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## **Workplan for IFAD's Office of Audit and Oversight for 2026**

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**Action:** The Executive Board is invited to confirm the workplan for IFAD's Office of Audit and Oversight for 2026.

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# Workplan for IFAD's Office of Audit and Oversight for 2026

## I. Introduction and summary of the workplan

1. This paper presents the workplan for the Office of Audit and Oversight (AUO) for 2026 and lays foundations for the 2027 workplan. It is supported by relevant background information and aligned with the AUO vision and mission approved by the Executive Board (see annex I).
2. The AUO workplan for 2026 and its rationale are a firm response to IFAD's internal and external context, priorities and key risks, and have been approved by the President. Under its terms of reference, the Audit Committee may issue proposals for the President's consideration. Once finalized, the workplan will be submitted to the Executive Board for confirmation at its December 2025 session.
3. The 2026 proposed internal audit plan includes 18 audits, of which 15 will be prioritized. The proposed audits are deeper and more complex than those of previous workplans.
4. The 2026 plan for the Investigation Section includes, along with the core activities, a continuing focus on proactive actions such as capacity-building and engagement with national counterparts.
5. The workplan is being presented to the Audit Committee together with the 2026 AUO budget allocation as confirmed by IFAD Management.

## II. Internal oversight strategy for the period of 2026–2027

### A. AUO strategic objectives

6. AUO is mandated to provide independent assurance and advisory services to IFAD Management and governing bodies on the effectiveness of IFAD's governance, risk management and control mechanisms, the efficiency and effectiveness of its business processes, and compliance with applicable rules and regulations. It is also mandated to conduct independent investigations of all alleged misconduct, fraud and corruption in IFAD-financed activities and operations. AUO adds value by providing an independent and objective perspective on the management of the risks to which IFAD is exposed and opportunities that can support the successful achievement of its goals.
7. Building on the achievements of 2025, AUO will continue advancing its mission and vision (see annex I) to maximize its contribution to IFAD's strategic objectives. The focus areas for 2026–2027 are as follows:
  - **Targeted risk and priority alignment** through rigorous focus on key risks and priorities identified by IFAD's leadership and governing bodies, and AUO's own assessment. This includes reassessing traditional coverage areas and methodologies, discontinuing lower-value activities, and optimizing resources by leveraging synergies with other assurance providers and taking stock of ongoing improvement activities planned and implemented by IFAD Management to meet IFAD's core assurance needs.
  - **Enhanced assurance efficiency and effectiveness** by exploring and implementing improvements to strengthen assurance coverage in order to ensure that it remains both efficient and impactful.
  - **Balanced typology of the assurance and advisory** work through specific efforts to achieve the optimal mix of strategic advisory and assurance activities, risk-based and baseline work vis-à-vis the evolution of the IFAD's

internal policies, processes and systems, and the activities of other assurance providers, internal and external.

- **Cross-institutional learning** through deepening root-cause analysis in audits and investigations to promote institutional learning. These insights will be systematically disseminated across IFAD to support continuous improvement and prevent malpractice.
- **Dynamic planning and risk responsiveness.** The proposed plan provides a flexible foundation that will evolve in response to the changing risk landscape, building on the ongoing risk assurance mapping initiated in 2025.
- **Strengthened engagement with national integrity mechanisms** to enhance the integrity of IFAD-funded projects.

## B. Risks and priorities

8. As IFAD prepares for the Fourteenth Replenishment of IFAD's Resources (IFAD14), it faces an increasingly complex and uncertain external environment. Key challenges include:
  - Sustained pressure on core funding, requiring careful prioritization and resource allocation.
  - Heightened expectations from Member States to demonstrate greater efficiency, transparency and impact.
  - The evolving UN80 reform agenda, which demands that IFAD remain agile and relevant within the broader United Nations system.
9. IFAD has built a foundation of resiliency in overcoming past challenges including COVID-19 and funding constraints; now, as it enters ever-more uncertain times, its response to the current challenges includes:
  - **Capital optimization.** Ongoing reviews of capital adequacy, the Integrated Borrowing Framework, and asset and liability management aim to enhance the Fund's financial leverage within its approved risk appetite.
  - **Operational efficiency and streamlining.** As the recalibration process comes to a conclusion, IFAD is advancing an ambitious operational optimization agenda. This includes simplifying processes, aligning budgets with expected results, and implementing strategic workforce planning to ensure that internal capabilities match organizational needs while maintaining staff engagement and agility.
  - **Decentralization and governance.** The finalization of decentralization requires a comprehensive review of policies and procedures to ensure clarity in roles, accountability and effective internal controls under delegated decision-making.
  - **Scaling up non-sovereign operations (NSOs).** Increased investments in NSOs are expected to be essential in supporting IFAD's impact ambitions. While IFAD has already made inroads into engaging with the private sector for impact, the expected scale of such engagement going forward demands enhanced levels of governance, risk management and internal controls.
  - **Digital transformation.** IFAD will place more emphasis on leveraging advanced technology to support operations while balancing limited resources and ensuring cybersecurity and implementation quality.
  - **Workforce mobility and agility.** A review of the mobility framework is under way to ensure that talent deployment supports institutional agility and responsiveness to evolving priorities.

- Further roll-out of divisional risk control and self-assessments, creation of a dynamic risk register, and adoption of a risk maturity model should help IFAD to pursue its objectives in a well-managed way.

### **III. AUO workplan for 2026**

#### **A. Internal audit plan**

10. In determining and prioritizing audits for 2026, careful consideration was given to the priorities established under IFAD13, ongoing institutional reforms, insights from the IFAD enterprise risk management system, the strategic priorities highlighted above, and input from both Senior Management and the Audit Committee. AUO supplemented this process with its own comprehensive data analysis and risk assessment. Currently, AUO is collaborating closely with RMO, EY and other key stakeholders to further map critical risks and evaluate the existing assurance landscape in order to identify any gaps or overlaps. As this exercise is still in progress, it may further inform the internal audit work. To ensure responsiveness to emerging challenges, the audit plan retains a degree of flexibility, allowing for adjustments as new risks are identified and as the risk control self-assessment process continues to evolve.
11. The proposed AUO workplan for 2026 is detailed in table 1. The scheduling of each assignment takes into account several key factors, including the time elapsed since the last audit and whether the underlying process has reached sufficient maturity to warrant a full assurance audit or if it would be better served by an advisory review. The rationale behind the selection of each assignment is outlined in annex II, which provides a summary of the expected scope of each engagement, as well as preliminary considerations for potential assignments in 2027. Annex III presents the prioritization of country programmes selected for supervision audits in both 2026 and 2027. The proposed reduction in the number of assignments is primarily due to the conclusion of the three-year Junior Professional Audit Officer's contract, as well as a strategic shift towards more targeted and in-depth engagements. This approach aims to deliver greater insights and value by focusing on critical risk areas and aligning with institutional priorities. As a result, 3 of the 18 planned audits will be deprioritized based on progress made with Management actions in the relevant areas, ensuring that audit resources remain responsive to evolving risk considerations and organizational needs.

Table 1  
**AUO workplan for 2025 and proposal for 2026**

<i>Activity</i>	<i>2025 plan</i>	<i>2026 proposal</i>
<b>Strategic assurance and advisory work</b>		
Preparedness to supervise in fragile situations	1	
Risk assurance mapping (may continue into 2026)	1	
Data governance		1
Artificial intelligence		1
Fit-for-purpose policy/procedure framework		1
<b>Risk-based assurance</b>		
Programme supervision framework	1	
Supplementary funds	1	
Mission travel safety and security	1	
Cybersecurity		1
Consultant management		1
Treasury Accounting and Risk Management System (TARMS)		1
Project design process consistency		1
Business continuity		1
Non-sovereign operations and private sector		1
<b>Baseline assurance</b>		
Supervision of country programmes	5	5
Country and regional offices	3	1
Cross-cutting report: country/regional offices	1	
Disbursement processing controls		1
Internal controls over financial reporting	1	
President's residence expenditures	1	1
Certification of headquarters expenditures	1	1
Subtotal	17	18
Capacity limitation (assignments to be determined based on risk and the progress of improvements introduced by Management)	-	(3)
<b>Total</b>	<b>17</b>	<b>15</b>
Memo: completed assignments brought forward from 2024:		
- Supervision of Chad country programme	1	
- Management of emergency response and special initiatives	1	
- Implementation of the Enterprise Risk Management Framework	1	
- Cross-cutting report on supervision of country programmes	1	

12. The business processes/functions listed in table 2 were also identified as priority audit areas and could serve as replacements for assignments included in the 2026 workplan (should risks/priorities change) or be taken up in 2027–2028. All business processes ranked as high-risk areas in the AUO audit universe will be covered to some extent over the next two years. Furthermore, should there be indications that processes merit an audit, AUO will respond with a request for additional resources.

Table 2

**List of potential alternate audit/advisory assignments for 2026 and 2027–2028**

<i>Internal audit and advisory</i>
<ul style="list-style-type: none"> <li>▪ Asset and liability management</li> <li>▪ NSOs and private sector</li> <li>▪ Strategic workforce planning</li> <li>▪ Strategic budgeting formulation and approval</li> <li>▪ Digital transformation strategy</li> <li>▪ Operational Agility Initiative</li> <li>▪ Project procurement approvals</li> <li>▪ IFAD grant management</li> <li>▪ Oversight and effectiveness of innovation pilots</li> <li>▪ Staff recruitment and vacancy management</li> <li>▪ Controls over staff benefits and allowances</li> <li>▪ Borrowed Resource Access Mechanism</li> <li>▪ Management of loan repayments, refunds and arrears</li> </ul>

13. The appendix contains two charts presenting how the proposed assignments correspond to risks:
  - Chart 1 shows business processes that scored two or more on a three-point scale for net risk in the audit universe, having taken account of other assurance work and recent or parallel audits. All processes are being covered, with those with the highest risk prioritized earlier.
  - Chart 2 shows how the proposed assignments map to IFAD’s four risk domains (level 1), with a shift to more strategic work in evidence.
14. In addition to its role as an observer of Management committees, AUO can perform specific advisory reviews at Management’s request. Further, AUO will continue to monitor the timely implementation of outstanding audit recommendations and support Management in determining necessary improvements and corrective measures. AUO will continue to work closely with the audit entities of other United Nations agencies and international financial institutions to ensure coordinated audit approaches and effective sharing of information.

**B. Investigation and anticorruption activities**

15. The key priorities of the AUO Investigation Section for 2026 remain unchanged: (i) to ensure timely and effective investigation of allegations; and (ii) to maintain strong collaboration with other IFAD divisions to mitigate fraud and corruption risks at an early stage. To this end and considering the challenges in AUO’s non-staff budget, AUO will further streamline investigative procedures and reporting templates in response to the high caseload and will continue collaborating with operational units to address residual risks pending investigation. However, additional resources may be required if the heavy caseload persists and investigation consultants need to be hired to ensure timely responses.
16. AUO will continue to support implementation of the anticorruption policy in collaboration with the responsible offices and will liaise closely with the Ethics Office in handling allegations of sexual harassment, and sexual exploitation and abuse. AUO will also maintain close cooperation on such matters with the investigative entities of other United Nations agencies and international financial institutions.

17. To reduce inherent risk of fraud in IFAD-funded activities, AUO will implement a capacity-building programme for national institutions overseeing IFAD-funded projects. This includes finalizing a memorandum of understanding with the Ghanaian Economic and Organised Crime Office and launching a joint capacity-building initiative with the World Bank's Integrity Vice Presidency for cofinanced projects. Moreover, AUO will expand these efforts to other national authorities and international financial institutions.
18. In parallel with these efforts to enhance institutional capacity, AUO will intensify its focus on identifying and addressing the root causes of fraud, corruption and misconduct cases. These findings will be systematically shared with IFAD Management and operational units to inform preventive measures and reduce the recurrence of similar incidents.
19. Recognizing that integrity extends beyond financial matters, AUO is equally committed to environmental protection in implementing IFAD-funded projects. AUO will help to establish a legal framework to address potential environmental violations, which will include updating the self-certification form to ensure that all project contractors comply with national environmental laws during implementation.
20. To further raise awareness on anticorruption, AUO, in collaboration with the Office of Development Effectiveness, will develop and roll out an anticorruption training module as part of IFAD's broader training initiative for project staff, aiming to strengthen integrity across all IFAD-funded projects.

### **C. Social, Environmental and Climate Assessment Procedures: Impartial review process**

21. The impartial review process (IRP) of the Social, Environmental and Climate Assessment Procedures (SECAP) is carried out by an independent expert, the SECAP complaints officer (SCO). The contractual performance of the SCO will be monitored by AUO. No complaints have yet been escalated to this mechanism but a pool of potential candidates has been identified to be hired expeditiously when needed. AUO will provide logistical and budgetary support (funded through a separate budget allocation). The SCO will conduct the IRP in full autonomy.

## **IV. AUO capacity and resource allocations for 2026**

22. Table 3 provides the AUO budget and workforce trends over the last four years and budget allocations and corresponding workforce projections for the next two years.
23. The increases in budget allocations over the years were driven mainly by the increase in the number of investigations. For audit, the increase in number of audit assignments in the past was supported by additional resources such as Junior Professional Offer (JPO) positions.
24. Going forward, while the investigations caseload stabilized in 2025, the proportion of internal investigations has increased. Generally, internal investigations are more complex in nature and require more effort. Within the current resource allocation therefore, the pace of case completion may slow down.
25. The internal audit workforce has returned to its pre-JPO level. No new positions will be added as no additional budget has been allocated. However, this is not the sole driver of the reduced number of audit assignments. As the planned audits grow in complexity and depth, they require more research and analysis, which in turn increases the level of effort to deliver them. The current audit capacity will be supplemented by co-sourcing and outsourcing in view of the complexity of the planned work.

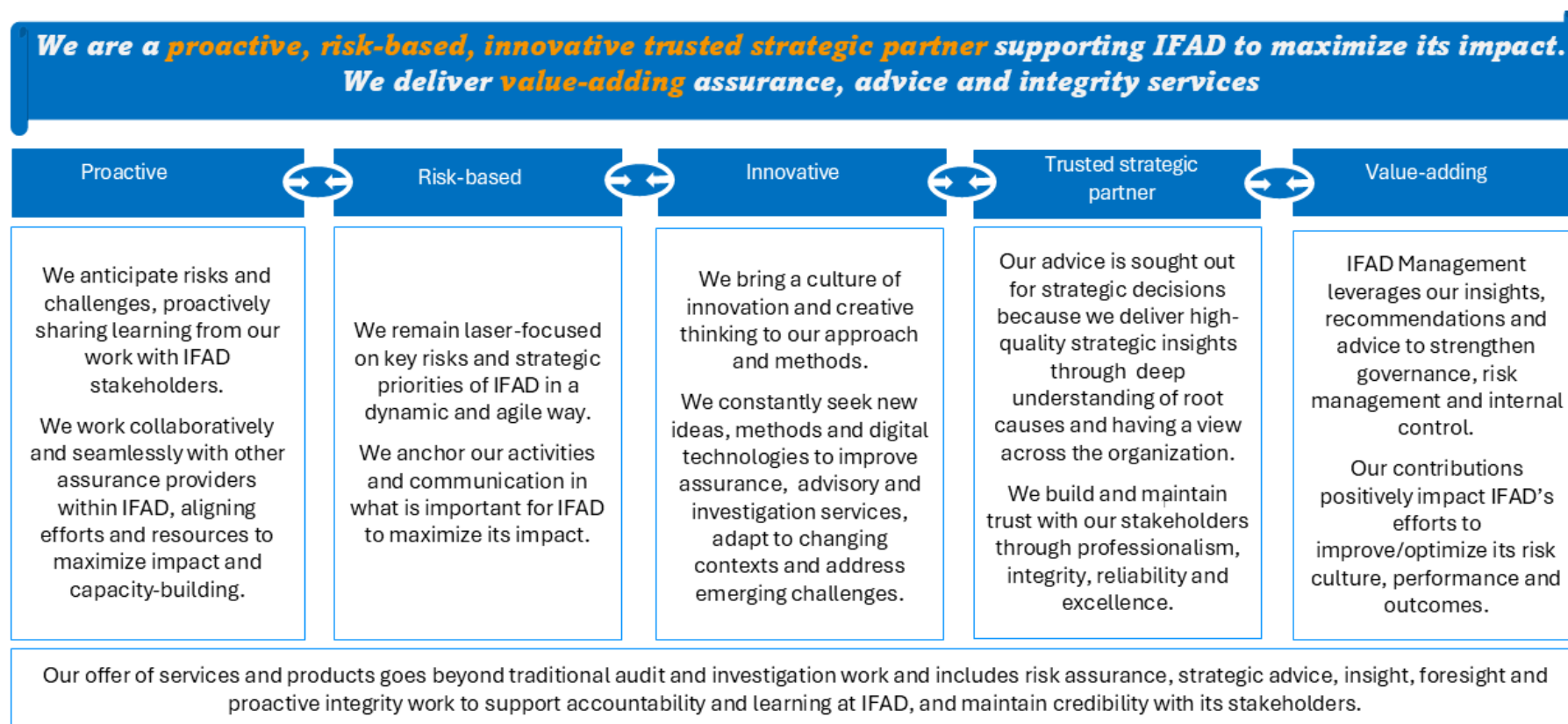


Table 3  
**Historical and 2026–2027 budget allocations vis-à-vis staff complement and number of assignments**

<i>Resources</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>Estimated 2025</i>	<i>Proposed 2026</i>	<i>Proposed 2027</i>
<b>Approved total budget</b>	<b>2 680 201</b>	<b>2 663 061</b>	<b>2 914 410</b>	<b>3 008 000</b>	<b>3 141 000</b>	<b>3 141 000</b>
<b>Actual/estimated /allocated budget</b>						
<i>Staff budget</i>	2 140 534	2 105 750	2 439 250	2 401 583	2 562 000	2 562 000
<i>Non-staff budget</i>						
Funded by regular budget	322 301	290 061	402 410	435 000	478 500	526 350
Additional allocations funded through vacancy pool and other resources	125 694	315 826	215 670	248 392	100 500	52 650
<b>Total actual/estimated/ allocated</b>	<b>2 588 529</b>	<b>2 711 637</b>	<b>3 057 330</b>	<b>3 084 975</b>	<b>3 141 000</b>	<b>3 141 000</b>
Difference between actual and approved	(91 672)	48 576	142 920	76 975	-	-
<b>No. of audit staff</b>						
• Staff contract	5	5	5	5	5	5
• JPO	1	2	2	1	0	0
• Ad hoc consultants	12	12	12	13	TBD	TBD
No of audits	18	19	19	17	15	TBD
<b>No. of investigation staff</b>						
• Staff contract	7	7	7	6	7	7
• Long-term full-time consultants	2	2	3	3	3	3
• Ad hoc consultants	3	3	1	2	TBD	TBD
No. of investigations	105	118	141	140	140	140

26. In 2026, timesheets will be introduced to track the time/effort spent for each assignment to identify areas where more efficiencies could be achieved.
27. The non-staff budget covers the cost of local experts, specialized private audit and investigation services, travel, audit and investigation tool licences and specialist training to supplement staff capacity. The budget also includes some long-term consultancy support to help manage the investigative caseload.
28. AUO will continue to reassess and build its capacity through training in technical areas in which IFAD will increasingly be involved and through enhanced audit and investigation tools. The divisional learning plan for 2026 has been submitted, based on a skills needs assessment vis-à-vis the workplan and the AUO vision.

## AUO vision and mission



## Rationale for and potential scope of internal audit activities

1. **Rationale for selected internal audit activities in 2026.** The rationale for the selection and prioritization of internal audit activities reflects the assessed risk, assurance provided by other providers, capacity and strategic relevance. The plan retains flexibility for adjustments during the year, especially as the risk and control self-assessments mature and risk assurance mapping is performed, and avoids overloading single divisions with multiple audits. In addition, it takes count of multiple system, policy and process development initiatives undertaken by Management within the priority areas. The scope of each engagement will be carefully calibrated to reflect the planned and ongoing developments.

### Strategic assurance and advisory work

2. **Data governance.** Good data management is imperative for IFAD to ensure evidence-based decision-making, support operational efficiency and promote transparency and access. Data governance supports standardized rules, accountability structures and data quality standards to ensure consistency and transparency. Approved by the Executive Board in 2022 for implementation by end-2023, IFAD's Data Governance Policy covers how IFAD uses, processes and disseminates data. An action plan is being developed by Management to elaborate on specific roles and responsibilities and set out a phased approach in terms of upgrading systems, overall capacities and dashboards. The audit will cover these control aspects and also how data is curated and stored. A mandatory training course has been launched with regard to protecting personal data privacy at IFAD.
3. **Artificial intelligence.** Innovation is an important part of IFAD's strategic imperative and modern technology is essential. This advisory assignment would assess the maturity of IFAD's adoption of an artificial intelligence (AI) framework. A similar exercise has been performed recently at the World Food Programme concerning their AI strategy and roadmap. The assignment would consider the mechanisms to steer the development and deployment of AI technologies, and the aspects of good governance, principles, procedures and metrics. It could capture and share ongoing use cases – such as the initiative under way in the Near East, North Africa and Europe Division (NEN) to produce President's memorandums and President's reports on project proposals from the design report – as well as potential future use cases such as automating the project cost table software, project economic and financial analysis, and project farm modelling economic and financial software.
4. **Fit-for-purpose policy/procedure framework.** Framed by the overall question on the extent to which IFAD's policy and procedural framework is fit for purpose after recalibration and decentralization, this review would entail a close look at the adequacy of the current delegations of authority. Specifically, it would examine decentralized decision-making, roles, the levels of approvals required for a decision, responsibilities and collaboration between divisions, process efficiency and simplification (in alignment with the Operational Agility Initiative), accessibility of procedures (i.e. ease of locating and understanding those currently in use). Potentially, the review of both the Delegation of Authority Framework and the policies and procedures could be covered through "vertical themes" running through the other 2026 audits. AUO is aware that there may be an imminent corporate review of policies and procedures, in which case the scope of the review would be adjusted accordingly.

### Risk-based assurance

5. **Cybersecurity.** Cybersecurity is now among the most serious of all global risks and continues to grow. The exact scope of this assignment will therefore be adjusted to take account of emerging risks in the area, potentially covering the

state of controls against ransomware or the management and monitoring of “shadow IT” in a decentralized structure. The audit comes two years after the 2024 audit of the governance and management of IFAD IT security.

6. **Consultant management.** Consultants account for approximately 44 per cent of the IFAD workforce and are key to meeting IFAD’s objectives and commitments, both as part of its regular business model and as a means of managing risks related to staffing gaps (resulting from position vacancies or the need for technical specialist skill sets). The audit would aim to complement the corporate-level evaluation on IFAD’s human resources management planned by the Independent Office of Evaluation of IFAD (IOE) and could cover controls over hiring practices such as segregation of duties and any potential conflicts of interest, value for money and how consultants strategically complement staff roles in the workforce. AUO periodically revisits this topic, the last time being in 2019.
7. **Treasury Accounting and Risk Management System (TARMS).** The “go live” of the new TARMS is currently in progress, with parallel testing continuing through to the end of 2025. Functionality includes the recording of approximately US\$3 billion of borrowing and derivative accounting. The audit scope would aim to provide early feedback on the project approval processes, segregation of duties, transactions, payments, reporting, debt servicing and/or reconciliations to inform the system control development and implementation.
8. **Project design.** This audit would follow on from the 2025 programme supervision framework audit and could examine linkages as to how projects are designed to be supervised. It could also look at the level of consistency across projects and regions, and the roles and responsibilities of programme delivery team members; and assess the focus on compliance aspects relative to impact, length and depth of the documentation compared to that of peers, possible duplications and the level of due diligence on stand-alone supplementary fund grants. The review will not cover the effectiveness of project design and will be cognizant of the ongoing Management review of the project design process.
9. **Business continuity.** Potential focus areas include the performance of a business impact assessment to understand the effects of business disruptions on critical operations or an assessment of IFAD’s preparedness for crisis management. Broader topics could cover IFAD’s resilience in managing an increasingly complex resource-constrained environment, the sequencing of corporate initiatives, training on change management skills and how knowledge gained is shared for learning purposes and growth. In addition, in 2023, IFAD commissioned a consultant to review the current business continuity management system, identify gaps and potential issues, and draw lessons from the COVID-19 pandemic and Decentralization 2.0. The review used the United Nations Organizational Resilience Management System maturity level as a benchmark. AUO could review whether the issues identified have been addressed and whether any other relevant areas have emerged in the intervening period. The timing of the assignment allows the newly recalibrated divisions to update and implement their business continuity arrangements.
10. **Non-sovereign operations (NSOs) and private sector.** NSOs are key to IFAD13. While the NSO framework is currently under review and a Private Sector Advisory Committee is being formed, the planned assignment could look at the adequacy of measures to manage conflicts of interest. A more comprehensive audit, covering the effectiveness and efficiency of NSO procedures could be programmed subsequently, complementing IOE’s planned thematic evaluation of IFAD’s engagement with the private sector (2027).

#### **Baseline assurance**

11. **Audits of IFAD’s supervision of country programmes (five to be undertaken in 2026).** Audits of IFAD’s supervision and implementation support

for the activities of country programmes provide assurance that such activities are adequate and effective in ensuring that the significant fiduciary risks pertaining to programme delivery continue to be effectively managed. The approach and scope of the audits will be adjusted based on the results of the 2025 review of IFAD's supervision framework. AUO plans to cover IFAD's supervision of five country programmes in 2026 (out of approximately 92 active country programmes). Selection will be based on the size of the active portfolio, the number of years since the last AUO internal audit, the type of decentralized supervision in place and project delivery risks. The aim is to cover all five regions unless evolving risks determine otherwise.

12. **Audit of the Asia and the Pacific (APR) regional office.** The key risks related to programme delivery, decentralization and delegation of authority are directly linked to the operations of IFAD offices in the relevant country and region. AUO has been performing a rolling audit coverage of the offices but will place less emphasis on this area in 2026 as common issues have been identified and the decentralized office process is maturing. A cross-cutting report on 11 such audits is being prepared as part of the 2025 workplan to share lessons across countries and regions. Selection of the offices to be audited under this category is driven by transaction volume, years since the last AUO audit, type of decentralized office, regional spread and the presence of a particular risk. The regional offices for both East and Southern Africa (ESA) and West and Central Africa (WCA) were audited in 2023, and the regional office for Latin America and the Caribbean (LAC) is currently being operationalized. Consequently, only the new APR regional office, in Bangkok, is proposed for audit in 2026, to provide assurance that the key elements of the decentralized business model are effectively in place. The audit will review how the APR regional office oversees and contributes to the effective and efficient support of the country programmes that it covers, including staffing levels compared to other regional offices, roles and responsibilities, segregation of duties and how country office performance is monitored.
13. **Disbursement processing controls.** With consolidated loan, grant and Debt Sustainability Framework grant disbursements exceeding US\$1 billion each year, effective control over the disbursement process is essential. Roles and responsibilities within the Financial Controller's Division and the Procurement and Financial Management Division have been evolving. Less substantive testing is done upfront for investment projects, with more emphasis now placed on field-level ex post checks. The audit could consider the effectiveness of the process controls to help ensure a seamless and mutually supportive and resource-sensitive approach across the two divisions. The audit could also encompass a review of the roll-out of the interim financial reporting process. Security controls within the IFAD Client Portal would not be within the scope of the audit.
14. **Audit of expenditures on the President's residence.** AUO will audit the expenditures related to the President's residence in accordance with the related Governing Council resolution.
15. **Certification of headquarters expenditures submitted to the Government of Italy for reimbursement.** AUO will certify the accuracy of the annual statement of expenditures used to request reimbursement from the Government of Italy for expenditures related to hosting IFAD's headquarters.
16. **Other considerations – tentative planning for 2027/2028**
  - **Asset and liability management (ALM).** Having recently audited both liquidity management and capital adequacy, auditing the ALM Framework is the last key piece of the financial risk management framework affecting IFAD's balance sheet and is especially important given the increased level of borrowing. Hence, the proposed audit is tentatively scheduled for 2027. An

alternative scope could serve as a more holistic overview of IFAD's financial stability.

- **NSO and private sector.** Further assurance may cover the adequacy, effectiveness and efficiency of the NSO procedures, complementing IOE's planned thematic evaluation of IFAD's engagement with the private sector (2027).
- **Strategic workforce planning.** This is one of the key management initiatives under the Operational Agility Initiative. Other elements of human resource management include review of the mobility framework, flexible working arrangements, workplace culture and staff engagement. The assignment would need to take into consideration the scope of the IOE corporate-level evaluation of IFAD's human resource management, which could potentially include the effective and efficient use of human resources.
- **Strategic budgeting formulation and approval.** Changes are being introduced by Management to improve budget management by aligning resource allocations with results. A review of IFAD budget management processes could be included in 2027–2028.
- **Digital transformation strategy** is another management initiative that may need assurance within the next couple of years.
- **Operational Agility Initiative** could be included for review in areas not covered by the assignments referenced above (such as workforce planning, budget management and policy and process reviews).
- **Project procurement approvals.** Impact of recalibration on no objections, completeness and the use of data in the Online Project Procurement End-To-End System.
- **IFAD grant management.** Review and approval process, reliance on inefficient manual processes, monitoring and oversight.
- **The oversight and effectiveness of innovation pilots.** The effectiveness, reporting and knowledge-sharing of innovation pilots such as Blockchain/TRACE
- **Staff recruitment and vacancy management**
- **Controls over staff benefits and allowances**
- **Borrowed Resource Access Mechanism**
- **Management of loan repayments, refunds and arrears**

## Tentative country selections

Table 1  
**Tentative supervision of country programme audits for 2026**

<i>Division</i>	<i>2026</i>	<i>Alternate 2026/2027</i>
APR	Bangladesh (#2)	China (#3)
ESA	Mozambique (#1)	Kenya (#4)
LAC	Paraguay (#14)	Honduras (#31)
NEN	Egypt (#7)	Tajikistan (#12)
WCA	Nigeria (#6)	Benin (#8)

**Notes:**

The AUO priority ranking is indicated by a hashtag and number. The ranking considers disbursements since January 2023, the IFAD country office type, IFAD financing, the time elapsed since last audit coverage and other factors.

Lesotho, not shown, was #5 (ESA).

Nepal was originally selected to be covered in 2025 but was replaced by Pakistan for operational reasons. Based on the current portfolio and risks, its prioritization has dropped to #18. Therefore, it is not proposed for audit.

## Mapping of assignments to risks

Chart 1

Proposed assignments compared to the highest net risks in the audit universe planning tool

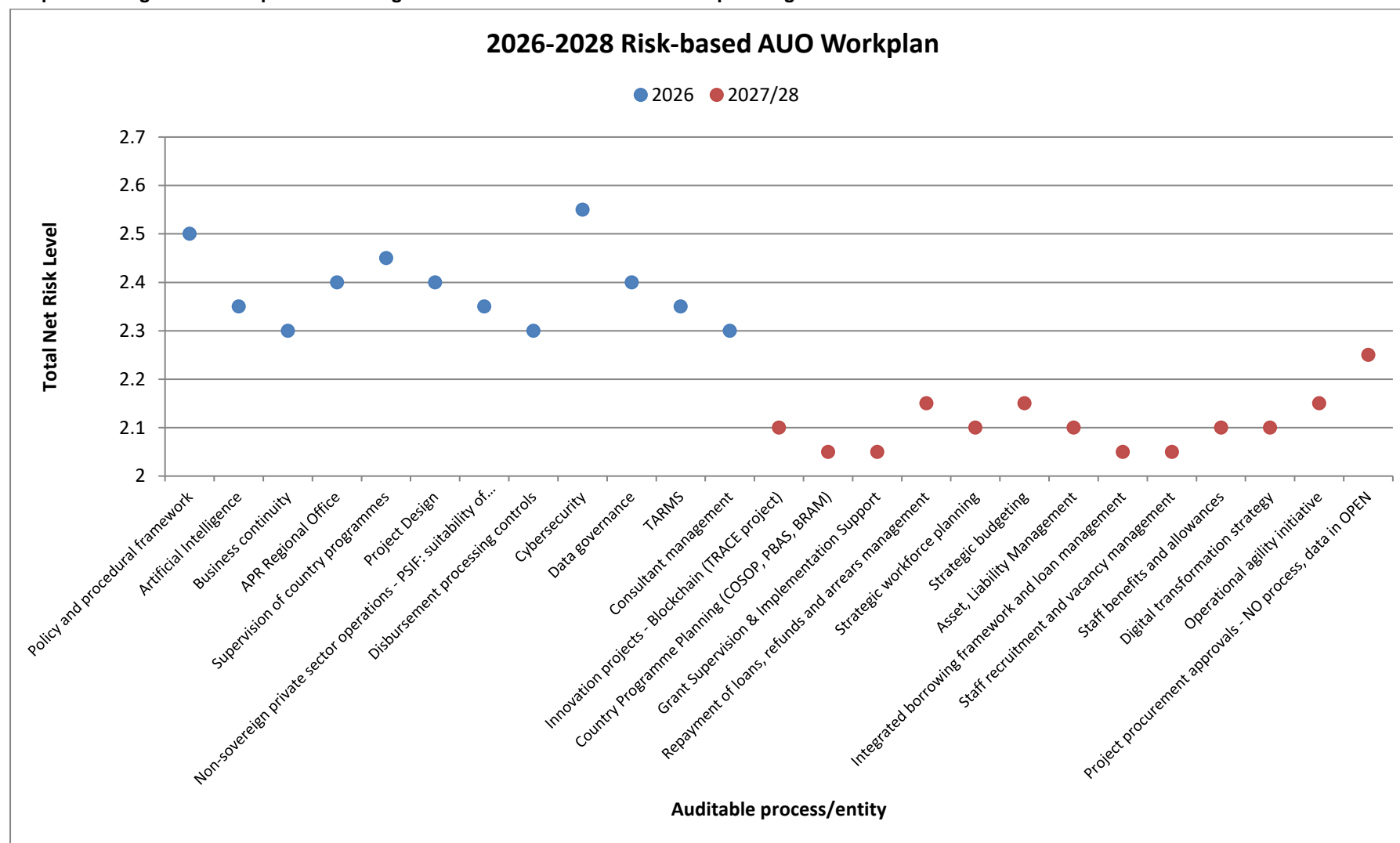




Chart 2

**Proposed audit assignments by corporate risk domain (level 1)**

<b>Financial Risk</b>	<div>ICFR</div> <div>SF</div>		<div>ALM</div> <div>LRRA</div>
<b>Operational Risk</b>	<div>FCS</div> <div>SS</div> <div>ICO</div> <div>RAM</div> <div>SF</div>	<div>BCP</div> <div>CM</div> <div>TARMS</div> <div>CS</div> <div>ICO</div> <div>PPF</div> <div>DPC</div>	<div>PPA</div> <div>ICO</div> <div>EB</div> <div>RVM</div>
<b>Programme Delivery Risk</b>	<div>FCS</div> <div>PSF</div> <div>SCPA</div> <div>SF</div>	<div>SCPA</div>	<div>BRAM</div> <div>SCPA</div> <div>GSIS</div> <div>PS</div>
<b>Strategic Risk</b>	<div>SF</div>	<div>PPF</div> <div>DG</div> <div>PDPC</div> <div>AI</div>	<div>SWP</div> <div>TRACE</div> <div>DTS</div> <div>OAI</div> <div>SB</div>
	2025	2026	2027/28

\*Please see *Explanation of Acronyms* in the following page.

## Explanation of Acronyms

### 1. ICFR

Internal Controls over Finance Reporting

### 2. ALM

Asset Liability Management

### 3. FCS

Fragile and Conflict-affected Settings

### 4. BCP

Business Continuity Planning

### 5. SCPA

Supervision of Country Programme Audit

### 6. ICO

IFAD Country Office

### 7. RAM

Risk Assurance Mapping

### 8. TARMS

Treasury Accounting and Risk Management System

### 9. PDPC

Project Design Process Consistency

### 10. PSF

Programme Supervision Framework

### 11. PPF

Policy and Procedural Framework

### 12. DPC

Disbursement Processing Controls

### 13. DTS

Digital Transformation Strategy

### 14. RVM

Staff Recruitment and Vacancy Management

### 15. BRAM

Borrowed Resource Access Mechanism

### 16. LRRRA

Management of loan repayments, refunds and arrears

### 17. PPA

Project procurement approvals - NO process, data in OPEN

### 18. GSIS

Grant Supervision & Implementation Support

### 18. SF

Supplementary Funds

### 19. CM

Consultant Management

### 20. EB

Entitlements and Benefits

### 21. SWP

Strategic Workforce Planning

### 22. OAI

Operational Agility Initiative

### 23. SS

Safe and Security

### 24. DG

Data Governance

### 25. SB

Strategic Budgeting

### 26. CS

Cybersecurity

### 27. PS

Private Sector

### 28. AI

Artificial Intelligence