
Revision of the workplan for IFAD's Office of Audit and Oversight for 2025

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Useful references: [Workplan for IFAD's Office of Audit and Oversight for 2025 \(EB 2024/143/R.12/Rev.1\)](#) [Internal Control Framework \(EB 2023/140/R.11\)](#)

Action: The Executive Board is invited to confirm the revision of the workplan for IFAD's Office of Audit and Oversight for 2025.

Technical questions:

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1. The risk-based 2025 workplan for IFAD's Office of Audit and Oversight (AUO) was approved by the President, reviewed by the 175th Audit Committee and confirmed by the 143rd Executive Board in December 2024. The purpose of this paper is to propose four changes to the workplan, reflecting AUO's assessment of the evolving risk environment and to take account of operational factors.
2. In the approved workplan, one assignment was deliberately left unidentified to allow for flexibility over the course of 2025. While the audit approach covers many key business processes – such as decentralization, supervision, supplementary funds, fragility, and safety and security – AUO proposes to use flexibility in the plan to perform a risk assurance mapping exercise to support comprehensive coverage of key institutional assurances. This exercise will identify the main risks, functions, stakeholders and processes within the Enterprise Risk Management Framework and map the actual assurance activities across the three lines.¹ The exercise will be conducted in close collaboration with the Office of Enterprise Risk Management and an external consultant.
3. The second change proposes replacing the planned cross-cutting report on the supervision of country programmes with a broader programme supervision framework audit. This will also contribute to the risk assurance mapping by identifying the key risks pertaining to supervision processes and activities, and assess the extent to which they are mitigated. The audit will focus on the effectiveness of institutional supervision arrangements, and monitoring and reporting thereon.
4. The third change responds to operational factors. Pakistan replaces Nepal as the country in the Asia and the Pacific Region to undergo a country office and supervision audit. Pakistan was previously the "alternate" choice and has now been prioritized for 2025 given the imminent departure of the IFAD country director in Nepal at a time of very high workload.
5. The final change proposed is the removal of the limited-scope review of internal controls over financial reporting (ICFR) related to the 2025 financial year from the 2025 AUO workplan and from future workplans, as it is incompatible with AUO's role as the third-line activity. This will also avoid duplication with the external auditor's work.
6. The revised workplan is presented in annex I and the revised country selections are shown in annex II.

¹ IFAD's Internal Control Framework (EB 2023/140/R.11) draws on the Institute of Internal Auditors Three Lines Model, which describes how key organizational roles work together to facilitate strong governance and risk management. Management's first line roles direct actions (including risk management) to achieve the institutional objectives. Management's second line roles support, challenge and report on risk management. The third line (including internal audit) provides independent and objective assurance and advice on all matters related to the achievement of objectives. The governing bodies provide leadership and ensure accountability while external assurance providers, such as the external auditor, complement the internal sources of assurance to protect the interests of stakeholders. (Source: www.theiia.org)

Table 1
AUO workplan for 2025

The two new assignments are shown in boldface whereas the deleted assignments are shown in strikethrough.

<i>Activity</i>	<i>2025 workplan</i>
Audit and advisory assignments	
Supervision of country programmes	5
Cross-cutting supervision report	4
Supervision framework audit	1
Country and regional offices*	4
Supplementary funds	1
Preparedness to supervise in fragile situations ²	1
Staff safety and security	1
One assignment to be left flexible	4
Risk assurance mapping	1
Limited scope reviews (recurrent)	
Internal controls over financial reporting	2 1
President's residence expenditures	1
Certification of headquarters expenditures	1
Total	18 17

Other advisory work

- Observer participation in important second-line Management committees
- Provision of comments and input to key proposed projects, products and institutional initiatives

Investigations and anticorruption

- Effective and timely investigations
- Promotion of new anticorruption policy (training, awareness, advocacy)
- Coordinated risk mitigation work with other IFAD divisions

Capacity-building and coordination

- Representation and advocacy at internal and external meetings
 - Maintenance and development of audit and investigation support tools
 - Staff recruitment, training, evaluation and development
 - Coordination of United Nations and international financial institution (IFI) audit and investigation networks
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* Includes one cross-cutting report.

² As a result of the thorough planning work for this audit engagement, its title was changed from "fragile and conflict-affected settings (T)", as was initially communicated in the approved AUO 2025 workplan to "preparedness to supervise in fragile situations" to better reflect its scope.

Country selections

Table 1

Country office audits for 2025 (plus one cross-cutting report each year)

The escalated assignments are shown in boldface whereas the postponed assignments are shown in strikethrough.

Division	2025	Alternate 2025
APR	Nepal (country director [CD]-led – never audited, budget US\$0.7 million) Pakistan (country director [CD]-led – never audited, budget US\$1.1 million [PYT])	Pakistan (CD-led – never audited, budget US\$1.1 million [PYT])
ESA	-	Angola (CD-led – never audited, budget US\$0.8 million)
LAC	-	-
NEN	Türkiye (multi-country office) (last audit 2021, budget US\$2.1 million)	-
WCA	Liberia (CD-led – never audited, budget US\$1.1 million)	Nigeria (CD-led – last audit 2017, budget US\$1.1 million)

Notes: (i) "PYT" signifies that the country was identified in the prior year AUO workplan as a "tentative" audit; (ii) the administrative budget figures shown are for 2024.

APR: Asia and the Pacific Division; ESA: East and Southern Africa Division; LAC: Latin America and the Caribbean Division; NEN: Near East, North Africa and Europe Division; WCA: West and Central Africa Division.

Table 2

Supervision of country programme audits for 2025 (plus the supervision framework audit)

Division	2025	Alternate 2025
APR	Nepal (recent upgrade, never audited, disbursement US\$24.0 million) Pakistan (last audit 2021, disbursement US\$132.0 million)	Pakistan (last audit 2021, disbursement US\$132.0 million)
ESA	Uganda (PYT) (last audit 2018, disbursement US\$55.0 million)	Zimbabwe (never audited, disbursement US\$18.0 million)
LAC	-	Honduras (never audited, disbursement US\$5.0 million)
NEN	Türkiye (never audited, disbursement US\$34.0 million)	-
WCA	Central African Republic (never audited, disbursement US\$34.0 million) Liberia (never audited, disbursement US\$44.0 million)	Nigeria (last audited 2019, disbursement US\$80.3 million)

Note: The disbursement amounts shown are historical cumulative amounts in the past three years as at 30 September 2024.