

Terms of Reference  
for the Integrated Partnership Internal Audit Function

Context

1. The Integrated Partnership Internal Audit Function (“the Function”) is established according to the following principles:
  - a. CGIAR’s Centers and the CGIAR System Organization (SO) should have an adequate risk management and control system in place. Management is responsible for identifying and managing the risk associated with its strategy and activities.
  - b. The role of internal auditing is to provide independent, objective assurance services<sup>1</sup> and advisory services<sup>2</sup> designed to add value and improve an organization’s operations through a risk-based approach. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.
  - c. All members of the Function are required to operate by the Global internal Audit Standards (GIAS)<sup>3</sup> These standards apply to both the Function and individual members. All internal audit staff are bound by the Institute of Internal Auditors (IIA) Code of Ethics<sup>4</sup>, which encompasses principles of integrity, objectivity, confidentiality, and competency. Non-compliance constitutes a violation of professional conduct.
  - d. The Function receives its mandate from the Integrated Partnership Board (IPB) utilizing the agreed framework as described in the approved Integrated Partnership Risk and Oversight Plan. The mandate specifies the authority, role, and responsibilities of the Function and is documented in the Integrated Partnership Internal Audit Charter, developed in accordance with these Terms of Reference (TOR) and the Institute of Internal Auditors Charter Template, and with which all Center and SO internal audit charters are consistent.

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<sup>1</sup> Defined in the GIAS as services through which the Internal Audit Function performs objective assessments to provide assurance intended to increase the level of stakeholders’ confidence about an organization’s governance, risk management, and control processes over an issue, condition, subject matter, or activity under review when compared to established criteria

<sup>2</sup> Defined in the GIAS as services through which the Internal Audit Function provides advice without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders.

<sup>3</sup> [https://www.theiia.org/globalassets/site/standards/editable-versions/globalinternalauditstandards\\_2024january9\\_editable.pdf](https://www.theiia.org/globalassets/site/standards/editable-versions/globalinternalauditstandards_2024january9_editable.pdf)

<sup>4</sup> <https://www.theiia.org/en/standards/what-are-the-standards/mandatory-guidance/code-of-ethics/>

- e. The IPB works with the System Council in order to ensure alignment of CGIAR's direction, strategy and resources<sup>5</sup>. The Assurance Oversight Committee (AOC), a standing committee of the System Council, provides the System Council with assurance of the completeness and effectiveness of the Function<sup>6</sup>.
- f. The Function operates to support the achievement of the Integrated Partnership's objectives through risk-based audit planning.
- g. The Function coordinates with internal and external providers of assurance services and considers relying upon their work.

## Purpose

2. The purpose of the Function is to strengthen CGIAR's ability to create, protect, and sustain value by providing the AOC, IPB-AFRC, Center AFRCs and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
  - a. The Function enhances CGIAR's:
    - i. Achievement of its objectives.
    - ii. Governance, risk management, and control processes.
    - iii. Decision-making and oversight.
    - iv. Reputation and credibility with its stakeholders.
    - v. Ability to serve the public interest.
  - b. For the Function to operate effectively it is essential that:
    - i. Internal auditing is performed by competent professionals in conformance with the GIAS, which are set in the public interest.
    - ii. The Function is independently positioned with direct accountability to the IPB-AFRC.
    - iii. Internal auditors are free from undue influence and committed to making objective assessments.

## Structure and Composition

3. The Function is composed of:
  - **An Integrated Partnership Internal Audit Executive (IP-IAE)**, hosted by the SO, who leads the Function.
  - **Heads of Internal Audit (HoIA) from each Center and the SO** (noting that in some cases there is one head for a shared arrangement for several Centers)
  - **An Integrated Partnership Quality Assurance Lead (IP-QAL)**, hosted by the SO.

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<sup>5</sup> Article 3 of the Charter of the CGIAR System Organization

<sup>6</sup> Article 8.2 a) of the CGIAR System Framework describes the purpose of the AOC as “to provide: the System Council with assurance of the completeness and effectiveness of the Internal Audit Function, the ethics function and the independence of external audit functions; a structured reporting line between internal and external auditors and the System Council; and oversight of system-wide governance, risk management and internal controls.”

## Roles & Responsibilities

4. The Function has the following responsibilities:
  - a. Develop and implement an internal audit strategy for the Function that supports the strategic objectives and success of the Integrated Partnership and aligns with the expectations of the System Council through the AOC, IPB through the IPB-AFRC, Executive Management Director (EMD), Global Leadership Team (GLT), and other key stakeholders.
  - b. Establish methodologies to guide the Function in a systematic and disciplined manner to implement the internal audit strategy.
  - c. Development of the risk-based CGIAR Integrated Partnership audit universe, considering other assurance reporting mechanisms both internal (CGIAR Centers and SO and external (such as external auditors and Funder audits).
  - d. Coordinate with the Integrated Partnership Risk Management & Internal Controls Function in support of their role to identify and analyze trends and systemic risks that may impact the partnership and identify commonalities/root causes and utilize these risks assessments to develop risk based internal audit plans.
  - e. Develop a dynamic multi-year and annual risk-based internal audit plan focused on Integrated Partnership-wide opportunities and risks where internal audit is the most appropriate assurance mechanism, for approval by the IPB-AFRC. The plan should clearly articulate prioritization, rationale, and trade-offs made with regards to risk coverage across the Integrated Partnership.
  - f. Coordinate with other internal and external assurance providers in partnership and consider relying on their efforts. If unable to achieve an appropriate level of coordination, it must raise any concerns with the IPB-AFRC.
  - g. Identify capacities of assurance providers within and outside of the Integrated Partnership that can undertake the delivery of specific internal audit engagements across the Integrated Partnership to meet the needs of the annual internal audit plan with the appropriate cost sharing mechanisms.
  - h. Deliver cross-cutting thematic assurance engagements across the Centers/SO in conformance with the GIAS and based on agreed TOR for each engagement. These may utilize Center HoIA and will prioritize the use of internal audit staff (of the Centers/SO) but may need to outsource the delivery of the engagement, if necessary, based on specialization or availability.
  - i. Conclude at the level of the Integrated Partnership on the effectiveness of governance, risk management, and/or control processes based on the expectation set by the IP-AFRC and communicate unacceptable levels of risk for the Integrated Partnership.
  - j. Monitoring and assessment of the implementation of the annual internal audit plan and status of action plans and recommendations arising from Integrated Partnership engagements, ensuring timely and effective resolution, adherence to established corrective actions, and alignment with best practices.
  - k. Establish expertise to provide high-caliber resources that enhances the overall effectiveness, efficiency, and value of the Function. It achieves this by serving as a hub



**a. Integrated Partnership Internal Audit Executive (IP-IAE).**

- i. Lead the Function, driving consistency, quality and continuous enhancement. When required, take appropriate measures to address identified gaps by escalating issues and conducting additional assurance activities. This responsibility encompasses ad hoc assignments requiring internal audit review upon request by the Centers and the SO.
- ii. Develops a common audit methodology, strategy, approach, tools, and templates in coordination with the entire Function.
- iii. Develops the Integrated Partnership audit universe and Partnership internal audit plans, budgets, and subsequent changes to them in coordination and collaboration with the Function along with other assurance providers both internally and externally.
- iv. Delivers Partnership level assurance and advisory services, including cross-cutting thematic audits that address the overarching risks identified in the partnership risk assessment.
- v. Reviews internal audit reports for cross-cutting thematic engagements to ensure quality, consistency, and adherence to planning, methodology, approach, and tools.
- vi. Reviews and endorses Center/SO annual audit plans as a prior step to their approval by the Center AFRC (IPB-AFRC for the SO); in the event of any conflict between the HoIA for each Center/SO and the IP-IAE on this, the Center AFRC shall seek resolution through dialogue with the IP-IAE, IPB-AFRC and HoIA.
- vii. The IP-IAE is required to conclude at the level of the Integrated Partnership on the effectiveness of governance, risk management, and/or control processes based on the expectation set by the IPB-AFRC.
- viii. If the IP-IAE concludes that the GLT has accepted a level of risk that exceeds the Integrated Partnership's risk appetite or risk tolerance, the matter must be discussed with the EMD. If the IP-IAE determines that the matter has not been resolved by the GLT, the matter must be escalated to the IPB-AFRC. It is not the responsibility of the IP-IAE to resolve the risk.
- ix. Provides reports on the results from the quality assurance and improvement program for the Function and all CGIAR internal audit arrangements and escalates any concerns regarding assurance quality to the IPB-AFRC.
- x. Provides reports on any changes potentially affecting the mandate or charter and any potential impairments to independence to the IPB-AFRC and when necessary, the Centers' AFRCs.
- xi. Ensures adherence to the GIAS across the Function
- xii. Participates 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.

- xiii. Provides regular reporting and information to the AOC as needed to support their mandate of assuring the System Council of the completeness and effectiveness of the Function.
  
- b. **Heads of Internal Audit from each Center/Regional arrangement and SO** (noting that in some cases there is one head for a shared arrangement for several Centers). These relate to their responsibilities vis a vis the Function, and are not an exhaustive description of their role vis-à-vis their Center(s):
  - i. Develop Center-specific risk-based audit plans in consultation with the IP-IAE. The audit plans will include the Center-specific plan plus any cross-cutting thematic internal audit engagements that will involve the center. This plan must be approved by the Center Board through the Center AFRC.
  - ii. Coordinate and collaborate with the Function to develop the Integrated Partnership audit universe and Partnership internal audit plans, and subsequent changes along with other assurance providers both internally and externally.
  - iii. Conclude at the level of the Center/the SO on the effectiveness of governance, risk management, and/or control processes based on the expectation set by the Center AFRC (IPB-AFRC for the SO).
  - iv. If the HoIA concludes that the Center's/SO's management has accepted a level of risk that exceeds the Center's/SO's risk appetite or risk tolerance, the matter must be discussed with the Center DG (EMD for the SO). If the HoIA determines that the matter has not been resolved by the DG/EMD, the matter must be escalated to the Center AFRC (IPB-AFRC for the SO). It is not the responsibility of the HoIA to resolve the risk.
  - v. Contribute to the development of a common audit methodology, strategy, approach, and tools.
  - vi. Contribute to the delivery of Partnership level assurance and advisory services, including cross-cutting thematic audits as led by the IP-IAE and coordinate with external service providers as required on specific assignments.
  - vii. Lead the start-up and closing meetings and coordinate with Center management/staff to introduce Function auditors and the engagement scope of work on all cross-cutting thematic assurance engagements.
  - viii. Deliver Center-level assurance and advisory services in accordance with the GIAS.
  - ix. Implement and maintain a quality assurance and improvement program.
  - x. Report on the status of internal audit plans and audit recommendations to the Function.
  
- c. **Integrated Partnership Quality Assurance Lead (IP-QAL)**, hosted by the SO.
  - i. Lead the quality assurance and improvement program
  - ii. Establish a methodology for internal assessments including ongoing monitoring, periodic self-assessment and communication of results.
  - iii. Ensure that the HoIA develop and conduct internal assessments to evaluate each internal audit team's and the Function's conformance with the GIAS

- Standards and progress toward performance objectives. The results of these assessments must be reported to the HoIA, IP-IAE, IPB-AFRC, and Center AFRC.
- iv. If applicable, disclose to the IP-IAE areas of nonconformance with the GIAS and their impact.
  - v. Monitor the implementation of improvement plans for areas of non-conformance with the GIAS.
  - vi. Develop a plan for, and coordinate delivery of, the external quality assessment in coordination with members of the Function.
  - vii. Monitor the implementation of actions from the external quality assessment.
  - viii. Provide assurance on the independence and objectivity of the Function, in addition that provided by the IP-IAE.
  - ix. Provide input into the advisory services on areas of improvement coming out of quality assurance assessments.
  - x. Provide reporting bi-annually to the AOC, IPB-AFRC and Center AFRCs and Boards on quality assurance and conformance.
  - xi. Report directly to the IPB-AFRC on quality assurance conformance regarding the Function as a whole.
10. **Periodic review of arrangements:** The IPB-AFRC will lead a review of the Function arrangements in consultation with Center AFRCs and the AOC every three years, or earlier should capacity needs or other circumstance require, to ensure ongoing optimal arrangements.

## Reporting Lines

11. The independence of the Function and its members is assured by the formal reporting lines set out in this section. It is recognized that the System Council, through its AOC, is a key recipient of assurance provided by the Function, which is delivered through the provision of reporting and information set out elsewhere in these TOR.
12. The IPB-AFRC provides overall oversight of the work of the Function on behalf of the IPB<sup>7</sup>. The IPB-AFRC sets the Function's priorities and approves the Integrated Partnership internal audit plan developed by the Function.
13. The **IP-IAE** reports:
  - a. Functionally to the IPB via the IPB-AFRC.
    - i. The IPB-AFRC is responsible for selecting and removing the IP-IAE, including ensuring adequate competencies and qualifications and conformance with the GIAS and for conducting their annual performance review, with input from other members of the Function and the EMD.

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<sup>7</sup> Pursuant to the Integrated Partnership Board's role in Article 8.2 j) of the Charter of the CGIAR System Organization to "ensure the completeness, effectiveness of internal and external audit arrangements and the ethics function across the Integrated Partnership, and that Centers are complying as required".

- b. Administratively to the EMD as the chief executive officer of the SO as the employing entity. This reporting line encompasses administrative matters only.
14. The **Heads of Internal Audit** (Centers and SO) as members of the Function report:
- a. Functionally: to their respective Center Board(s) through the AFRC(s) of those Board(s). It is noted that:
    - i. For shared internal audit arrangements, this will be the nominated Center Board/AFRC for that shared arrangement.
    - ii. The Center AFRC retains the right to select and direct the work of their HoIA and approve the Center/SO audit plan and budget.
    - iii. The Center AFRC is responsible for selecting and removing the HoIA, including ensuring adequate competencies and qualifications and conformance with the GIAS and conducting their annual performance review. The IP-IAE's input must be sought as part of the performance review process, and the IP-IAE should form part of the selection process led by the Center AFRC (for example on the hiring panel), with final decision-making authority resting with the Center AFRC.
  - b. Functionally (secondary): To the IP-IAE to enable cross-Integrated Partnership scoping, planning, delivery, and reporting including on conformance to the GIAS. It is noted that:
    - i. The IP-IAE would be asked to endorse the Center/SO audit plan developed by the HoIA for each Center/SO, before approval by the respective AFRC.
    - ii. In the event of any conflict between requests made of, or direction given to, the HoIA for each Center/SO by their AFRC and the IP-IAE, the Center AFRC shall seek resolution through dialogue with the IP-IAE, IPB-AFRC and HoIA.
    - iii. In the event that a resolution cannot be sought, the Center Board/AFRC's decision would prevail and the IPB-AFRC informed.
    - iv. The IP-IAE provides input into selection and performance management processes for the HoIA as described in 14.a.iii. above.
  - c. Administratively to the respective Director General of the Center or the EMD of the SO as their employing entity. This reporting line encompasses administrative matters only.
15. The **IP-QAL** reports to the IP-IAE, who is responsible for conducting their annual performance review, with input from other members of the Function and the IPB-AFRC. It is noted that for any matter relating to the IP-IAE's conformance to the GIAS, the IP-QAL will report directly to the IPB-AFRC.

## Access to Information and Protection of Confidential Information

16. All members of the Function must only request information required to perform the purpose of a specific engagement as part of the approved audit plan. They are responsible and accountable for confidentiality and safeguarding records and information following

Principle 5 of the GIAS (Maintain Confidentiality). Because internal auditors have unrestricted access to data, records, and other information necessary to fulfill the internal audit mandate, they often receive confidential, proprietary, and/or personally identifiable information. Internal auditors must respect the value and ownership of the information they receive by using it only for professional purposes and protecting it from unauthorized access or disclosure, internally and externally.

17. In undertaking cross-cutting thematic engagements, members of the Function assigned to conduct such engagements by the respective Center/SO shall:
  - a. Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities – which must remain kept confidential by those members undertaking those engagements.
  - b. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the Function’s objectives.
  - c. Obtain assistance from the necessary personnel of the SO/Centers and other specialized services from within or outside the SO/Centers to complete internal audit services.
18. The IP-IAE shall have unrestricted access to all functions, data, records, information, physical property, and personnel across the Integrated Partnership, solely for the purposes of discharge of their role. They are responsible for use of and protection of that information in line with GIAS<sup>8</sup> and are bound not to share such information outside of the Function’s membership further except through aggregated reporting processes described in these TOR. If they are requested to share any specific information by anyone external to the Function, they shall consult with the relevant HoIA and AFRC Chair of the relevant entity to seek permission as required, within the boundaries of the GIAS.
19. The IP-QAL may request access to underlying documentation relating to quality control activities on work undertaken by the Function’s members. They are responsible for use of and protection of that information in line with the GIAS<sup>9</sup> and are bound not to share such information further except through aggregated reporting processes described in these TOR.
20. To enable the Function to discharge its responsibilities, the following information shall be shared by its members with other members of the Function:
  - a. Examples of strategies, methodologies, tools and templates – to facilitate the development of shared versions.
  - b. Risk assessments – to enable the development of the combined audit universe and Integrated Partnership internal audit plans.

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<sup>8</sup> GIAS Standards 5.1 and 5.2

<sup>9</sup> GIAS Standards 5.1 and 5.2

## Terms of Reference – Integrated Partnership Internal Audit Function

- c. Level of effectiveness of governance, risk management, and/or control processes, including levels of unacceptable levels of risk that exceed approved Center/SO or overall Integrated Partnership risk appetite or risk tolerance.
  - d. Draft and final internal audit plans – to ensure adequate coverage of risks across the Integrated Partnership.
  - e. Internal audit reports and findings – to provide visibility and enable analysis of any trends or systemic risks emerging which may impact the Integrated Partnership and their root causes.
21. All information shared within the Function is to be used solely for the purposes of discharging its responsibilities and shall remain internal to the Function. The IP-IAE is responsible for ensuring that all reports and material shared with the GLT, AFRCs/Boards and the AOC that are developed based on the information shared within the Function are shared with the agreement of the Function’s members.

### *Definition of misuse*

22. Information must be used exclusively for internal audit planning, execution, and reporting, including assurance and advisory services. Areas that could be seen as misuse are:
- a. Using data for non-audit purposes;
  - b. Sharing data outside authorized recipients;
  - c. Failing to safeguard or anonymize sensitive data;
  - d. Inappropriately altering or manipulating information; and
  - e. Exceeding the scope specified in the audit engagement.

### *Consequences of misuse or inappropriate disclosure of information*

23. Any disclosure of information beyond the provisions set out above constitutes a breach of the CGIAR Integrated Partnership Code of Ethics & Business Conduct for Personnel. In line with that policy, misuse or unauthorized disclosure of information may be considered as misconduct and may result in disciplinary action in accordance with applicable policies. In the event of such a breach, a complaint may be raised with the Chair of the AFRC of the respective Center (the IPB-AFRC Chair for the IP-IAE or IP-QAE) who shall follow the respective organization’s procedures for cases of misconduct. Should the breach be found to be a violation of the IIA’s Code of Ethics, a complaint may be submitted via the IIA’s Ethics Complaints Process.

### **Budget and Resourcing**

24. The IP-IAE develops a budget that enables the successful implementation of the internal audit strategy and achievement of the plan including development of appropriate cost- and resource-sharing arrangements. The budget includes the resources necessary for the Function’s operation, including training and acquisition of technology and tools. The IP-IAE

manages the day-to-day activities of the Function effectively and efficiently, in alignment with the budget.

25. The annual budget for the delivery of the Function assurance engagements is recommended by the IPB-AFRC and approved on an annual basis by the IPB and System Council as part of the Windows 1 & 2 budget for CGIAR System Entities. The cost of the cross-cutting thematic engagements conducted across all Centers and the SO are therefore funded from Windows 1 & 2. The budget for Center-specific internal audit engagements in each Center's audit plan form part of Centers' budgets as approved by their respective Center boards. In-person meetings of the Function and time spent by Center HoIA for those meetings will be covered by Centers' budgets.
26. The IP-IAE will advise the IPB-AFRC on any matters of concern related to Center/SO resource limitations that may impact the overall delivery of the internal audit plan. This must be done in consultation with the respective HoIA and AFRC of the Center.

### Meetings, Quorum, Decisions

27. The Function shall meet monthly or as often as its members deem necessary to function effectively. The IP-IAE shall ensure that minutes/notes of each meeting are taken and shared within the Function.
28. Meetings may be held virtually or in person based on need and cost justification.
29. The quorum to meet and discuss is achieved if the HoIA representing at least 2/3 of the Centers/SO<sup>10</sup> and the IP-IAE are present at a meeting.
30. Decisions shall normally be reached by consensus, if consensus cannot be reached, decisions can be put to a vote. The Function shall reach decisions by a two-thirds majority of legal entities on the issue in question. If the number of votes is tied the IP-IAE shall cast the deciding vote.

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<sup>10</sup> For example, if the head of an arrangement covering 3 Centers is present, 3 Centers are considered to be represented. The quorum is for number of Centers/SO represented, not the number of leads as individuals.