



Integrated Partnership Risk & Oversight Plan

Purpose

This document sets out the final version of the Integrated Partnership Risk & Oversight Plan (“the Plan”). It sets out how assurance arrangements in four key areas – risk & internal controls; internal audit; external audit; and ethics and business conduct – will be integrated. It comprises an executive summary, detailed narrative including indicative budget analysis, and an analytical framework.

The background to the Plan’s development is set out in this cover paper. The Plan was reviewed by the Integrated Partnership Board taking into consideration the advice of its AFRC, whose recommendations for the Plan’s implementation are set out in this cover paper. At the conclusion of its deliberations, the Integrated Partnership Board approved the Integrated Partnership Risk & Oversight Plan and recommends it to the System Council for its approval.

Action Requested

The System Council is requested to review the Integrated Partnership Risk & Oversight Plan and consider the advice of its Assurance Oversight Committee, and on that basis approve the Integrated Partnership Risk & Oversight Plan, pursuant to Article 6.2 h) of the CGIAR System Framework.

<p>Document category: Working document of the System Council. There is no restriction on the circulation of this document</p>
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Presented by: The Executive Managing Director, and on the recommendation of the Integrated Partnership Board.

Background to development of the Integrated Partnership Risk & Oversight Plan

1. The CGIAR Memorandum on the Implementation of Governance Recommendations (“the UGR Memo”), as approved by all Parties to the Integration Framework Agreement and the System Council in November-December 2023, provided in Part B that:

“b) The CGIAR Executive Managing Director, in consultation with the Senior Leadership Team, shall submit a proposal for areas for integration and coordination to the Parties. The implementation of these functions shall be guided to select which of the Parties can lead its implementation under the principles of effectiveness, efficiency, and transparency.

c) In any event, the Internal Audit function, External Audit services and the Ethics and Business Conduct function have been identified as priority areas for integration for the Integrated Partnership.”

2. To take forward this action, the Executive Managing Director, Deputy Executive Managing Director and Directors General established the ICI Forum as one of three ‘pillars’ of implementation of the UGR Memo (ICI = which functions are to be Integrated, Coordinated, left Independent).
3. The ICI Forum commenced its activity in late Q1 2024. At the 20th System Council meeting in Brasilia on 12-13 June 2024, an update on its activities, progress and plans, was provided.
4. Based on this update, and other discussions at SC20, an action point was agreed upon by the System Council, as follows:

“SC20-AP2: The System Council, with a shared vision for the future of CGIAR as an integrated partnership, underscores the critical and urgent need for the integration of the following functions across the System: Internal Controls & Risk Management, Internal Audit, External Audit, and Ethics & Business Conduct. Integration of these functions is a key step that needs to be undertaken before the end of December 2024.

The internal audit function, in particular, must be independent from management, in line with the International Standards for the Professional Practice of Internal Auditor.

The System Council asks the EMD, working with the ICI Forum, to submit a time-bound risk and oversight integration action plan on internal audit, external audit and ethics & business conduct to the System Board by 24 July 2024. The Council further asks the System Board to review and approve the action plan and submit it to the System Council for decision by 31 July 2024. The Council asks the Integrated Partnership Board (once appointed) to report on progress of the implementation of the Action Plan by the System as a whole and by individual Centers by the end of September 2024 and at each of its System Council meetings starting in December 2024.

The internal controls & risk function will be added to the ICI Forum priorities to complement the work on internal audit, external audit and ethics & business conduct. The System Council asks the EMD, working with the ICI Forum, to submit an updated risk and oversight integration action plan that incorporates the internal controls & risk management aspects to the IPB by the end of October 2024. The IPB will submit this action plan for decision by the System Council at its December 2024 meeting.”

5. The first draft (previously titled the Risk & Oversight Integration Action Plan”) was submitted to the System Council (following System Board endorsement) on 31 July 2024, in line with the requested deadline.
6. During the decision period, the System Council’s Assurance Oversight Committee (AOC) provided a detailed set of recommendations to the System Council on how the Plan should be modified to meet best practice and Funders’ expectations. Comments from several Funders were also received. Given these opportunities to further develop and refine, the Plan was not approved by the System Council at that time.
7. Leadership and the ICI Forum held several dialogue calls with the AOC and Funders to better understand their concerns. As well as specific feedback on aspects of the Plan, the ICI Forum was advised that the milestone of an end-September status update should go beyond a process update and should signal clearly how the AOC’s feedback is being responded to - and summarize the intended changes to the main areas of the Plan. On this basis, a substantive Status Update was submitted on schedule on 30 September.
8. This document represents the final Integrated Partnership Risk & Oversight Plan, which has been revised building on feedback received, and benefitted from the guidance of the AOC in its finalization.
9. This final version of the Integrated Partnership Risk & Oversight Plan was submitted to the Integrated Partnership Board and its AFRC on 31 October 2024, thus meeting the final milestone set out by the System Council at SC20.
10. The AFRC provided its endorsement of the plan to the IPB on 8 November 2024, along with a set of recommendations to take forward in implementation to strengthen the Plan, which are set out below. The IPB met on 13 November 2024, and at the conclusion of its deliberations and based on the AFRC’s advice, approved the Plan and recommends it to the System Council. The Plan has also been concurrently submitted to Center Boards for their endorsement.
11. The AOC is anticipated to review and provide its advice and recommendation to the System Council on the Plan, to inform the Council’s decision-making.

Recommendation from the AFRC to the IPB (sent 8 November 2024)

As communicated to the IPB by the IPB-AFRC Chair in an email dated 8 November 2024, the CGIAR-AFRC¹ is generally supportive of the current plan and recommends it to the IPB for approval, no major points were raised but the AFRC would like the following points communicated to the ICI Forum for consideration on implementation:

- Page 17: Risk and Internal Controls: An articulation of how assurance will be provided on the partnership wide risks and controls including a linkage to the scope of the partnership wide internal audit would be useful. Minimum entity level controls need to be defined and considered as part of eligibility for partnership wide funding.
- Page 33: Integrated Partnership Audit Executive: This role should also be responsible for overseeing the delivery of partnership wide assurance (including Center assurance) in accordance with the IIA standards. Ideally this executive should be a standing member of the GLT.
- Page 35: Internal Audit: The DG reporting line should be administrative only or it needs to be clearly specified what aspects of the role they report into the DG on vs the Center Board via the Center AFRC. Maintaining individual teams and not moving towards a shared service, will limit the ability to get a more balanced skill set in the IA function and improve IA delivery.
- Page 43: Ethics and Business Conduct: Would suggest that the functional and administrative reporting lines be unpacked. It would be better to articulate what aspects of the role are covered by the EMD vs the AFRC reporting line.
- Page 43: Ethics and Business Conduct: Why not have a partnership wide Ethics Committee - for high risk or partnership wide matters?

¹ The IPB-AFRC came into effect from 5 November while the Risk & Oversight Plan was distributed on 31 October for review. The recommendation to the IPB has therefore come from the CGIAR AFRC members and not the IPB-AFRC members who have not had the opportunity to review the Plan.