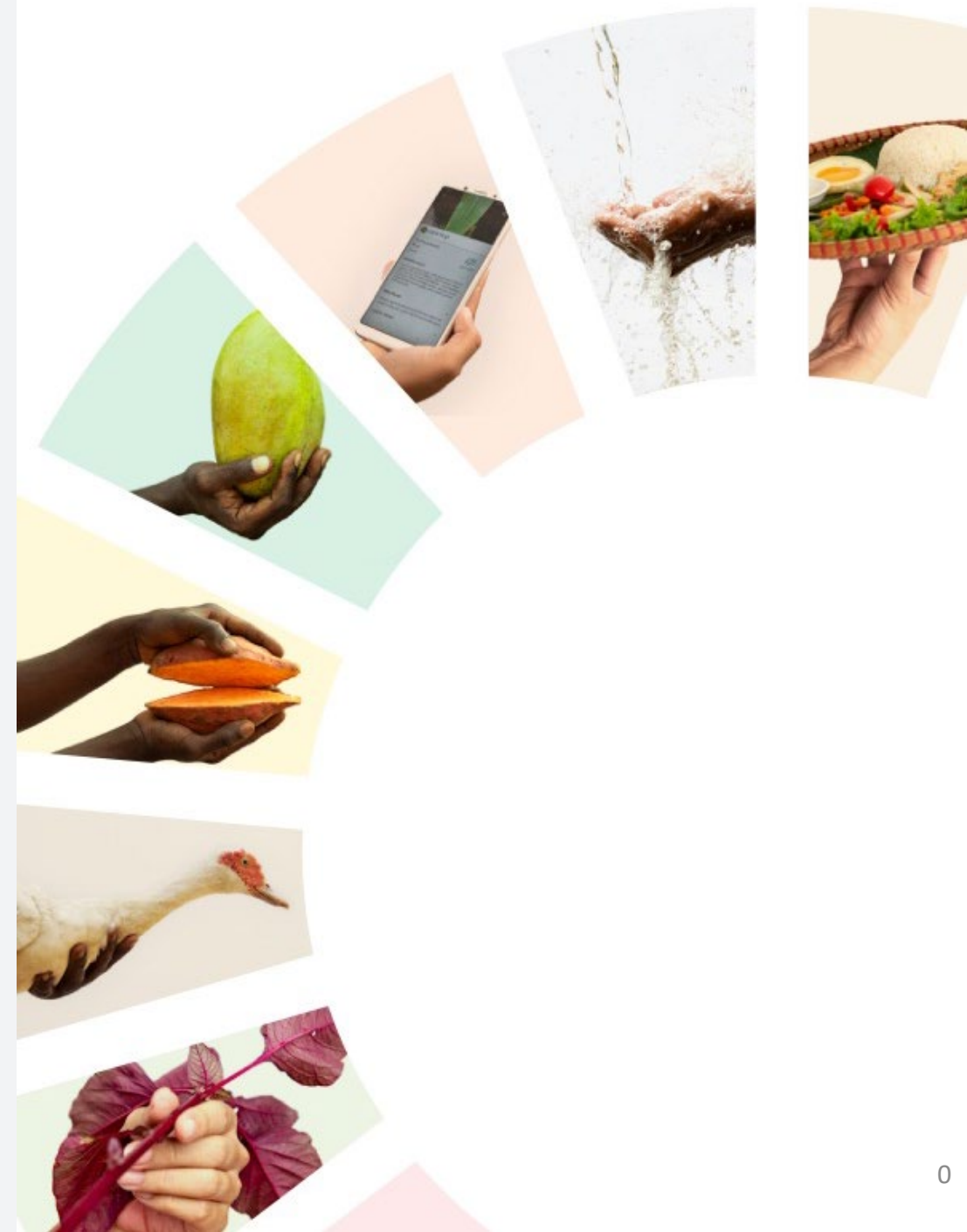CGIAR
Science for a food-secure future

Report from the Assurance Oversight Committee (AOC)

Purpose: **For information**: This document sets out an overview of the AOC's activities and areas of focus on its under its mandate during 2021.

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Assurance functions related to internal and external audit

Revised internal audit arrangements as part of transition to One CGIAR under development

- At AOC-7 (22 October 2021) – discussion with Chair, CGIAR Audit, Finance & Risk Committee ('AFRC') on current CGIAR internal audit arrangements and direction of travel (including recruitment of Chief Audit Executive for One CGIAR) and interim arrangements
- AOC closely connected to that work through one member (Muriel Uzan) serving on Working Group that commenced the process, and one member (Maurice Goddard) serving on both AOC and AFRC;

Current priorities:

- Recruitment of Chief Audit Executive (underway) with appropriate haste to minimize period of uncertainty
- Ensuring effective interim IA leadership to ensure continued delivery of internal audit engagements until future structure/appointments completed

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AOC role from its TOR

Para 5: Provision of

a. Input on behalf of the Council into the periodic review and approval by the Board of terms of reference and a process for fulfilling the Internal Audit Function arrangements for the CGIAR System

b. Advice on the System's Internal Audit Function arrangements; whether they provide sufficient system-wide assurance consistent with the risk management framework of the CGIAR System and whether such arrangements are appropriately funded

Oversight of System-wide governance, risk management and internal controls (1/2)

CGIAR

Management of risks and opportunities during transition to One CGIAR

- At AOC-6 (March 2021) and AOC-7 (22 October 2021):
  - Discussion with EMT on overall process of risk identification, monitoring and management;
  - Key transition risks and mitigation strategies, including how these have evolved between each meeting;
  - Appreciation from AOC on openness and transparency on risks and opportunities – and on challenges encountered in managing these effectively

Statement of assurance delivered by management during AOC-7 that **no corrective actions have been required in 2021** under funding agreements with Centers and the Risk Management Framework of the CGIAR System.

Para 5g: Review of strategic-level risk exposures and the steps taken to monitor and control such exposures

Para 5h: Review of consolidated information on corrective actions taken under funding agreements and the risk management framework of the CGIAR System, providing observations on the adequacy and relevance of those actions

Oversight of System-wide governance, risk management and internal controls (2/2)

CGIAR

Plans and budgets for CGIAR's Advisory Services

- At AOC-7 (22 October 2021) - Discussion with Director, Advisory Services Shared Secretariat on draft budgets and workplans in overall CGIAR budget context – prior to finalization as part of 2022-2024 FINPLAN

Implementation of CGIAR Ethics Framework as key System-wide policy

- At AOC-7 (22 October 2021) - Discussion with Director, Ethics & Business Conduct on key activities undertaken including ensuring full coverage of whistleblowing hotlines; rolling out training, supporting investigation processes and streamlining reporting mechanisms
- Consolidated information provided on ethics cases reported and advice sought – noting that the AFRC undertakes a close oversight role across CGIAR in this regard

AOC role from its TOR

Para 5i: Provision of advice on the reasonableness of business plans and budget projections for the Council's advisory functions to inform the Board's submission to the Council of consolidated System entity multi-year and/or annual work programs and budgets

Para 5k: Provision of advice to the Council regarding its approval of CGIAR policies relating to System-wide governance and risk management

Reflection on CGIAR assurance and oversight needs

Joint workshop with System Board's Audit & Risk Committee on CGIAR assurance mapping work

- May 2021 workshop – with aim to identify potential gaps and also duplication in the assurance activities over governance, internal controls, risk management in CGIAR's multi-stakeholder governance architecture – and implications for future mandates

- Work fed into thinking of Transition Advisory Group #3 on unified governance – and is planned to be continued in an early-2022 workshop focusing on future oversight arrangements

AOC role from its TOR
Para 4b: Coordinate with the System Council's Strategic Impact, Monitoring and Evaluation Committee to support the delivery of effective combined assurance in relation to scientific advice and evaluation elements; and
Para 4c: Establish and maintain an effective consultation model with the System Board via its Audit and Risk Committee to facilitate delivery on the respective mandates of the two committees thus ensuring [...] the appropriate escalation and deescalation of matters as relevant to the differing oversight responsibilities within the CGIAR System.

Looking ahead to 2022

Role of AOC

- TOR was approved in November 2017 – there have been several changes in the context since that time

- Continued close interaction with Chair of AFRC – now a common Committee for all One CGIAR legal entities

- Planned Q1 2022 workshop on AOC's role and composition in context of System Council oversight needs – linked to consideration of SIMEC role

Workplan focus areas

- Prioritized focus on the future of the committee as part of a broad review of external governance at CGIAR

- Ensuring continuity of internal audit provision – while ensuring new arrangements set up as early as practicable

- Strengthening of Ethics and Business Conduct approaches and processes

- High-level oversight of risk management during transition to One CGIAR

Annex – AOC Membership as at 30 November 2021

No	Member Name	Member Type	Term
1	Saad Bounjoua (Chair)	Independent member	Until June 30, 2022
2	Daniel van Gilst	System Council member (Norway)	Until June 30, 2022
3	Maurice Goddard	Independent member	Until June 30, 2022
4	Muriel Uzan	Independent member	Until June 30, 2022