

Integrated Partnership Risk and Oversight Plan

Assurance Oversight Committee Advisory Note to the System Council

The Assurance Oversight Committee (AOC) notes that the Integrated Partnership Risk and Oversight Plan (ROP) aims not only to improve organizational coherence and operational efficiency but also to reinforce stakeholder trust and confidence in CGIAR's commitment to rigorous governance and accountability standards. Much work has been done to incorporate AOC's various comments and recommendations during ROP development and the document has improved significantly since the first draft. AOC notes that the ROP is a 'living document' and ongoing efforts will be needed as further details and clarifications under the ROP evolve, to ensure that funders can continue to have confidence in the evolving system and for appropriate assurances to be provided.

After deliberation, the AOC:

- believes that the ROP, if well implemented, will enable oversight bodies to provide reasonable assurance on the use of funds, with due regard to integrity, economy, and effectiveness.
- endorses the Integrated Partnership Risk Oversight Plan - Recommendations from the Integrated Partnership Board Audit Finance and Risk Committee (IPB_AFRC) to the Integrated Partnership Board (IPB) submitted to the IPB ad hoc meeting on 13 November 2024 (Annex 1).
- going forward, poses five areas where attention will need to be focused as the ROP evolves, including technical details for consideration in the analytical framework and during the implementation phase (Annex I). AOC has shared related technical comments and points for clarification regarding detailed operational matters with the ICI Forum and the IPB-AFRC for actioning.

As such, the AOC endorses the ROP and recommends it for approval by the System Council.

Annex I. IPB-AFRC Recommendations to IPB & AOC Areas of Ongoing Focus

IPB- AFRC recommendations:

- 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 Internal Audit Executive (IP-IAE): This role should also be responsible for overseeing the delivery of partnership-wide assurance (including Center assurance) in accordance with the International Internal Audit standards. Ideally this executive should be a standing member of the Global Leadership Team (GLT).
- Page 35: Internal Audit (IA): The DG reporting line for the Center Internal Auditor should be administrative only or it needs to be clearly specified on which aspects of the role they report into the DG versus the reporting to 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: Suggestion that the functional and administrative reporting lines be unpacked, including articulating what aspects of the role are covered by the EMD and what is covered under the AFRC reporting line.
- Page 43: Ethics and Business Conduct: The recommendation is to set up a partnership-wide Ethics Committee as part of the escalation process to deal with high-risk matters where Centers are conflicted, and to identify and determine appropriate actions for partnership-wide matters.

AOC AREAS OF ONGOING FOCUS

Internal.audit.(IA)

1. It is not clearly stated whether the IP-IAE has full authority to access all internal audit reports and related systems and documents of both the System Organization and Centers. Such clarity is needed in the ROP to ensure that the IP-IAE has the appropriate authority and relevant access. Further, it should be clearly stated that the audit plans developed will always be risk-based.

Risk.Appetite.and.Framework

2. CGIAR's risk appetite and the associated framework are crucial components of the risk management strategy. It is not clear how these will be developed. They should firstly be developed at the system-wide level and then endorsed by the SC to the IPB where the SC agrees with CGIAR taking the proposed level of risk. The system-wide risk appetite should then be assigned as a guide for decision-making at the Center level.

Internal.Rules.Framework

3. The deliverable to develop an internal rules framework by the Governance Working Group is missing under the risk and internal controls analytical framework and needs to be added with a proposed short timeframe to submit this important work for endorsement by the SC and IPB approval.

Risk.and.Internal.Controls

4. Most of the risk and internal controls deliverables are to be completed by December 31, 2025, except for the deliverable on entities aligning their own processes to the global framework, policies, and internal control matrix, which is expected to be completed by December 31, 2026. An indication of the work and time required to align each Center's own processes is sought to monitor and ensure this work remains on track.

Ethics.and.Business.Conduct.(EBC)

5. EBC budgets at SO and Center level must be securely allocated. For the EBC escalation framework, the reporting line with approval processes stops firmly at the IPB. SC should endorse the EBC Policies with regular reporting to AOC on the reviews of the effectiveness of implementation of the policies.
6. The issues raised during the investigation of the 45 plus 9 red flags, and other work of the AOC, have evidenced the need for an oversight monitoring role by AOC to ensure the adequacy and effectiveness of the system-wide assurances being provided under the ROP.