



24th CGIAR System Council Meeting
10–11 June 2026, Antalya, Türkiye

Agenda Item 09	Report from the Assurance Oversight Committee (AOC)
Distribution notice:	<input checked="" type="checkbox"/> May be distributed without restriction <input type="checkbox"/> Restricted to Members and Active Observers <input type="checkbox"/> Restricted to Voting Members only
Issue date:	29 May 2026
Purpose:	<input type="checkbox"/> For consent agenda/information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For discussion and decision <input type="checkbox"/> Other (specify)
Requested action:	Discussion
Executive summary:	<p>This report summarizes the activities undertaken by the Assurance Oversight Committee (AOC) during December 2025 – May 2026 in support of its System-wide oversight and assurance mandate.</p> <p>It covers AOC’s work across internal and external audit, Ethics and Business Conduct, risk and internal controls, and other matters requested by the System Council, including governance transition-related inputs.</p> <p>The report highlights key observations and areas of concern and sets out AOC priorities for Q3 and Q4 2026.</p> <p>The AOC also recommends, via the SC24 consent agenda, approval of a one-year extension of Sarah Schmidt’s appointment to AOC through 30 June 2027.</p>
Draft decision point:	N/A
Supporting materials:	<ul style="list-style-type: none"> • AOC Report to SC24 • Additional Reference: AOC Terms of Reference
Prepared by:	Assurance Oversight Committee



Report from the Assurance Oversight Committee to the 24th System Council meeting Activities undertaken during December 2025 – May 2026

AOC roles and responsibilities

1. As per its [Terms of Reference](#), revised in June 2025, AOC supports the System Council by providing System-wide oversight and assurance across three key functions:
 - a. **Internal and external audit:** The Committee will periodically assess internal and external audit functions at the System level (including the System-wide assurance function). It will provide assurances that the internal audit function is effective, independent, risk-based, objective, and adequately staffed, that external audit providers meet quality and independence standards, and oversee responses to any material issues with System-wide impact.
 - b. **Ethics and business conduct:** The Committee will provide periodic assurance of the independence of the EBC function (including the System-wide assurance function) and review relevant, System-wide policies. When requested by the System Council, and in accordance with the IPB-AFRC, the AOC will oversee independent investigations as necessary, in line with the Escalation Framework.
 - c. **Risk and internal controls:** The Committee will review strategic-level risks to ensure that risks are being managed within the risk appetite and framework approved by the System Council. It will also provide guidance regarding the reasonableness of budget projections for the Council's advisory functions.
2. AOC also completes other tasks as requested by the System Council. During December 2025 – May 2026, this included advising the System Council on proposed revisions to the Charter of the CGIAR System Organization and the CGIAR System Framework, as well as providing guidelines for the communication protocol between the CGIAR Board and the System Council.
3. The Committee also finalized its review of ethics concerns, whistleblowing filings, allegations of breaches of the business conduct code, and of misconduct that was assigned to the Committee by the Chair of the System Council. The Committee issued a joint statement with the Integrated Partnership Audit, Finance and Risk Committee (IPB-AFRC), as required by the System Council (SC/M23/AP01).
4. Between December 2025 and May 2026, the AOC held one in-person meeting in December 2025, one virtual meeting, and numerous ad hoc calls. To foster synergies and facilitate coordination, AOC members are invited to IPB-AFRC meetings and participate in the agenda items relevant to AOC's mandate.

5. AOC members also attended two System Council voting members and alternates ad hoc meetings to discuss the new Board model. AOC reviewed proposed drafting changes and proposed amendments to the CGIAR System Framework and Charter of the CGIAR System Organization.
6. AOC appointed a member to represent the Committee in the joint discussion with SIMEC on a revised budget template for the Independent Advisory Services. AOC supported the revised structure and provided suggestions for improvement of the template. The Committee also acknowledged that further refinements informed by practical experience may be implemented in future iterations.

Key conclusions for System Council 24th Meeting, June 2026

7. AOC notes that the reporting period from December 2025 to May 2026 has been a semester of genuine challenge for CGIAR. For the System Council — blunt global instability and disruption, macroeconomic shocks including sharp inflation, recession risks and potential fiscal cliffs for many countries, accelerating downtrend in aid financing, disruption of food supply chains, rising food security risks and hunger in low, middle and high income countries and the compounding new cycle of CGIAR internal organizational reforms. Against that backdrop, the AOC has kept a clear-eyed view on related major risks, on CGIAR resilience and on a cross-cutting positive forward looking outlook supported by the genuine dedication of the System Council.

Oversight of governance across the integrated partnership

8. At SC23, during the discussion on the optimization of the CGIAR System governance, AOC advised the System Council of the need for a transition period before implementing the Board model proposed by the General Assembly of Centers. AOC also flagged the potential risk of an assurance gap if the Board model is revised concurrently with the IPB-AFRC model. This suggestion was agreed to, and the AOC will meet with the IPB-AFRC to discuss and propose a possible model for the Partnership AFRC that identifies and clearly aligns the appropriate roles and responsibilities of the two committees.
9. AOC commissioned a review of the roles of the Board and Management, which provided insights into gaps that require intervention. The comments and suggestions from the review were included in the Lesson Learned document shared with CGIAR stakeholders as part of the transition process.
10. As requested by the System Council, AOC provided input on the ongoing revisions of the Charter of the CGIAR System Organization and the CGIAR System Framework. For the Charter and Framework documents, AOC provided feedback for the two consultation rounds. AOC proposed amendments in the first round of consultation addressed gaps in accountability, assurance, and oversight unless key safeguards were clarified. AOC recommended stricter conflict-of-interest rules, clearer reporting and escalation

mechanisms, more defined roles for AOC and the Board, and greater System Council involvement in major governance decisions and performance oversight.

11. During the second consultation round, the AOC recommended CGIAR governance to be collaborative, accountable, and transparent while preserving Board independence. AOC proposed a structured communication protocol between the Board and the Council. Ultimately, AOC believes the two governing documents, i.e., the CGIAR System Framework and the Charter of the CGIAR System Organization, should be merged in the future for clarity and transparency.

Integrated Partnership Audit Function:

12. AOC acknowledges the achievements attained by the Integrated Partnership Internal Audit Executive since assuming the role and the Executive's goal to increase effectiveness through coverage, quality, and capacity. While Center-level risk-based audit plans are generally on track with follow-up activities ongoing, partnership-level assurance remains fragmented. AOC appreciates the efforts underway to develop an integrated, combined assurance model supported by new tools and collaboration with other assurance providers. AOC notes the progress in mapping assurance coverage against CGIAR's key risks, aiming to better align audit activities with the top risks and address any gaps.
13. AOC acknowledges the additional engagements undertaken by the function, which include reviews on Gender, Diversity and Inclusion, and stock disposal practices, as well as the additional tasks to lead as interim support during the period prior to the appointment of the new EBC Executive.
14. AOC observed the following concerns and potential risks arising under this function:
 - a. **Internal Audit effectiveness varies across levels:** While Center-level audit delivery is generally strong, Partnership-level assurance remains inconsistent and fragmented. AOC requests a clearer distinction in future reporting between these two levels, while calling for greater efforts to integrate and strengthen assurance through improved tools and collaboration.
 - b. **Challenges in data, staffing, and resources:** AOC is concerned about fragmented data, inconsistent systems, limited access, and uneven data quality, all of which hinder System-wide assurance. The Committee highlights its ongoing concerns about staffing constraints, concentrated responsibilities, and limited capacity, and how these could further impact assurance quality and reliability. AOC calls for adequate resourcing of the function to ensure the successful implementation of the integrated assurance model.
 - c. **Ongoing focus on risk areas and support needs:** AOC calls for particular attention to Ethics and Business Conduct risks due to limited data and reporting, as well as the sensitivity of related matters. There is also a need for clarity between the roles of Integrated Partnership Executive functions and the Functional Area Committees (FAC).

For Council noting

System Council members are requested to reflect on the type of assurance they would expect, within the strategic scope of the System Council and AOC's mandate. The Committee will work with the Integrated Partnership Internal Audit and Ethics and Business Conduct Executive to develop a strategic-level assurance report.

Integrated Partnership Risk Management Function

15. AOC welcomes the appointment of the Integrated Partnership Quality Assurance Lead and the increased engagement of the Integrated Partnership Risk Executive with the Center risk leads, noting that this appears to support a stronger shared understanding of risk management across Centers.
16. AOC highlights the advancements in the risk framework, policy alignment, and reporting mechanism, especially for Science Programs and Accelerators. AOC notes that progress has been made in engaging Center risk leads and improving adaptive management through more frequent risk reviews and enhanced dashboards; however, challenges remain in standardizing risk tolerance thresholds and consolidating fragmented risk data.
17. AOC commends the newly developed Management and Internal Controls Guidelines, which aim to address existing weaknesses by providing standardized assessment criteria, clearer risk communication, and alignment with organizational objectives, with some Centers already adopting the Guidelines.
18. AOC welcomes the aim to adopt a common risk and assurance tool but notes the uneven prioritization of this effort across Centers, despite this being a planned deliverable.
19. AOC is concerned with data governance and the pace of the development of the Data Transfer Agreement, which limits implementation of the Escalation Framework and thus visibility and timely management of risks. This limitation highlights potential risks, as the current system requires manual consolidation of Integrated Partnership risks.

For Council noting

AOC stresses the importance of a common risks and assurance tool being adopted by Centers. AOC suggests creating a pilot approach or a phased implementation to secure the Centers' buy-in for the tool.

Integrated Partnership Ethics and Business Conduct Function

20. AOC notes that the Integrated Partnership Ethics and Business Conduct Executive has quickly assumed responsibilities since joining in May and commends the Integrated Partnership Internal Audit Executive, who handled the Ethics and Business Conduct position in an interim capacity.

21. AOC highlights that the Ethics and Business Conduct Framework is being implemented System-wide, with core policies adopted, but implementation maturity remains foundational. Areas still maturing include capacity and resourcing, systems and tools, and legal enablers. Responsibilities have been assigned across the system, but resourcing models and maturity vary, and case management tools are not yet harmonized, limiting comparability of System-level data.
22. On the delays with the Data Transfer Agreement (DTA), AOC notes the progress being made to finalize the DTA. AOC's concern arises because the DTA is a key legal enabler of full escalation and reporting functionality. AOC stresses the importance of meeting the current target to finalize the DTA by the end of June 2026. AOC continues to raise its concern with the length of time taken, creating reputational, governance, operational, and funding risks, especially since funders expect prompt reporting on ethics, governance, and misconduct issues.
23. AOC noted capacity and resourcing constraints, including the need for broader capacity development at the Center level and challenges identified by the Integrated Partnership Ethics and Business Conduct function.

For Council noting

AOC suggests that the Ethics and Business Conduct Function be empowered to draw on existing Center structures and gain access to their reporting experience, noting that this could help provide a clearer picture of current practices, identify where additional effort is needed for early detection of potential systemic risks, and support a more concrete narrative for the System Council and funders. AOC stresses the importance of finalizing and implementing the Data Transfer Agreement as a legal enabler to implement the Escalation Framework.

Assurance functions related to internal and external audit

24. AOC attended the presentation of the System Organization's external auditor to the IPB-AFRC. While acknowledging the expediency and efficacy of the external audit conducted by the new auditors and their subsequent report, AOC noted the constraints imposed on the new external auditors by the limited time available to them. AOC highlights the importance of the System Council to be notified in a timely manner of changes to external auditors of the System Organization.

Escalation Framework

25. AOC looks forward to the agreed review of the Escalation Framework at the end of October 2026, including the consideration of several issues highlighted by AOC that could not be accommodated in the last round of revisions. AOC re-emphasizes the importance of the Framework being fully operational and understood by all stakeholders. AOC also calls for clear timelines for the review and implementation of the Framework.

AOC priorities for Q3 and Q4 2026

26. AOC priorities for Q3 and Q4 2026 include:

- a. Provide, as needed, continuing forward-looking advisory input on developments related to the scope of the strategic oversight of the System Council, as well as on matters affecting efficiency and effectiveness in the delivery of the Council's strategic mandate.
- b. Define and discuss the functions of AOC and IPB-AFRC and determine the appropriate roles and functions of both committees in the new institutional governance, accountability, and oversight setting.
- c. Provide comments and input to the review of the Escalation Framework.
- d. Oversee reviews of relevant complaints and investigations as required.
- e. Work on any other relevant matters assigned by the Chair of the System Council or by the System Council.

AOC appointment extension

27. Given the ongoing governance and organizational transition across CGIAR, AOC considers continuity of experience and oversight important during this period of change and recommends the extension of Sarah Schmidt's appointment for an additional year, through 30 June 2027.

For Council decision

AOC recommends, via the SC24 consent agenda, approval of the appointment extension for an additional year of Sarah Schmidt through 30 June 2027.

Annex 1: Current AOC membership

This annex lists the current members of the Assurance and Oversight Committee (AOC), showing term end dates.

Member	Representation	Term End Date
Muriel Uzan (Chair)	Independent member	30-Jun-2028
Honoré Ndoko	Independent member	31-Jan-2028
Rita O’Sullivan	Independent member	30-Jun-2027
Sarah Schmidt	SC Member (Germany)	30-Jun-2026 (extension to 30-Jun-2027 subject to SC approval)
Elmar Vinh-Thomas	SC Member (Gates Foundation)	2-Mar-2029

AOC Secretary: Sylvia M Oyinlola