

Integrated Partnership Risk and Oversight Plan
Narrative Document

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A. Introduction

1. This narrative document describes CGIAR’s Combined Assurance model and its elements, including breakdowns of roles, responsibilities and reporting lines and provides visualizations of the structure.in each of four assurance areas – risk and internal controls, internal audit, external audit and ethics and business conduct.

B. Context – The Integrated Partnership Operational Model

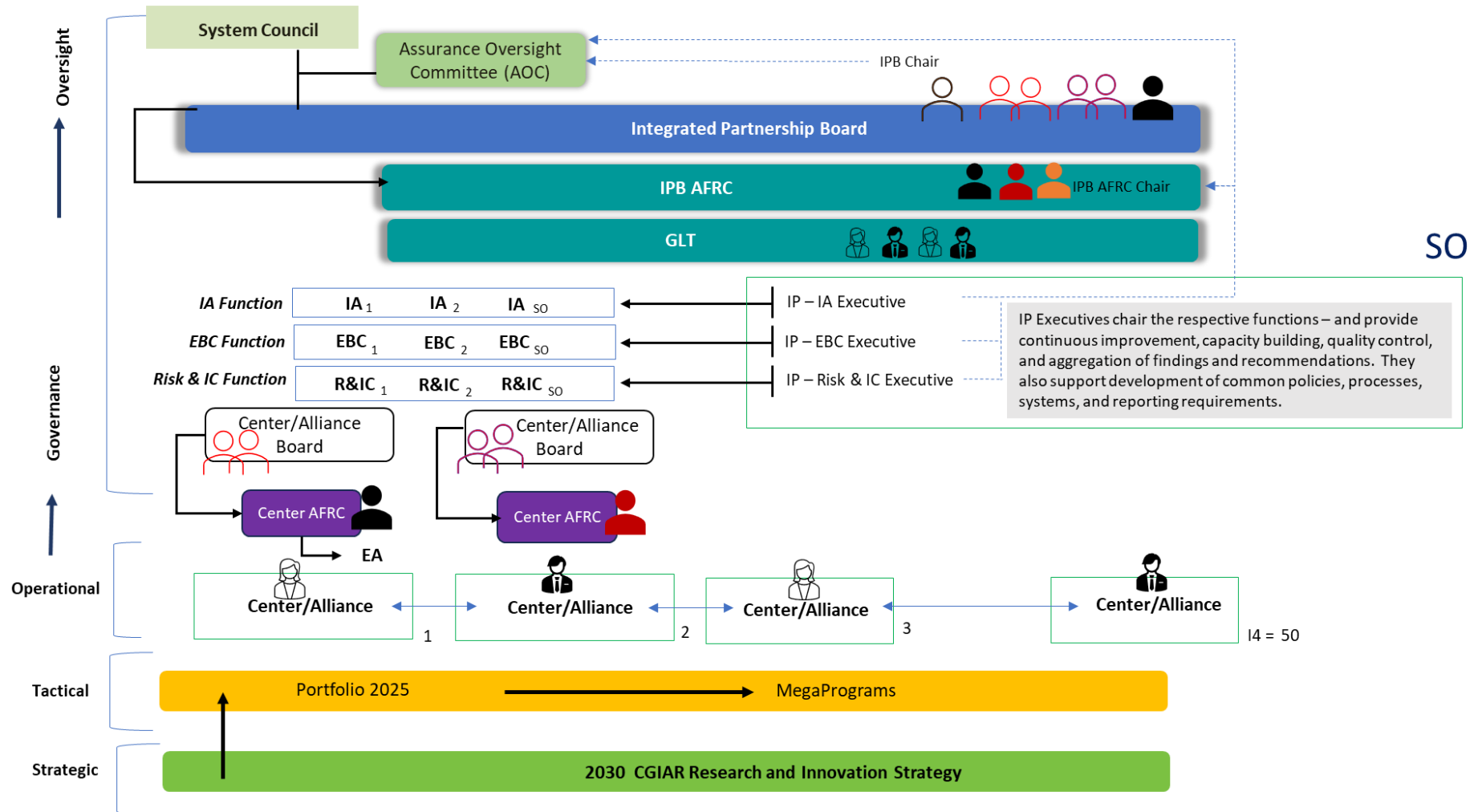
2. The CGIAR Integrated Partnership Operational Model brings together independent international research organizations and the CGIAR System Organization under a shared mission to deliver the CGIAR 2030 Research and Innovation Strategy. This model fosters collaboration and enhances the efficiency and effectiveness of research efforts to address global food, land, and water system challenges, particularly in the context of climate change. By leveraging capabilities, knowledge assets, and resources, CGIAR seeks to achieve greater impact through cohesive, partnership-driven research aligned with the Sustainable Development Goals (SDGs).

3. The legal architecture of CGIAR's model underpins the Combined Assurance approach set out in this plan. For a fuller explanation of this, including definition and building blocks of the Integrated Partnership – and the underlying legal framework – please see [Annex: CGIAR operating model; and underlying legal framework.](#)

C. The Combined Assurance Model

4. This Risk & Oversight Plan addresses the need to transition from the previous model of a common Audit, Finance and Risk Committee – with acknowledged capacity challenges in providing oversight across the Integrated Partnership – towards a more robust Combined Assurance model. The model will ensure that each member of the Integrated Partnership has the appropriate assurances built into the different functions of their organization while enabling the entirety of the Integrated Partnership to establish a clear chain of accountability throughout the partnership – aligning responsibility, accountability, and liability. Governance bodies – including the Assurance Oversight Committee – are able to have a 'single lens' view over and through the Integrated Partnership. The model enhances quality and standards through coordinated oversight and continuous improvement processes. (see diagram on the following page)
5. A key enabler of the Combined Assurance model is its underlying policy environment. Identifying and addressing any current gaps is set out in this Plan and is essential to ensuring policy harmonization across assurance functions is not only comprehensive but also finely tuned to be fit for purpose and aligned with the principles of the Integrated Partnership operational model. The ICI Forum process serves as a pivotal mechanism for pinpointing policy requirements and gaps. These insights will be instrumental in shaping the development of policies in accordance with the Internal Rules Framework (under development by the Governance Working Group at the time of writing). By methodically integrating these elements, we aim to fortify our assurance framework, ensuring it not only meets but exceeds the standards expected for international organizations.
6. Another key enabler is the organizational cultural environment across the Integrated Partnership. The model of integrated functions bringing together leads from each assurance area across the Integrated Partnership provides the platform for coordination and dialogue toward bringing different organizational cultures closer together through harmonized approaches.

OPERATING MODEL CGIAR – ASSURANCE



7. The diagram above sets out a visualization of the combined assurance approach and its linkages to the governing bodies. The specific roles of the SC and IPB in relation to assurance are set out in the CGIAR System Framework and Charter.

8. The Integrated Partnership Executive roles provide continuous improvement, capacity building, quality control, and aggregation of findings and recommendations of the Integrated Partnership's combined assurance. They also support the development of common policies, processes, procedures, Terms of Reference, systems, and reporting requirements for adoption by members of the Integrated Partnership. This will ensure a consistent approach, with common and transparent standards, that is easily aggregated at the Integrated Partnership level. The IPB will assess the effectiveness of the overall model as it evolves, with a view that extends transparently across the Integrated Partnership.
9. The Integrated Partnership Executive roles comprise:
 - a. **An Integrated Partnership Risk Management Executive who leads the Integrated Partnership Risk Management and Internal Control Functions** and oversees the risk management process at the partnership level
 - b. **An Integrated Partnership Internal Audit Executive who leads and strengthens the Integrated Partnership Internal Audit Function** (made up of the Internal Audit Heads of each Center)
 - c. **An Integrated Partnership Ethics and Business Conduct Executive who leads and strengthens the Integrated Partnership EBC Function** (made up of the EBC leads of each Center)
10. Each Center is governed by its Board, which has an AFRC charged with compliance and oversight relating to that Center. The Center AFRC has oversight of center-specific risks and issues, and cross-center issues or issues potentially impacting the Integrated Partnership are escalated, and information shared across the Integrated Partnership combined assurance functions. The Combined Assurance model – through connection and information sharing through IPB members sitting on each Center's Board (and a member of the IPB AFRC as chair/member of each Center's AFRC) – ensures that appropriate escalation lines of communication are implemented.
11. The model enables information sharing, and continuous improvement and learning via the Integrated Internal Audit Function and Integrated Partnership EBC Function. The IPB and its AFRC work with each of the assurance roles and functions (Integrated Partnership Internal Audit Function; and Integrated Partnership Ethics and Business Conduct Function) on matters relevant to the Partnership. The proposed structure of each of these functions and roles are set out in detail in Parts D-F of this document.

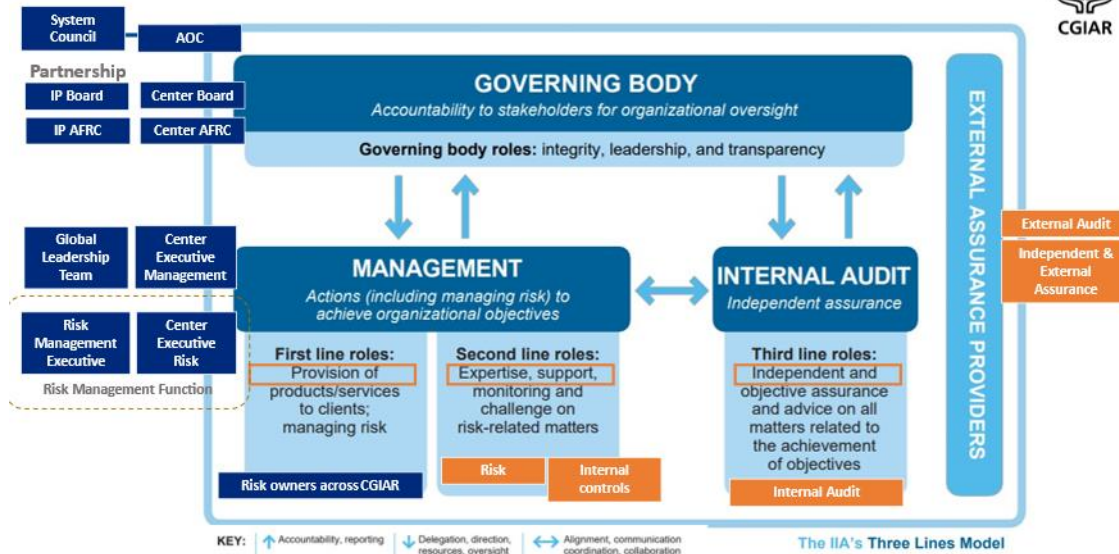
D. Risk and Internal Controls in the Combined Assurance Model

12. Risk management and internal controls are vital within the CGIAR Integrated Partnership, ensuring a structured approach to identifying, assessing, and mitigating potential risks that could impede the achievement of the partnership objectives. A robust risk management framework enhances decision-making and accountability, fostering a culture of transparency and resilience to contribute to the Partnership's sustainability and long-term success in fulfilling its objective.

Approach

13. Based on the Institute of Internal Auditors (IIA) framework, the Three Lines Model is a structured approach for managing risk and ensuring organization accountability. This model will be adopted within the CGIAR Integrated Partnership and Center/System Organization management structures to manage risks. The first line focuses on operational management, where the Global Leadership Team (GLT) is responsible for identifying and managing risks across the Integrated Partnership. At the same time, Center/SO Executive Management addresses Center/SO-specific risks, with risk and control owners responsible for implementing and maintaining controls. The second line consists of specialized risk management and compliance functions. The Integrated Partnership Risk Executive and the Center/SO Lead Risk teams oversee and monitor risks, providing expertise, best practices, methodologies, and tools. Finally, the third line is internal audit, offering independent and objective assurance and advisory services to the governing bodies (and management), including the Integrated Partnership Board (IPB), Center Boards, the Integrated Partnership Audit, Finance, and Risk Committee (IP-AFRC), respective Center Audit, Finance, and Risk Committees (AFRCs), and the System Council via its Assurance Oversight Committee (AOC).

ThreeLinesModel- Institute of Internal Auditors (IIA)



Risk Management Framework

14. **Objective and Scope:** The CGIAR risk management framework aims to foster practices, capabilities, and a culture of effective risk management aligned with strategy-setting and performance objectives. It aims to support the GLT and the Integrated Partnership Board (IPB) in making more informed decisions, monitoring risks and related activities across the partnership, and guiding initiatives to help CGIAR manage risks in preserving and creating value. The framework supports risk, governance, assurance, and compliance efforts and guides effective risk management practices.
15. A **global framework** will be adopted across the partnership to harmonize how risks are identified, assessed, and managed, ensuring consistency and alignment for risk management and internal controls.
- **Adherence to Standards and Frameworks:** The risk management and internal control frameworks will clearly define the purpose and objectives of risk and internal controls, detailing how CGIAR will leverage internationally recognized standards and frameworks such as the ISO 31000 International Standard, to implement a comprehensive approach to risk management. ISO 31000, a flexible and broad international standard, is adaptable to all types of organizations and offers a structured, transparent process for managing risk, including risk identification, assessment, treatment, and monitoring. This standard provides well-defined criteria and consistent terminology, enabling CGIAR to maintain a cohesive and scalable approach to risk management that aligns with global best practices while adapting to its unique organizational needs.
 - **Integration of strategic and operational risks through a top-down and bottom-up approach:** The proposed model will continue to ensure that both ‘top-down’ identified risks, which emerge from the Global Leadership Team (GLT) with IPB oversight, and ‘bottom-up’ risks, identified through Center risk management, are captured and integrated into a comprehensive risk management framework. This approach will provide a holistic view of risks, from those originating at the executive level to those arising from day-to-day operations, ensuring that all potential risks are effectively addressed.
16. The subsequent **components** outline an integrated approach to risk management for the partnership, focusing on defining risk appetite, standardizing risk identification and assessment, formulating response strategies, and implementing robust reporting mechanisms. Collectively, these elements aim to enhance decision-making, align risk practices with strategic objectives, and promote a proactive risk culture throughout the organization.
- **Risk Appetite:** The Integrated Partnership’s risk appetite will be defined, to ensure that risk management and internal controls are aligned with the level of risk the

partnership is willing to accept, guiding decision-making and control prioritization. It is proposed that entities adopt a co-developed risk appetite model and customize their specific risk appetite thresholds and tolerance across various domains commonly agreed, thereby fine-tuning their risk appetite statements using the commonly agreed model.

- o **Risk Identification and Assessment:** A consistent assessment process for identifying risks and evaluating control effectiveness will capture risks at the partnership level under the leadership of the GLT. Management of risk and controls remains the responsibility of the Centers/SO. Centers' AFRCs will oversee the efficiency and effectiveness of risk management, internal compliance, and control systems and make recommendations to the Center Boards as required. For any major risk that may affect the partnership, the IPB, as the governing body supported by the partnership AFRC, is responsible for ensuring that CGIAR has in place appropriate risk management and internal control systems and practices and for determining the nature and extent of risk it is willing to take for CGIAR to achieve its strategic objectives. The identification process, strategy, and assessment will be standardized across the Integrated Partnership, ensuring consistency in the information reported. The main elements for the identification and assessment are taken from ISO 31000.
- o **Risk Response and Mitigation:** Guidelines will be developed for managing identified risks, allowing flexibility to address Center-specific risks. Risk response will involve identifying a range of treatment options, evaluating them, and preparing and implementing risk treatment plans. Selecting the most appropriate risk treatment options requires balancing the potential benefits of achieving objectives against the costs, effort, or potential implementation drawbacks. This response will be guided by and aligned with the defined Integrated Partnership Risk Appetite.
- o **Reporting and Monitoring:** It is proposed that dynamic risk and control monitoring, reporting, and oversight mechanisms be implemented through standardized processes and tools to provide timely insights into risk exposure and control effectiveness. This will ensure that the most relevant risks are prioritized and addressed appropriately (Center/SO or Integrated Partnership). A reporting schedule will be agreed upon with key stakeholders, and wherever possible, risk dashboards with clear, user-friendly visuals tailored to different stakeholders' needs will be utilized. This approach will promote transparency in reporting, providing clear information on how risks are managed, responsibilities assigned, and mitigation measures implemented. The Risk Management and Internal Control Policies will provide clear criteria for escalating risks to higher management levels. This ensures that significant or emerging risks receive attention quickly and appropriate response plans will be designed.

Internal Control Framework

17. **Objective and Scope:** Integrating and coordinating elements of the internal control framework and adopting the COSO Internal Control framework can achieve effectiveness in financial, operational, and compliance controls across the partnership. Standardizing risk assessment methodologies, including reporting and monitoring tools, will help the GLT evaluate and mitigate overall risk exposure across the partnership.
18. The following **components** outline a framework for establishing the partnership's control standards and internal risk management policies. These focus on reviewing business processes to create Control Standards, developing comprehensive policies based on international benchmarks, and ensuring consistent implementation through detailed guidelines. Promoting continuous improvement and real-time monitoring enhances operational effectiveness and aligns Centers/SO with Integrated Partnership objectives while allowing for local adaptation.
 - o **Control Standards:** For internal controls, the Internal Control function should review key business processes, identify key risks, and design control standards that each entity should follow to ensure effective mitigation of risks. A targeted Internal Control Framework is designed for CGIAR. Still, each entity will conduct its internal control analysis and assessment and use the Global Internal Control Risk Matrix as a standard for comparison. A periodically integrated independent assessment of key controls will be implemented. Entities commit to developing a continuous improvement program where deficiencies and significant deviations from global standards are noted.
 - o **Risk and Internal Controls Policies:** Comprehensive high-level policies based on international standards are proposed to outline roles, responsibilities, and processes for managing risks and implementing controls, providing clear direction for both functions to operate cohesively. Entities are expected to adopt global risk and internal control policies while allowing flexibility for local adaptation. This will create alignment across the different entities while respecting the local operational context.
 - o **Control Implementation and Monitoring:** A consistent assessment process is proposed for identifying risks and evaluating control effectiveness, but the management of the overall assessment of risk and controls remains the responsibility of the entities. Centers' AFRCs will oversee the efficiency and effectiveness of risk management, internal compliance, and control systems and make recommendations to the Center Boards as required. For any major risk that may affect the partnership, the IPB, as the governing body supported by the partnership AFRC, is responsible for ensuring that CGIAR has in place appropriate risk management and internal control systems and practices and for determining the nature and extent of risk it is willing to take for CGIAR to achieve its strategic objectives. Entities should adopt a global risk assessment model based on international standards and strive to extend the risk assessment process beyond the minimum standards.

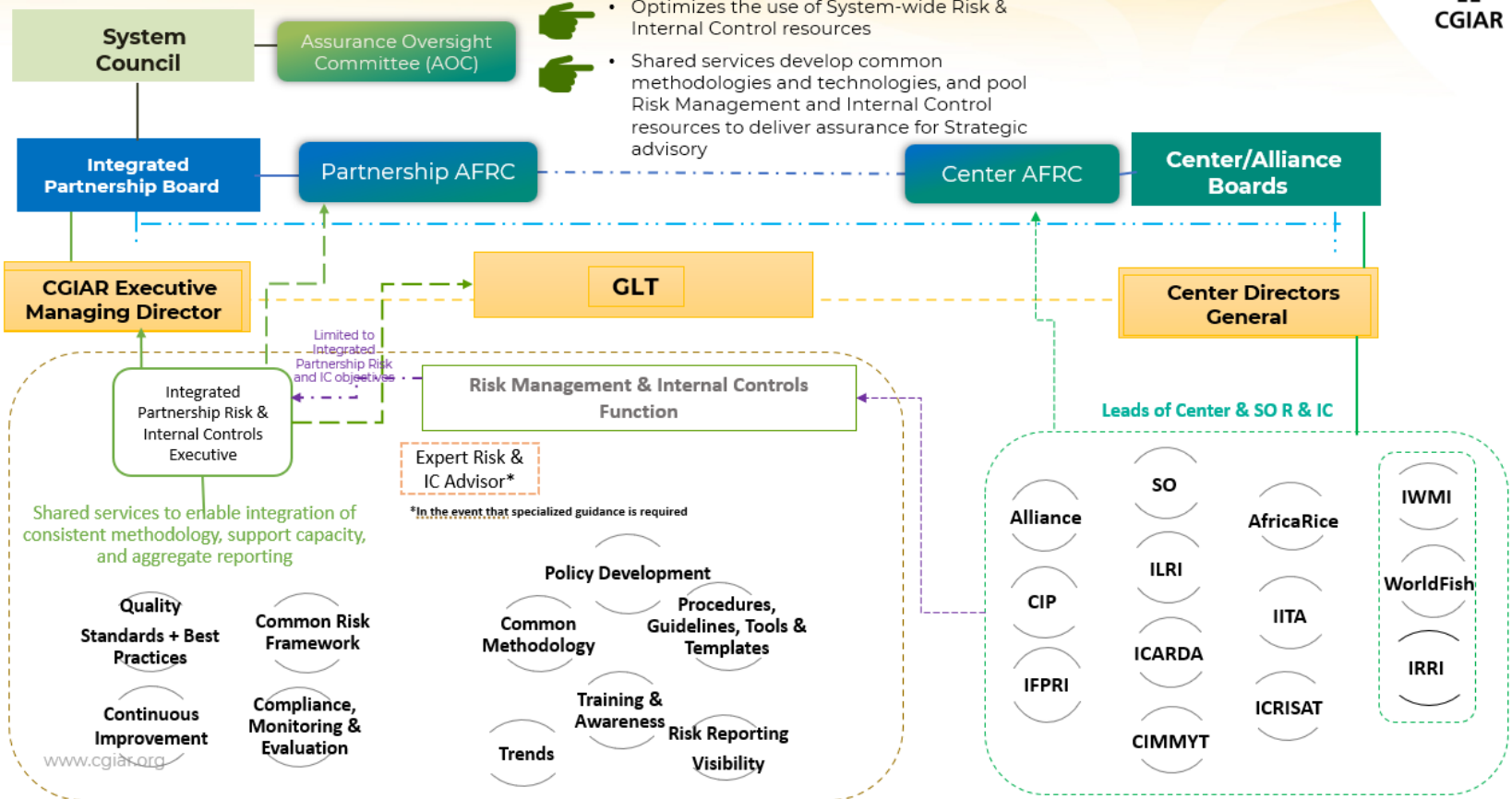
- o **Risk and Internal Controls Guidelines:** Detailed guidelines will be established to translate policies into actionable steps and support the consistent application of risk management and internal control processes across all Centers/SO. The guidelines detail key requirements, while a certain degree of tailoring is expected to occur, considering entities' specific circumstances concerning their operations and the risks they face.
- o **Monitoring and Reporting:** Dynamic risk and controls monitoring and reporting through standardized processes and tools to provide timely insights into risk exposure and control effectiveness. This is necessary to ensure that we focus on the most relevant risks in a prioritized manner at the CGIAR partnership level.

Roles and Responsibilities

19. Under the proposed model, Risk Management and Internal Control at the Integrated Partnership will be discharged by the Risk Management and Internal Control functions, comprised of the Risk Leads and Internal Control leads, respectively, from each Center and the System Organization. They will collaborate with key stakeholders to develop and implement comprehensive risk policies and guidelines aligned with the Integrated Partnership values.
20. The functions will be responsible for identifying and analyzing trends and systemic risks that could impact the integrity of the Integrated Partnership, ensuring that risk management practices remain robust and proactive. The Risk Management and Internal Control functions will also ensure that risk oversight is consistent and aligned across the Centers/SO, promoting coordination and collaboration among risk professionals to standardize practices, foster transparency, and share risk information effectively across the Integrated Partnership. The Terms of Reference to be developed for the Integrated Partnership Risk & IC function will clearly define the lines of responsibility and accountability of the members who will represent the Centers and the SO. To ensure commitment, the Integrated Partnership Risk & IC function will propose the Terms of Reference to the GLT and IPB-AFRC.
21. **A visual overview of the model, and a detailed table of processes, roles and responsibilities are set out below.**



Summary of the Risk & Internal Controls Model



Risk Management & Internal Controls - Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
IP Risk Management Executive	<ul style="list-style-type: none"> Leads the Integrated Partnership Risk Management and Internal Control Functions. Provide consolidated reporting across the entire partnership and communicating insights to the IPB-AFRC. Reporting and Monitoring key risks to the IPB-AFRC. Lead the development of a common global risk framework, risk methodology, strategy, approach, tools, and templates. (Reporting to GLT) Ensure consistency, quality, and continuous improvement in the partnership Risk and Controls approaches by collaborating with other assurance functions and leveraging existing capabilities at the Centers. Leads the adoption of best practices and standards while providing training to strengthen the capacity of risk and control functions throughout the partnership. 	<p>Functional to the IPB-AFRC, Administrative to the GLT</p> <p>Participates in relevant deliberations of the GLT in an advisory role</p>
IP Risk Management and Internal Control Functions	<ul style="list-style-type: none"> The Risk Management function of the Integrated Partnership is discharged by the Risk Lead of each Center/SO. Responsible for collaborating with stakeholders to develop comprehensive risk policies and guidelines that align with legal requirements and organizational values. Identify and analyze trends and systemic risks that may impact the integrity of the partnership. Enhancing risk visibility by addressing gaps in coverage and highlighting significant control failures. Support the design and implementation of risk & internal controls training programs for all levels of staff across the Centers. Drive continuous improvement by regularly reviewing and updating risk & internal controls policies, training materials, and risk management practices. 	<p>The IP Risk Executive will lead the IP Risk & IC function and will provide reports and plans to the IPB-AFRC as well as Center AFRCs</p>

Risk Management & Internal Controls - Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
Center/ SO Risk and Internal Controls Leads	<ul style="list-style-type: none"> • Each Center's and the SO's risk and internal controls leads are responsible for their risk management and control capabilities. • Delivery of risk management and Internal Controls processes within their respective center/SO. • The risk and Internal Controls Lead at entities are responsible and accountable for the risk management process within their respective Centers/SOs. • Participate in the Risk and Internal Controls functions, which aim to enhance risk management within their entities and across the partnership. 	Functional to the Center AFRC, Administrative to the DG
IPB-AFRC	<ul style="list-style-type: none"> • Monitor overall compliance with the CGIAR Partnership Risk and Internal Controls Frameworks and related policies, report on significant non-compliance to Boards, and provide consolidated reporting to the IPB and AOC on matters arising. • Overseeing the effectiveness of Management's responsibility to manage partnership risk, maintain a proper internal control system for financial and operational purposes, and monitor adherence to policies. 	Reports to the IPB, further accountability to the AOC
Center AFRC	<ul style="list-style-type: none"> • Continuously oversee and monitor the Center's Risk and Internal Controls Framework, ensuring that risk identification, assessment, mitigation, and reporting processes are effectively embedded across all levels of the organization. • Proactively identify and report significant risk exposures, emerging threats, or potential risk management gaps to the Board of Directors, providing comprehensive insights and recommendations for minimizing and managing risks effectively. • Oversee identifying and investigating significant risk events, including operational, financial, strategic, and reputational risks, focusing on those reported through internal or external risk reporting mechanisms. • Ensure that all risk assessments and investigations are conducted thoroughly, independently, and in alignment with the Center's legal, 	Center Board

Risk Management & Internal Controls - Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
	<p>regulatory, and ethical obligations, maintaining a strong focus on mitigating potential risks.</p> <ul style="list-style-type: none"> • Advise the Board on key risk findings, emerging trends, and outcomes from risk management efforts, including recommendations for corrective actions, strategic adjustments, and preventive measures to be implemented across the organization. • Ensure that any material risk issues requiring the attention of the IPB-AFRC are communicated transparently, well-documented, and timely, in alignment with the Center's risk management strategy and governance best practices. 	
GLT	<ul style="list-style-type: none"> • Reinforcing the message on the need to integrate risk management into the overall culture of the partnership. • Leading the integration of risk management into core partnership activities and decision-making. • Ensuring that the necessary resources are allocated to managing risk. • Managing key objectives and risks and establishing risk measurement and reporting according to the partnership risk appetite through a structured risk review process. • Ensuring implementation of and compliance with policies and procedures and suggesting improvements to manage changing risks; and • Maintaining continuous dialogue with the governing bodies and reporting on planned, actual, and expected outcomes linked to the organization's objectives. 	N/A
Center Executive Management Team	<ul style="list-style-type: none"> • Responsible for developing and achieving the Center's strategy and objectives, including the overall management of risk according to the Center's risk management framework and policy. 	Center Board

Coordination Between Risk Management and Internal Audit

22. **Complementarity of Functions:** This plan sets a model where risk management and internal controls work together to create a robust assurance framework across the Integrated Partnership. The proposed model recognizes that a collaboration between risk management and internal audit functions is crucial. Internal audit provides valuable insights into the effectiveness of risk management processes, while risk management can leverage audit assessments to refine and enhance risk strategies. This complementarity fosters a proactive risk identification and control approach, driving continuous improvement, accountability, and informed decision-making. The synergy between the two functions minimizes vulnerabilities and strengthens the Integrated Partnership's ability to address emerging risks effectively.

Automation and Data Analytics

23. There is a need to address challenges in manual processes by implementing a common risk and assurance tool across CGIAR with timely reporting and monitoring capabilities. Automated dashboards can track changes in risk metrics and provide appropriate alerts. Leveraging automation and data analytics will enhance the efficiency and effectiveness of risk management and internal control activities. The tool is proposed to combine risk, internal controls, and internal audit functionalities.

Continuous Improvement and Alignment with Best Practices

24. The Integrated Partnership's commitment to continuous improvement in risk management is driven by the Integrated Partnership Risk Management Executive and the Risk Management and Internal Controls Function, which comprise the Risk Leads and Internal Control Leads of each Center. The focus on continuous improvement is reinforced through collaboration with assurance functions, allowing for the refinement of risk and control approaches.

Critical Objectives

25. To achieve the Risk and Internal Control Plan, the following critical objectives must be accomplished:
- Approval of the Co-developed Global Risk Framework, Risk Appetite, and Risk Policy: **Ensure final approval of a globally harmonized risk framework, along with a clearly defined risk appetite and policy that align with the partnership's strategic objectives.**
 - Issuance of Risk Management and Risk Assessment Guidelines: **The Risk Management and Internal Control Functions must issue comprehensive guidelines**

establishing minimum standards for risk management and risk assessment processes across all entities.

- **Assessment of Internal Control Environments: Gain a thorough understanding of the internal control environments, leveraging insights from the pilot assessments conducted at two Centers to inform the broader implementation across the partnership**

26. Milestones in the Risk and Internal Controls rollout plan are presented in the Combined Assurance Analytical Framework.

E. External Audit in the Combined Assurance model

Existing approach

27. External auditors provide independent assurance to Center Boards (and the IPB for the System Organization) and their stakeholders that the financial statements of Centers and SO are free from material misstatements. They express an opinion on whether the financial statements are prepared in accordance with all material requirements. External auditors of CGIAR Center/SO are required to follow the International Standards of Auditing (ISA), which are established by the International Auditing and Assurance Standards Board (IAASB). Additionally, duly audited financial reports are necessary for CGIAR entities to meet KYC (Know Your Customer) and AML (Anti-Money Laundering) requirements of banks. These audits also support compliance with government regulations, including local tax obligations and labor laws, where applicable.
28. Currently, all Centers and SO adhere to IFRS accounting standards, except for IFPRI, which follows GAAP (Generally Accepted Accounting Principles) due to U.S. legal requirements. CGIAR Financial Guideline 3 (FG-3) sets requirements for Centers/SO in selecting and conducting their audits. FG-3 mandates the engagement of high-quality auditors and that audits are conducted in accordance with ISA standards.

29. All Auditors in the system are compliant with IAASB requirements¹. Auditors currently engaged by each Center/SO to undertake the review of the 2024 annual financial statements are as follows:

CGIAR Center	Current External Auditor (for 2025)	Type of Auditor	IFAC Compliant²
AfricaRice	Deloitte	Big 4	Yes
Bioversity International	PwC	Big 4	Yes
CIAT (International Center for Tropical Agriculture)	PwC	Big 4	Yes
CIMMYT (International Maize and Wheat Improvement Center)	Grant Thornton	Mid-Tier	Yes
CIP (International Potato Center)	EY	Big 4	Yes
ICARDA (International Center for Agricultural Research in the Dry Areas)	KPMG	Big 4	Yes
ICRISAT (International Crops Research Institute for the Semi-Arid Tropics)	Deloitte	Big 4	Yes
IFPRI (International Food Policy Research Institute)	RSM	Mid-Tier	Yes
IITA (International Institute of Tropical Agriculture)	KPMG	Big 4	Yes
ILRI (International Livestock Research Institute)	PwC	Big 4	Yes
IRRI (International Rice Research Institute)	PwC	Big 4	Yes

¹ IAASB - International Auditing and Assurance Standards Board - is an independent standard-setting body that serves the public interest by setting high-quality international standards for auditing, quality management, review, other assurance, and related services. These standards are used in more than 130 jurisdictions to enhance the quality and uniformity of audit and assurance engagements and strengthening public confidence in markets and economies.

² Globally, over 30 international networks of audit firms are members of IFAC's (International Federation of Accountants) Forum of Firms (FoF), which demonstrates adherence to high-quality audit and ethical standards as set by IFAC and the International Auditing and Assurance Standards Board (IAASB). These networks, which include major firms like Deloitte, PwC, EY, KPMG, and RSM, follow IFAC's standards to ensure quality in their transnational audit practices, contributing to global audit quality and consistency across jurisdictions. The FoF membership obliges these firms to follow international auditing standards, ethical codes, and quality management protocols that align with IFAC's principles and requirements.

CGIAR Center	Current External Auditor (for 2025)	Type of Auditor	IFAC Compliant ²
IWMI (International Water Management Institute)	EY	Big 4	Yes
System Organization	PwC	Big 4	Yes
WorldFish	BDO	Mid-tier	Yes

Single audit firm proposal

Transition to engagement of a single audit firm to conduct audits for all CGIAR Centers/SO was trialed in 2023. Seven firms (PWC, EY, KPMG, Deloitte, Grant Thornton, BDO, and RSM) were invited to bid, but none of the proposals evaluated met CGIAR's needs because of concerns about coordination challenges, and Eurocentric approaches, as well as substantially higher costs. The exercise highlighted shortcomings in both the drafting of the RFP and the overall procurement process. Additionally, significant variations in the letters of engagement across Centers were identified, influenced by local regulations and historical practices, demonstrating that a prerequisite for engagement of a single audit firm is alignment of specific needs for External Audit across CGIAR Centers/SO.

Integration approach for External Audit:

30. To put in place the foundation for External Audit in the Combined Assurance model, FG-3 will be updated to provide the clarity and uniformity of approach needed. The updated FG-3 will include a standardized letter of engagement to streamline procurement and ensure that Center-level and IP-wide needs are addressed consistently in all audit engagements. It will also reflect changes in the International Standards on Auditing that have taken effect since the current version's approval.

31. The Integrated Partnership will then undertake a transition to a single audit firm for all Centers/SO by 2027. While noting that a fully consolidated financial statement for all Centers/SO is not possible, external audits may be conducted by the same firm³. This will ensure that requirements for separate audits to meet local legal obligations and standards, especially KYC requirements and tax regulations, can be met while bringing additional assurance for the Integrated Partnership as a whole by improving standardization and quality.

³ "Same audit firm" here refers to the audit brand; for example if the Audit is conducted by KPMG, then the audit will be conducted by KPMG Nigeria, KPMG India, KPMG Kenya etc. It will not be KPMG Kenya or any other single audit team doing the audit globally for all the centers. This is to ensure External Auditors remaining aware of local regulations and allowing stakeholders to receive reports which allows compliance with tax, KYC and other similar requirements.

32. Rather than immediately initiating a global procurement process as was previously done, a phased approach will leverage insights and data from the last procurement exercise and information from implementation pilots to inform the new process. This rollout plan for External Audit will use the following phases:

Phase 1 (2025-2027)

- Update FG-3 and Letters of Engagement to ensure consistency across all the Centers.
- Auditors will continue to be appointed by each center based on a largely aligned Letter of Engagement.
- Auditor appointments will follow a common policy (FG-3).⁴
- Findings from the external audits will be aggregated at the Integrated Partnership level to provide a ‘single lens’ overview.
- Smaller scale pilots will be conducted in order to understand how one single audit brand carrying out audits for all centers would be achieved.
- Aggregate information from the center financial audits. Identify key challenges.

Phase 2 (by 2027)

- Create a procurement process through which contracting through a single audit brand can be achieved. A phased approach will be used initially or a global procurement process if achievable.
- Create a process by which External Audit standards and expectations are maintained which meets the requirements of Centers, governments across jurisdictions and other stakeholders. This will be undertaken in FY 2026 based on the learnings of the pilot in the tripartite centers, the ongoing Alliance external audit process and the learnings from the 2023 RFP process. The aggregation of data will also provide important learning for this process.
- A process of continuous improvement and updating of FG-3 and Letters of Engagement is implemented and managed.

33. The rollout plan will also be guided by lessons from smaller scale pilots currently underway in the Integrated Partnership. These are:

- **The Alliance of Bioversity International & CIAT** – When the Alliance was formed, the founding legal entities, Bioversity International (IPGRI) and CIAT, engaged PWC as a single auditor to develop a unified audit plan and provide a single presentation on results. At the same time, PWC would issue separate audit opinions for each entity, in compliance with their respective legal mandates. To implement this approach, two contracts were signed—one with PWC Italy for Bioversity and one with PWC Colombia for CIAT — beginning with the audit of the 2020 annual financial statements. External Audit integration at the level of the Integrated Partnership will utilize the ongoing lessons from this process, particularly in relation to costs and to ensuring that audits

⁴ USAID Yellow Book audits require a similar process for USAID funded organizations. The Auditors follow a similar process of auditing for these organizations based on requirements noted in the Yellow Book.

are delivered and reported to the Board by two separate teams effectively while distinct audit opinions for each legal entity are maintained.

- **Tri-partite Asian Centers (IRRI-IWMI-WorldFish)** – the three Centers already share a Chief Operating Officer who leads preparation of all three sets of annual financial statements. They are currently exploring the possibility of engaging a single audit firm to undertake the audits of all three Centers in all locations. They are also assessing whether a single audit team can conduct audits for all three Centers. To date, there has been limited interest from audit firms, and initial indications suggest that costs could potentially double the current baseline of three separate contracts. Analysis of the market options available is continuing and lessons learned from this process and how to manage audits across the diverse local contexts of the three Centers will be used to guide the External Audit rollout.
34. In addition, successful implementation of the External Audit rollout plan for Combined Assurance will require solutions for the following key challenges:
- **Absence of audit firms in some countries** – in recent years, the global audit industry has experienced mergers and increasing regulatory pressures, particularly affecting the "Big Four" firms and the largest ten audit firms. As a result, in Phase 2 of the rollout plan, CGIAR may face challenges where one or more Centers are located in countries where the chosen IP-level audit firm does not operate. To address these situations, alternative plans and systems may need to be developed. Within the framework of local regulations, Center governance requirements, and KYC requirements of banks and other stakeholders, plans could involve the IP-level audit firm providing assurance either through an alternate firm or by utilizing its presence in another country. The specifics of how this will be implemented will be developed by the IPB Common Assurance Executive in collaboration with the CSE COP, center finance leads, and Management. Regulatory changes or modifications in a Center's governance instruments may also necessitate a similar review.
 - **Cost impact of single auditor** – there may be an increase in costs for Centers once the single audit firm is implemented, with the impact varying across Centers and some more affected than others. Since external audit costs are part of a Center's overheads, some Centers may face challenges in covering these additional costs. A costing exercise is currently underway to assess the current external audit costs for each Center, which will serve as a baseline. Prior to the rollout of the global single auditor process, a cost model will be developed. This model will ensure that Centers pay for external audits based on their baseline costs and total revenue, with any additional costs covered by W1 funds. This extra W1 allocation will be separate from the funds allocated to Science Programs and Accelerators.
35. Roles and responsibilities will adhere to the following in each phase of the External Audit rollout plan:

External Audit Roles and Responsibilities			
Role	Phase 1 Responsibilities	Phase 2 Responsibilities	Reporting Lines
Integrated Partnership Internal Audit Executive	<ul style="list-style-type: none"> - Regularly update FG-3 and the Letter of Engagement in collaboration with the CSE COP. - Begin aggregation of financial statements and audit findings across the system. 	<ul style="list-style-type: none"> - Oversee continuous improvement, learning, and quality control of the combined assurance model. - Finalize and monitor consistency in audit practices across the system. 	Reports to the IPB-AFRC
Center Level AFRC	<ul style="list-style-type: none"> - Ensure compliance with FG-3 and the common Letter of Engagement when appointing and conducting external audits. Support the Integrated Partnership Combined Assurance Executive in full aggregation of financial statements and audit findings. 	<ul style="list-style-type: none"> - Hire the same external auditor as other Centers through a common RFP. Ensure that the center participates in the RFP and follows the requirements of the process. 	Reports to the Center Board
IPB AFRC	<ul style="list-style-type: none"> - Ensure initial system-wide compliance with FG-3 and the common Letter of Engagement. 	<ul style="list-style-type: none"> - Support the transition to a common external audit firm across the entire system. 	Reports to the IPB.
Corporate Service Executives Community of Practice (CSE COP)⁵	<ul style="list-style-type: none"> - Assist in creating and updating FG-3 at a system-wide level. - Support initial rollout and adherence to FG-3 and the common Letter of Engagement. 	<ul style="list-style-type: none"> - Finalize transition toward a global external audit firm. - Monitor adherence to FG-3 and the common Letter of Engagement across all Centers. 	Reports to the ICI forum.

36. Milestones in the External Audit rollout plan are presented in the Combined Assurance Analytical Framework.

⁵ CSE COP - The Corporate Service Executives Community of Practice (CSE COP) is made up of the Heads of Business Operations and Finance within the CGIAR system. It is one of the longest-standing COPs in the system and plays a key role in supporting Directors General (DGs) and Centers in achieving system-wide compliance and process improvements. The CSE COP was instrumental in facilitating the rollout of IFRS across the system and has led the development of system-wide policies. Additionally, the CGIAR Financial Guideline 3 (FG-3) has been primarily developed and regularly updated by this COP.

F. Internal Audit in the Combined Assurance model

Approach

37. Effective combined assurance for Internal Audit begins with ensuring that at the foundation centers and System Office are equipped to deliver consistent, high quality internal audit functions. The strong foundation enables Internal Audit to collaborate effectively with other assurance providers – such as risk management, funders, and external auditors to present a clear, comprehensive view of the organization’s risk landscape and control effectiveness. Internal Audit plays a central role in this framework, coordinating with other assurance functions, aligning assurance activities, and integrating findings to prevent duplication, identifying gaps, and streamlining reporting to senior management and governance bodies. This unified approach fosters transparency, consistency, and trust in reporting thus enhancing governance and supporting the organization’s overall risk and oversight framework.
38. Two key elements of the Combined Assurance for Internal Audit at the Integrated Partnership level will be the creation of the position of Integrated Partnership Internal Audit Executive and the creation of an Integrated Partnership Internal Audit Function made up of the Heads of Internal Audit of all the Centers and the System Organization, led by the Integrated Partnership Internal Audit Executive. The internal audit universe would be developed by the Integrated Partnership Internal Audit Executive in partnership with the Integrated Partnership Internal Audit Function and would be reviewed annually with the Integrated Partnership AFRC. The annual audit plan for the Integrated Partnership based on the combined audit universe would be developed by the Integrated Partnership Internal Audit Executive and Internal Audit Function in coordination with the Global Leadership Team and endorsed by the IPB-AFRC and approved by the IPB as agreed in a common IA Charter. The IPB-AFRC will comprise the members of the Center AFRCs so the IPB-AFRC will have a full line of sight over all aspects of the CGIAR Internal Audit activities. The combined assurance model will be underpinned by a strong Risk Management and Internal Control Framework.

Structure and Roles

39. The creation of the new role called Integrated Partnership Internal Audit Executive is paramount. They will be fully empowered to:
 - i. Develop a common audit methodology, strategy, approach, tools and templates;
 - ii. Develop the Integrated Partnership audit universe and Partnership internal audit plans in coordination and collaboration with the Internal Audit Function of the CGIAR along with other Assurance providers within the CGIAR;
 - iii. Delivery of the Partnership level assurance including cross-cutting thematic audits ensuring assurances for Partnership-level top risks;
 - iv. Lead the CGIAR Internal Audit Function, driving consistency, quality and continuous improvement across Internal Audit Functions and when necessary empowered to

- address gaps by escalating issues and conducting additional assurance activities where reliance is insufficient;
- v. Review internal audit reports from all internal audit teams to ensure quality, consistency and adherence to planning, methodologies, approach, and tools.
 - vi. Escalate concerns regarding the level or quality of assurance, that could impact the Integrated Partnership's overall assurance through the IPB-AFRC to the IPB. Including reporting on the internal and external assessments of the Quality Assurance Improvement Program to the IPB-AFRC ensuring a commitment to quality and accountability;
 - vii. As a tool for integration, endorsement of the Center audit plan by the IP-IA Executive will be required for approval of the audit plan by the Center AFRC; in the event that their endorsement is not provided, this will be escalated to the IPB-AFRC by the Center AFRC if needed.
 - viii. Provide strong assurance on internal audit quality by ensuring Global Internal Audit Standards (GIAS)⁶ are adhered to while establishing CGIAR common performance standards and KPIs;
40. The independence and objectivity of the Integrated Partnership Internal Audit Executive will be ensured via a direct reporting line to the IPB via the IPB-AFRC, based on Principle 7 of the Global Internal Audit Standards to enable the IA function to fulfill its mandate. This would include approving the appointment, removal and performance assessment of the Internal Audit Executive plus the endorsement of budgets and resource allocations, but they would also have an administrative reporting line to the EMD for approval of travel, sick leave etc. They will be empowered to report on findings from Partnership thematic audits or findings of Center/SO level audits which are material to the overall risk to the entire Integrated Partnership. The IP-IAE will provide findings and recommendations that relate to cross-cutting areas and shared functions to the IPB-AFRC. They will also participate in relevant GLT deliberations in an advisory role, presenting summarized findings to the GLT relating to integrated and coordinated business processes and services, as well as science programs/accelerators internal audits - recognizing the essential role of internal audit as a business partner to management. Their independence will be further ensured by separating their role as the Integrated Partnership Internal Audit Executive from the role of the System Organization Head of Internal Audit. Separating these roles will allow for a more efficient delivery model for the System Organization in the same manner as other Centers.
41. The CGIAR Internal Audit Function is comprised of the heads of all CGIAR's internal audit teams (whether regional/shared arrangements or Center IA heads) and the Function is led by the Integrated Partnership Internal Audit Executive. Each individual center will maintain its internal audit responsibilities and reporting to the Center AFRC per the Global Internal Audit Standards Principle 7. The Internal Audit Function delivers on the Partnership's internal audit plan engagements, drawing on the existing capacity and contracting specialist

⁶ The Global Internal Audit Standards, released 9 January 2024, will become effective 9 January 2025: <https://www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/>

expertise as required. All internal audit teams (as is presently the case) are regularly assessed both internally and externally at least every 5 years to ensure they align with the Global Internal Audit Standards, and this will continue under the model proposed in the Plan. Specifically, the Internal Audit Functions of the CGIAR will conform with the Global Internal Audit Standards.

42. The independence and objectivity of each Head of Internal Audit and their alignment to the Integrated Partnership IA Function will be ensured by triple reporting lines:
- A reporting line to their Center Board, through its AFRC as required per principle 7 of the Global Internal Audit Standard, on delivery of the Center audit plan and discharging responsibilities to enable the internal audit function to fulfil its mandate in line with the Center IA Charter; and
 - A reporting line to the Integrated Partnership Internal Audit Executive on scoping, planning, delivery, reporting, and conformance to Global Internal Audit Standards (Quality Improvement Program) will allow for a more integrated Internal Audit Function.
 - They would have another administrative reporting to the DGs of the Centers or EMD of the System Office to account for day-to-day approvals of leave, travel, etc.

Quality Assurance

43. The effective implementation of a Quality Assurance Improvement Program, assessment of conformance to Global Internal Audit Standards of all the CGIAR Internal Audit teams, and additional assurance on the IA teams independence/objectivity are delivered by a dedicated role which reports to the Integrated Partnership IA Executive and when necessary, can report directly to the IPB-AFRC for Partnership quality assurance activities that might involve the Integrated Partnership Internal Audit Executive. They will also deliver quarterly reporting directly to Center Boards through their AFRCs relating to conformance with the Global Internal Audit Standards (GIAS) of each IA team that is part of the IA Function.

Current Status

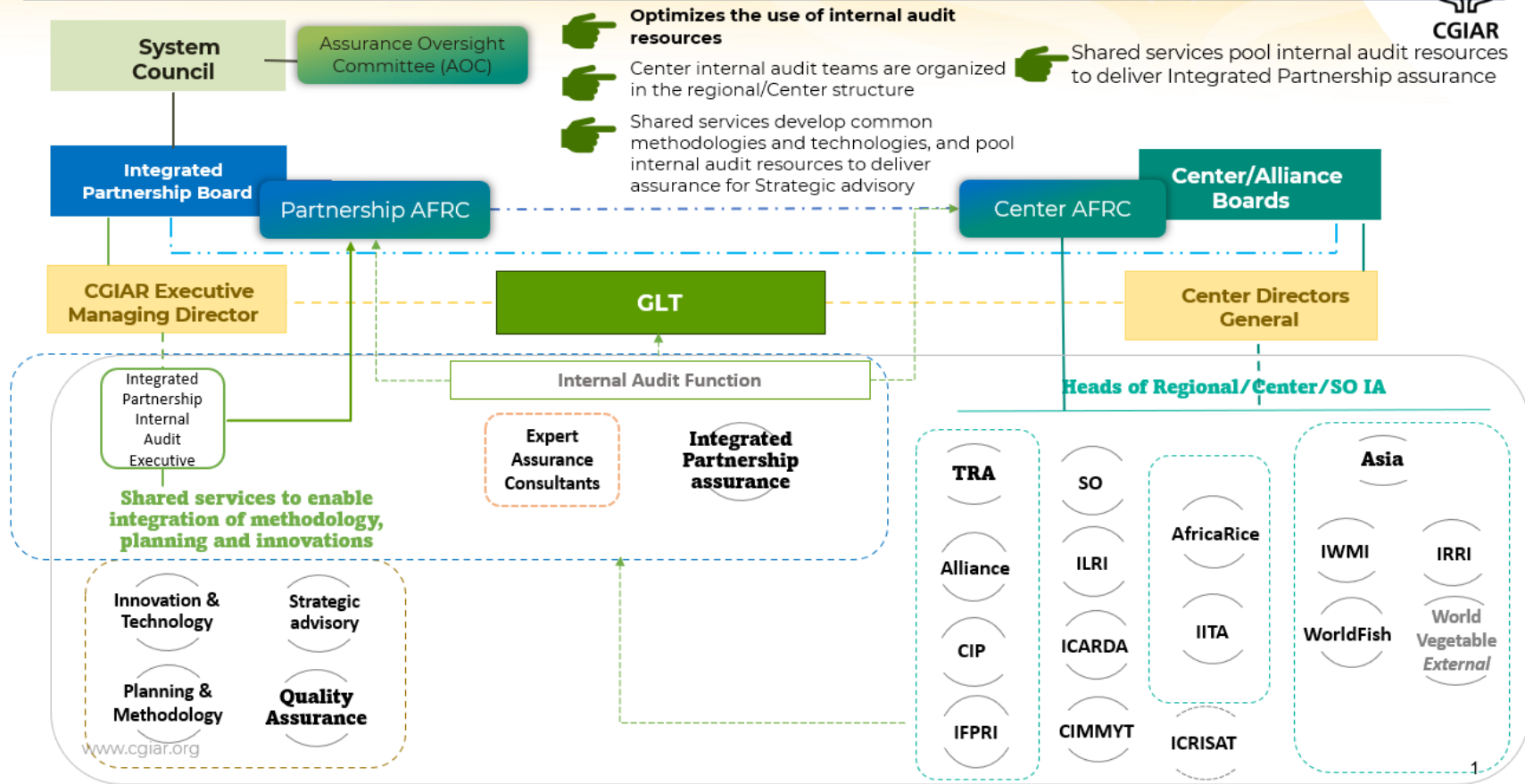
44. Currently, the Internal Audit Teams across CGIAR consist of over 21 professional staff across 14 Centers and System Office with a combined budget of ~\$4.1 million per annum. All Internal Audit teams across the CGIAR are assessed both internally and externally every 3 to 5 years to ensure compliance with the GIAS. A Quality Assessment and Improvement Program, which includes conformance to the GIAS code of ethics, for each of the CGIAR Internal Audit Teams has already been established. In 2024, an internal self-assessment to evaluate compliance with the new Global Internal Audit Standards (going into effect in January 2025) and to identify any gaps and areas for improvement was conducted. According to Global Internal Audit Standards this internal assessment must be conducted on an ongoing basis and include self-assessment, validation by other functions within the organization, and the establishment of an improvement plan. This validation of the self-

assessment is scheduled for 2025 and the findings from this assessment, along with the corresponding improvement program, will be communicated to the corresponding AFRCs.

45. Additionally, an external assessment, per the Global Internal Audit Standards, should be performed at least once every five years by a qualified independent assessor. This assessment provides an objective evaluation of the effectiveness of the internal audit function and its adherence to the standards. All Internal Audit teams received this external assessment previously and another one is planned for 2026, which will assess their conformance with the new Global Internal Audit Standards that are being implemented in January 2025.
46. The Internal Audit assurance is currently provided through three unique shared service models: one provides assurance for a group of CGIAR Centers including IFPRI, Alliance, and CIP; another provides Internal Audit assurance across both CGIAR and non-CGIAR Centers in Asia including WorldFish, IRRI, IWMI, and the World Vegetable Center; and the third shared service model in CGIAR is in Africa in which IITA also provides Internal Audit for AfricaRice. Additionally, ILRI, CIMMYT, ICRISAT, ICARDA and the System Organization all have their own Internal Audit teams. Opportunities to further explore new shared service models across the Integrated Partnership will continue to be developed along with creating models for sharing costs when Centers' Internal Audit teams take on Partnership audit engagements.
47. Milestones in the Internal Audit rollout plan are presented in the Combined Assurance Analytical Framework.
48. **A visual overview of the model, and a detailed table of processes, roles and responsibilities are set out below.**



Summary of the Internal Audit Model



Internal Audit - Roles and Responsibilities			
Element	Responsibilities	Reporting Lines	Reporting
IP Internal Audit Executive	<ul style="list-style-type: none"> Leads the Integrated Partnership Internal Audit Function Development of the CGIAR Integrated Partnership Audit Universe, three-year rolling plans and annual IA plan in consultation with the Integrated Internal Audit Function plan by developing the plan for all integrated functions, partnership agreement compliance, science program management in accordance with the common methodology and IP IA Charter. Leads the development of common IA methodology, strategy, approach, tools and templates and monitors their utilization for both the thematic and non-thematic audits at both the center level and the Integrated Partnership level thus endorsing the definition of each audit engagement. Leads the efficient delivery of Partnership level assurance including cross-cutting thematic audits, in conformance with Global Internal Audit Standards, in coordination with the Internal Audit Function and other Assurance providers while building from the Center/SO-specific risks and plan. Authority to escalate concerns regarding the level or quality of assurance, that could impact the Integrated Partnership’s overall assurance to either AFRC or the IP-Board. Including reporting on the internal and external assessments of the Quality Assurance Improvement Program to the IPB-AFRC ensuring a commitment to quality and accountability Endorses Center and System Office level annual audit plans before the respective AFRCs final endorsement for Board approval. Responsible for overseeing the overall implementation of the QAIP, in conformance with the GIAS and reporting regularly on the results of both internal and external assessments to the IPB-AFRC. 	<p>Direct to the IP-Board through the IPB-AFRC, Administrative to the EMD (per GIAS Principle 7)</p> <p>Participates in relevant deliberations of the GLT in an advisory role</p>	<p>Bi-Annual and regular reporting to the Center AFRCs and Boards on the Integrated Partnership plan for development and delivery as per the Individual Center IA Charter.</p> <p>Regular reporting on the implementation of the QAIP, in conformance with the GIAS on the results of both the internal and external assessments to the IPB-AFRC.</p> <p>Bi-Annual Reporting to the AOC on the development and delivery of the Integrated Assurance Plan or other mechanisms as agreed in the Integrated Internal Audit Charter.</p>

Internal Audit - Roles and Responsibilities			
Element	Responsibilities	Reporting Lines	Reporting
	<ul style="list-style-type: none"> Establishes and monitors CGIAR common performance standards and KPIs for Internal Audit (IP and Centers) Support alignment of the respective Internal Audit Charters of each Center with each other and with the Global Internal Audit Standards. Organizes the Continuous Improvement of the IP and Centers Internal Audit Performs Quality Control on the IP and Centers Internal Audit Drives innovation and use of technology across IP and Center Internal Audit Leads the delivery of Integrated Partnership deliver of strategy advisory services. Reviews with IPB-AFRC the budget and resource allocations. All other responsibilities as articulated in their job description and IA Charter. 		
IP Internal Audit Function	<ul style="list-style-type: none"> The Integrated Partnership Internal Audit Function is made up of all the Chief Audit Executive roles covering each Center and the SO. Efficient delivery of the integrated function and partnership agreement IA plan in accordance with the Global Internal Audit Standards. Supporting the development of the CGIAR Integrated Partnership Audit Universe, three-year rolling plan and Annual IA plan by developing the plan for all integrated functions, partnership agreement compliance, and science program management in accordance with the common methodology and IP IA Charter. Coordinate with other internal and external assurance providers in partnership and consider relying on their work. 	The IP Internal Audit Function is led by the IP Internal Audit Executive who will report on its activities as above.	<p>Annual and regular reporting to all relevant AFRCs and Boards when relevant.</p> <p>Annual and regular reporting to the GLT on IP Internal Audits.</p>

Internal Audit - Roles and Responsibilities			
Element	Responsibilities	Reporting Lines	Reporting
	<ul style="list-style-type: none"> Identify and analyze trends and systemic risks that may impact the partnership and identify commonalities/root causes. Periodically monitor achievements of work plans by Centers/System Organization. Drive continuous improvement by regularly reviewing and updating Internal Audit trends and best practices. 		
Center/ SO IA Head	<ul style="list-style-type: none"> Development of the Center Audit Universe, three year rolling plans and Annual IA plan in consultation with the Integrated Internal Audit Function in accordance with the common methodology and Center/SO IA Charter. Leads the efficient delivery of Center/SO level assurance, in accordance with Global Internal Audit Standards, in coordination with the Internal Audit Function and other Assurance providers while building from the Integrated Partnership specific risks and plan. Implement and maintain a quality assurance and improvement program that covers all aspects of the internal audit function and report results to the Center AFRC Review the implementation of the status of all audit recommendations. Supporting the development of the CGIAR Integrated Partnership Audit Universe, three year rolling plan and Annual IA plan by developing the Center IA plans. Coordinate with other internal and external center assurance providers in the partnership and consider relying on their work. Reviews with IPB-AFRC the budget and resource allocations. All other responsibilities as articulated in their job description and IA Charter. 	<p>Direct reporting line to their Center Board, through its AFRC, and the DG administratively (per GIAS Principle 7)</p> <p>Second reporting line to the to the Integrated Partnership Internal Audit Executive, related to scoping, planning, delivery, and reporting and conformance to GIAS</p>	<p>Bi-Annually to the Center AFRCs and Boards on the Center/SO plan development and delivery as per the Individual Center/SO IA Charter.</p> <p>Regular reporting on the implementation of the QAIP, in conformance with the GIAS on the results of both the internal and external assessments to the Center AFRC.</p>

Internal Audit - Roles and Responsibilities			
Element	Responsibilities	Reporting Lines	Reporting
Integrated Quality Assurance	<ul style="list-style-type: none"> Lead the quality assurance and improvement program (QAIP) Establish a methodology for internal assessments including; Ongoing monitoring, periodic self-assessment and communication of results. Validate conformance with the Global Internal Audit Standards through validation of internal self-assessments and communicate results to IP Audit Executive and center Head of Internal Audit. If applicable disclose to IP Audit executive areas of non-conformance with GIAS and its impact. Monitor the implementation of improvement and action plans Develop a plan and coordinate the external quality assessment in coordination with IP audit executive and center HOIA. Monitor the implementation of actions from the external quality assessment Provide additional assurance on the Independence and Objectivity of the partnership’s Internal Audit Function. Provide input into the advisory services on areas of improvement coming out of QA assessments. 	<p>Direct reporting line to the Integrated Partnership Internal Audit Executive, with the ability to report to the IPB-AFRC on the Quality Assurance conformance regarding the IP Internal Audit Executive.</p>	<p>Bi-Annually to the IPB/Center AFRCs and Boards on Quality Assurance and conformance.</p>

G. Ethics & Business Conduct in the Combined Assurance model

49. The Integrated Partnership EBC function aligns with the current governance model, which is built on a true partnership between the System Organization and the Centers. This creates an interdependent network of autonomous entities working toward shared goals. Under the approved governance model, two members of the IPB are part of the Center Boards, with one IPB-AFRC member also serving on the Center Board and as a member of the Center AFRC. The EBC function at each Center reports to the Center AFRC, while the SO EBC reports to the IPB-AFRC. The EBC functions of the Centers and the SO collaborate closely, ensuring the proper escalation of partnership-wide issues to the SC via the AOC.

50. **Policy Environment** – A broad review of the underlying policy environment of all key assurance functions will be undertaken, including revisions to key Ethics policies to enable their adoption by all Centers and the SO. Fit-for-purpose system-wide Ethics & Business Conduct policies (whistleblowing, safeguarding, protection from harassment and discrimination) will be submitted to the IPB and Center Boards for approval by the end of 2024, enabling the harmonization, standardization and consistent operationalization of processes, procedures, and guidelines. The policies will reflect global standards and best practices and apply to all CGIAR Center and System Organization staff.

90-day plan for co-creation and adoption for ethics-related policies.

Month 1 (October): Assessment & Stakeholder Engagement (Complete)

- Objective: Gather information, insights, and establish stakeholder buy-in, and assignment of focal points / champions.
- Actions: Form a working group with representatives from each Center to lead the process, assess existing policies across Centers, hold initial meetings to agree on information required for inclusion or refinement, key issues & concerns.

Month 2 (November): Revising Policy Framework

- Objective: Review existing policies approved by the System Council & propose revisions necessary to enable their adoption by all governing bodies.
- Actions: The working group collaborates to align on proposed revisions as needed to enable approval and adoption of the following policies:
 - Code of Ethics and Business Conduct for CGIAR Staff
 - Policy on Whistleblowing and Protection from Retaliation
 - Policy on Protection Against and Prevention of Harassment and Discrimination
 - Safeguarding Policy – Protection Against and Prevention of Sexual Misconduct, Exploitation and Abuse, and Human Trafficking
 - CGIAR Integrated Partnership Ethics & Business Conduct Escalation Framework

Month 3 (December): Submit for Board Approval Process (by end of 2024)

- Objective: Management endorses and submits finalized policies to all Center Boards and IPB for approval.
- Actions:
 - Share the revised policies with all Centers & SO for a final round of feedback. Address any remaining concerns or suggestions. Prepare a final draft and supporting documentation.
 - Present the final policies to the Boards of each Center/the IPB, highlighting the importance of a unified approach and added value of common policies. Allow sufficient time for approval in accordance with governing instruments.
- Following approval, initiate the process for launch, implementation and communication. Through the Integrated Partnership EBC Function, establish a monitoring and evaluation framework to assess the implementation and effectiveness of the policies.

51. **Escalation Pathways & Framework:** In addition to policies, the ICI Forum will develop a CGIAR Integrated Partnership Ethics & Business Conduct Escalation Framework, in parallel with ethics related policies, specifying what types of matters are escalated by whom, to which levels (including the AOC), what information is to be included, and how the information may be used, ensuring the protection of confidentiality, providing appropriate legal remedies within the pertinent legal entity, and ensuring due process. CGIAR Integrated Partnership Ethics & Business Conduct Escalation Framework will describe how

compliance reports related to Senior Leaders and Governing body members (SC, IPB, Center Boards, IPB AFRC, Center AFRC) will be investigated, reported, and overseen, including management of perceived or real conflicts of interests (as described further below in 56). The escalation framework will be submitted for approval by Center Boards, and the IPB, with endorsement from the IP-AFRC and AOC.

52. **Escalation & Prioritization based on severity:** and the potential impact on both the organization and the individual(s) involved will be incorporated into the escalation framework, for example:
 - i. **High Priority:** Complaints involving serious misconduct or breaches (e.g., corruption, bribery, fraud, sexual or other forms of harassment or discrimination, abuse of power, and criminal violations of the law fraud) where individual(s) life or personal safety are at risk, that may have legal, reputational, or operational consequences and require immediate urgent handling.
 - ii. **Medium Priority:** Issues related to workplace behavior, conflicts of interest, or breaches of internal policies, although significant, these issues typically do not pose an immediate critical impact.
 - iii. **Low Priority:** Minor policy infractions or issues that can be addressed through mediation or informal resolution may be categorized as lower priority.

53. **EBC Trends & Systemic Issues:** To enable cross-center organizational visibility and consistency the escalation pathways & framework will establish clear and standardized pathways for identifying and reporting reports of misconduct that may indicate systemic issues, or pose Integrated-Partnership level risks, reputational or other risks to CGIAR. This framework will ensure alignment across Centers and the SO by implementing consistent criteria for escalation, well defined lines of communication guiding each case to the appropriate level within the Integrated Partnership. The EBC Function would work together will aggregate data on all investigations, including those conducted by independent third parties (such as law firms), enabling comprehensive cross-Partnership reporting on these.

54. **Common Independent Service Provider for intake, triage, and case management:** Consistency, objectivity, and confidentiality will be ensured through the use of a common independent service provider (such as Lighthouse Service – which is currently used by all Centers and the System Organization), which will be engaged by all Centers and System Organization to provide an expanded service to manage not only the intake of reports through compliance reporting hotlines (whistle blowing), but also the triaging (prioritizing, categorizing – based on severity, urgency and potential impact – and routing for further action) of reports as they are received.
 - i. **Report Triaging:** The case triage will be managed by a common independent service provider and employ the same assessment methodology (following the categorization laid out in the applicable policies) for each case as well as standard streamlined templates and standardized reports across the Partnership. This involves

confirming that the issue relates to breaches of the organization’s code of ethics, policies, or regulations (e.g., conflicts of interest, harassment, fraud).

- ii. **Case Management:** Use of an independent service provider case management system to enable the tracking of cases, ensuring the recording of updates, monitoring mechanisms to ensure cases are handled within set timeframes, and to support reporting of aggregated information including basics facts and relevant stages of review and outcomes.
55. **Independent Investigations:** Ethics and Business Conduct investigations are conducted independently of the compliance functions. To ensure consistently high standards that are aligned with relevant policies, the Integrated Partnership Ethics and Business Conduct Executive will maintain a set of pre-approved law firms for independent investigations, in each jurisdiction in which the Integrated Partnership operates ensuring that these providers possess local capacity, legal capabilities, and cultural sensitivity. This roster would be used by all Centers and the SO. Investigation requests and outcomes are managed directly by the Center level EBC executives or the IP-EBC Function.
56. **Investigations involving Senior Leaders & Members of Governing Bodies:** To avoid the perception of conflicts of interest, and ensure objectivity, the policies will stipulate that allegations of serious misconduct involving Senior Leaders (CEO, DG, EMD) and/or Members of Governing Bodies (Center Board, Integrated Partnership Board, System Council, or their committees) must be investigated by third-party independent investigative law firms. Including that members of the relevant Governing Bodies that have a conflict of interest, shall be recused from their involvement in these matters, If all members of the relevant Center AFRC or the AOC are conflicted, the oversight of their investigation shall be escalated to the corresponding Governing Body. Independent investigation reports regarding Senior Leaders or Governance Officials will be shared with the relevant Center’s AFRC (for Centers), or the IPB-AFRC (for the System Organization), or the AOC (for the System Council) for consideration and to make recommendations to the relevant Governing Body. The escalation framework referenced above will include the requirement for aggregated summaries of compliance reports and investigation results related to the Directors General/Executive Managing Director or Members of Governing Bodies to be provided to the AOC, with guardrails incorporated to ensure the protection of confidentiality of the whistleblower and those the complaints are made against, ensuring human right protection, providing of appropriate legal remedies within the relevant legal entity and ensuring that due process is upheld.
57. **Sharing of Information:** The AOC and IP-EBC Executive will have the ability to request **additional** information, in addition to regular aggregate EBC summary reporting on specific **matters**, through the IPB-AFRC, whose members also sit on Center AFRC’s. The information will be shared with measures in place to protect confidentiality (such as signature of non-disclosure agreements and redaction), ensuring that privileged information is not shared, the protection of the involved individuals human rights, ensuring due process, and avoiding

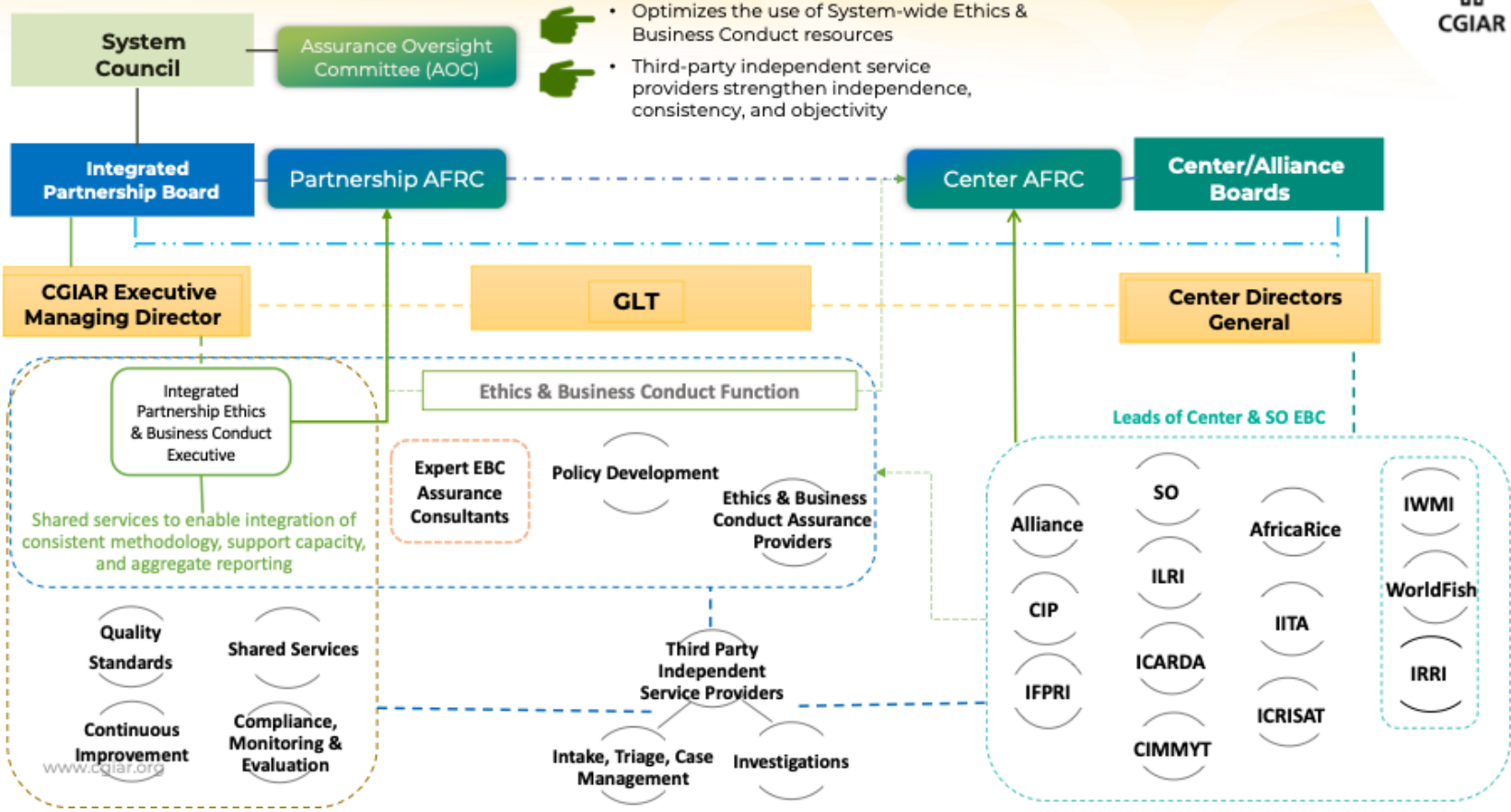
unwanted legal consequences and liabilities to the individuals receiving the information, in coordination with relevant legal counsel and/or independent external investigative law firms, to prevent transfer of associated liabilities from Centers or the System Organization to System Council members. Any breach of confidentiality that may result from the sharing of information beyond those authorized by the member of the CGIAR where the information originated will be reported and investigated by third party independent investigative law firms.

58. **Reporting Cadence:** Timelines for investigations may vary based on case complexity or operational constraints, and they will be handled in accordance with relevant operational procedures. Aggregate summary reporting of investigation findings will be reported through Centers (AFRC's) and the System Organization (IPB-AFRC), supported by IP-EBC Executive, to the AOC quarterly.
59. **Internal Justice System** - The Global Leadership Team commits to exploring the opportunity to create, as part of the respective internal justice systems of all CGIAR's legal entities, a shared independent judicial forum of last resort (tribunal-type structure). An analysis of best practice models and comparator organizations would be undertaken, as well as independent legal analysis to explore how such a system could work in the CGIAR context.

Structure and Roles



Summary of the Ethics & Business Conduct Model



Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
IP EBC Executive	<ul style="list-style-type: none"> Leads the Integrated Partnership Ethics and Business Conduct Function Sets and monitors the quality standards for Ethics and Business Conduct Organizes the Continuous Improvement of the Integrated Partnership Ethics and Business Conduct, including ensuring training is available on policy and processes for all staff of the System Organization and Centers. Advises Board Members, Senior Leaders, and Staff with EBC Roles and Responsibilities in Centers as needed in the application of EBC Policies. Maintains a list of pre-approved law firms for Investigations in all the jurisdictions in which the Integrated Partnership operates Facilitates the development and revision as needed of CGIAR-wide EBC-Related policy in collaboration with the IP-EBC Function, ensuring consultative processes that enable the approval of policies and in accordance with the Internal Rules Framework (to be finalized). 	<p>Functional to the IPB-AFRC, Administrative to the EMD</p> <p>Participates in relevant deliberations of the GLT in an advisory role</p>
IP EBC Function	<ul style="list-style-type: none"> Ethics and Business Conduct of the Integrated Partnership is discharged by the IP-EBC Function – which is comprised of the EBC Lead of each Center. Responsible for collaborating with stakeholders to develop comprehensive ethics policies and guidelines that align with legal requirements and organizational values – including consistency across disciplinary actions across Centers/the SO Identify and analyze trends and systemic risks that may impact the ethical integrity of the partnership. Enhance risk visibility by addressing gaps in coverage and highlighting significant control failures. Lead the design and implementation of ethics training programs for all levels of staff across the Centers. Drive continuous improvement by regularly reviewing and updating ethics policies, training materials, and risk management practices. 	<p>The IP EBC Function will be led by the IP EBC Executive and will provide reports and plans to the IPB-AFRC as well as Center AFRCs</p>

Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
Center/ SO EBC lead / Compliance Committee	<ul style="list-style-type: none"> The Ethics and Business Conduct Lead of each Center and the SO is responsible for the Ethics and Business Conduct of that respective Center (or SO), including the analysis of complaints received and determining appropriate routing for investigation in accordance with policy and the escalation framework, and providing summary reporting to the EBC function and Center AFRC Delivery of Ethics and Business Conduct arrangements can be achieved by any of the following three approaches: <ul style="list-style-type: none"> External service contracted for EBC at Centers (including potentially through a vetted roster of providers) Shared service center for EBC contract (SLA) by a Center (case by case service or full outsourcing – potentially through regional arrangements) Center specific capability 	Functional to the Center AFRC, Administrative to the DG
IPB-AFRC	<ul style="list-style-type: none"> Monitor overall compliance with the CGIAR Partnership Ethics Framework and related policies, report on significant areas of non-compliance to Boards and provide consolidated reporting to the System Board and AOC on matters arising Advise on the appropriateness and timing of any further escalation to the System Council of significant events raised through audit, risk and/or whistleblowing processes 	Reports to the IPB, further accountability to the AOC
Center AFRC	<ul style="list-style-type: none"> Continuously oversee and monitor compliance with the Center’s Compliance & Ethics Framework, ensuring adherence to relevant policies and procedures across all levels of the organization. Review EBC reporting and analysis from the Center to identify trends and ensure investigations proceed according to policies, guidelines, and prescribed timelines. Proactively identify and report significant areas of non-compliance, risk exposure, or policy gaps to the Board of Directors, providing insights and recommendations to mitigate risks effectively. Review and provide assurance that investigation of credible concerns related to fraud, financial irregularities, or other matters that present material risk exposure to the Center, including those reported through the third-party managed misconduct reporting mechanism. 	Center Board

Roles and Responsibilities		
Element	Responsibilities	Reporting Lines
	<ul style="list-style-type: none"> Review and provide assurance that all investigations are conducted thoroughly, independently, and in compliance with relevant legal and ethical standards. Oversee independent investigations related to the Director General and Board Members as required in the escalation framework. Advise the Board on the outcomes of these investigations, highlighting key findings, corrective actions, and preventive measures to be implemented. Ensure that any issues requiring the attention of the IPB-AFRC are communicated in a transparent, well-documented, and timely manner, in alignment with governance best practices and the Center's overall risk management strategy. 	
CGIAR Ombuds	<ul style="list-style-type: none"> The existing CGIAR ombuds role will continue to provide support in navigating interpersonal issues as an impartial, independent, informal and confidential resource . The Ombuds provides guidance on options, and help people understand policies and procedures. The Ombuds may act as a mediator between parties to resolve disputes. Based on complaint trends, the Ombuds recommends changes to organizational practices, policies, or procedures to prevent future issues. Ombuds operate under strict confidentiality, creating an informal space for individuals to voice concerns without fear of retaliation. 	Administrative reporting line to the EMD, functional reporting line to the IP-AFRC

Underlying legal frameworks

2. The proposed structures set out above are firmly underpinned by the operational model to ensure comprehensive oversight and compliance across the Integrated Partnership and constructed based on the anchoring of the legality of the Centers.
3. Integrating ethics and business conduct into CGIAR's Combined Assurance framework is crucial for upholding our mission, maintaining stakeholder trust, and ensuring responsible resource management. Operating in diverse global contexts with varying regulatory frameworks and cultural norms presents ethical challenges, such as conflicts of interest and misuse of resources, which can undermine organizational credibility and research effectiveness. Combined Assurance supports CGIAR in identifying, assessing, and mitigating these risks through robust risk management and compliance frameworks. By embedding ethics into assurance processes, CGIAR ensures compliance with legal obligations, donor requirements, and industry standards, safeguarding against reputational harm and operational disruptions. Such mechanisms must always be fact based and with zero tolerance for individual political agendas or used as instruments to drive the benefit or outcomes of certain actors in the system. Any framework put in place must be aligned with the operating model, governance framework and must be always embedded in legality.
4. Ethical leadership is foundational to fostering a culture of integrity and accountability within CGIAR. Combined Assurance promotes ethical leadership by integrating ethical considerations into governance structures, leadership practices, and organizational policies. This initiative enhances ethical awareness and accountability among staff, researchers, and partners, fostering a culture where ethical values guide decision-making and operational practices. Such commitment strengthens organizational cohesion and reinforces CGIAR's reputation as a trusted global leader in research and innovation.
5. Compliance, ethics, and business conduct are essential components of CGIAR's Combined Assurance framework, alongside internal and external audit functions. By integrating ethics into its operational fabric, CGIAR enhances organizational resilience, transparency, and integrity, maximizing its impact on global agricultural sustainability while maintaining stakeholder trust.
6. Members of the Integrated Partnership, as independent legal entities under international law, bear accountability and legal liability for their actions. This principle is firmly entrenched in international legal frameworks, where international organizations are acknowledged as subjects of applicable international law and are obligated to comply with relevant international norms, their governing instruments, and host country agreements. This responsibility extends to adherence to international and national laws, with liability arising from failure to meet international obligations or breaches of applicable domestic laws.

7. Enforcement of conduct standards within international organizations, such as members of the Integrated Partnership, can result in termination of appointments and potential referral to local law enforcement agencies. Therefore, EBC must operate on a legally robust foundation.
8. The Acting Director of the Ethics & Business Conduct Function sought guidance on evaluating and realigning EBCs delivery strategy from long-time CGIAR System Organization legal consultant Peter Quayle. His professional assessment, dated December 2023, indicates a lack of legal basis for enforcing CGIAR-wide ethics policies.
9. The EBC Executive based in the System Organization overstepping its function would potentially lead to jeopardizing the System Organization's Host Country Agreement due to ultra vires acts as it does not include this function or foresee related liabilities.

Annex 1: Risk and Oversight Plan: Projected Costs for 2024/2025

Risk and Oversight Plan 2024/2025 Baseline	2024	2025	Var 2025/2024
	Total Costs	Total Costs	
	\$ 8,581,643	\$ 10,337,475	
1 Risk Management	\$ 1,138,096	\$ 1,780,022	56%
System Function EBC Function CGIAR	\$ 260,768	\$ 670,000	
CGIAR Centers (12) plus SO Entity	\$ 877,328	\$ 1,110,022	
2 Internal Audit	\$ 4,146,753	\$ 4,499,093	8%
System Function EBC Function CGIAR	\$ 1,194,200	\$ 1,281,661	7%
CGIAR Centers (12) plus SO Entity	\$ 2,952,553	\$ 3,217,432	9%
3 External Audit	\$ 772,956	\$ 844,003	9%
System Function EBC Function CGIAR			
CGIAR Centers (12) plus SO Entity	\$ 772,956	\$ 844,003	
4 Ethics & Business Conduct (EBC)	\$ 2,523,838	\$ 3,214,357	27%
System Function EBC Function CGIAR	\$ 1,044,198	\$ 1,361,560	
CGIAR Centers (12) plus SO Entity	\$ 1,479,640	\$ 1,852,797	10.
Total System Function EBC Function CGIAR			
	\$ 2,499,166	\$ 3,313,221	33%
Total CGIAR Centers (12) plus SO Entity			
	\$ 6,082,477	\$ 7,024,254	15%

Risk and Oversight Plan | Projected Costs for 2024/2025

11. The Risk and Oversight Plan for 2024/2025 forecasts an increase in total costs from \$8.5 million in 2024 to \$10.3 million in 2025, representing a 20% growth. Key components driving this increase include:
 - i. Risk Management: Projected to increase by 56%, from \$1.1 million in 2024 to \$1.8 million in 2025. Key changes include the addition of a new IP Risk Management and Internal Control Executive position and enhancements to the Risk Management function across CGIAR Centers and the System Office. This includes costs to cover the implementation of a

common risk Software | Automation (Internal Control, Consolidation Reports Cross-Cutting Risk) and Risk Training and Awareness Programs.

- ii. Internal Audit: Expected to grow by 8%, from \$4.1 million in 2024 to \$4.5 million in 2025. The increase is primarily driven by key additions at the System level, including a new IP Internal Audit Executive role to ensure independence from the Head of the Internal Audit Unit.
- iii. External Audit: Anticipated to increase by 9%, from \$773K in 2024 to \$844K in 2025, largely due to adjustments in audit firm fees across Centers.
- iv. Ethics & Business Conduct (EBC): Forecasted to rise by 27%, from \$2.5 million to \$3.2 million, to support additional executive roles, independent investigations, and enhanced reporting systems. Key changes include the addition of a new IP EBC Executive position, increased personnel and operating costs, and improvements to the EBC function across CGIAR Centers and the System Office.

System Function Costs and Center Costs:

- 12. System-level costs are projected to increase by 33%, from \$2.5 million in 2024 to \$3.3 million in 2025, representing 32% of the total budget. This transitional increase includes the introduction of new roles while existing SO-specific capacity is assessed, ensuring a smooth transition and continuity of oversight as new functions are established.
- 13. Center-level costs, which make up the majority of the budget (68% in 2025), are expected to rise by 15%, from \$6.1 million in 2024 to \$7.0 million in 2025. Centers are primarily responsible for on-the-ground implementation of these functions, with increased allocations in Risk Management and EBC to support enhanced local compliance and accountability efforts.
- 14. The significant rise in Risk Management costs (56%) and EBC costs (27%) highlights CGIAR’s commitment to strengthening risk oversight and ethical conduct across both System and Center levels. This structure allows for balanced governance, promoting resilience and operational continuity throughout the organization.

Annex 2: CGIAR operating model; and underlying legal framework

15. The Integrated Partnership model is designed to overcome the limitations of a top-down hierarchy, which is not feasible for a coalition of independent international organizations. This model promotes agility, enabling complex problem-solving through a network governance approach that leverages the strengths of individual Centers while fostering collective action.
16. **Definition of the Integrated Partnership:** The Integrated Partnership is made up of a networked group of independent members with shared values and principles. Each member has its own mandate but joins CGIAR in its mission to advance the global transformation of food, land and water systems united under the same mission. Members have rights and immunities conferred by their Host-Country Agreements and host country representation on their Boards. They are facilitated by a System Organization, which serves as a secretariat and facilitates integration and collaboration. The Integrated Partnership recognizes that the impact of the network is greater than the sum of the individual contributions of the members.

The Integrated Partnership benefits include scientific and policy excellence, credibility, global reach with local relevance and unrivalled partnerships across public and private sectors with the ability to create impact by replicating successful models and lessons whilst adapting or tailoring them to the needs of each region, country or community and at an unprecedented scale. Furthermore, the network relies on resource-sharing, peer-to-peer engagement and learning, capacity development and enhancement and acceleration towards problem solving through efficient dialogue, approaches, tools, models, services and products. Combined assurance and risk frameworks provide consistency and financial assurance.

The Integrated Partnership Board oversees the strategy of the Integrated Partnership, the quality of its science and portfolio of global activities and the delivery of these towards the maximum impact possible. The Integrated Partnership Board is overseen by the System Council.

Building Blocks of the Integrated Partnership

17. **Centers as Building Blocks:** Each Center is an independent organization contributing its unique strengths and expertise to achieve CGIAR's shared goals. Centers are responsible for scientific innovation, generating solutions towards the mission, creating enabling environments, and engaging with local and global stakeholders.
18. **Role of the System Organization ('SO'):** The SO acts as a global secretariat of the Integrated Partnership, ensuring scientific excellence and managing and reporting on portfolio progress, external Engagements; raising visibility for Integrated Partnership, mobilizing resources and protecting resources, communicating with stakeholders internal and external

with various audiences. The SO advises on the case for integration and collaboration as part of the ICI process, delivering or overseeing the Plan – working with every center to make it happen, and, where relevant, as the secretariat providing global services to the Integrated Partnership.

19. **Joint and shared responsibility:** that transcends legal obligations and encompasses broader, mutual responsibilities for the Integrated Partnership.
20. **Formal Agreements:** The relationship between Centers and the SO is governed by formal agreements, such as service level agreements (SLAs), and subgrants. These agreements clarify roles, responsibilities, funding flows, and expectations, ensuring commitment to the Integrated Partnership’s objectives.
21. **Decision-Making:** Decisions within the Integrated Partnership are made through consensus or simple majority voting. The SO facilitates but does not impose decisions, maintaining the autonomy of individual Centers.
22. **Subsidiarity and Autonomy:** Subsidiarity guides the policies and implementation of the Integrated Partnership, ensuring that overreach is avoided. Centers retain responsibility for system functions that they can execute more efficiently and effectively, while adhering to the common CGIAR policies and the System Framework. Center Boards maintain legal governance and fiduciary responsibilities, which must be recognized and respected within the Integrated Partnership.
23. **Collaboration and Flexibility:** While cross-cutting and system-wide policies facilitate collaboration, Centers and their Boards have the flexibility to adapt policies to their needs. The Integrated Partnership emphasizes trust, obligations, and self-constituted rules and norms to ensure compliance, rather than relying on hierarchical control.

Underlying legal frameworks

24. The ‘boundary conditions’ for integration of key assurance functions are established by CGIAR’s governing instruments and key approved documents and agreements (i.e. the CGIAR System Framework (including its Guiding Principles) and Charter of the CGIAR System Organization, the Centers’ respective governing instruments and host country agreements, the CGIAR 2030 Research & Innovation Strategy, and the CGIAR Integration Framework Agreement.)
25. The members of the Integrated Partnership are autonomous international organizations established by treaties or other instruments governed by international law, each possessing an autonomous legal personality. As independent entities under international law, members of the Integrated Partnership bear responsibility and liability for their actions. This principle is firmly established in international legal norms, where every wrongful act committed by an international organization entails accountability. As subjects of

international law, these organizations must adhere to general international law, their constitutions/charters, and international agreements they have ratified, particularly their Host Country agreements that affords Centers and the CGIAR System Organization an international organization status, license to operate, and privileges and immunities.

26. The Integrated Partnership is vigilant regarding responsibility and liability under international and national legal frameworks. Accountability arises when international organizations fail to fulfill their obligations under international or domestic law, their Constitutions/Charters, and Host Country Agreements.
27. This is fully recognized in the Integrated Framework Agreement⁷, through which the Parties acknowledge unequivocally they are independent legal entities, each governed by specific mandates outlined in their respective Governing Instruments. It is expressly acknowledged that the Integrated Partnership does not entail a merger. Each Party maintains its distinct legal entity status, complete with its own governance structure, governing instruments, and host country agreements. The Center boards and the Integrated Partnership Board are responsible for overseeing the performance of their respective Director General or Executive Director, ensuring compliance with their fiduciary and legal duties towards each entity they govern.

⁷ <https://storage.googleapis.com/cgiarorg/2023/02/Integration-Framework-Agreement-fully-signed-21Feb2023.pdf>