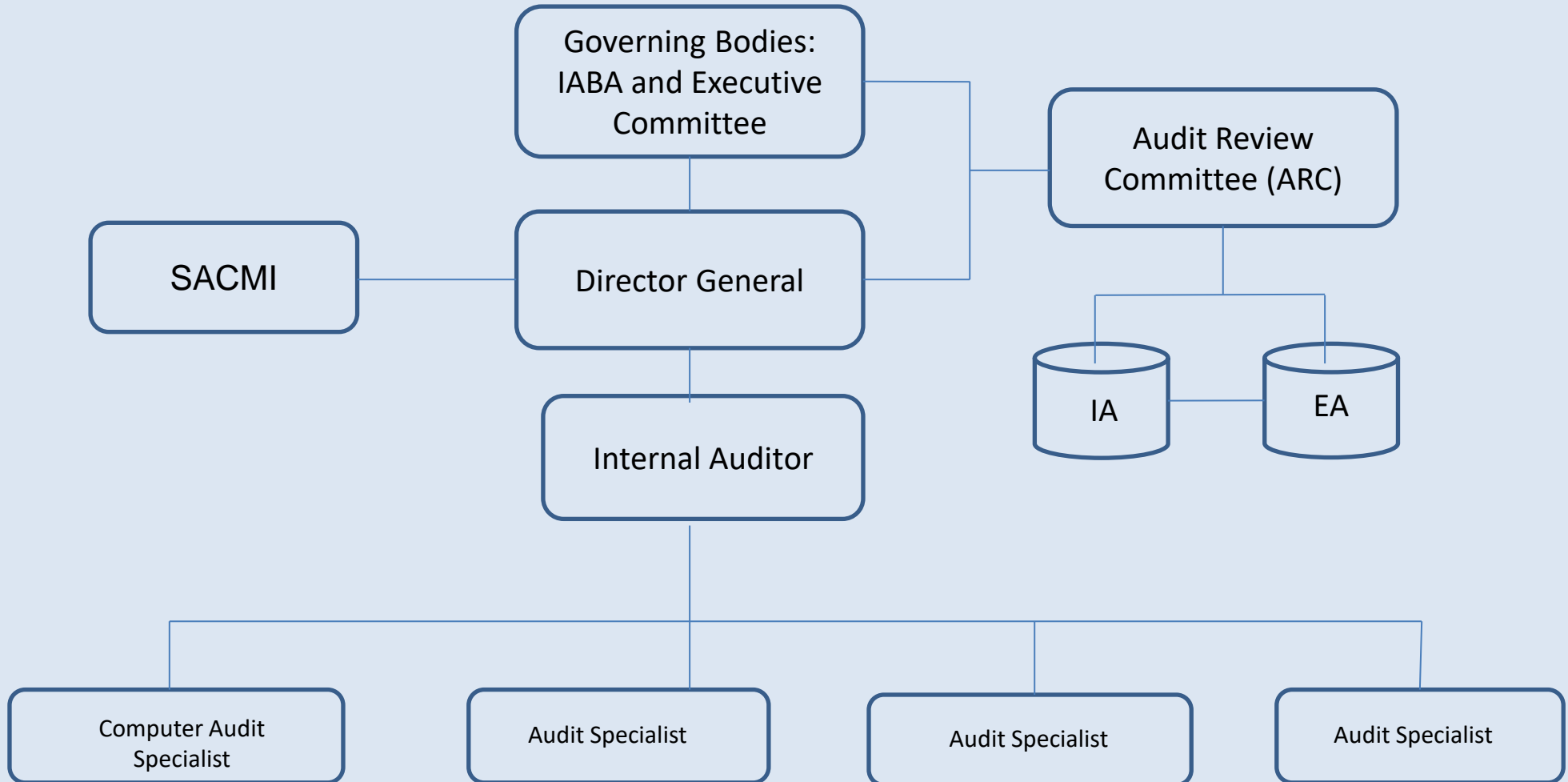


2021 Audit Work Plan and Executed Work



December 2021

STAFFING STRUCTURE OF THE INTERNAL AUDIT UNIT



I.A. Vision and Mission


Our Mission

We are an independent and objective activity, with a preventive approach to assure and advise the institution about the proper use of the resources, in accordance with the institutional rules and principles, to promote efficiency and efficacy in the execution of the technical, administrative and financial activities performed by IICA staff



MISSION

Our Vision



VISION

To contribute the settlement of “Compliance and continuous improvement” as organizational culture, thru useful and viable recommendations in areas under our competence which add value in the achievement of the MTP goals set in the institutional strategic plans. And to support the implementation of process reengineering joined to legality and transparency principles to reach the efficiency and efficacy in the technical, financial and administrative management.



EXECUTIVE SUMMARY

- **Annual Audit Working Plan 2021**
 - General and specific objectives.
 - System for Auditing Institutional Management.
 - Executive summary of the audit risk-based approach.
 - Virtual audits and reviews performed at Headquarters and Delegations.
- **Summary of Findings and Recommendations presented to the Governing Bodies**

GENERAL OBJECTIVES OF THE INTERNAL AUDIT UNIT

Verify the compliance of the institutional standards, processes and procedures applied in the operations and in the execution of projects financed with external and internal resources.

Validate the administrative, financial and accounting information as well as the security, reliability and integrity of information processed via Information Systems

Evaluate the efficiency of the internal control system, and identify actual and potential risks that may compromise the operations of the Institute

SPECIFIC OBJECTIVES OF THE INTERNAL AUDIT UNIT

To promote within the Institute:

Adherence to current standards and procedures and to continuous improvement by clear, precise and efficient guidelines.

A culture of prudence, transparency, and accountability in the management of the Institute's resources, as well as those of the counterparts

The exercise of good administrative practices and a culture of self-control, in order to increase levels of efficiency and compliance

SYSTEM FOR AUDITING INSTITUTIONAL MANAGEMENT

**ON-SITE AUDITS FOR IICA OFFICES IN STATE MEMBERS WITH HIGH LEVEL RISK AND
EXTRA-SITU FOR THOSE WITH LOW LEVEL RISK**

AUDITS FOR TRANSFER OF REPRESENTATIVE RESPONSIBILITIES

AUDITS AT HEADQUARTES AND SPECIAL REVIEWS

AUDITS OF MANAGEMENT OF EXTERNALLY FUNDED PROJECTS

ANNUAL SUMMARY OF THE AUDIT PLAN APPROVED FOR 2021

Annual Audit Work Plan for approval by the Director General.

Follow-up to implementation of audit recommendations stated in previous years reports.

Revisions made:

- Affidavits.
- Official OAS Travel Documents.
- Accumulated Vacations Time.
- Surprise tonnage of the Petty cash.
- Reviews to the Administrative Services Division (ASD) – Fixed and movable assets in custody during home work.
- Virtual Audits: Costa Rica, Ecuador, Bahamas and Belize.
- Transfer due to change of Representatives – Virtual. Delegations in: United States, Uruguay, Bahamas, El Salvador and Barbados.
- Support in the accreditation processes of the Institute to the Green Climate Fund and the Pillars of the European Union.
- Update of the Internal Audit Manual.

COMPLIANCE AND MONITORING ON AUDITS

NORTHERN REGION

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings to be addressed
		Memo No.	Date	Total	Accomplished	Oustanding	
México	IFA-002-2019	SC/SDG/A-012	05/07/2019	11	9	2	Difference between the SAP balance and the Financial Statements of Projects. Process automation. (Many manual processes are performed at the Delegation)..
	IFA-011-2019	SC/SDG/A-011	03/05/2020	16	12	4	Internal control procedure (authorization for accreditation of officials at the bank, maximum limit of transfers). Funds provided for the payment of labor liabilities of projects.
		SC/SDG/A-010	03/26/2021				
		SC/SDG/A-032	11/19/2021				
				27	21	6	
				100%	78%	22%	

COMPLIANCE AND MONITORING ON AUDITS

ANDEAN REGION

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings to be addressed
		Memo No.	Date	Total	Accomplished	Oustanding	
Ecuador	IFA-003-2021-RV	SC/SDG/A-042	12/10/2021	8	8	0	
		AA/EC-04798	12/23/2021				
Perú	IFA-012-2019	SC/SDG/A-013	04/09/2021	11	11	0	
		SC/SDG/A-007	03/26/2021				
		SC/SDG/A-033	11/19/2021				
		Email	11/19/2021				
		SC/SDG/A-036	11/24/2021				
				19	19	0	
				100%	100%	0%	

COMPLIANCE AND MONITORING ON AUDITS

CARIBBEAN REGION

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings to be addressed
		Memo No.	Date	Total	Accomplished	Outstanding	
Trinidad & Tobago	IFA-008-2019	SC/SDG/A-029	08/08/2019	8	8	0	
		SC/SDG/A-016	04/19/2021				
Bahamas	IFA-001-2021	SC/SDG/A-025	09/07/2021	11	0	11	Not using competitive methods in purchasing and contracting services. Inconsistency in supporting documentation and classification of expenses. Alternative itineraries for Official Trips.
		A2/BH-53-2021	11/22/2021				
		SC/SDG/A-031	11/19/2021				
		SC/SDG/A-041	12/09/2021				
				19	8	11	
				100%	42%	58%	

COMPLIANCE AND MONITORING ON AUDITS

CENTRAL REGION

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings to be addressed
		Memo No.	Date	Total	Accomplished	Outstanding	
Belice	IFA-004-202-RV	SC/SDG/A-039	12/08/2021	5	0	5	Segregation of duties, assignment of roles and transactions in the SAP system.
Guatemala	IFA-003-2020	SC/SDG/A-042	05/21/2020	8	8	0	
		SC/SDG/A-009	03/26/2021				
		SC/SDG/A-020	05/13/2021				
Nicaragua	IFA-007-2019	SC/SDG/A-025	07/29/2019	9	9	0	
		SC/SDG/A-018	05/06/2021				
	IFA-009-2019	SC/SDG/A-042	11/15/2019	9	9	0	
		SC/SDG/A-019	05/06/2021				
Costa Rica	IFA-001-2021-Rev	SC/SDG/A-017	04/27/2021	5	0	5	Not using competitive methods in professional services contracting. Authorization and settlement of official travel. Inconsistency in supporting documentation.
		SC/SDG/A-030	11/19/2021				
				36	26	10	
				100%	72%	28%	

COMPLIANCE AND MONITORING ON AUDITS

SOUTHERN REGION

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings to be addressed
		Memo No.	Date	Total	Accomplished	Oustanding	
Argentina	IFA-013-2019	SC/SDG/A-015	04/15/2021	10	5	5	Contracting of Cleaning Services. Official Attentions. Accumulated Vacations. Support documentation file. Purchasing goods and contracting services
		SC/SDG/A-034	11/19/2021				
				10	5	5	
				100%	50%	50%	

TRANSFER OF REPRESENTATIVE RESPONSIBILITIES

No.	Country	Memo
1.	Transfer of Responsibility for the Position of IICA Representative in the United States.	09/02/2021
2.	Transfer of Responsibility for the Position of IICA Representative in Uruguay.	11/02/2021
3.	Transfer of Responsibility for the Position of IICA Representative in Bahamas.	16/04/2021
4.	Transfer of Responsibility for the Position of IICA Representative in El Salvador.	01/11/2021
5.	Transfer of Responsibility for the Position of IICA Representative in Barbados.	13/12/2021

AUDITS AND HEADQUARTERS REVISIONS

Audits	Report No.	IA Memos and answers		Recommendations			Summary of findings
		Memo No.	Date	Total	Accomplished	Oustanding	
Audit to the Administrative Service Division (ASD)	IFA-004-2020	SC/SDG/A-042	10/29/2020	12	12	0	
		SC/SDG/A-003	02/18/2021				
		SC/SDG/A-028	11/19/2021				
		SC/DSC-094	11/22/2021				
		SC/SDG/A-037	11/24/2021				
		SC/DSC/GSA-079	12/01/2021				
	Email	12/01/2021					
Affidavits	Memo	SC/SDG/A-012	04/08/2021	1	1	0	
		SC/SDG/A-024	08/13/2021				
		SC/SDG/A-035	11/24/2021				
Surprise tonnage of the petty cash	Memo	SC/SDG/A-014	15/04/2021	2	2	0	
		SC/SDG/A-029	19/11/2021				
		SC/DSC/GSA-072	19/11/2021				
		SC/SDG/A-038	24/11/2021				
		Email	24/11/2021				
Fixed an movable assets in custody during home work.	IFA-005-2021	SC/SDG/A-040	12/08/2021	12	12	0	
		SC/DSC/GSA-010	02/07/2022				
		SC/SDG/A-001	02/18/2022				
		Email	02/18/2022				
Official Travel Documents	IFA-006-2021	SC/SDG/A-043	11/10/2021	3	0	3	Timely use of a computer tool for better control of OTDs. Renewal of the OTD before 3 months of its cancellation. Return of the OTD, once the trip has been made.
		Email	11/10/2021				
				30	27	3	
				100%	90%	10%	

SUMMARY OF FINDINGS AND RECOMMENDATIONS

SUMMARY OF MAIN FINDINGS AND RECOMMENDATIONS OBSERVED IN SOME OF THE TRANSACTIONS REVIEWED ON THE AUDITS	
MAIN FINDINGS	RECOMMENDATIONS
1. PURCHASING OF GOODS AND CONTRACTING SERVICES	
Weaknesses in the processes of acquisition of goods and contracting services in: a) the application of competitive methods, and b) the request and approval of exceptions to the Institutional Rules	We suggested to promote the implementation of automated systems such as the "Integrated Management System - SIG" which is being promoted by the Corporate Services Management.
2. PROJECT MANAGEMENT	
2.1. Insufficient documentation that supports the in-kind contribution or the agreed IICA counterpart in the legal instrument.	IICA units should ensure adequate documentation maintained for the institutional in-kind contribution to mitigate the risk of being questioned by the counterpart.
2.2. Lack of assets control system for the purchased and delivered ones in custody to beneficiaries and / or counterparts.	IICA units should ensure the inventory of those assets are updated routinely, which allows physical verification of their existence.
2.3. The evidence for reception and approval of reports and delivery of IICA's products to the counterparts is not always available	IICA units should ensure follow up to the request to the counterpart for the respective approval or to include this requirement as part of the legal instrument.
2.4. Delay in the preparation of settlements and assets delivery acts to the beneficiaries of the various projects. This situation is especially when the authorities in the counterparty change.	To incorporate in the agreements and agreements signed with the counterparts the settlement clause that includes the "positive silence" defining a period of no more than 30 days, during which if the approval is not received in writing, acceptance and approval
2.5. Lack of updated knowledge of the institutional regulations, due to staff turnover.	To promote continuous training of staff on issues related to: Institutional regulations, administrative procedures and internal control.
2.6. The Charge Advices are used to execute expenses between the Delegations. We note that the executed transactions supporting documents supporting the transactions executed through these charge notifications are not always complete, as established by institutional regulations.	The Representation that request, as well as the executor of the charge advices must comply with the provisions of institutional regulations and attach all supporting documents for the incurrent expenses.

IICA



Inter-American Institute for Cooperation on Agriculture