

- In addition to the audit areas set out above, the Internal Audit Service performs high quality audits of the Authority's service areas, focusing on specific areas of importance or risk.

### *Computer Audit*

- The Authority invests heavily in computer based systems to aid delivery of services and to undertake the majority of financial processing tasks. In coming years there will be greater use and integration of information and communications technology (ICT) within the Authority. As well as improved economy, efficiency and effectiveness, computer based systems involve a different set of risks which require a specific audit approach.
- Computer audit is a specialist audit area, requiring detailed knowledge and skills associated with information and communications technology. Accordingly, computer audit resources are in place to undertake a continuous programme of audits on the Authority's ICT systems over the course of the Strategic Audit Plan.

## **Counter Fraud and Internal Control & Probity**

### *Key Financial Systems*

- A key role of the Internal Audit Service is the assessment of internal control in the Authority's key financial and strategic systems. Key financial systems comprise those major systems by which the Authority makes payments (payroll and creditor payments), and the major systems through which income is received (cash or debtor account). Strategic systems are fundamental to the payment or collection of money to or from the Authority, including housing benefit / council tax support, council tax, business rates and housing rents. These areas continue to be the subject to planned changes at a national level. These changes, such as universal credit and business rate retention, are considered as part of the planned work in these areas.
- The key systems are fundamental to internal financial control and management, as they are the systems by which much of the Authority's income is received and disbursed. The Authority needs to be assured that high standards of probity are present in these systems. During 2018/19 Internal Audit's review of the key financial systems are being designed to focus on the areas of highest risk to the Council.

### *Counter Fraud*

- The establishment and maintenance of effective controls in the Authority's key financial systems and strategic systems is a major strand in our organisation's counter fraud arrangements. Such controls proactively prevent the opportunity for many types of fraud, and the evaluation of the existence and application of suitable controls within these systems is therefore given due prominence in Internal Audit's planned workload.
- The management of fraud and corruption is the responsibility of management and the Chief Internal Auditor is required to make arrangements to be notified of all suspected or detected fraud, corruption or impropriety, to inform her annual Internal Audit opinion and the risk-based Plan. Although Internal Audit does not have the responsibility for the prevention or detection of fraud and corruption, its work assists management to fulfil their responsibilities through the strengthening of internal control. The County Council has a separate Counter Fraud team based within the Benefits Service, which affords dedicated resource for Counter Fraud activity.
- All members and officers of the Authority are responsible for the prevention of fraud and corruption. Internal Audit assist in this by undertaking pro-active anti-fraud work during the year, linked to work on the key financial systems, the content of which is determined through an ongoing risk assessment process.
- Internal Audit acts as a key contact for the Cabinet Office in respect of the National Fraud Initiative (NFI). The NFI is the Cabinet Office's data matching exercise that tackles a broad range of fraud risks faced by the public sector. The NFI has been embedded in the statutory external audit process for audited and inspected bodies since 1998.

### **Reprogrammed Work**

- Professional auditing guidance states that internal audit plans should be flexible to accommodate work not originally included in the plan which has arisen as a result of external and internal factors. This is a normal part of the audit planning and management process and reflects that audits are undertaken on a continuous rolling programme, according to the optimum timing for each piece of work.



## 9 Annual Audit Plan 2018/19

### Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Advice, Contingencies & Assurance	<ul style="list-style-type: none"> <li>Advice &amp; Guidance</li> <li>Contingencies &amp; Work Requests</li> <li>Fraud &amp; Special Investigations</li> </ul>	Responding to ad-hoc queries and requests for advice; responding to requests for one-off audit assignments, where it is considered that audit involvement is necessary; project assurance and assuring appropriate consideration has been given to internal control & governance issues when new systems are introduced.	Efficient, Open and Work for Everyone (How)
Programme Assurance	New Systems / Methods of Service Delivery	Internal Audit will add value by providing assurance on aspects of the approach and work undertaken, and assessing the robustness of arrangements for benefits realisation. The systems, programmes and new initiatives to be supported will include providing assurance to the Corporate Leadership Team on the change programme; for example the Digital Northumberland Strategy.	Efficient, Open and Work for Everyone (How)

### Audit and Assurance – Corporate and Cross Cutting

Corporate and Cross Cutting	Follow up on Recommendations	Monitoring the implementation of Internal Audit recommendations in consultation with the service areas which have received these recommendations. During the year, Internal Audit will review the process benefitting from shared learning within the Internal Audit and Risk Management Service and against best practice to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.	Efficient, Open and Work for Everyone (How)
	Pre Submission Review of Grant Claims	There are a number of funding organisations that require an Internal Audit review prior to final claim submission. Internal Audit will undertake the necessary assurance checks as these grant submissions become due.	All Corporate Plan objectives

Audit and Assurance – Corporate and Cross Cutting (continued)

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Corporate and Cross Cutting	Annual Opinion	An annual opinion on the ‘adequacy and effectiveness of the framework of governance, risk management and control’ will be drafted and presented to the Chief Executive, Corporate Leadership Team and Audit Committee, outlining the audit work performed during the year and summarising key themes. This will be timed to support production of the Council’s Annual Governance Statement.	Efficient, Open and Work for Everyone (How)
	Governance and Value for Money Reviews	<p>To review whether appropriate internal controls exist within a sample of significant business arrangements within Northumberland County Council. Where it is possible to assess the economy, efficiency and effectiveness of specific aspects of these arrangements, this will also be undertaken. Areas to be reviewed under this heading in 2018/19 include:</p> <ul style="list-style-type: none"> <li>• Risk Management arrangements</li> <li>• Ethical Governance (including controls regarding declarations of interest, and acceptance of offers of gifts and hospitality by both officers and elected members)</li> <li>• Section 106 / Section 278 Arrangements</li> <li>• Planning Service healthcheck</li> <li>• Corporate Health and Safety (including Lone Working arrangements)</li> <li>• Business Continuity Management</li> <li>• Treasury Management arrangements</li> <li>• Direct Payments</li> <li>• Review of efficiency of Recruitment Processes</li> <li>• Use of Waivers in procurement</li> <li>• Contract Management</li> <li>• Travel and Subsistence arrangements</li> </ul>	<p>Efficient, Open and Work for Everyone (How)</p> <p>Safe, Healthy and Cared For (Living)</p> <p>Love Where You Live (Enjoying)</p> <p>Access the Things You Need (Connecting)</p> <p>Attracting More and Better Jobs (Thriving)</p>

Audit and Assurance – Corporate and Cross Cutting (continued)

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Corporate and Cross Cutting	Alternative Service Delivery arrangements	<p><b>Arch Group of Companies:</b> To provide the County Council with an opinion on the soundness of arrangements in place to administer the Arch group of companies. <i>(N.B. Internal Audit will separately be providing the Arch group of companies with an Opinion on the Framework of Governance, Risk Management and Control within that entity; this work will be used to frame a separate opinion on whether Northumberland County Council's interests are suitably safeguarded via the arrangements in place).</i></p> <p><b>Active Northumberland:</b> To review arrangements between Northumberland County Council and Active Northumberland, specifically whether the County Council's expectations under the management agreement are being met under the arrangement. <i>(N.B. Internal Audit is not the Internal Audit provider for Active Northumberland as a separate client. Internal Audit's focus here will therefore be on whether the County Council's interests are sufficiently safeguarded under the arrangement).</i></p> <p><b>Shared Service Arrangements:</b> To provide an opinion on governance arrangements established for the administration of shared services. At the time of planning, it is envisaged that Registrars' arrangements will be examined as part of the plan, however we are aware that additional shared services may be under consideration and that this aspect of the Audit Plan may flex accordingly.</p>	<p>Efficient, Open and Work for Everyone (How)</p> <p>Safe, Healthy and Cared For (Living)</p> <p>Love Where You Live (Enjoying)</p> <p>Access the Things You Need (Connecting)</p> <p>Attracting More and Better Jobs (Thriving)</p>

Audit and Assurance – Service Area Specific (Corporate Resources)

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Information Services	Systems Reviews	<p>To determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and Council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"> <li>• The system complies with good practice and all legal, statutory and regulatory body requirements, and meets business need;</li> <li>• All transactions are completely and accurately recorded and traceable;</li> <li>• Access to information and facilities is controlled and restricted to authorised users according to their needs;</li> <li>• The potential for fraud and error are minimised;</li> <li>• The system is effectively administered and supported;</li> <li>• All staff using the system have been correctly trained to the level that will allow them to properly fulfil their duties;</li> <li>• The system is continually available during working hours;</li> <li>• The system provides complete and accurate management information; and</li> <li>• Upgrades to the system are properly resourced and managed to meet clearly stated and agreed business objectives.</li> </ul> <p>For 2018/19, specific ICT audit coverage will be prioritised in the following areas:</p> <ul style="list-style-type: none"> <li>• Internet</li> <li>• Telephony (mobile and landline)</li> <li>• Implementation of Oracle Cloud solution (linked to Creditor Payments below)</li> <li>• BACS system review</li> <li>• Payment Card Industry Data Security Standards (PCIDSS) Compliance</li> <li>• Virtual Desktop Infrastructure platforms</li> <li>• Google Apps</li> <li>• Implementation of General Data Protection Regulation</li> </ul>	Efficient, Open and Work for Everyone (How)

Audit and Assurance – Service Area Specific

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Education and Skills	Schools' Financial Value Standard (SFVS)	To co-ordinate schools in the completion of their mandatory returns, and provide assurance to the Section 151 Officer relating to his annual report to the Department for Education.	Achieving and Realising Your Potential (Learning)
	School 'Health Checks'	Continuing a discretionary service introduced in 2011/12, schools may opt to purchase independent assurance to assist in preparation of their SFVS return and/or develop action plans for improvement.	
	Schools & Other Educational Establishments	To assess, on a thematic basis, the application of controls associated with the discharge of responsibilities relating to delegated school budgets, within a sample of the County's schools on a risk assessed basis.	
	Schools & Other Educational Establishments	<p>To provide advice and support on issues of probity and internal control, on school and other educational establishment financial governance related issues, as requested by the Director of Education and Skills. This may include, for example:</p> <ul style="list-style-type: none"> <li>• Support in verifying aspects of financial arrangements in the case of any planned school closures or transfer to academy status;</li> <li>• Support in verifying aspects of financial arrangements in the case of any planned transfer of elements of service provision; or</li> <li>• Support to schools within the Schools Intervention and Support Programme.</li> </ul>	

## Counter Fraud and Internal Control and Probity

Heading	Auditable Area	Description / Audit Objectives	Link to Corporate Plan
Counter Fraud	Pro-active anti-fraud work	To undertake pro-active anti-fraud and corruption work (including participation in the Cabinet Office's National Fraud Initiative and performing internal data matching exercises); and to raise the awareness of counter fraud and corruption measures across the organisation.	Efficient, Open and Work for Everyone (How)
Internal Control and Probity	<p>Core Financial Systems;</p> <p>Business Rates;</p> <p>Council Tax;</p> <p>Payroll;</p> <p>Creditor Payments;</p> <p>Cash and Bank;</p> <p>Debt and Income Management; and</p> <p>Rent Assessment and Collection</p> <p>Housing and Council Tax Benefit</p>	<p>The core financial systems encompass the main ways in which the Authority either pays money out (Creditor Payments, Payroll, Housing &amp; Council Tax Benefit) or receives monies in (Business Rates, Council Tax, Debt and Income Management, Rent Assessment and Collection). Each of these areas will be given some audit coverage in each financial year, but on a cyclical basis a more detailed review will be undertaken on one income system and one expenditure system each year.</p> <p>For 2018/19, those systems prioritized for an in-depth review are:</p> <ul style="list-style-type: none"> <li>• Creditor Payments (including Accounts Payable, Purchase Card transactions, other payment means e.g. CHAPS, and Petty Cash)</li> <li>• Debt and Income Management (including whether agreed pricing schedules are in existence, whether pre-payment methods of income collection are optimised, whether debts are invoiced promptly, write off and recovery procedures are appropriate and sufficient to deter debts from becoming 'bad'). (i)</li> </ul>	Efficient, Open and Work for Everyone (How)

## Shared Internal Audit Risk Management Service Strategic Statement 2018/19

The Accounts and Audit Regulations 2015 provide that each Council shall undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

The regulations further state that any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit –

- (a) Make available such documents and records; and
- (b) Supply such information and explanations;

As are considered necessary by those conducting the internal audit. In this regulation, it is clear that “documents and records” includes information recorded in an electronic form.

In Northumberland County Council, this requirement is discharged by the Shared Internal Audit Service. Internal Audit is “*an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*”<sup>3</sup>.

The overall objective of Internal Audit is to provide a comprehensive, professional assurance service to the Council, which adds value to the organisation, rigorously challenges and assesses the adequacy of the control environment and assists management in achieving organisational goals. Internal Audit seeks to undertake its work in compliance with all professional auditing standards (Public Sector Internal Audit Standards, together with an Associated Local Government Application Note). Internal Audit’s Audit Charter will be updated annually. In doing so, Internal Audit will identify and address local and national issues and risks. Corporate Plan priorities are clearly identified alongside each auditable area prioritised for coverage, and the specific objectives to be included in scope, in the Strategic Audit Plan.

Assurance for the Annual Governance Statement will be obtained from a number of information sources within the Council, the Internal Audit Service being a major component of such assurance. The Chief Internal Auditor will use the outcomes and findings of Internal Audit work undertaken throughout the year to prepare an annual Internal Audit report, detailing her opinion on the Council’s framework of governance, risk management and control. This opinion will be presented to the Council’s Audit Committee and timed to support preparation of the Annual Governance Statement, in order that the outcomes of the work of the Internal Audit Service can inform the Annual Governance Statement.

The Internal Audit Service uses a risk-based approach in preparing the Strategic Audit Plan, utilising information available from the Council’s risk management processes and Internal Audit’s own assessment of risk. This assessment of risk and preparation of the ‘risk universe’ involves identifying significant local and national

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<sup>3</sup> Public Sector Internal Audit Standards, CIPFA / IIA, revised April 2017

issues and risks for further assessment, in order that Internal Audit resources are deployed in areas of greatest benefit to the Council.

An assessment of the resources necessary to deliver this strategy is reflected in the staffing establishment of the Internal Audit Service, which is kept under constant review. The Internal Audit Service is delivered as part of a shared arrangement with a neighbouring authority, North Tyneside Council.