

Global Green Growth Institute

Third session of the Council

Songdo, 8-9 June 2013

2013 Internal Audit Plan by the Office of Internal Audit (OIA)
I. Risk Assessment

The purpose of the Risk Assessment (RA) is to identify, assess and prioritize risks to develop a risk-based Internal Audit (IA) Plan and Budget. In 2013, the RA process took place in Q2 upon the hiring of the Chief Internal Auditor. As such, limited RA procedures and condensed documentation have been put in place for the 2013 IA Plan and Budget.

The RA procedures included a review of financial data and disclosures, interviewing key personnel and following up on the observations of the previous external audit. Fifteen people were interviewed, and the lack of policies and procedures at the GGGI was the most frequently identified area of concern.

The focus of the OIA in 2013 will be on establishing the foundation of the Internal Audit function at the GGGI. As such, the 2013 IA Plan covers the area of Governance, Risk Management, Internal Control and the OIA's Project Management. The Audit and Finance Sub-Committee of the Council reviewed the RA process and approved the 2013 IA Plan and Budget below on 6 May 2013.

Risk Assessment Procedures Performed (as of 13 May 2013)

1. Interviews with key personnel

Function	Role	Name
Audit and Finance Sub-Committee	Chair	Peter Hansen
Secretariat	Director-General (DG)	Howard Bamsey
Secretariat	Former Director-General	Richard Samans
GGP&I	Deputy Director-General	Mattia Romani
GGP&I/Research	Director	Myung Kyoon Lee
GGP&I	SPM	Frederic Asseline
Public and Private Cooperation	SPM	Jung Hwan Kim
International Cooperation	Deputy Director	Darius Nassiry
Abu Dhabi Office	Director	Chan Ho Park
Finance	CFO	Munehiko Joya
Human Resources	SPM	Kristen Son

Interviews with key personnel, continued:

Function	Role	Name
Legal	SPM	Ji Hwan Park
Donor Country (Danida)	Sr. Advisor	Rene Karottki
Former (Partial) Internal Auditor	SPM	Hyo Youl Kim
External Auditor	Financial Statements Audit	KPMG

2. Review of documents

- GGGI 2011 Annual Report
- GGGI Strategic Plan 2012-14
- 2012 Financial Statements Audit Report (Draft)
- 2012 Audit Report by Board of Audit and Inspection (BAI)
- Measures and Plans Concerning the BAI Audit Findings by GGGI
- Planned Measures Concerning the BAI Audit Results by MOFAT
- Decision on the Sub-Committees of the Council (in lieu of AFSC Charter)
- Implementation Guideline for Risk Management and Internal Control
- BMU fund related documents (e.g. Contract, PMU documents, Status Reports, etc.)

3. Potential Internal Audit Projects (in lieu of Audit Universe)

- Budgeting Process Assessment
- Procure to Pay Process Assessment and Compliance Audit
- Project Control & Monitoring Process Review
- Funding Agreement Compliance Review
- Consulting Contract Compliance Audit
- Contingency Plan Assessment
- Staff Allowance Audit
- Review of Segregation of Duties
- Compliance Audit of Financial Regulations
- Follow-up Review of Previous Audit Report
- Other Investigations (upon request from the Council)

II. Approved 2013 Internal Audit (IA) Plan

#	Project	Project Objective	Category	Timing	Location	Note	Resource
1	Internal Audit Charter	To establish IA activity's position within GGGI	Governance	Q2	Seoul	Require agreement from DG and approval from AFSC	In-house
2	Internal Control Framework	To emphasize tone at the top and promote function of IA and importance of Internal Controls to all staff at GGGI	Governance	Q2	Seoul	Distribute to all at GGGI with acknowledgement by DG and the Chair of AFSC	In-house
3	2013 Risk Assessment (RA), Audit Plan and Budget	To evaluate current internal control environment at GGGI and plan for the 2013 IA activity	Risk Management	Q2	Seoul	Due to time restriction, limited RA procedures and condensed documentation will be placed for the 2013 plan.	In-house
4	Hiring of IA staff and 3 rd party Internal Audit Service Provider (IASP)	To establish capacity of IA function	Project Management	Q2	Seoul	More detail will be submitted to DG and the Chair of AFSC	In-house
5	Code of Conduct Review	To assess sufficiency of Code of Conduct issued on 4/12/13 and ensure it covers Code of Ethics	Governance	Q2/Q3	Seoul	Upon completion of the review, provide feedback to HR	In-house with IASP
6	Inventory and Review of all Financial and Operational Policies and Procedures	To evaluate existence and completeness of the policies and procedures at GGGI	Internal Control	Q3	Seoul	Sufficiency and effectiveness of the policies and procedures will be evaluated starting 2014.	In-house with IASP
7	Compliance Audit of Staff Regulations and Rules	To exam compliance with the rules and regulations	Internal Control	Q3	Seoul	Staff regulations and provisional staff rules issued in April, 2013.	In-house with IASP
8	Inventory and Review of Funding Contracts or Agreements with donors	To establish contract compliance review practice at GGGI	Risk Management	Q3	Seoul	* Upon review of the contracts, a separate contract compliance review may be necessary in 2013. In such case, the 2013 IA budget will need to be adjusted.	In-house with IASP
9	Inventory and Review of Consulting Contracts	To establish 3 rd party consulting contract compliance audit practice at GGGI	Risk Management	Q3	Seoul	* Upon review of the contracts, a separate contract compliance review may be necessary in 2013. In such case, the 2013 IA budget will need to be adjusted.	In-house with IASP

Approved 2013 Internal Audit (IA) Plan, continued

#	Project	Project Objective	Category	Timing	Location	Note	Resource
10	Inventory and Review of all Process Maps and Internal Control Documents (e.g. Narratives, flowchart and/or control matrix, etc.)	To evaluate existence of internal control activities and completeness of its documentation by process owners	Internal Control	Q3/Q4	Seoul	* Under the assumption that ERP pre-implementation process has covered preparation of Process Map of major financial and operational activities at GGGI. Sufficiency and effectiveness of the control activities will be evaluated starting 2014.	In-house with IASP
11	2013 Internal Audit Activity Report	To provide a summary of 2013 IA activities and their outcome to the Chair of AFSC, DG and External Auditor	Risk & Project Management	Q4	Seoul	To be presented at the 1 st AFSC meeting in 2014	In-house
12	2014 Risk Assessment	To prepare 2014 IA Plan and Budget	Risk Management	Q4	Seoul & TBD	To be presented at the 1 st AFSC meeting in 2014	In-house
13	2014 Internal Audit Plan and Budget	To obtain an approval from the AFSC	Project Management	Q4	Seoul	To be presented at the 1 st AFSC meeting in 2014	In-house
14	Audit and Finance Sub-Committee Meeting	To update the AFSC internal audit activities and any control issues	Governance	Ongoing	Seoul		In-house
15	Other Advisory Service and Investigation	To assist the Chair of AFSC and/or DG	Risk Management	Ongoing	Seoul	e.g. Implementation of procurement rules, ERP implementation, 3 rd party audit, etc.	In-house