



## Terms of Reference for the CGIAR Internal Audit Support Service<sup>1</sup> (Amended with effect from 1 January 2022)

### Purpose:

**This Terms of Reference ('TOR') sets out the arrangements for a CGIAR System Internal Audit Support Service function** following approval of the CGIAR System Risk Management Guidelines by the System Board<sup>2</sup> at its 8<sup>th</sup> meeting on 11-12 December 2017.

### CGIAR System context

1. The **Internal Audit Support Service** is established for the CGIAR System pursuant to:
  - a. **The responsibility of each of the Boards of a One CGIAR Legal Entity ('Entity') under the CGIAR Auditing Guidelines, Financial Guidelines Series No.3** to ensure that management establishes an internal auditing arrangement<sup>3</sup> (whether 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 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 each Entity in conformity with international audit standards and guidelines, including through external quality assurance carried out under the Internal Audit Function;<sup>4</sup> and
    - ii. facilitate provision of guidance, technical assistance, and advisory support by the Internal Audit Function arrangements when requested by an Entity<sup>5</sup>.

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<sup>1</sup> This TOR was first approved with effect from 8 March 2018 following consultation amongst the Centers' Internal Audit functions, the Centers' Audit Committee Chairs, a representative of the CGIAR System Internal Audit Support Service team.

<sup>2</sup> Three nomenclature changes have been made in this Terms of Reference without track changes to incorporate the following decisions: (1) With effect from 1 September 2020, the formerly titled 'System Management Board' became known as the 'System Board'. (2) With effect from 1 June 2021, the formerly titled 'Audit and Risk Committee' of the System Board was reconstituted as the 'Audit, Finance and Risk Committee' of the System Board, to serve also as a common committee for all One CGIAR Legal Entities. (3) With effect from 31 October 2021, the System Board approved the use of the defined term 'One CGIAR Legal Entity' in the place of mentioning the specific names of the entities that operate with the System Board voting members on their boards. Accordingly references to 'Centers' in this document have been substituted with One CGIAR Legal Entity when first mentioned.

<sup>3</sup> Article 3.1: <https://cgspace.cgiar.org/bitstream/handle/10947/4483/FG%203%20-%20Auditing.pdf?sequence=1&isAllowed=y>

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

<sup>5</sup> Charter, Article 8.1(n)

## Purpose and relationships with Entity and System assurance providers

2. As further described in paragraph 6 below, the **primary purpose of the Internal Audit Support Service** is to provide coaching and capacity building guidance, to support the CGIAR's goal of operating in an environment of continuing learning and improvement regarding the reliability, consistency and effectiveness of Entity internal audit activities.
3. The **Internal Audit Community of Practice ('IACoP')** is established by the Entities 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 Entity 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 Entity 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.
4. 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.
5. The Chair of the **CGIAR Audit, Finance and Risk Committee ('AFRC')** may invite a representative of the Internal Audit Support Service to relevant agenda items of AFRC meetings<sup>5</sup> to provide an update on the work and experiences of the service, and recommendations to the AFRC on suggested learnings and best practices. That participation is subject to the Confidentiality clause set out in paragraph 11.

## Main activities of the Internal Audit Support Service

6. **The activities** of the Internal Audit Support Service fall broadly into the domain of coaching, capacity support and quality assurance, 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 to ensure quality and consistency in the audit approach.
  - b. **Quality Assurance.** (1) In respect of the formal program required under the Standards, support and help coordinate the Quality Assurance and Improvement Program ('QAIP'), including formal internal quality assessments and ongoing reviews of internal audit activity performance. Provide routine updates and support

- to the IACoP and the AFRC Chair on matters related to the requirements for internal audit functions under the Standards. (2) For proposed audit engagements, provide a quality and coherence review of proposed terms of reference.
- c. **Internal Audit software and resources.** Maintain the MKInsight software on behalf of those Entities who chose to use it. Provide coaching on the efficient and effective utilization of the system and coordinate implementation of other tools that may become relevant for the IACoP, such as data analytics. Monitor the status of implementation of agreed management actions arising from assurance engagements.
  - 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 AFRC members 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. **Risk-Based Audit Planning:** Support and help coordinate the development of a whole of CGIAR audit universe built on a risk-based audit approach, including preparation of a yearly workplan that considers cross-cutting themes.
  - h. **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.
  - i. **Other.** Carry out other activities as guided by the IACoP within the overall agreed annual budget.

## Organizational arrangements and other

7. **Funding.** The Internal Audit Support Service is funded from the CGIAR System budget that is approved by the System Council on the recommendation of the System Board.
8. **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. 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 AFRC Chair and the Executive Director of the System Organization.
9. **Workplan and Reporting.**
  - a. Administratively, the budget of the Internal Audit Support Service is managed by the hosting/contracting entity, with the Internal Audit Support Service Officer having an administrative reporting line to an appropriate member of that

hosting/contracting entity. The Internal Audit Support Service must comply with the staffing and other administrative rules and procedures of that hosting/contracting 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 AFRC. 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 and the Chair of the CGIAR AFRC.
10. **Relationship to the CGIAR System's Internal Audit Function**<sup>6</sup>. The accountability line of the Internal Audit Support Service is operationally separate of the CGIAR System's Internal Audit Function, although the two work closely together. The Internal Audit Support Service shall not be involved in the provision of assurance services to the System Board or the System Council.
11. **Confidentiality**. The Internal Audit Support Service must not share detailed Entity related information that is internal business-in-confidence information outside the IACoP without the agreement of the respective Entity Heads of Internal Audit and Chair of the AFRC.
12. **Review**. These terms of reference will be reviewed from time to time as agreed by the IACoP and the Chair of the AFRC

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<sup>6</sup> 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>