

THREE YEAR ROLLING PLAN

An Internal Audit Strategic Plan is a systematic aid to planning, the main output being a definition of all systems within the HSRC.

The planning process involves:

- Assessing the level of risk associated with each system;
- Deriving a hierarchy of areas for review through risk criticality; and
- Determining resources necessary to obtain assurance on each system.

The Internal Audit Coverage Plan has been formulated based on the following:

- High risk areas within the HSRC;
- Management and the Audit and Risk Committee's request for audit assurance within specific focus areas;
- Legislative requirements; and
- Previous audit assessments of the control environment.

The Internal Audit Coverage Plans will focus primarily on the high-risk areas. The auditable risks have been evaluated and will form the basis for determining the urgency and frequency of audits.

Risk Register

No.	S/O	Risk Description	Inherent Risk	Residual risk exposure
1	S	Financial sustainability of the HSRC is compromised	25	20
2	S	Lack of relevance and Impact of the HSRC	20	13
3	S	Insufficient Senior Researchers capacity	15	10
4	S	Inability to achieve desired transformation targets	15	10
5	S	Inadequate business continuity plans or processes	20	13
6	S	Inability to adapt to changing research industry post and during Covid 19	25	10
7	S	Poor corporate governance practices	25	16

Internal Audit – Compulsory Audits							
No.	Strategic Risk Ref No.	Scope Area	High Level Scope Description	Audited previous cycle	2022/23	2023/24	2024/25
1	Risk 7	Governance	<ul style="list-style-type: none"> Review the existence of a Governance Framework and governance processes and adherence thereof to King IV principles (checklist) 	2021/22			✓
			<ul style="list-style-type: none"> Review adequacy of the approved charters against the HSRC Act. 				
			<ul style="list-style-type: none"> Review the effectiveness of the Council, Exco and other sub committees taking into account compliance to approved Charters by: 				
			<ul style="list-style-type: none"> o Determining the adequacy of the committees' charters, in relation to their mandate within the HSRC; 				
			<ul style="list-style-type: none"> o Determining whether the meeting protocols e.g., meeting notifications, packs, declarations etc. are in accordance with the Charters; 				
			<ul style="list-style-type: none"> Establishing if the reporting lines to and by the 				

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			committees are adequate in order to execute their mandate effectively;				
			o Determining if the adequacy of the committees' composition and that the skills set of the members are sufficient in relation to their mandate;				
			o Determining the adequacy of the minutes of meetings and that it clearly defines the resolutions made by the committees.				
			• Review the extent of training and continuous improvement programmes.				
			• Review the reporting process of the committees to Council.				
2		Enterprise Risk Management	<ul style="list-style-type: none"> Determine the extent of compliance with legislative requirements and the Risk Management Framework as issued by National Treasury. Verify the adequacy and effectiveness of the risk management process and benchmark against best practice; 	2016/17		✓	

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			<ul style="list-style-type: none"> Verify that the risk registers are updated on a regular basis; Verify that there are proper reporting lines for the risk management function; and Verify that risk management officials undergo training as and when needed. 				
Finance and Supply Chain Management							
3		Finance (Internal Financial Controls)	<ul style="list-style-type: none"> Assess the adequacy and effectiveness over controls over HSRC financial processes (Internal Financial Controls). 	2021/22	✓	✓	✓
			<ul style="list-style-type: none"> Key focus areas for consideration include: 				
			<ul style="list-style-type: none"> o Budgets and budget management, including reprioritisation of the budgets to take into account Covid-19 activities 				
			<ul style="list-style-type: none"> o Management of Income and Expenditure o Management of Assets and Liabilities 				
			<ul style="list-style-type: none"> o Annual Financial Statements 				
			<ul style="list-style-type: none"> o Cash flow management 				
4		Supply Chain Management	<ul style="list-style-type: none"> Review the adequacy and effectiveness of processes 	2021/22	✓	✓	✓

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			<p>relating to Supply Chain Management processes. Key focus areas for consideration include:</p> <ul style="list-style-type: none"> o Acquisition Management o Logistics Management o Supply Chain Performance o Contract Management o E Workflow o Covid-19 Procurement 				
5		Asset Management	<p>Review of the:</p> <ul style="list-style-type: none"> • Accuracy and completeness of the asset register; • Existence of assets; • Asset purchases and disposals are adequately authorised; and • Accuracy of depreciation calculation. 	2016/17	✓		
Operational audits							
6	Risk 2	Research Management (Performance Audit)	<ul style="list-style-type: none"> • Evaluate the measures instituted by the HSRC to ensure the economic, efficient, and effective use of resources relating to Research Management Processes. Key areas to include: • Enhancing relationships with key funders; • Identifying new funders; 	2021/22	✓		

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			<ul style="list-style-type: none"> Developing innovative research ideas & methodologies; Advocating for the value of social science Partnerships with other research organisation; Role of Business Development International Liaison <p>For 2022/2023, the performance audit will only focus on three of the five research units under Programme Two (rotational basis).</p>				
7	Risk 2	Research Operations	<ul style="list-style-type: none"> Assess the adequacy of controls and processes surrounding the research process (determination, delivery and dissemination & commercialisation); Review compliance to applicable guiding legislation and internal policy; Assess the deliverables are managed adequately and effectively; Determine whether the engagement with stakeholders during the research process are performed effectively. 				✓

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8		Health and Safety / Facilities Management	<ul style="list-style-type: none"> Review of the management of lease agreements for the Office/s. Assessment of compliance to Covid 19 implementation; Assess the controls in place regarding the management of current facilities; and Assess the management of the Occupational, Health and Safety within the HSRC. 	2020/21			✓
9		POPIA (Protection of Personal Information Act)	Review on compliance with the Protection of Personal Information Act (POPI Act)			✓	
10		Legal Services	<ul style="list-style-type: none"> Review of the management of legal agreements for the HSRC. Assess the controls in place regarding the management of legal risk; and Assess the management of the legal fees, cases and the reporting structure thereof. 	2017/18	✓		
11		Stakeholder Management review	<ul style="list-style-type: none"> Review the existence and adequacy of the service delivery framework. Review the existence and adequacy of the stakeholder 				

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			management plan. <ul style="list-style-type: none"> Review adequacy and effectiveness of the process to engage with the various HSRC stakeholders. 				
12		Project Management review	Review the adequacy and effectiveness of the management of the Capacity Growth and innovation project as part of the HSRC and DSI Internship partnership.			✓	
Organisational Performance							
13		Audit of Predetermined Objectives (Q2 and Q4)	<ul style="list-style-type: none"> Verify the adequacy and effectiveness of the management and monitoring of the performance reporting process; 	2021/22	✓	✓	✓
			<ul style="list-style-type: none"> Verify the adequacy and effectiveness of the system established and implemented for collecting, processing and collating performance information; 				
			<ul style="list-style-type: none"> Ensure that there is an adequate monitoring tool in place to ensure achievement of predetermined objectives; 				
			<ul style="list-style-type: none"> Verify the accuracy of the quarterly performance report; 				

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			and				
			<ul style="list-style-type: none"> Verify a selected sample to sufficient supporting documentation and portfolio of evidence. 				
Human Resource Management							
14	Risk 3, 4	Human Resources Review	To review the adequacy and effectiveness of controls over leave Management processes;	2020/21	✓		
			To review the adequacy and effectiveness of the payroll process;				
			To perform physical verification of staff;				
			To review the adequacy and effectiveness of then controls over employee training and development programs;				
			To review the adequacy and effectiveness of the controls over employee record management.				
15	Risk 3, 4	Human Resources Management Review	To review the adequacy and effectiveness of controls over leave Management processes;	2020/21			✓
			To review the adequacy and effectiveness of the capacity, vacancy rates, succession planning;				
			To review the accuracy and				

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			<p>completeness of the Performance Management linkage to organisational and departmental objective;</p> <p>To review the adequacy and effectiveness of the payroll process;</p> <p>To perform physical verification of staff;</p> <p>To review the adequacy and effectiveness of then controls over employee training and development programs;</p> <p>To review the adequacy and effectiveness of the controls over employee record management.</p>				
Information Technology Audits							
16	Risk 5	IT Application control review	An application control review of the new electronic financial system regarding the implementation controls and general controls.			✓	
17		IT Vulnerability review	Application control review and penetration review of selected systems and servers.	2021/22			✓
18	Risk 5	IT Governance Review	A review of HSRC's IT Governance Frameworks, strategies and compliance with the Corporate Governance of ICT Assessment			✓	

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			Standard and Corporate Governance of ICT Policy Framework (CGICTPF).				
19	Risk 5	IT General Controls Review	A review of the IT General Controls, with a scope limited to:	2021/22	✓		
			• IT Security Management;				
			• Physical and environmental security;				
			• Program Change Management;				
			• Logical & Physical Security;				
			• Business Continuity and Disaster Recovery				
Follow Up Audit							
20	n/a	Follow Up Review	Follow up review of prior audit internal audit and AG findings	2021/22	✓	✓	✓
AFS review							
21	n/a	Review of draft AFS	A review of the AFS to supporting documentation, including reconciliations performed on a sample basis as at 31 March. Review of AFS to TB.		✓	✓	✓
Ad Hoc							
22	n/a	Ad Hoc review	As per the request of management		✓	✓	✓
Project Management of Internal Audit Function							
23	n/a	IA admin/ meeting with management			✓	✓	✓
24	n/a	Preparation of the Internal Audit Coverage Plan			✓	✓	✓
25	n/a	Preparation and attendance of Audit and Risk			✓	✓	✓

No.	Strategic Risk Ref No.	Scope Area	High Level Scope Description	Audited previous cycle	2022/23	2023/24	2024/25
		Committee meetings					
26	n/a	Liaison with Auditor General			✓	✓	✓
27	n/a	Review of Internal audit Charter			✓	✓	✓
28	n/a	Preparation and attendance of EXCO meetings			✓	✓	✓
29	n/a	Preparation and attendance of Risk Management Committee meetings			✓	✓	✓
		Total Hours per cycle					