Annual Report
Fiscal Year 2018

Internal Audit Vice Presidency
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About Terminology
The World Bank Group (WBG) comprises five institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). In the context of this report, WBG institutions refers to IBRD, IDA, IFC, and MIGA. The Bank refers to IBRD and IDA.

For More Information
worldbank.org/internalaudit
Fiscal Year 2018 (FY18) saw continued focus by the World Bank Group (WBG) institutions on the implementation of the strategy articulated in the “Forward Look,” which stands on four pillars: serving all clients, creating markets, leading on global issues, and improving the business model. In an increasingly complex global environment, with dynamically changing risks and the evolution of new models for development, the WBG institutions continue to push to become more nimble, innovative, and financially sustainable.

In this context, the relevance and need for the independent and objective assurance and advisory services of the Internal Audit Vice Presidency (IAD) continues to grow. In FY18, positioning itself as a trusted advisor to the Board and management, IAD sought to cover the key priorities and challenges faced by the WBG through a range of engagements in areas of strategic importance and risk, with a focus on providing forward-looking insights.

This annual report presents the perspectives and insights gained by IAD during the delivery of its work program covering WBG’s governance, risk management, and controls. It also summarizes the work carried out in FY18, and provides updates on the key features of IAD’s internal audit practices.

In FY18, IAD completed 25 assurance and advisory engagements that covered the status of risks and controls in the WBG institutions’ implementation of corporate strategies, developmental operations, corporate and administrative activities, and information technology and data management.

The key themes emerging from IAD’s work were efficiency, value for money, collaboration among the WBG institutions, and addressing emerging risks. IAD noted the need to continue building and strengthening a culture of continuous improvement in WBG institutions to strengthen their ability to quickly respond to changing market and stakeholder needs. IAD also brought emerging risks, including legal and regulatory risks and data management risks, to management’s attention, while encouraging management to continue to build on the progress made in managing environmental and social risks.

On stakeholder engagement, IAD continued to enhance its communication with the Audit Committee and management at various levels to enable us to anticipate and focus on emerging organizational and Board priorities. IAD also augmented its coordination with other oversight functions to build complementarity and avoid overlaps, and continued its outreach and partnerships with business units. IAD also engaged with other development partner organizations and the Institute of Internal Auditors, with a view to sharing knowledge and contributing to the growth of the internal audit profession.

In seeking to continually improve operations within IAD, we further strengthened our structured learning program to sharpen business acumen and data analytics skills of staff, and introduced process improvements to both shorten our engagement review and decision cycle and increase our delivery capacity.

Overall, I believe that IAD made strong contributions to strengthen the governance and risk management of the WBG in FY18, and is well positioned to support the WBG’s efforts to operationalize the “Forward look” over the coming years. I would like to express our sincere appreciation to Hiroshi Naka, who left the position of Vice President and Auditor General at the beginning of FY19. The vision and direction of IAD over the last few years, as well as the entire FY18 work program, was delivered under Hiroshi’s leadership, and we truly appreciate his efforts in guiding IAD to attain new heights of professionalism and quality in our work, and instilling in IAD a commitment to continuous improvement.

Yuko Keicho  
Acting Vice President and Auditor General
The Internal Audit Vice Presidency (IAD) is an independent and objective assurance function that aims to add value to the World Bank Group (WBG). The engagements undertaken by IAD assess whether there is reasonable assurance that:

- Risks are appropriately identified and managed;
- Governance issues impacting the WBG entities are recognized and addressed appropriately;
- Significant financial, managerial, and operating information is accurate, reliable, and timely;
- Institutional policies and procedures are complied with;
- Resources are acquired economically and used efficiently;
- Quality and continuous improvement are fostered; and
- Institutional assets (physical and intellectual), records and data are safeguarded.

IAD’s mandate includes raising awareness of risks and controls, providing advice to management and the Board in the development of control solutions, and monitoring the implementation of management’s actions to mitigate risks. IAD also plays a key role in fostering conversations with the Board and Senior Management on risk management, institutional risk appetite and controls.

To articulate IAD’s value proposition, IAD developed its Vision and Strategy in FY15 (see graphic below). In FY18, IAD continued with its implementation of the five Strategic Pillars, which enable IAD to achieve its vision of providing risk-based assurance and insightful, proactive, and future-focused advice.

**IAD Mission:**
To add value to WBG by facilitating improvement in the operations of WBG entities

**IAD Vision:**
To provide risk-based assurance and insightful, proactive, future-focused advice

**Strategic Pillars:**
- Align internal audit activity with institutional strategic priorities to address most significant risks
- Strengthen management’s ability to manage and monitor risks and learn from experience
- Provide upstream input and advice on emerging risks and new initiatives
- Provide timely post-implementation feedback
- Encourage management to take effective and timely action through IAD’s follow-up process
Reporting and Oversight

IAD reports to the President and is under the oversight of the Audit Committee. The Audit Committee reviews:

• The selection and removal of the Auditor General
• IAD’s Terms of Reference (TOR), recommending it to the Board for approval
• IAD’s Annual Risk Assessment and Work Program, recommending it to the Board for approval
• The results of IAD’s work covering operations and compliance with key provisions of IBRD/IDA, IFC and MIGA’s charters and policies
• The overall effectiveness of IAD

On an ongoing basis, but at least quarterly, IAD briefs and updates the President and the Audit Committee on engagement outcomes and the progress of management action plans to improve the operations of the WBG institutions. IAD also briefs the Audit Committee on any changes to the work program that may occur as a result of emerging risks, significant changes to the business, or requests from management for IAD advice.
Types of Engagements

IAD performs two types of engagements in carrying out its work: assurance and advisory. The selection of the engagement type is based on the maturity of the process to be reviewed and on stakeholder needs.

- **Assurance**: provide management and the Audit Committee with an independent assessment of existing risk management, control, and governance processes. IAD usually requires action plans for issues identified and monitors the implementation of those plans by management through to closure. In addition, verification of management actions that were committed to stakeholders, is also classified as an assurance engagement.

- **Advisory**: offer advice to management without IAD assuming management responsibility. This is performed before or at the beginning of the roll-out of new initiatives to provide input on the design of controls to management. As advisory engagements are similar to consulting, IAD does not require action plans for such reviews.

Breakdown by Entity and Type

IAD’s FY18 work program was designed to focus on the most significant risks for the WBG institutions, consistent with the industry professional practice standards. It sought to provide coverage of core operational processes, corporate and administrative areas, and information technology. During FY18, IAD completed 25 assurance and advisory engagements, covering WBG, IBRD/IDA, IFC, and MIGA processes and activities. Details of each of IAD’s FY18 engagements are provided in Annex 1. A breakdown of these engagements by entity and type is presented below.
Work Program Alignment with the IAD Risk Domains

IAD’s work program is aligned with the strategic priorities of the WBG institutions, with particular attention on the most significant risks. The work program is based on IAD’s risk assessment, which is based on discussions with the Audit Committee members, management and operational staff, consultation with other oversight units, and IAD’s independent and professional judgement derived from IAD’s past engagements. Details of IAD’s coverage in FY16–18 are provided in Annex 2.

To enable a clear view of the risk coverage of IAD’s work, IAD utilizes 14 risk domains to conduct its risk assessment. The table below presents the 14 risk domains and the number of engagements for each in FY16, FY17 and FY18.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Area</th>
<th>Risk Domain</th>
<th>Number of Engagements</th>
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<td>FY18</td>
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<td>World Bank Group Institutions</td>
<td>Strategic Planning and Change Management</td>
<td>Strategy Implementation and Change Management</td>
<td>2</td>
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<td></td>
<td></td>
<td>Business Planning and Budgeting</td>
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<td>Development Operations</td>
<td>Delivery of Operational Products and Services</td>
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<td>Environmental and Social Risk</td>
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<td>Fiduciary Risk</td>
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<td>Integrity Risk</td>
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<td>Corporate and Administrative Areas</td>
<td>Management of External Funds</td>
<td>-</td>
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<td>Stakeholder Engagement and Financial Reporting</td>
<td>-</td>
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<td>Financial Risk</td>
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<td>Human Resource Management</td>
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<td>Corporate and Administrative Areas</td>
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<td>Physical Disruptions and Business Disruptions</td>
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<tr>
<td>IT and Data Management</td>
<td>Information Technology and Information Security</td>
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<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge and Data Management</td>
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Work Program Alignment with WBG’s Strategic Priorities

In September 2016, WBG introduced its vision 2030 called the Forward Look. The objective of the Forward Look is to shape a common view among shareholders on how the WBG can best support the development agenda for 2030, while staying focused on its own corporate goals of eradicating extreme poverty and ensuring shared prosperity in a sustainable manner (Twin Goals). The Forward Look describes how the WBG will deliver on the Twin Goals and its three priorities of sustainable and inclusive growth, investment in human capital, and strengthening resilience to global shocks and threats, while supporting the 2030 development agenda and the Sustainable Development Goals (SDGs). The Forward Look rests on four pillars (presented below): serving all clients; creating markets, maximizing finance for development, and expanding the use of private sector solutions; leading on global issues; and improving the business model.

Forward Look: A Vision for the World Bank Group in 2030

IAD’s work program is developed to align with the WBG’s strategic priorities and this is elaborated in the following pages.
Achieving Improvements by Supporting WBG’s Strategic Priorities

IAD aligns its engagements with the WBG’s strategic priorities as well as the WBG’s efficiency and financial sustainability imperatives, and this is illustrated below for the FY18 work program.

IAD FY18 engagements classified by priorities

**Serving all clients/Creating markets**

- IFC’s Use of Blended Finance in Operations
- Bank’s Process for Managing Advisory Services and Analytics (ASA) Activities
- Bank’s Implementation of the Uganda Transport Sector Development Project (Additional Financing): Lessons Learned and Agenda for Action

**Leading on global issues**

- IAD covered climate in FY17 and will be covering gender and FCV in the coming years. The FY18 work program did not have any coverage under this theme.

**Improving the business model**

- Bank’s Implementation of the Agile Approach
- Implementation of SORT in Supporting Operational Decision-Making
- WBG’s Approach to Managing the Contingent Workforce
- Bank’s Management of Legal Risks Related to Country Office Administration
- WBG’s Corporate Procurement Processes
- IFC’s Management of Data Access and Protection
- Bank’s Anti-Money Laundering and Countering the Financing of Terrorism Program
- Use of Offshore Financial Centers in WBG Private Sector Operations

**Improving WBG efficiency/Ensuring adequate financial capacity**

- WBG’s Completion of the Expenditure Review Initiative
- IBRD and IFC’s Management of the Liquid Asset Portfolio
- IFC’s Use of Derivatives in Managing Market Risks in the Debt Portfolio
- Creation of Fund Centers and Impact on Business Performance Reporting
- Oversight of Administrative Expenses Managed by Bank’s Country Offices
- MIGA’s Management of Reinsurance Counterparty Risk
- Management of Shared Service Agreements (SSAs) among WBG Institutions

Relevance of IAD’s work on selected engagements

- IAD covered IFC’s framework for managing Blended Finance that has been in place since 2011. This has relevance to the new innovative products such as the IDA-PSW that are being rolled out to help create markets.
- IAD reviewed the status of the recently implemented reforms that sought to enhance selectivity in ASA activities. ASA serves to strengthen client and market capacity.
- With the imperative for the WBG to become nimbler in responding to changing market needs, IAD provided forward-looking advice to management to help accelerate the adoption of the Agile approach.
- As WBG’s need for operational flexibility drives the increased use of a contingent workforce, IAD’s engagement covered the recent reforms in this area.
- IAD has covered the completion of the expenditure review to provide timely assurance to address the increasing expectations of efficiency from shareholders.
- IAD provided advice based on industry practices to the WBG institutions to help foster a shared understanding of expectations and obligations when operating shared services.
The Executive Commentary provides IAD’s reflections on governance, risk management and internal controls of the World Bank Group (WBG) institutions with a focus on their progress in implementing the key priorities. The commentary is not exhaustive in content but rather selective, and draws on the results of IAD’s audits and advisory engagements, observations of corporate events, and continuous dialogue with Senior Management and the Audit Committee. The commentary is designed to be forward-looking and constructive with the intention of helping to accelerate the achievement of the WBG goals.
Key Messages

1. ADVANCING THE DEVELOPMENT AGENDA

In FY18, the WBG institutions consolidated their collective public and private sector capabilities to address development challenges under the Maximizing Finance for Development (MFD) agenda. Recognizing the need to build synergies among WBG institutions for creating markets, management accelerated the application of new financing approaches such as Blended Finance (BF) and the IDA-Private Sector Window (PSW). The delivery of the Bank’s Advisory Services and Analytics (ASA) was strengthened, and processes for the collection and dissemination of development data were established. Looking forward, management needs to:

• **Deepen inter-institutional collaboration and continue to strengthen its product innovation** to promote private sector participation in development financing and market creation;

• **Invest in development data collection and management, and share knowledge with clients** to support the achievement of the Sustainable Development Goals; and

• **Apply lessons from experience in project implementation** to improve the management of environmental and social (E&S) risk, particularly in environments with Fragility, Conflict and Violence (FCV).

2. FOSTERING RISK CONVERSATIONS

The push for innovation in development, combined with rapid changes in the business environment, has necessitated the drive towards a more informed and holistic approach to risk management. The WBG institutions have progressively strengthened risk management oversight through active risk discussions at Senior Management fora, increased attention to establishing a risk appetite as a basis to inform risk management practices, and improved reporting to the Board, with a view to creating a shared understanding of risks both between the institutions, and across all levels of management. Looking forward, management needs to:

• **Embed risk conversations in the organizational culture:** Defining a risk appetite, which entails both development and financial considerations, to promote informed decision making;  

• **Understand the ‘big picture’ through aggregate risk monitoring and reporting:** Sharing risk information between business units, across WBG institutions, and with the Board to build alignment of expectations on new approaches of doing business; and

• **Understand emerging risks to better prepare for the future:** Anticipating and responding quickly to emerging risks such as legal and regulatory risks, cyber security risks and data management risks.

3. PROMOTING EFFICIENCY

Recognizing that the ability of the WBG institutions to effectively address development challenges hinges on the strength of its financial sustainability, the WBG institutions successfully completed the Expenditure Review, significantly reducing the cost base of the organization and freeing up resources to be channeled to areas of strategic priority. Reforms in corporate procurement have advanced “value for money” as a key principle; and a deep-dive analysis of shared service agreements among WBG institutions was undertaken to improve both the quality and efficiency of such services. Capital investment governance processes have also been enhanced to ensure resource alignment with corporate priorities. Looking forward, management needs to prioritize the following:

• **Embed efficiency into all business processes;**

• **Improve Value for Money / Strategic approach to capital investments;** and

• **Use technology to maximize efficiency.**

4. CULTURE OF CONTINUOUS IMPROVEMENT

For successful implementation of these actions, a strong organizational culture of continuous improvement is imperative. Management’s strong push for the “Agile” initiative is laying the foundation for creating such a culture. Going forward, building strong institution-wide feedback loops, measuring progress with indicators, and benchmarking with leading practices will support this effort. Empowering staff to push for improvements will help make continuous improvement a part of the organizational culture.
1. ADVANCING THE DEVELOPMENT AGENDA

WBG has increased its commitment to Maximizing Finance for Development (MFD), which seeks to prioritize leveraging the private sector and optimizing the use of scarce public resources. This will require concerted action on a number of fronts including integrated product offerings, innovative financial and technical solutions, effective stakeholder management, and improved data management and dissemination. At the same time, WBG institutions need to continue learning from project experience to inform the safeguarding of environmental and social values in high-risk environments.

Addressing client needs with integrated solutions

To address the development challenges facing our client countries, the WBG strategy focuses on providing comprehensive integrated solutions, encompassing both public and private sector participation. As a key component of this strategy, management of the Bank and IFC created two “Joint Global Practices” in July 2014, with a goal to integrate advisory services from both institutions. In FY17, IAD reviewed the implementation of this joint operating model in its Audit of Management’s Processes for Integrating Select IFC/Bank Advisory Services, and highlighted both progress and obstacles.

In FY18, through our continued follow-up on implementation, we observed a management evolution from an organizational jointness model to a strategic collaboration model with sharper accountability for funding and results. The collaboration is built around the WBG Country Partnership Framework and the recently introduced Country Private Sector Diagnostics.

Management has taken these steps based on the learning from the implementation of the original plan. Even as course correction is essential, the effectiveness of the new model will need to be closely monitored and adjusted to enable the desired collaboration. The experience of the Joint Global Practices can also serve as a valuable lesson to inform the ongoing efforts of collaboration across the WBG institutions. IAD will continue to review management efforts to foster collaboration in its FY19 review on the Cascade Approach.

Supporting the creation of markets

One of the new financing approaches being deployed to support the creation of markets is IFC’s Blended Finance (BF). BF combines concessional funding provided by development partners with commercial funding provided by IFC and other investors. BF solutions seek to provide financial support to high-impact projects that would not attract funding on strictly commercial terms because the risks are considered too high and the returns are either unproven or not commensurate with the level of risk.

In its FY18 Audit of IFC’s Use of Blended Finance, IAD confirmed that IFC has a robust framework to manage investments using BF. To further improve stakeholders’ comfort on this new approach, management should strengthen the periodic reports to stakeholders on the financial performance and development impact of the projects funded with BF.

IAD will continue to review the WBG’s operations for creating markets through its audit of the IDA-Private Sector Window (PSW) in FY19.

Inter-institutional collaboration is key to enabling integrated service offerings by the WBG

Management needs to analyze the WBG’s experience with new financing approaches for creating markets and discuss the results with stakeholders to inform refinements in its approach.
Strengthening development data and knowledge

The Addis Ababa Agenda for Financing for Development has emphasized the need for reliable data, as an essential input for smart and transparent decision making by countries and development partners. In FY18, management set a financing framework for the ongoing funding of development data activities and formalized the operational policy framework for data collection and production. This is a significant step in strengthening WBG’s capacity for the collection of development data and the production of indices to report on the WBG’s development goals.

These actions were in response to IAD’s audit on this topic in FY16. This area should continue to receive management attention as an essential element towards the achievement of the Sustainable Development Goals (SDGs).

On the Bank’s knowledge offerings to clients, IAD, in the Audit of the Bank’s Process for Managing Advisory Services and Analytics (ASA) Activities, observed significant improvements in selectivity, planning and supervision of ASA projects following the previous audit in FY15. At the same time, continued efforts are needed for early resolution of problems in the delivery lifecycle and better programming of ASA activities through the Institutional Work Program Agreement Process.

Augmenting practices to protect environmental and social values

Recent experiences from project implementation have highlighted the significant vulnerability of local communities to infrastructure projects, including the increased risk of gender-based violence. In response to these events, management identified the key factors in the WBG project cycle that have contributed to project failures in the past. Based on this analysis, management developed a detailed set of actions to strengthen oversight of environmental and social (E&S) risk management of projects in high-risk environments.

To provide independent assessment of this effort, IAD reviewed the Bank’s Implementation of the Uganda Transport Sector Development Project (Additional Financing): Lessons Learned and Agenda for Action in FY18. The engagement confirmed that management has substantially implemented the corporate-level actions. As a reminder to management, the engagement also emphasized the importance of maintaining up-to-date relevant guidance and providing timely training, to ensure that staff and clients have adequate capability to identify, assess, and respond to E&S risks in projects.

As the Bank moves forward with the implementation of the new Environmental and Social Framework (ESF), it will be important to continue to strengthen the feedback and learning from the ESF implementation across all projects, beyond just problem projects. This is particularly needed for operations in FCV environments that face more unknown factors than other environments. IAD views E&S risk as a vital area for its ongoing coverage and will review the Bank’s Grievance Redress Service in FY19.

The Bank needs to keep investing in the collection, management and dissemination of reliable development data to help achieve the SDGs

It is critical to strengthen feedback and learning in the application of the new Environmental and Social Framework to projects
2. FOSTERING RISK CONVERSATIONS FOR INFORMED DECISION MAKING

The changing business landscape and the current WBG business model place greater emphasis on a more informed approach to risk management. It will therefore be important that risk management at the WBG is grounded on a framework that includes an intentional assumption of risk based on an institutional risk appetite, an aggregated view of enterprise risks, and anticipation of and preparation for emerging risks.

Embedding risk conversations in the organizational culture

A noteworthy trend within the WBG in FY18 was the increased attention to risk in conversations at both Board and Senior Management levels. The Board actively discussed the arrangements for its risk oversight. Senior Management considered overall enterprise risk management as well as the approaches to specific types of risks through discussions at multiple Senior Management fora. This dialogue is helping to build a shared understanding of significant risks across the WBG institutions.

In order for the WBG institutions to take decisive, concerted actions in a complex and evolving business environment, it is important to be clear about risk appetite and acceptance, and the governance mechanisms to communicate such decisions across the institutions. This is particularly important as the WBG institutions need to work together to implement key strategic initiatives such as IDA-PSW and MFD.

IAD has been playing a key role in promoting risk appetite conversations within the WBG institutions through its ongoing dialogue with management and the Board, and through specific engagements. In the Audit of IFC’s Management of the Liquid Asset Portfolio, IAD urged management to conclude the ongoing discussion and adopt a risk appetite statement to guide effective decision making on liquid asset management.

While defining risk appetite is relatively easy for financial activities such as development operations, especially given an evolving strategic context. Reviewing and reflecting on risk decisions made in the past, and the lessons learned, can provide valuable insights to help inform the organization’s risk-taking preferences going forward.

Understanding the ‘big picture’ through aggregate risk monitoring and reporting

Complete, accurate, and timely recording and aggregating of risks, and their reporting is a foundation for effective risk management. A challenge in risk reporting arises when risks are managed in silos. This was highlighted in the Advisory Review of IFC’s Use of Derivatives in Managing Market Risks in the Debt Portfolio, where IAD noted opportunities for IFC management to strengthen operational coordination, information sharing, and integrated reporting, as well as establish periodic reviews of the framework and practices for using derivatives for portfolio risk management. In IAD’s Audit of the Implementation of the Systematic Operational Risk-rating Tool (SORT) in Supporting Operational Decision-Making, IAD noted that SORT has become a useful tool in the Bank to capture risks, inform decisions on projects, and present an aggregated view of risks across the portfolio. Enhanced utilization of the tool at the project implementation stage as well as in management reporting to the Board will further strengthen the oversight of risks in operations. At the corporate level, the Board and management have worked together to strengthen and synthesize management’s risk reporting to the Board, which is a positive development in strengthening the overall risk management of the WBG institutions.

Developing a shared understanding of the institutional risk appetite within WBG is vital to enable coordinated actions

Aggregation and reporting of comprehensive risk information is fundamental to effective risk management
Understanding emerging risks to better prepare for the future

The changing business dynamics surrounding multilateral organizations, coupled with the rapid technological advancement, will present new and emerging risks that will require management anticipation and response.

Legal and regulatory risks: Even as the WBG institutions are protected by privileges and immunities, new regulations may indirectly affect WBG operations by imposing restrictions on key third party partners. While this is a long-standing issue, such legal and regulatory risks may be increasing in this interconnected world. The WBG institutions are implementing a comprehensive framework for protecting personal data used in every aspect of their activities. This effort is partly in response to the growing regulatory requirements on data privacy including the European Union’s General Data Protection Regulations (GDPR). It is vital for the WBG to support its business partners in their efforts to comply with these emerging regulations, which many of them are subject to.

Global standards on tax evasion are also evolving as seen with the OECD’s Base Erosion and Profit Shifting (BEPS) action plan and the Addis Tax Initiative. IAD’s Audit of the Use of Offshore Financial Centers (OFC) in WBG Private Sector Operations in FY18 confirmed the satisfactory implementation of the WBG’s existing OFC policy by IFC and MIGA while suggesting the need for the Bank to assess the relevance of the policy to its operations, given the growing involvement with private sector entities.

IAD noted the initial steps being taken by management to track emerging international developments on preventing tax evasion. It will be important for management to continue to upgrade institutional approaches to align with evolving global standards. IAD also pointed out, in the Audit of the Bank’s Management of Legal Risks related to Country Office Administration, the need for formalizing the institutional legal risk management process to identify, analyze, respond to and monitor legal risks at country offices.

Cyber security risks: With substantial reliance on Information Technology (IT) in the WBG, continual management attention and action is needed to address the evolving cyber threats targeting key IT infrastructure and critical organizational data.

The WBG has been implementing a leading practice approach of multiple, overlapping, and mutually supportive defensive systems, commonly referred to as the WBG’s Defense-in-Depth Approach to Information Security. This is assessed by IAD through a multi-year engagement schedule.

In FY18, IAD reviewed several areas critical to the cyber defenses of the WBG including the primary access point to WBG IT systems and data, Enterprise Desktop, Wireless Security, Cloud Infrastructure as a Service, and the Information Security Strategy.

As management is currently refreshing its Cybersecurity Strategy, IAD highlighted the importance of developing a comprehensive, information security strategy in its Advisory Review of the Development of the WBG Information Security Strategy.

Data management risks: With the emergence of disruptive technologies such as the Internet of Things, advanced robotics, Big Data, and Artificial Intelligence, data management within organizations has become increasingly important as the foundation for the successful adoption of advanced technologies.

IAD has been increasing its focus on data management risk. Following the advisory review of IFC’s Management of Data Access and Protection in FY18, where IAD recommended measures for better protection of sensitive data and more efficient sharing of data across business units, IAD plans to review the management of Bank’s Corporate Data in FY19.

The WBG needs to focus attention on emerging risks to better anticipate and plan before these risks materialize.
### 3. DOING MORE WITH LESS – PROMOTING EFFICIENCY

In addition to the focus on development and risk management to meet growing stakeholder expectations and demand from clients, the WBG institutions have adopted, since 2013, measures aimed at increasing revenues and shifting to a leaner cost base. The WBG institutions have also launched various initiatives to enhance operational flexibility and agility, with the aim of becoming “Better” while continuing to build support for a “Stronger” institution with adequate financial capacity.

#### Embedding efficiency into business processes

In FY15, management set out to reduce the annual cost base of the WBG institutions by $400 million by FY18, through various measures implemented across all the business units of the WBG institutions.

In FY18, IAD, through the Audit of the WBG’s Completion of the Expenditure Review Initiative, confirmed that management has successfully implemented the measures to which it had committed, cutting the cost base by over $400 million, and has deployed part of the savings achieved to strategic priority areas. This has laid the foundation for financial sustainability going forward. While cost reduction is important to the achievement of sustainable growth, a careful balance is required to ensure that efforts towards cost efficiencies do not compromise the effectiveness of business processes that support client service delivery. Going forward, it is important for management to institute mechanisms to identify opportunities to optimize costs, measure business performance, and report to stakeholders on the balance between efficiency initiatives and the effectiveness of business processes.

IAD will continue to focus on efficiency in business processes and will be conducting an Advisory Review of WBG Institutions’ Framework to Support the Implementation of the Efficiency Agenda as part of its FY19 work program.

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#### Improving Value for Money

The concept of Value for Money (VfM) has become a central theme in the development community, as illustrated by the ongoing VfM discussion among Multilateral Development Banks. In operations, the new Bank Procurement Framework launched in 2016 lists VfM as a central guiding principle. The drive for VfM is also observed in the corporate activities of WBG institutions. IAD, in its Audit of WBG’s Corporate Procurement Processes, noted that management has embarked on the implementation of a corporate procurement reform to rationalize the way it purchases goods and services, with a focus on achieving VfM. IAD recommended that management should continue its reform efforts to strengthen the alignment of corporate procurement practices with business needs and thus increase efficiency.

In addition, IAD, in the Advisory Review of the Management of Shared Service Agreements (SSAs) among WBG Institutions, analyzed how various services are shared among the WBG institutions, and advised on measures to enhance the quality and efficiency of such arrangements. IAD highlighted the importance of using performance measurement to assess the effectiveness of shared services and ensure that resources deployed to such services derive the greatest benefit for the WBG institutions. Further, IAD pointed out, in its Advisory Review for the Creation of Fund Centers and Impact on Business Performance Reporting, that frequent changes to the organization’s “Fund Center” hierarchy, which broadly mirrors the organizational hierarchy, can result in unplanned administrative costs and pose challenges in producing accurate and timely business performance reports.

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The WBG needs to continue its efforts to reduce costs and measure efficiency.

The focus on Value for Money will enhance both efficiency and the quality of business activities.
Strategic approach to capital investments

In FY18, the WBG institutions made improvements in the governance of capital investments by strengthening the alignment of such investments to corporate priorities. Following IAD’s FY17 Audit of the Bank’s Capital Budget Process, which highlighted the need for clear prioritization criteria and a robust framework for measuring the value of capital investments, management made significant strides by elevating discussions on the annual investment plan to the Board, and establishing a council to steer the WBG’s real estate investment strategy. These measures will ensure that capital investments support the institutions' long-term strategic goals. Continuing its coverage of this key area, IAD plans to review IFC’s Capital Budget Process in FY19.

Using technology to maximize efficiency

Technology is advancing at a staggering pace and is disrupting almost every business and industry. Smart use of new technology can help maximize efficiency and transform how WBG does its business.

A number of innovations using new technologies are being introduced through the Administrative Process Simplification initiative. For example, the WBG has started developing Robotics Process Automation (RPA) cases to automate routine tasks and unlock business efficiencies, contributing to meaningful improvements in the speed of support services delivery.

Going forward, it is important that such initiatives are scaled up in a sustainable manner to ensure rapid transformation of business processes. IAD’s future engagements that will help provide assurance on the impact of such initiatives include the Integration of Disruptive Technologies in WBG Operations (FY20) and WBG’s Implementation of Robotic Process Automation (RPA) (FY21).

In a resource constrained environment, capital investments need to be strategically planned.

Adopting new technologies will be key to drive the efficiency of business processes.
4. EMBRACING A CULTURE OF CONTINUOUS IMPROVEMENT

In an age where constant change is the norm, an organization’s success depends on its ability to continually find better ways of doing business; a culture of continuous improvement is therefore of paramount importance. IAD has incorporated considerations of continuous improvement into its various audits and advisory reviews, and identified the following key continuous improvement enablers.

Embedding strong feedback loops into business processes

For the WBG to beneficially extract learning from actual experience to improve the overall system, it must consciously embed feedback loops and information sharing practices into business arrangements.

In the Audit of Oversight of Administrative Expenses Managed by Bank’s Country Offices, IAD observed that the lessons learned by various Bank units through their oversight of country offices were not actively shared amongst each other. This could lead to lost opportunities to improve business practices, as well as inefficiency due to fragmentation of oversight activities.

In the Advisory Review of the Management of Shared Service Agreements (SSAs) among WBG Institutions, IAD also drew management attention to the absence of a robust dialogue mechanism about the quality and costs of services, between the parties involved. This resulted in concerns not being systematically addressed to enable improvements in the shared service arrangements.

Measuring performance with relevant metrics

Through the establishment of key performance indicators, measurable goals can be set and used to assess actual performance.

In the review of SSAs, IAD advised that performance metrics be adopted to enable a shared understanding between the service providing partner and the service receiving partner about the expected quality of the service being provided.

Benchmarking against standards and best practice

Assessing the WBG’s own activities against global standards and industry leading practices is useful to identify gaps in existing practices and set the organization’s own standards. The Audit of the Bank’s Anti-Money Laundering and Countering the Financing of Terrorism Program observed that management closely monitors changes to global standards, specifically the Financial Action Task Force Recommendations of the Organization for Economic Co-operation and Development (OECD), and suitably updates the Bank’s own policy and procedures.

Benchmarking is particularly valuable in IT. In the Audit of WBG’s Wireless Network Management and Security, IAD concluded that WBG’s own standards are not only satisfactorily implemented but are also current and consistent with industry leading practices.

Empowering staff for increased ownership

Continuous improvement becomes part of the organizational culture when individual staff feel empowered to suggest improvements, and when this is matched with an organizational capacity to implement these improvements, and manage the change.

In the Advisory Review of the Implementation of the Agile Approach, IAD recommended that management continue to empower staff to proactively propose improvements in existing policies, processes, procedures and practices, and give recognition and rewards when such efforts result in improvements.

At a time when the WBG is expected to continually adapt, respond and reinvent itself, the continuous improvement culture will be even more important. IAD will continue to identify good practices aimed at fostering continuous improvement and advocate the spread of a continuous improvement culture across the organization.
Issue Follow-up

Promoting Timely Improvements through Close Monitoring of Outstanding Actions

In response to IAD’s assurance role, management develops specific and time-bound action plans to address any issues identified in our audits. IAD accepts the action plans after reviewing their suitability to address identified issues and the reasonableness of the timeline for implementation.

IAD’s continuous dialogue with management during the implementation of actions encourages timely completion of the plans. Once management indicates that an action is implemented, IAD validates the same by reviewing evidence provided by management. In cases where the implementation of the plan is delayed, IAD flags the overdue action plans for Senior Management and Audit Committee attention, and continues to monitor the revised implementation timelines. Besides flagging specific issues, IAD periodically performs a root cause analysis of overdue actions. IAD’s follow-up process is depicted below.

In FY18, IAD raised 53 new issues requiring management attention. At the end of FY18, there were 74 open issues including those from previous years, of which 11 had overdue actions. The quarterly breakdown of open and overdue issues for the past two years is shown below.

Open issues have outstanding actions by management that are not yet due, while overdue issues have outstanding actions that management did not complete before the agreed due date.
Realizing Improvements through Implementation of Action Plans by Management

Examples of Issues Resolved in FY18

IAD closes issues after validating that management has satisfactorily implemented the actions, and has effected improvements in the operational controls with positive impact. In FY18, IAD closed 43 issues raised in completed audits and some of the areas that were positively impacted from IAD’s work and the resultant changes made by management, are highlighted below.

**Enhancing Operational Results**

IAD’s FY17 special review on Management’s Processes for Integrating Select IFC/Bank Advisory Services, helped management recognize gaps in the integration efforts. Management has since made changes to the operating model that IAD reviewed for these joint practices, and this area will need continued monitoring and adjustments to support the “One World Bank Group approach”.

Steps taken by management following IAD’s FY16 Audit on the Process for the Collection of Data and Production of Indices to Report on the Twin Goals address key aspects of establishing a financing model and the operational policy framework for the collection of Poverty data. This area will continue to be vital for WBG’s work going forward.

**Fostering Risk Management**

IAD’s FY17 special review of the Formulation of the New WBG Global Security Management Strategy has led to management establishing a consolidated decision-making model, as part of the new Security Risk Management Framework, which will be important as the WBG scales up FCV operations.

The FY15 audit of WBG Mobile Application Development and Security has led to management strengthening the formal governance structure and supporting processes to manage external mobile applications. This area is important given the rapid increase in the use of mobile devices and platforms to enhance operational efficiency and access.

**Promoting Efficiency**

The FY16 audit of IBRD’s Capital Budget Process highlighted the need for systems and platforms supporting Capital Budget activities and Board reporting. Management has taken steps to improve updates to the Board, has automated previously-manual processes and is in the process of upgrading the capital budget management system.

**Strengthening organizational resilience**

The FY16 audit of IBRD Business Continuity highlighted issues that impeded the effective implementation of the Bank’s Business Continuity Management (BCM) Program. Management has since updated and implemented its Crisis Management and Business Continuity Strategy and associated directive to strengthen the institutions ability to deal with operational disruptions.
IAD has implemented various measures to consolidate and upgrade its internal audit practices. It has achieved this through the following key steps:

1. Risk Assessment and Work Program Development
2. Stakeholder Engagement
3. Collaboration with Oversight Units
4. Continuous Improvement of Internal Audit Practices
5. Data Analytics
6. Staff Learning and
7. Partnerships and Knowledge Sharing

These are detailed further in the following pages.
The objective of IAD’s risk assessment and work program is to identify and prioritize audit areas that pose the most significant risks to the WBG institutions and could prevent them from achieving their goals.

IAD’s Work Program is developed based on IAD’s regular assessment of risks in the operations of the WBG institutions. IAD forms its view on the institutions’ risks using both top-down and bottom-up approaches. The top-down approach includes participation in Senior Management meetings and key Board meetings to understand institutional priorities and their views on risk. The bottom-up approach includes IAD’s regular structured discussions with the Chief Risk Officer, Controller, External Auditors, and key business units, as well as the results of IAD’s prior engagements. IAD also collaborates with other oversight units to exchange views on institutional opportunities and risks.

Combining such information with its own knowledge of risks and controls, IAD identifies high-risk processes. They are prioritized and sequenced for review in consideration of urgency and resource availability.

Inputs to IAD’s Risk Assessment Process
IAD places a high priority on ensuring that its stakeholders across the WBG institutions are familiar with IAD’s mandate and have confidence in IAD’s value proposition. Robust relations with the Audit Committee and management is essential for IAD’s effectiveness as it helps IAD deepen its business knowledge, and enables IAD to promptly identify and respond to stakeholder concerns and emerging risks.

**The Audit Committee**

IAD has a structured formal schedule of communication with the Audit Committee that entails four formal meetings per year. The meetings cover discussions and decisions on IAD’s three-year rolling work program, quarterly activities, and the results for each completed year. The quarterly activities discussion includes the results of individual assurance engagements, delivery status of the work program, and status of management actions in response to IAD identified issues. IAD’s terms of reference, IAD’s independence, IAD’s conformance to IIA’s codes and standards and the resource adequacy are reviewed and confirmed with the Audit Committee annually.

In between the formal meetings, IAD has established informal communication with the Audit Committee, to enable IAD to receive ongoing input on the work program and share IAD’s perspectives on various strategic matters on a timely basis.

**Management**

IAD has continued dialogue with management members in key business units to update IAD’s knowledge of business and confirm the continued alignment of IAD’s work with the institutions’ strategy and risks. These interactions happen across different levels: The Vice President and Auditor General periodically meets with the President, and also attends Senior Management fora covering institutional strategy and budget discussions. IAD management members regularly observe or attend key corporate meetings and committees. At the operational level, IAD has focal points for key functional areas, who periodically meet with their counterparts to stay abreast of developments and discuss emerging risks.

Considering that WBG institutions interface with clients mostly in the field through country offices, it is important for IAD to engage with country offices. With this view, in FY17, IAD started visiting country offices outside of specific engagements for knowledge sharing and information collection. In FY18, the second year of this initiative, IAD visited offices in Brussels and Cairo.
Collaboration with Oversight Functions

IAD collaborates with other institutional oversight and accountability functions to deliver timely and value-added services to the organization and avoid gaps in coverage.

While complementary in some areas, the work of IAD and other oversight and accountability units is distinct in focus, objectives and approach. IAD assesses internal processes and controls that are key to the achievement of the WBG’s objectives and believes this collaboration, accompanied with clear communication with stakeholders on the roles of each of oversight and accountability functions, is critical.

The highlights of collaboration with the other oversight functions in FY18 are as follows:

**Independent Evaluation Group (IEG):** IEG evaluates development effectiveness of the WBG. IAD’s reviews of business processes of the WBG institutions provides useful input to IEG’s evaluation of results of WBG activities, and IAD provided inputs to IEG’s evaluations of the Bank operational model leveraging knowledge from recent engagements. IAD and IEG also collaborate closely in developing our respective work programs to ensure that IAD engagements and IEG evaluations are logically sequenced and complementary, and this collaboration process was formalized in FY18.

**Integrity Vice Presidency (INT):** INT investigates and pursues sanctions related to allegations of fraud and corruption in World Bank Group-financed projects. IAD receives all of INT’s investigation reports and analyzes the information to identify systemic control issues. The analysis provides insights into the control weaknesses that fail in preventing fraud and corruption in projects. The information also provides valuable input to IAD’s ongoing risk assessment of the WBG institutions. IAD, along with Bank management, presented on operational risk management at the International Audit and Integrity Group meeting organized together with INT. The presentation helped the participants, who represented audit and integrity functions of various bilateral and multi-lateral development organizations, understand the oversight roles IAD and INT play to support the WBG.

**Inspection Panel (IPN)/ Office of the Compliance Advisor/Ombudsman (CAO):** IPN is an independent mechanism to receive complaints, pertaining to environmental and social issues, from individuals and communities who have concerns about their being adversely affected by World Bank-funded projects. The CAO is the independent recourse mechanism for IFC and MIGA, addressing complaints from people affected by IFC/MIGA projects and enhancing the social and environmental accountability of both institutions. As environment and social risk is a key risk area for the WBG, IAD has ongoing discussions with both IPN and the CAO. These discussions cover potential contributing factors to the problem projects and emerging trends to inform IAD’s understanding of this key area and IAD’s work program.
IAD self-assesses the efficiency and effectiveness of the internal audit activities and identifies opportunities for improvement on an ongoing basis. In FY18, IAD made major improvement in the following areas:

**Expanding stakeholder consultation for work program development:** IAD started work program development for FY19-FY21 early in the year to have sufficient time to discuss the program with business units, Senior Management, and the Audit Committee. Following informal consultation at the various levels of the organization, IAD formally engaged Senior Management committees to discuss the work program’s alignment with the strategic priorities of the institutions and focus on areas of high risk before presenting it to the Audit Committee and the Board for discussion and approval.

**Introducing Assurance Engagements without an Overall Rating:** Based on the feedback from clients, IAD has moved away from the ad-hoc use of “Special Review” as a product type. IAD’s retrospective analysis of its Special Reviews indicated that most Special Reviews provided assurance without an overall rating, as processes being audited were typically in the early stages of implementation. To gain flexibility in providing assurance to stakeholders under various business situations, IAD introduced Assurance Engagements without an Overall Rating.

**Engagements:** To sharpen the focus of individual engagements on areas that matter the most to stakeholders, IAD strengthened internal discussions of strategic implications of the topic at the beginning of the engagement lifecycle. Further, more time was spent in FY18 to find the most effective way of framing issues for the understanding by the Audit Committee and Senior Management members once control discrepancies were identified. In this way, IAD increased the relevance of individual engagements and delivered results more effectively for increased impact.

**Shortening the cycle time:** In order to deliver results in time for meeting stakeholders’ needs, IAD enhanced the monitoring of the delivery by introducing a new dashboard and taking actions quickly to address bottlenecks. New performance indicators to capture the speed of delivery were also set with performance targets.

**Increasing the application of data analytics (DA):** IAD increased the application of DA to distill further insights from business data. Refer to Page 28 for more information.

**Strengthening the strategic focus of individual Quality Assurance and Improvement Program**

IAD’s Quality Assurance and Improvement Program (QAIP) ensures sustainable conformance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, the global standard setter of internal audit and continuous improvement of IAD’s activities. It consists of i) routine quality control within the engagement lifecycle, ii) internal monitoring and assessment, and iii) external assessment of IAD’s internal audit activities.

Following the last external assessment in FY16 and the internal stakeholder survey in FY17, IAD reached out to key clients to discuss IAD’s performance improvement and received further feedback on areas such as communication, product offering, and use of external firms.
Data Analytics

IAD is increasingly integrating data analytics and technology in its activities, enabling engagement teams to develop stronger evidence in support of engagements, and supporting the monitoring of delivery of IAD’s work program.

Application of Data Analytics in Engagements. In FY18, data analytics (DA) techniques were utilized in more than half of all IAD engagements. This included data profiling to help IAD teams better understand the scope and coverage of business processes being reviewed and testing the effectiveness of key controls. These activities generated increased assurance in some audit areas, supported audit findings and yielded business insights for consideration by management.

Data Analytics Methodology. Also during FY18, IAD finalized its DA methodology, taking into consideration lessons learned and challenges encountered since the inception of IAD’s DA Strategy two years ago. The methodology outlines the key activities for integrating DA into IAD’s assurance and advisory engagements, from the planning phase through reporting, centered around an agreed set of DA principles.

Strengthening In-House Data Analytics Capabilities. Aligned with a key objective of IAD’s DA strategy, IAD continued to roll-out various training programs to enhance IAD’s in-house DA capabilities. This included customized targeted training to IAD staff who executed DA activities to build proficiency in the use of DA. In addition, an internally developed DA training program was conducted for all IAD staff to strengthen their ability to incorporate and perform DA in engagements. Staff identified as core DA specialists in IAD, also attended DA summits to keep abreast with leading innovation techniques such as artificial intelligence, machine learning, etc.

Engagement with Business Unit DA functions and IT departments in the WBG. IAD continued to engage key WBG internal stakeholders in data analytics; the collaboration yielded access to more institutional systems and data, and a better understanding of recent and upcoming changes, tools and technologies for managing WBG data.

In FY18, IAD increased its commitment to using Data Analytics and ensured that all its engagements actively considered the use of DA while planning the engagement. IAD also used DA for its internal portfolio monitoring and dashboards to better monitor its overall delivery.
Over the years, IAD has refined its approach to staff learning and sought to integrate learning as part of its daily business activities.

IAD has adopted a ‘T-model’ for learning that requires staff to develop broad competencies in business acumen, while developing one or two areas of deeper expertise. The broad competencies enable staff to "connect the dots" and see the "big picture" as they go through multiple layers of information and data, while the deep expertise fosters staff development and reduced reliance on external expertise. This model is incorporated into a core curriculum that is the foundation for the staff learning program.

In FY18 IAD introduced many enhancements to its program for staff learning. IAD’s Core Curriculum was enhanced and aligned to WBG’s strategic focus. IAD instituted workshops to provide small group interactive platforms for the sharing of insights to refine staff core audit skills. In line with IAD’s commitment to staff learning, IAD has established the role of Learning Lead to coordinate and innovate on staff learning.

Beyond the enhancements, IAD continued to drive staff learning through mandatory quarterly learning days to expose staff to developments in the industry and within the WBG. Recent topics included coverage of blockchain, robotics and artificial intelligence in the auditing profession. Staff continue to be encouraged to keep a close watch on global developments and trends in areas of relevance, to enable IAD to stay informed on leading practices.
Partnerships and Knowledge Sharing

IAD participates in internal and external partnerships for collaboration and knowledge sharing.

Internal Collaboration

IAD contributed to two knowledge sharing events with clients, organized by WBG institutions’ business units.

**Internal Audit Workshop for Bank Treasury Clients:** In December 2017, two IAD staff were invited to present on internal audit practices to financial institutions in a workshop in Costa Rica organized by the Bank Treasury as part of its Reserves Advisory and Management Program (RAMP).

**Internal Audit Workshop for IFC Clients:** In November 2017, an IAD Manager was invited to present leading internal audit practices at an internal audit workshop delivered for the Postal Savings Bank of China (PSBC) by the Corporate Governance team under IFC’s Environment, Social and Governance (ESG) practice. This was a key part of their advisory service for PSBC, aimed at improving its corporate governance structure and procedures, and adding value to its stewardship, risk governance and control practices.

**IAD at the CRO Risk Forum:** The World Bank Chief Risk Officer’s (CRO) Risk Forum in May 2018, gathered a diverse range of professionals across the WBG for a full day of presentations, panel discussions, and a networking lunch sponsored by IAD.

As a panelist during the “What Keeps You Awake at Night?” discussion IAD’s Vice President and Auditor General stressed the importance of risk appetite as a basis for fostering risk conversations between management and the Board, while acknowledging the challenges related to its articulation. IAD’s Director of Strategy and Operations hosted a lively discussion where Directors from different parts of the organization shared their experiences on Change Management.
External Collaboration

IAD collaborates with internal auditors of other multilateral organizations and development institutions to absorb new ideas, share knowledge, and network with fellow practitioners. In FY18, IAD continued its active sharing of internal audit knowledge gained from our unique experience with the WBG institutions. A wide range of organizations including United Nations agencies, multilateral and bilateral development agencies, donors, and client government audit functions, interacted with IAD and discussed new trends and common challenges.

UN-Representatives of Internal Audit Services (RIAS): IAD’s VP and Auditor General attended the 2017 UN-RIAS and plenary RIAS, hosted by the Organization for the Prohibition of Chemical Weapons in The Hague, Netherlands. He was joined by the Manager for Information Technology and Data Analytics, and an Audit Supervisor as presenters on data analytics strategy and enterprise architecture, respectively.

The European Court of Auditors (ECA) and the Internal Audit Service (IAS) Conference: In October 2017, Manager for Development Operations and an Audit Supervisor visited Brussels to continue on-going dialogue with the ECA. The IAD team also participated in the IAS Conference. The theme of this year’s conference was “Innovation and Creativity in Internal Audit: Myth or Reality?”

Multilateral Development Banks: In March, WBG Vice President and Auditor General attended the Multilateral Financial Institutions—Chief Audit Executive Group 2018 Meeting in Abidjan, Côte d’Ivoire. The meeting provided a platform to openly share and discuss ideas, challenges, achievements, and lessons learned in the field of internal auditing. In addition, IAD is an active member of the Multilateral Financial Institutions—Chief Audit Executive (CAE) Group. IT Experts’ meetings are traditionally organized during the CAE meetings, and IAD staff have played a significant role in driving the IT agenda.

Contributing to the Profession

As a leading internal audit function of multilateral and development agencies, IAD provides The Institute of Internal Auditors (IIA), an international professional body of internal auditors, with ongoing feedback on standard setting and global advocacy of the profession.

IAD staff serve at the IIA in multiple volunteer capacities at global and local levels. IAD staff are represented in Global Advocacy, Standards Board, Global guidance development, Learning solutions and Public sector guidance.

IAD staff have been contributing to the IIA’s research on the state of the internal audit profession in African countries in coordination with the Bank’s operational staff. The research is being done in two phases. The first phase report, which covered the state of the Internal Audit profession in Africa covering English speaking countries, was authored by IAD’s Audit Supervisor; this has been completed and published by the IIA. The second phase research covering French speaking countries in Africa, is underway.
IAD Staff

IAD staff are a diverse team of 34 professionals from more than 21 countries and 5 continents.

IAD staff have diverse professional qualifications to enable IAD to fulfill its role, including Certified Internal Auditor (56% of staff), Certified Public Accountant, Chartered Accountant or similar (44 %), Certified Information Systems Auditor (29 %), and Certified Fraud Examiner (18 %).
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### Annex 1: Fiscal Year 2018 Engagement Summaries

#### Strategic Planning and Change Management

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<tr>
<th>Engagement</th>
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| WBG’s Completion of the Expenditure Review (ER) Initiative | Assurance | The objective was to provide independent validation of the status of management’s implementation of the ER initiative. IAD validated the following key aspects of the ER program:  
  - Management has embedded $415M of savings (inclusive of reinvestments) in the budget, exceeding the $400M savings target. Management has completed implementation of the ER Program and the institutional cost base (i.e. budget) has been altered as intended.  
  - Savings targeted for reinvestment have been redeployed by the WBG institutions to strategic priority areas.  
  - Management has implemented almost all of the measures committed to in the savings packages (representing 98% of the total estimated savings).  
While the targeted savings have been embedded in the institutional budget trajectories, sustaining efficiency in business processes will require ongoing efforts to identify and implement improvements based on measurement of efficiency indicators. |
| Bank’s Implementation of the Agile Approach         | Advisory   | The objective was to assess the adequacy of management’s plan to implement the Bank’s Agile approach. IAD noted that the Bank has taken key steps to establish the foundations of an agile Bank through a pilot phase. These steps include creating an authorizing environment, training an initial cohort of Agile fellows and champions, and encouraging select staff to experiment on the Agile pilots. However, the Bank needs to move beyond the limited pilot phase and consider a Bank-wide Agile approach, to realize the full transformative potential of the Agile approach. IAD’s key recommendations include:  
  - Clear communication by Senior Management of the importance of staff involvement at all levels to establish Bank-wide ownership and accountability.  
  - Empowering of staff to proactively propose improvements, and development of a training plan to increase staff’s understanding of Agile.  
  - Formalization of a program management unit and clear articulation of the benefits. |
Implementation of SORT in Supporting Operational Decision-Making

The objective was to assess whether the Systematic Operations Risk-rating Tool (SORT) has been implemented as planned and is being used according to the objectives envisioned in the Bank’s Framework for Management of Risk in Operations. IAD concluded that SORT is well established as a risk recording tool within the broader framework for management of risks in Bank operations. SORT risk ratings are embedded in all mandatory project documents and the recording of risk is fully implemented for all active operations. It is used as an input for framing the risk conversation among stakeholders during project preparation, and the risk ratings help determine the project approval track. There are opportunities for improvement in the use of risk information in SORT during project supervision, portfolio monitoring and management, for strengthening the reporting to the Board and to strengthen the strategic positioning SORT within the context of managing risk in operations.

Bank’s Process for Managing Advisory Services and Analytics Activities

The objective was to assess the effectiveness of controls introduced by recent reforms to address the earlier identified weaknesses over the delivery of Advisory Services and Analytics (ASA) activities. IAD noted several significant improvements including the embedding of the ASA Accountability and Decision-Making (ADM) framework into the ASA workflow in the Operations Portal; the development of ASA portfolio indicators; and the periodic reporting to the Board and Senior Management on the delivery of ASA activities and ASA expenditures. Areas for improvement included: (i) timely resolution of issues in some ASA projects; (ii) strengthening the analysis to explain dropped activities; (iii) more complete inclusion of trust funded ASA activities in the Institutional Work Program Agreement Process; and (iv) strengthening the ASA peer reviews.

IFC’s Use of Blended Finance in Operations

The objective was to assess whether IFC has adopted and implemented appropriate processes for the use of Blended Finance in its operations. IAD concluded that IFC has well established processes and a robust framework for Blended Finance. IFC has also established a management committee that reviews and deliberates on proposals for the use of Blended Finance against Board-endorsed criteria. However, some gaps were noted in the areas of periodic review and reporting of Blended Finance operations to stakeholders, information sharing protocols during supervision of Blended Finance projects, and a mechanism for the allocation of deals to different facilities.
Development Operations (Continued)

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<td>Bank’s Implementation of the Uganda Transport Sector Development Project (Additional Financing): Lessons Learned and Agenda for Action</td>
<td>Assurance</td>
<td>The objective was to provide independent validation of the implementation of management’s action plans committed to in the November 2016 report on the Uganda Transport Development Sector Project (Additional Financing): Lessons Learned and Agenda for Action. IAD validated that management has completed the implementation of 30 of 39 actions; 2 are on-going as they relate to the implementation of the Environmental and Social Framework (ESF) that is being rolled out; 5 were deemed partially completed; and 2 were out of the scope of the engagement. Key accomplishments included (i) improved processes for oversight and monitoring of high-risk projects; (ii) development of relevant guidance notes, and extensive communication with staff; and (iii) staff training on risk assessment and other key areas. IAD drew management attention to focus on key cross-cutting themes going forward, including: (i) monitoring the staff guidance and instruction developed; (ii) ensuring that training has fully reached the intended audience; and (iii) improving staff access to the relevant procedures, policies, and guidance.</td>
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<tr>
<td>Bank’s Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Program</td>
<td>Assurance</td>
<td>The objective was to evaluate the controls for managing the risks in meeting the objectives of the AML/CFT Program pertaining to money laundering and financing of terrorism. IAD concluded that the governance, risk management and control activities over the establishment, operationalization, and monitoring of the Bank’s new AML/CFT Program are satisfactory. The Bank has assessed the applicability of the Financial Action Task Force recommendations, and identified and adopted the relevant recommendations to ensure continued compatibility of the Program with international standards. Improvements from the previous program include the Bank’s enhanced screening process; enhanced due diligence process workflows; implementation of a quality assurance program; monitoring of the Program by the AML/CFT team through weekly and monthly reports; provision of semi-annual reports to Senior Management; and establishment of an escalation mechanism.</td>
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## Development Operations (Continued)

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<td><strong>Use of Offshore Financial Centers in WBG Private Sector Operations</strong></td>
<td>Assurance</td>
<td>The objective was to provide assurance on the implementation of the Offshore Financial Center (OFC) Policy to manage tax evasion and related reputational risks. The audit concluded that IFC and MIGA, which are most exposed to reputational risk due to their private sector-oriented operations, have implemented the provisions of the current OFC Policy, and project teams conduct transactional due diligence to identify beneficial owners and understand the rationale for a transaction’s ownership structure. IAD noted an area for improvement, which is that the Bank has not yet reviewed the applicability and consequent adoption of the OFC Policy for its Private Sector Operations, including its guarantee operations. Although the Bank’s exposure to the risk may have been small due to its public-sector orientation, this could pose a reputational risk going forward, given the expected increase in future exposure to intermediate jurisdictions in its Private Sector Operations.</td>
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<tr>
<td><strong>IFC’s Use of Derivatives in Managing Market Risks in the Debt Portfolio</strong></td>
<td>Advisory</td>
<td>The objective was to review and advise IFC management on the use of derivatives to manage market risk in the debt portfolio. IAD recommended that IFC management consider various steps to strengthen current practices, including – improving operational coordination between derivative management and portfolio management; developing mechanisms to strengthen information sharing necessary for integrated management reporting among the units concerned; reviewing the current formulas to calculate profitability measures; and establishing periodic reviews of the framework and practices for using derivatives for portfolio risk management.</td>
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### Corporate and Administrative

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<tr>
<td><strong>IBRD’s Management of Liquid Asset Portfolio</strong></td>
<td>Assurance</td>
<td>The objective was to assess the adequacy and effectiveness of the management of IBRD’s liquid asset portfolio. In concluding that the risks related to management of IBRD’s liquid asset portfolio are adequately managed, IAD noted strong governance over the portfolio management process, including: (i) clear authorization for investments; (ii) existence of appropriate policies and guidelines; (iii) execution of trading activities within explicit risk limits that are regularly monitored; and (iv) periodic reporting of investment performance to Senior Management and the Board. No significant gaps were noted in the effectiveness of controls.</td>
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<td><strong>IFC’s Management of the Liquid Asset Portfolio</strong></td>
<td>Assurance</td>
<td>The objective was to assess the adequacy and effectiveness of the management of IFC’s liquid asset portfolio. IAD identified several good practices, including: (i) compliance with established risk limits is monitored and managed by teams in both the Treasury and Risk management functions; (ii) key information on the liquid asset portfolio is provided to the Board through quarterly and annual reports; and (iii) as of March 2018, the overall liquidity ratio remained significantly above the policy floor of 45% set by the Board. IAD also identified gaps for management attention, including: (i) the absence of an approved risk appetite statement; (ii) ambiguity in certain requirements stated in the Liquid Asset Investment Directive (LAM Directive); (iii) inadequate monitoring of portfolio risks; and (iv) inadequate controls governing changes to certain data in the trade capture system.</td>
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<tr>
<td><strong>MIGA’s Management of Reinsurance Counterparty Risk</strong></td>
<td>Assurance</td>
<td>The objective was to evaluate the effectiveness of controls over MIGA’s reinsurance counterparty risk management process. IAD concluded that the current system of internal controls within MIGA provides reasonable assurance that reinsurance counterparty risks are adequately managed. Fundamental controls are in place to ensure that new and existing reinsurers are within minimum credit rating requirements and MIGA’s reinsurance exposures follow Board-approved limits. Moreover, reinsurance counterparty risks are periodically reported to Senior Management and the Board.</td>
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</tbody>
</table>
Corporate and Administrative (Continued)

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<tr>
<th>Engagement</th>
<th>Type</th>
<th>Summary</th>
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</thead>
<tbody>
<tr>
<td>WBG’s Approach to Managing the Contingent Workforce</td>
<td>Assurance</td>
<td>The objective was to evaluate the measures taken to manage the contingent workforce. IAD noted the following improvements made since its last review of this area: (i) enhanced hiring and fee setting practices; (ii) development of training programs for managers, task team leaders and short-term consultants/temporaries (STs); (iii) establishment of clear guidelines for the use of the contingent workforce and provision of relevant reports to guide decision making by business units; and (iv) more streamlined reporting to management and the Board. Further enhancement opportunities include: (i) capturing and analyzing the purposes for which STs are hired; (ii) explicitly documenting the approach for using the contingent workforce (areas, seasons etc.); and (iii) developing measures to ensure that STs clearly understand their employment conditions and rights before starting assignments. These measures will be effective when accompanied by clear communication by senior management of the importance of proper management of the contingent workforce.</td>
</tr>
<tr>
<td>Bank’s Management of Legal Risks Related to Country Office (CO) Administration</td>
<td>Assurance</td>
<td>The objective was to evaluate the adequacy and effectiveness of the Bank’s processes to identify, monitor, and mitigate legal risks arising from Country Office (CO) administration. The audit noted that (i) the Legal Institutional Administration unit (LEGIA) responds to all legal needs in CO administration and ensures that the Bank’s immunities and privileges are preserved; and (ii) the Bank’s interests in CO administration are safeguarded through contractual terms and conditions. However, existing processes need to be further strengthened to enable the Bank to effectively and proactively identify top and emerging legal risks. Improvements include: (i) the establishment of a well-defined institutional legal risk management process to identify, analyze, respond to, and monitor legal risks; (ii) the involvement of the Legal department in CO corporate procurement transactions; and (iii) a consistent process to seek legal input early in the decision-making phase of executing real estate transactions.</td>
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Corporate and Administrative (Continued)

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<tr>
<td>WBG’s Corporate Procurement Processes</td>
<td>Assurance</td>
<td>The objective was to assess the governance, risk management, and control framework in place to ensure that WBG procurement activities achieve value-for-money. The audit concluded that the foundation has been successfully laid for a sound governance, risk management and control framework to ensure that WBG procurement activities achieve value-for-money. However, opportunities for further improvement exist in several areas to ensure that these measures are embedded into existing business processes and implemented in a sustainable manner. These areas include (i) category management and demand aggregation; (ii) vendor performance management; and (iii) post-award contract reviews.</td>
</tr>
<tr>
<td>Oversight of Administrative Expenses Managed by Bank’s Country Offices</td>
<td>Assurance</td>
<td>The objective of the audit was to review the oversight frameworks in place for managing administrative expenses related to Country Offices (COs). The audit concluded that there are functioning frameworks that cover monitoring and reporting on compliance with policies, whistleblowing channels, and mechanisms to investigate and take corrective action. IAD noted areas for further strengthening of the oversight processes including conducting reviews to identify and address root causes of issues to prevent recurrence, establishing a comprehensive, integrated institutional risk assessment and having a clearer mapping of roles and responsibilities.</td>
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### Corporate and Administrative (Continued)

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<tbody>
<tr>
<td>Administrative Expense Transactions Managed by Executives' Front Offices in the WBG Institutions</td>
<td>Assurance</td>
<td>The objective was to assess the adequacy of existing controls and institutional oversight arrangements for the use of administrative expenses by World Bank Group (WBG) Executives. IAD concluded that the control framework provides reasonable assurance that expenses are incurred for business reasons. No instances of misuse of funds or non-compliance with institutional policies were found. Key factors contributing to this assurance were: (i) clearly defined policies and guidelines on what constitute valid business expenses; (ii) an expense approval and review process that enhances the likelihood that travel expenses are incurred for valid business reasons; and (iii) quality assurance reviews involving sample testing of expense transactions.</td>
</tr>
<tr>
<td>WBG Administrative Expense Transactions of Executive Directors’ Offices</td>
<td>Assurance</td>
<td>The objective was to assess the adequacy of existing controls and institutional oversight arrangements related to the utilization of administrative expense transactions incurred by Executive Directors. IAD concluded that the control framework provides reasonable assurance that expenses are incurred for business reasons. No instances of misuse of funds or non-compliance with institutional policies were found. Key factors contributing to this conclusion were: (i) the expense policies and guidelines provide clarity on what expenses are appropriate; (ii) the expense review and approval processes ensure compliance with applicable policies and guidelines; and (iii) monitoring and reporting practices enable EDs’ offices to review and monitor their expenses.</td>
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</table>
| Creation of Fund Centers and Impact on Business Performance Reporting | Advisory     | The objectives were to review the existing decision-making process for creating fund centers (FCs), analyze the impact on business performance reporting, and suggest appropriate measures aimed at improving the governance over the creation of FCs. IAD made the following recommendations to strengthen the governance over the FC creation process and report production:  
  • Promote consistency in the FC creation process by introducing relevant guidelines, clear criteria, and standards in a mandatory Policy and Procedures document;  
  • Define the accountability and decision-making framework for FC creation and reorganization requests, and introduce an upstream due diligence review function; and  
  • Implement system enhancements to enable the historical data associated with FC structures to be captured, stored, and automatically applied to historical period reporting each time an FC is changed. |
Management of Shared Service Agreements (SSAs) among WBG Institutions

The objective was to identify opportunities for improvement in the management of SSAs among WBG institutions. The key recommendations included: (i) development of a typological approach to classify services; (ii) formulation of a directive to harmonize the essential elements for establishing and monitoring SSAs; (iii) alignment of SSA processes with the budget process to make business planning more effective; (iv) introduction of the structured management of SSAs by outlining the mechanisms that will be followed for each SSA; (v) provision of guidance on how service recipients or providers can withdraw from services; (vi) development of a better costing approach based on service type; and (vii) improvement of performance monitoring through the development of mutually agreed performance management practices.

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<tr>
<td>Management of Shared Service Agreements (SSAs)</td>
<td>Advisory</td>
<td>The objective was to identify opportunities for improvement in the management of SSAs among WBG institutions. The key recommendations included: (i) development of a typological approach to classify services; (ii) formulation of a directive to harmonize the essential elements for establishing and monitoring SSAs; (iii) alignment of SSA processes with the budget process to make business planning more effective; (iv) introduction of the structured management of SSAs by outlining the mechanisms that will be followed for each SSA; (v) provision of guidance on how service recipients or providers can withdraw from services; (vi) development of a better costing approach based on service type; and (vii) improvement of performance monitoring through the development of mutually agreed performance management practices.</td>
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**IT and Data Management**

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<tr>
<td>WBG’s Wireless Network Management and Security</td>
<td>Assurance</td>
<td>The objective was to evaluate the adequacy and effectiveness of the WBG’s wireless network security. The audit concluded that the system of internal controls over the WBG wireless network, which encompasses governance processes, architectural design, technical configuration, and security management and monitoring capabilities, provides reasonable assurance that the WBG wireless network is appropriately managed and secured. Effective practices were also noted around the support, maintenance, and management of the wireless network environment, based on established standards and procedures. Opportunities for further strengthening by management were identified in the areas of intrusion detection and prevention, vulnerability management, and policy and guidance, in order to maintain a satisfactory control environment for the wireless network.</td>
</tr>
<tr>
<td>WBG’s Implementation of Cloud Infrastructure as a Service (IaaS)</td>
<td>Assurance</td>
<td>The objective was to evaluate the WBG’s implementation of IaaS in the cloud to determine whether the confidentiality, integrity, and availability of systems and data maintained off-premise (in the cloud) are safeguarded. The audit noted several good practices, including clearly defined roles and responsibilities, well-established cloud risk assessment and intake processes, and consistent monitoring and evaluation of cloud service providers (vendors). However, (i) the Cloud Strategy Roadmap lacked key elements, such as quantifiable objective-oriented goals and criteria to measure the success of the cloud strategy; and (ii) deviations from accredited or approved IaaS implementation plans were not consistently reviewed.</td>
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</table>
The objective was to assess the governance, risk management, and control activities over the design and deployment of WBG’s Enterprise Desktop (ED). The audit noted that the ED security posture has been augmented by more advanced controls in Windows 10 compared to Windows 7. Moreover, ED end-user support, training, and awareness activities were effective. In addition, measures were in place to ensure the availability of the ED environment. However, IAD identified: (i) a lack of adherence to established ITS risk management processes during ED10 security implementation resulting in some configuration settings not being aligned with WBG or industry standards; and (ii) the need for data protection technical controls within the ED environment to prevent and detect the transmission of sensitive information outside the ED environment.

The objective was to review the approach adopted by the WBG in developing an updated version of the WBG Information Security Strategy. Recommendations to management included: (i) conducting a comprehensive assessment of the existing WBG Information Security Program using an industry-recognized information security framework to identify major weaknesses; and (ii) defining a clear and measurable target state and developing a risk-based roadmap that defines a specific path for achieving the Program’s vision and objectives.

The objective was to take stock of the current approach to data access and protection within IFC, and to provide management with advice on the current state of governance, process, and technology practices. IAD’s review identified opportunities to strengthen IFC’s design and implementation of data access and protection controls, and developed recommendations to improve the current state of governance, process, and technology practices, grouped under three main thematic areas: establish a holistic data access and protection approach to better address the needs of IFC which would enable consistent access management and protection across projects and IT systems; improve the governance over access management to facilitate the effective operationalization of the Data Access and Protection Framework; and evaluate the adequacy of existing technology solutions to support the framework and improve control over sensitive data.
Annex 2: IAD’s Coverage in Fiscal Years 2016-2018

### Strategic Planning and Change Management

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<th>Risk Domain</th>
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<th>FY17 Engagements</th>
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<td>Strategy Setting, Implementation, and Change Management</td>
<td>• The World Bank Group’s Expenditure Review (ER) Initiative</td>
<td>• Management’s Processes for Integrating Select IFC/Bank Advisory Services</td>
<td>• WBG’s Completion of the Expenditure Review initiative</td>
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<td>• Bank’s Management of Climate Change Operations – Key Business Enablers</td>
<td>• Bank’s Management of Climate Change Operations – Key Business Enablers</td>
<td>• Bank’s Implementation of the Agile Approach</td>
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<td></td>
<td>• IFC’s and MIGA’s Management of Climate Business Operations – Key Business Enablers</td>
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<tr>
<td>Business Planning and Budgeting</td>
<td>• IBRD’s Capital Budget Process</td>
<td>• Bank’s Country Engagement Budget Allocation under the New Operating Model</td>
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<td></td>
<td>• Financial Aspects of IDA17 Concessional Loans</td>
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### Development Operations

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<tbody>
<tr>
<td>Delivery of Operational Products and Services</td>
<td>• IFC’s Managed Co-Lending Portfolio Program</td>
<td>• IFC’s Project Risk Management Using Conditions of Disbursement</td>
<td>• Implementation of SORT in Supporting Operational Decision-Making</td>
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<td></td>
<td>• MIGA’s Administrative Cost Allocation Process for Pricing</td>
<td>• IFC’s Oversight and Working Arrangements with the IFC Asset Management Company (AMC)</td>
<td>• Bank’s Process for Managing Advisory Services and Analytics Activities</td>
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<td>• IFC Equity Investments</td>
<td>• IFC’s Use of Blended Finance in Operations</td>
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<td>• MIGA’s Management of Credit Enhancement Products</td>
<td>• IFC’s Use of Derivatives in Managing Market Risks in the Debt Portfolio</td>
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<td>• Bank’s Implementation of the Uganda Transport Sector Development Project (Additional Financing): Lessons Learned and Agenda for Action</td>
</tr>
<tr>
<td>Environmental and Social Risk</td>
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<td>• Bank’s Action Plan to Improve the Management of Safeguard and Resettlement Practices</td>
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<tr>
<td>Fiduciary Risk</td>
<td>• Risk-Based Procurement Post Reviews (PPRs)</td>
<td>• Bank’s Fiduciary Risk Management Framework in Investment Project Financing Projects</td>
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<tr>
<td>Integrity Risk</td>
<td>• Management of Actual and Perceived Conflict of Interest in WBG’s Operating Model</td>
<td>• WBG’s Sanctions Process</td>
<td>• Bank’s Anti-Money Laundering and Countering the Financing of Terrorism Program</td>
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<td>• Use of Offshore Financial Centers in WBG Private Sector Operations</td>
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## Corporate and Administrative

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<tr>
<td>Management of External Funds</td>
<td>• Bank’s Trust Fund Change Management Considerations</td>
<td>• Bank’s Risk Management in Recipient Executed Trust Funds</td>
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<tr>
<td>Stakeholder Engagement and Financial Reporting</td>
<td>• Donor Reporting on Trust Fund Operations of the WBG</td>
<td>• WBG’s Strategic Management of Civil Society Organizations Relationships</td>
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<td>• Implementation of the Bank’s Access to Information Policy</td>
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<td>• Implementation of IFC’s Access to Information Policy</td>
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<td>• Implementation of MIGA’s Access to Information Policy</td>
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<tr>
<td>Financial Risk</td>
<td>• IBRD’s Equity Management Framework</td>
<td>• World Bank Group’s Pension Plan Investments</td>
<td>• IBRD’s Management of Liquid Asset Portfolio</td>
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<td>• MIGA’s Management of Reinsurance Counterparty Risk</td>
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<td>Human Resource Management</td>
<td>• WBG’s Medical Insurance Plan</td>
<td>• Bank’s Workforce Planning</td>
<td>• WBG’s Approach to Managing the Contingent Workforce</td>
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<td>• WBG Human Resource Shared Services</td>
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<td>• Use of Data Analytics in HR</td>
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<tr>
<td>Corporate and Administrative Areas</td>
<td>• World Bank Group’s Pension Plan Administration</td>
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<td>• Bank’s Management of Legal Risks Related to Country Office (CO) Administration</td>
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<td>• Special Review of the Administrative Expense Transactions Managed by Executives’ Front Offices in the WBG Institutions</td>
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<td>• Special Review of the Administrative Expense Transactions of Executive Directors’ Offices</td>
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## Corporate and Administrative (Continued)

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</table>
| Physical Disruptions and Business Disruptions | • WBG IT Service Continuity Management  
• Bank’s Business Continuity Management  
• IFC’s Business Continuity Management | • Formulation of the New WBG Global Security Management Strategy |                                                                                     |

## IT and Data Management

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</table>
| Information Technology and Information Security | • WBG Integrated Communications Platform (ICP)  
• Box Post-Implementation  
• Office 365 Post-Implementation  
• Security Architecture, Certification and Accreditation Process | • WBG IT Hardware Asset Management  
• WBG’s Business Solutions Delivery & Project Governance (Operations & Corporate Lines of Business)  
• WBG’s Software Asset Management  
• World Bank’s Enterprise Architecture  
• WBG Network Security (Internal & External)  
• WBG’s Remote Access Services  
• Post-Implementation Review of IFC’s Advanced Commercial Banking System (ACBS) | • WBG’s Wireless Network Management and Security  
• WBG’s Implementation of Cloud Infrastructure as a Service (IaaS)  
• WBG’s Enterprise Desktop Management and Security  
• Development of the WBG Information Security Strategy |

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</table>
| Knowledge and Data Management | • Process for the Collection of Data and Production of Indices to Report on the Twin Goals  
• IFC’s Processes for Generating Information Supporting Portfolio Oversight  
• IFC Staff Learning  
• IFC’s Management of Client and Partner Hierarchies |                                                                                     | • IFC’s Management of Data Access and Protection |