

Terms of Reference for the CGIAR Internal Audit Support Service

Purpose:

- A. **This Terms of Reference ('TOR') set out the arrangements for a CGIAR System Internal Audit Support Service function** following approval of the CGIAR System Risk Management Guidelines by the System Management Board at its 8th meeting on 11-12 December 2017.
- B. This TOR was approved by the System Management Board with effect from 8 March 2018¹ following consultation amongst the Centers' Internal Audit functions, the Centers' Audit Committee Chairs, a representative of the CGIAR System Internal Audit Support Service team.

CGIAR System context

1. The **Internal Audit Support Service** is established for the CGIAR System pursuant to:
 - a. **The responsibility of each of CGIAR's Center Boards under the *CGIAR Auditing Guidelines, Financial Guidelines Series No.3*** to ensure that Center management establishes an internal auditing arrangement² (whether the Center's own needs for internal audit are sourced in-house, via a regional arrangement and/or out-sourced), and that the internal audit arrangements operate in conformity with the *International Standards for the Professional Practice of Internal Auditing ('Standards')* as issued by the Institute of Internal Auditors ('IIA').
 - b. **The responsibility of the System Management Board ('Board') under the *Charter of the CGIAR System Organization*** to, amongst others:
 - i. keep under review the capacity and quality standards for internal audits to be undertaken by the Centers in conformity with international audit standards and guidelines, including through external quality assurance carried out under the Internal Audit Function;³
 - ii. facilitate provision of guidance, technical assistance, and advisory support by the Internal Audit Function arrangements when requested by a Center⁴.

¹ Decision Reference SMB/M8/EDP3

² Article 3.1: <https://cgspace.cgiar.org/bitstream/handle/10947/4483/FG%203%20-%20Auditing.pdf?sequence=1&isAllowed=y>

³ Article 8.1(l): <https://library.cgiar.org/bitstream/handle/10947/4370/Charter%20CGIAR%20Organization.pdf?sequence=4>

⁴ Charter, Article 8.1(n)

2. **Consistent with the Guiding Principle of subsidiarity adopted in the CGIAR System Framework⁵**, the Board and CGIAR's Centers have agreed that the optimal means of provision of the Internal Audit Support Service is through a function that works most closely with the Centers' Heads of Internal Audit, as also guided by the Chairs of Center Audit Committees, with annual engagement with the Chair of the Board's Audit and Risk Committee.

Purpose and relationships with Centers and System assurance providers

3. As further described in paragraph 8 below, the **primary purpose of the Internal Audit Support Service** is to provide coaching and capacity building guidance, to support the System's goal of operating in an environment of continuing learning and improvement regarding the reliability, consistency and effectiveness of Center/regional internal audit activities.
4. The **Internal Audit Community of Practice (IACoP)** is established by the Centers to facilitate, through regular and ad hoc activities, the exchange of knowledge, learning, and best practices; and supporting quality and consistency of audit approaches and methodologies. Its membership is comprised of the Center/Regional Heads of Internal Audit, and other members of their respective teams as they decide, together with a representative of the CGIAR System Internal Audit Function as a non-voting member. The IACoP is chaired on a rotational basis by a Convener whom is elected from among the Centers' Heads of Internal Audit for a period of 1 year. A representative of the Internal Audit Support Service would have a standing invite to attend and support the delivery of meetings of the IACoP unless otherwise advised by the Convener of the IACoP.
5. The **Convener of the Centers' Audit Committee Chairs** will typically work with a representative of the Internal Audit Support Service for the convener's presentation⁶ at the Audit Chairs' annual meeting to include inputs and recommendations on proposed learning and improvements and suggested shared best practices.
6. The **CGIAR System Internal Audit Function** will be apprised of relevant consolidated information by the Internal Audit Support Service in regard to the operations of the IACoP, technology platforms used by the IACoP to deliver their work, and key concerns regarding the provision of System-wide assurance for the purpose of contributing to the Internal Audit Function's role of identifying strategic recommendations that add value to the assurance landscape of the CGIAR System, subject to the Confidentiality clause set out in Article 13.
7. The **Chair of the System Management Board's Audit and Risk Committee ('ARC')** may invite a representative of the Internal Audit Support Service to relevant agenda items

⁵ Subsidiary, Guiding Principle 12 of the CGIAR System, as agreed between CGIAR's Funders and Centers in February 2016, and incorporated into the CGIAR System Framework at Article 1, with the intent to guide the development of policies, procedures, guidelines and operations of the CGIAR System.

⁶ The presentation may be virtual or in-person depending on the meeting's agenda and considering cost efficiency.

of ARC meetings⁵ to provide an update on the work and experiences of the service. That participation is subject to the Confidentiality clause set out in Article 13.

Main activities of the Internal Audit Support Service

8. **The activities** of the Internal Audit Support Service fall broadly into the domain of coaching and capacity support, and include:
 - a. **Knowledge and learning.** Maintain the database of quality audit programs, approaches, methodologies for the IACoP members to access. Share information on best practices. Facilitate access to tools, templates and other practical materials for the use of the community as requested.
 - b. **Quality assurance.** Provide routine updates and support on matters related to the Quality Assurance and Improvements Program required for internal audit functions under the Standards. In collaboration with the Convener of the IACoP and the overall strategic input of the Center Audit Committee Chairs, develop and maintain guidance and toolkit for quality assurance self-assessments to be undertaken by each of the Center's internal audit teams. Support provision of services for self-assessments with independent validation if requested.
 - c. **Internal Audit software and resources.** Maintain the MKInsight software on behalf of those Centers who chose to use it. Provide coaching on the efficient and effective utilization of the system.
 - d. **Good Practice Notes.** Facilitate the development and publication of Good Practice Notes as may be requested by the IACoP.
 - e. **IACoP meetings.** Support the agenda setting for periodic IACoP meetings as guided by the Convener of the IACoP.
 - f. **Capacity building and training.** Facilitate the delivery of training and capacity building activities that the IACoP and/or Center Audit Committee Chairs identify as important to benefit the members of the community. Maintain a repository of training materials and a means of access by members of the IACoP.
 - g. **Shared resources.** Support and help coordinate cross-usage of audit resources among the members of the IACoP. If requested, maintain on behalf of the IACoP a database of suitable consultants.
 - h. **Other.** Carry out other activities as guided by the IACoP within the overall agreed annual budget.

Organizational arrangements and other

9. **Funding.** The Internal Audit Support Service is funded from the CGIAR System entity and actions budget that is approved by the System Council on the recommendation of the System Management Board.

10. **Staffing**

- a. The Internal Audit Support Service will be supported by a qualified internal audit professional with a minimum of 5 years' experience conducting relevant work (*the 'Internal Audit Support Service Officer'*), with administrative support being provided through cost effective arrangements.
- b. Personnel are to be based in the location(s) that are most cost-effective for the CGIAR System as a whole.
- c. For the 2018 calendar year, the *Internal Audit Support Service Officer* will be appointed by the CGIAR System Organization as hosting entity, based upon the recommendation of Board's Audit and Risk Committee.
- d. For the period 2019 and beyond, the appointment, renewal or removal of the *Internal Audit Support Service Officer* will be a decision that is taken jointly by the Convener of the IACoP, the Convener of the Center Audit Committee Chairs, and the Chair of the Board's ARC.

11. **Workplan and Reporting.**

- a. Administratively, the budget of the Internal Audit Support Service is managed by the hosting entity, with the Internal Audit Support Service Officer having an administrative reporting line to an appropriate member of that hosting entity. The Internal Audit Support Service must comply with the staffing and other administrative rules and procedures of that hosting entity.
- b. Operationally, the Internal Audit Support Service delivers on a work plan that is agreed annually in advance with the Convener of the IACoP, after taking into account inputs from the Board's ARC and the Convener of the Centers' Audit Committee Chairs. Specifically:
 - i. The day-to-day supervisor of the Internal Audit Support Service Officer is the Convener of the IACoP.
 - ii. The Internal Audit Support Service Officer will provide a written update on the progress against the annual work plan to the IACoP on a quarterly basis.
 - iii. The Internal Audit Support Service Officer will provide a written annual report on the function's activities to the Convener of the IACoP, the Convener of the Center Audit Committee Chairs, and the Board's ARC.

12. **Relationship to the CGIAR System's Internal Audit Function⁷.** The Internal Audit Support Service is operationally separate of the CGIAR System's Internal Audit Function. The Internal Audit Support Service shall not be involved in the provision of assurance services to the Board or the System Council.

13. **Confidentiality.** The Internal Audit Support Service must not share detailed Center-related information that is internal business-in-confidence information outside the IACoP without the agreement of the respective Center/regional Heads of Internal Audit and Chairs of the relevant Audit Committees.

⁷ The Terms of Reference of the CGIAR System Internal Audit Function can be found at: <https://www.cgiar.org/wp-content/uploads/2018/01/TOR-CGIAR-InternalAuditFunction-APPROVED.pdf>

14. **Review.** These terms of reference will be reviewed from time to time as agreed by the IACoP, the Convener of the Center Audit Committee Chairs, and the Chair of the Board's ARC.