



SECTION H.5 – INTERNAL AUDIT SUPPORT TO THE SELECTION AND EVALUATION OF EXTERNAL AUDITORS

Introduction

The Center external auditors are appointed by the Board of Trustees on the advice of the Audit Committee. The CGIAR Financial Guideline No 3 provides that Center external auditors should be rotated every 5-7 years. When new external auditors are to be selected, Center management is usually charged with the responsibility for managing a tendering process.

While external auditors are appointed in the expectation that they will remain the external auditor of the Center for 5-7 years, formally they are appointed by the Board on an annual basis renewable subject to satisfactory performance. Thus an annual evaluation process for incumbent external auditors is required to base the annual Audit Committee’s recommendation and Board decision on renewal of the external audit engagement.

Ref.	Policy and Practice Requirements	IIA Standards and Other References
H.5	<p>Policy: Internal Audit’s role or involvement in the selection or retention of the external auditors should be clearly defined.</p> <p>Discussion:</p> <ul style="list-style-type: none"> ▪ Internal Audit’s participation in the selection, evaluation, or retention of the Center external auditors may vary from advising management or the audit committee, assistance or participation in the process, management of the process, or auditing the process. 	Practice Advisory 2050-1 Coordination
H.5:1	<p>Practice Requirement:</p> <p>At a minimum Internal Audit should review the proposed processes for selecting new or evaluating incumbent external auditors and assess whether the processes meet good</p>	



	<p>practice. Where this is not the case appropriate recommendations should be made to management and the Audit Committee.</p> <p>Discussion:</p> <ul style="list-style-type: none">▪ The CGIAR IAU has prepared Good Practice Notes on the Selection of External Auditors and on the Evaluation of Incumbent External Auditors to assist Centers and auditors evaluate these aspects	
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