

## 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

Strategic Three-Year Rolling Plan 2022/23 – 2024/25

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"> <li>Review the existence of a Governance Framework and governance processes and adherence thereof to King IV principles (checklist)</li> </ul>	2022/23			✓
			<ul style="list-style-type: none"> <li>Review adequacy of the approved charters against the HSRC Act.</li> </ul>				
			<ul style="list-style-type: none"> <li>Review the effectiveness of the Council, Exco and other sub committees taking into account compliance to approved Charters by:</li> </ul>				
			<ul style="list-style-type: none"> <li>o Determining the adequacy of the committees' charters, in relation to their mandate within the HSRC;</li> </ul>				
			<ul style="list-style-type: none"> <li>o Determining whether the meeting protocols e.g., meeting notifications, packs, declarations etc. are in accordance with the Charters;</li> </ul>				
			<ul style="list-style-type: none"> <li>Establishing if the reporting lines to and by the</li> </ul>				

No.	Strategic Risk Ref No.	Scope Area	High Level Scope Description	Audited previous cycle	2022/23	2023/24	2024/25
			<p>committees are adequate in order to execute their mandate effectively;</p> <ul style="list-style-type: none"> <li>o Determining if the adequacy of the committees' composition and that the skills set of the members are sufficient in relation to their mandate;</li> <li>o Determining the adequacy of the minutes of meetings and that it clearly defines the resolutions made by the committees.</li> <li>• Review the extent of training and continuous improvement programmes.</li> <li>• Review the reporting process of the committees to Council.</li> </ul>				
2		Enterprise Risk Management	<ul style="list-style-type: none"> <li>• Determine the extent of compliance with legislative requirements and the Risk Management Framework as issued by National Treasury.</li> <li>• Verify the adequacy and effectiveness of the risk management process and benchmark against best practice;</li> </ul>	2016/17		✓	

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			<ul style="list-style-type: none"> <li>Verify that the risk registers are updated on a regular basis;</li> <li>Verify that there are proper reporting lines for the risk management function; and</li> <li>Verify that risk management officials undergo training as and when needed.</li> </ul>				
<b>Finance and Supply Chain Management</b>							
3		Finance (Internal Financial Controls)	<ul style="list-style-type: none"> <li>Assess the adequacy and effectiveness over controls over HSRC financial processes (Internal Financial Controls).</li> </ul>	2022/23	✓	✓	✓
			<ul style="list-style-type: none"> <li>Key focus areas for consideration include: <ul style="list-style-type: none"> <li>Budgets and budget management, including reprioritisation of the budgets to take into account Covid-19 activities</li> </ul> </li> </ul>				
			<ul style="list-style-type: none"> <li>Management of Income and Expenditure</li> <li>Management of Assets and Liabilities</li> </ul>				
			<ul style="list-style-type: none"> <li>Annual Financial Statements</li> </ul>				
			<ul style="list-style-type: none"> <li>Cash flow management</li> </ul>				
4		Supply Chain Management	<ul style="list-style-type: none"> <li>Review the adequacy and effectiveness of processes</li> </ul>	2022/23	✓	✓	✓

No.	Strategic Risk Ref No.	Scope Area	High Level Scope Description	Audited previous cycle	2022/23	2023/24	2024/25
			<p>relating to Supply Chain Management processes. Key focus areas for consideration include:</p> <ul style="list-style-type: none"> <li>o Acquisition Management</li> <li>o Logistics Management</li> <li>o Supply Chain Performance</li> <li>o Contract Management</li> <li>o E Workflow</li> <li>o Covid-19 Procurement</li> </ul>				
5		Asset Management	<p>Review of the:</p> <ul style="list-style-type: none"> <li>• Accuracy and completeness of the asset register;</li> <li>• Existence of assets;</li> <li>• Asset purchases and disposals are adequately authorised; and</li> <li>• Accuracy of depreciation calculation.</li> </ul>	2022/23	✓		
<b>Operational audits</b>							
6	Risk 2	Research Management (Performance Audit)	<ul style="list-style-type: none"> <li>• 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: <ul style="list-style-type: none"> <li>• Enhancing relationships with key funders;</li> <li>• Identifying new funders;</li> </ul> </li> </ul>	2022/23	✓		

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			<ul style="list-style-type: none"> <li>Developing innovative research ideas &amp; methodologies;</li> <li>Advocating for the value of social science</li> <li>Partnerships with other research organisation;</li> <li>Role of Business Development International Liaison</li> </ul> <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"> <li>Assess the adequacy of controls and processes surrounding the research process (determination, delivery and dissemination &amp; commercialisation);</li> <li>Review compliance to applicable guiding legislation and internal policy;</li> <li>Assess the deliverables are managed adequately and effectively;</li> <li>Determine whether the engagement with stakeholders during the research process are performed effectively.</li> </ul>				✓

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8		Health and Safety / Facilities Management	<ul style="list-style-type: none"> <li>Review of the management of lease agreements for the Office/s.</li> <li>Assessment of compliance to Covid 19 implementation;</li> <li>Assess the controls in place regarding the management of current facilities; and</li> <li>Assess the management of the Occupational, Health and Safety within the HSRC.</li> </ul>	2022/23			✓
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"> <li>Review of the management of legal agreements for the HSRC.</li> <li>Assess the controls in place regarding the management of legal risk; and</li> <li>Assess the management of the legal fees, cases and the reporting structure thereof.</li> </ul>	2017/18	✓		
11		Stakeholder Management review	<ul style="list-style-type: none"> <li>Review the existence and adequacy of the service delivery framework.</li> <li>Review the existence and adequacy of the stakeholder</li> </ul>				

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			<p>management plan.</p> <ul style="list-style-type: none"> <li>Review adequacy and effectiveness of the process to engage with the various HSRC stakeholders.</li> </ul>				
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.			✓	
<b>Organisational Performance</b>							
13		Audit of Predetermined Objectives (Q2 and Q4)	<ul style="list-style-type: none"> <li>Verify the adequacy and effectiveness of the management and monitoring of the performance reporting process;</li> </ul>	2022/23	✓	✓	✓
			<ul style="list-style-type: none"> <li>Verify the adequacy and effectiveness of the system established and implemented for collecting, processing and collating performance information;</li> </ul>				
			<ul style="list-style-type: none"> <li>Ensure that there is an adequate monitoring tool in place to ensure achievement of predetermined objectives;</li> </ul>				
			<ul style="list-style-type: none"> <li>Verify the accuracy of the quarterly performance report;</li> </ul>				



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			and				
			<ul style="list-style-type: none"> <li>Verify a selected sample to sufficient supporting documentation and portfolio of evidence.</li> </ul>				
<b>Human Resource Management</b>							
14	Risk 3, 4	Human Resources Review	To review the adequacy and effectiveness of controls over leave Management processes;	2022/23	✓		
			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;	2022/23			✓
			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>				
<b>Information Technology Audits</b>							
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:	2022/23	✓		
			<ul style="list-style-type: none"> <li>IT Security Management;</li> </ul>				
			<ul style="list-style-type: none"> <li>Physical and environmental security;</li> <li>Program Change Management;</li> </ul>				
			<ul style="list-style-type: none"> <li>Logical &amp; Physical Security;</li> <li>Business Continuity and Disaster Recovery</li> </ul>				
<b>Follow Up Audit</b>							
20	n/a	Follow Up Review	Follow up review of prior audit internal audit and AG findings	2022/23	✓	✓	✓
<b>AFS review</b>							
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.		✓	✓	✓
<b>Ad Hoc</b>							
22	n/a	Ad Hoc review	As per the request of management		✓	✓	✓
<b>Project Management of Internal Audit Function</b>							
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			✓	✓	✓
		<b>Total Hours per cycle</b>					