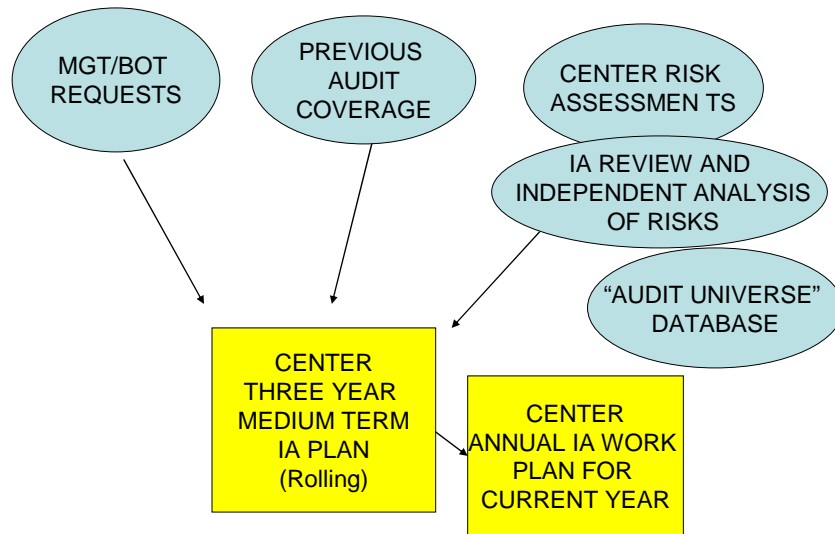




**SECTION G.1 – CENTER INTERNAL AUDIT WORK PLANNING**

Overview of this section:

**MEDIUM TERM AND ANNUAL  
AUDIT PLANNING PROCESS**



Ref.	Policy and Practice Requirements	IIA Standards and Other References
G.1-1	<p><b>Policy:</b> The Head of Internal Audit shall prepare documented medium term and annual internal audit work plans based on a risk-based prioritization, for approval by Center management, the Audit Committee and the full Board of Trustees</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>▪ Medium term plans may be 3 to 5 years in coverage.</li> <li>▪ The plans are normally submitted to the</li> </ul>	<p><b>Standard 2010 - Planning</b> The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization's goals.</p> <p><b>Standard 2020 - Communication and Approval</b></p>



	<p>Audit Committee for review during their annual or semi-annual meetings</p>	<p>The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations</p> <p><b>Practice Advisory 2020-1</b> Communication and Approval</p>
<p><b>G.1-1:1</b></p>	<p><b>Practice Requirement:</b></p> <p>The Head of Internal Audit shall reconcile in the medium term internal audit work plan the priority risk areas identified in the Center's enterprise risk management analysis with the internal audit resources available, indicating any gaps in assurance due to resource constraints.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>▪ The Center enterprise risk analysis should identify which risks would be subject to internal audit or other forms of independent of review to provide assurance over the design and effectiveness of management's stated mitigation controls/activities</li> <li>▪ Internal Audit facilitates management adoption of the Center enterprise risk analysis or reviews this analysis. In so doing, any significant risks identified by internal audit and not included in the current analysis should be reported to management with a recommendation for inclusion. Where not included but considered important by Internal Audit,</li> </ul>	<p><b>Standard 2010.A1</b> <b>Planning</b> - The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.</p> <p><b>Practice Advisory 2010-1</b> Linking the Audit Plan to Risk and Exposures</p> <p><b>Practice Advisory 2010-2</b> Using the Risk Management Process in Internal Audit Planning</p>



	<p>such risks should also be considered in the development of the internal audit work plans.</p> <ul style="list-style-type: none"><li>▪ The completeness of the Center enterprise risk analysis can be checked against “audit universe” analysis. The typical elements of a Center “audit universe” analysis will include:<ul style="list-style-type: none"><li>○ Strategic or business plan elements</li><li>○ Organizational units</li><li>○ Research project portfolio</li><li>○ Financial statement items</li><li>○ Locations of Center activities</li></ul></li><li>▪ Audit work schedules should be based on, among other factors, an assessment of risk priority and exposure. Prioritizing is needed to make decisions for applying relative resources based on the significance of risk and exposure. Risk factors which may be used to establish the priority of engagements include: financial impact; asset liquidity; quality of internal controls as indicated in last audit; degree of change or stability; time since last audit engagement; complexity; and reputational impact of failure among stakeholders.</li><li>▪ Where, as expected, resource constraints do not permit Internal Audit to provide assurance over all areas identified as in its domain each year, assurance audits shall be scheduled over a cycle of years. This cycle will be identified in the medium term work plan and agreed with management and the Audit Committee</li><li>▪ The medium term and annual internal audit work plans should be based on the known budget envelope for the Internal Audit activity of the Center. In some cases there</li></ul>	
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	<p>may not be sufficient resources to cover all assurance areas in Internal Audit’s domain even over the multi-year cycle used in the plan. Using risk-based prioritization some areas may be shown in the plan as not being covered at all. These will be agreed with management and the Audit Committee or further resources negotiated.</p>	
<b>G.1-1:2</b>	<p><b>Practice Requirement:</b></p> <p>The Head of Internal Audit shall take into account, in the medium term and annual audit planning, the expectations of management and the Board for an overall opinion on internal controls for the Center.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• In general, the CGIAR internal audit activities are not sufficiently resourced to produce positive assurance opinions covering the whole of Center operations. However, if management and the Board expect overall opinions on internal control over certain parts of the Center operations, the medium term and annual internal audit plans must include sufficient assignments to provide the evidence on which to base such opinions.</li> </ul>	<p><b>Standard 2130 – Control:</b></p> <p>The internal audit activity must assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.</p> <p><b>Practice Advisory 2130-1</b> Assessing the Adequacy of Control Processes</p>
<b>G.1-1:3</b>	<p><b>Practice Requirement:</b></p> <p>The Head of Internal Audit shall incorporate requests and suggestions from Center management and the Audit Committee in the medium term and annual internal audit work plans</p>	
<b>G.1-1:4</b>	<p><b>Practice Requirement:</b></p> <p>The medium term internal audit work plan shall be reviewed at least annually and updated if necessary.</p>	



<p><b>G.1-1:5</b></p>	<p><b>Practice Requirement:</b></p> <p>The annual internal work plan shall be based on the annually reviewed medium term internal audit work plan, reconciled with the annual Internal Audit activity budget, and provide details by audit tasks and other tasks of the proposed timing (by quarter) and internal auditors (including short term consultants).</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>▪ The annual plan may also show non-audit tasks so that the plan reconciles with total available time of internal audit staff</li> <li>▪ The annual plan should also be reconciled to separate individual internal auditor annual work plans, showing the total allocation of their time to the Center(s).</li> <li>▪ The annual plan is dynamic due to the need to balance competing client requests in terms of timing, the availability of internal auditors and unexpected urgent management requests. The annual plan should be reviewed and updated quarterly or at least every six months.</li> <li>▪ A budget reconciliation should be prepared as a supporting worksheet for the annual plan – this should provide an estimated breakdown of the staff, consultants, travel and other costs by proposed audit/task and by staff member/consultant. This need not be submitted with the plan but should be available for review if requested.</li> </ul>	
<p><b>G.1-1:6</b></p>	<p><b>Practice Requirement:</b></p> <p>The Head of Internal Audit shall consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations. The annual internal audit work plan should include any</p>	<p><b>Standard 2010.C1 Planning</b> - The chief audit executive should consider accepting proposed consulting engagements based on the engagement's</p>



	<p>agreed consulting engagements, and any time set aside for unidentified management requests outside the scheduled assurance cycle.</p>	<p>potential to improve management of risks, add value, and improve the organization's operations. Accepted engagements must be included in the plan.</p>
G.1-2	<p><b>Policy:</b> The Head of Internal Audit shall incorporate in the medium term and annual audit planning the results of coordination with external auditors, and plans for center commissioned external reviews and other independent assurance during the period of the plans</p>	<p><b>Standard 2050 - Coordination</b> The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.</p>
G.1-2:1	<p><b>Practice requirement:</b> The Head of Internal Audit shall keep apprised of issues arising from the external audit, and consider these in the internal audit planning process</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>▪ External auditors are required by their professional standards to ensure that certain matters are communicated to the board. The Head of Internal Audit should communicate with external auditors regarding these matters so as to have an understanding of the issues. These matters include reporting any cases of: <ul style="list-style-type: none"> <li>○ Issues that may affect the independence of the external auditors.</li> <li>○ Significant control weaknesses.</li> <li>○ Errors and irregularities.</li> <li>○ Illegal acts.</li> </ul> </li> </ul>	<p><b>Practice Advisory 2050-1: Coordination</b></p>



	<ul style="list-style-type: none"><li>○ Management judgments and accounting estimates.</li><li>○ Significant audit adjustments.</li><li>○ Disagreements with management.</li><li>○ Difficulties encountered in performing the audit.</li><li>▪ Coordination of audit efforts may involve periodic meetings to discuss matters of mutual interest, covering:<ul style="list-style-type: none"><li>○ <b>Audit coverage.</b> Planned audit activities of internal and external auditors should be discussed to assure that audit coverage is coordinated and duplicate efforts are minimized. The Head of Internal Audit should understand the external auditor’s assessments of risk and materiality for the Center and the nature, extent and timing of planned external audit work.</li><li>○ <b>Access to each other’s audit programs and working papers.</b> Access to the internal audit programs and working papers should be given to external auditors in order for external auditors to be satisfied as to the acceptability, for external audit purposes, of relying on Internal Audit work. In some cases, access to the external auditors programs and working papers may be important in order for internal auditors to understand the scope of external auditor’s work. However this access will be subject to agreement of the external auditor. If granted, such access carries with it the responsibility for internal auditors to respect the confidentiality of those programs and working papers.</li><li>○ <b>Exchange of audit reports and management letters.</b> Internal audit final</li></ul></li></ul>	
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	<p>communications, management’s responses to those communications, and subsequent internal audit activity follow-up reviews should be made available to external auditors. These communications assist external auditors in determining and adjusting the scope of work. In addition, the internal auditors need access to the external auditor’s management letters. Matters discussed in management letters assist internal auditors in planning the areas to emphasize in future internal audit work.</p>	
<b>G.1-2:2</b>	<p><b>Practice requirement:</b></p> <p>The Head of Internal Audit shall make regular evaluations of the coordination between internal and external auditors. Such evaluations may also include assessments of the overall efficiency and effectiveness of internal and external auditing functions, including aggregate audit cost. The results of such evaluations shall be communicated to Center management and the Audit Committee.</p>	<b>Practice Advisory 2050-1:</b> Coordination
<b>G.1-2:3</b>	<p><b>Practice Requirement:</b></p> <p>The Head of Internal Audit shall review, or complete if absent, a mapping of the various assurance functions for the Center to the key risks, to ensure that these are well understood and taken account of in the medium term and annual internal audit planning process, and that gaps can be readily identified and reported.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• The assurance mapping may be documented in the enterprise risk assessment documents and/or the medium term internal audit plans</li> </ul>	<b>Practice Advisory 2050-2</b> Assurance Maps



*Appendix 1 - Section G.1*

**Medium Term Internal Audit Work Plan Template**

Function/Activity/Location	200V- 200W Actual	200X	200Y	200Z
<i>Center-wide Governance Aspects</i>				
Center-wide Risk Management - review of and advice to support Institute process; evaluation of risk analyses (annual audit task)	X	X	X	X
IA Charter	X			
Finance & Audit Committee Charter			X	
Research Management				
Project Management (annual audit task)	X	X	X	X
Management of Research Data	X	X		
Receipt and Distribution of Genetic Material - Seeds; Other Genetic Materials	X			
Environmental Management Services (ISO 14000 internal audit – annual task from 2007 onwards)			X	X



Function/Activity/Location	200V- 200W Actual	200X	200Y	200Z
<i>Decentralized Operations</i>				
Country Offices	XX XX	X	XX	X
<i>IT, Finance and Administration</i>				
Information Technology (annual coverage) 2005-2007 Enterprise Security and Business Continuity Project Support and Verification Activities; 2008 – to be determined	X	X	X	X
Financial Systems - Implementation reviews of eFinancial System and middleware		X		
Budgeting Process				
Management of Liquid Assets	X			X
Management of Receivables & Payables				



Function/Activity/Location	200V- 200W Actual	200X	200Y	200Z
Travel Process			X	
Procurement Process	X		X	
Selection and Use of Consultants			X	
Human Resource System – Implementation	X	X		
Legal Services			X	
<i>Center Infrastructure/Facilities</i>				
Analytical Services Laboratory	X			
GPG1 – Genebank Upgrade Project	X			
Kabesilya (Farm Labor) System	X			
Distribution and Sale of Rice Production	X			
Communications & Publications Services				
Asset Recording and Inventory Control	X			
Physical Plant Services				X
Transport Services		X		



Function/Activity/Location	200V- 200W Actual	200X	200Y	200Z
Materials Management - Warehousing Services				X
Safety and Security Services				
Other Tasks				
Monitoring of Accounting Transactions (ACL)			X	X
Follow Up of Prior Audit Recommendations	X	X	X	X
CGIAR Performance Indicators Verification / Support		X	X	
Special Reviews Requested by Management - Restricted Project financial audits	X	X	XX	



*Appendix 2 – Section G.1*

**Annual Internal Audit Work Plan Template**

<b>Task No</b>	<b>Work Program Item</b>	<b>Auditor(s)</b>	<b>Weeks Plan</b>	<b>Quarter</b>	<b>Comments</b>
0601	Audit 1				
0602	Audit 2				
0603	Audit 3				
0607 0627	<i>Ad Hoc Advisory Work – Management Requests</i>				
RP	<i>BoT Audit Committee meeting</i>				
QM	<i>IAU Quality Assurance / Work Plan Monitoring</i>				
	<i>Professional development</i>				
LV	<i>Annual leave/public holidays/non-audit time</i>				
	<b>Total weeks Q1</b>				
0609	Audit 3				
0610	Audit 4				
0611	Audit 5				



0607	<i>Ad Hoc Advisory Work – Management Request</i>				
QM	<i>IAU Quality Assurance / Work Plan Monitoring</i>				
LV	<i>Annual leave/ public holidays/ non-audit time</i>				
PD	<i>Professional development</i>				
	<b><i>Total weeks Q2</i></b>				
0615	Audit 6				
	Audit 7				
	Audit 8				
0620	Audit 9				
0623	<i>Follow Up of Past Audit Recommendations</i>				
RP	<i>Mid Year Status Report to DG and AC Chair</i>				
QM	<i>IAU Quality Assurance / Work Plan Monitoring</i>				
0607	<i>Ad Hoc Advisory Work – Management Requests</i>				
PD	<i>Professional development</i>				
LV	<i>Annual leave/public holidays</i>				
	<b><i>Total Weeks Q3</i></b>				
0624	Audit 10				
0620	Audit 11				



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0607	<i>Ad Hoc Advisory Work – Management Requests</i>				
0626	<i>Medium Term Plan 200X-200Z</i>				
RP	<i>BoT Audit Committee meeting</i>				
LV	<i>Annual leave/ public holidays/ non-audit time</i>				
	<b>Total weeks Q4</b>				
	<b>Total 200X Weeks</b>				