

## THREE YEAR ROLLING PLAN

The Three-Year Rolling Plan is based primarily on the strategic risks identified for the HSRC and updated in December 2020. The focus areas for 2021/2022 were identified based on the criteria indicated below. It is understood that Management is still busy enhancing the Risk Management function and any emerging risks that could impact on the Internal Audit plan will be taken into consideration.

To ensure coverage of the entire audit universe, a formalised process was followed to identify the sequence of the internal audit projects. Herewith the criteria that was considered in developing the plan:

Criteria	Description
<b>Linked to risk per risk register</b>	Internal audit has mapped each risk as per risk register to the HSRC's auditable activity.
<b>Timing since the last internal audit</b>	The timing since the activity was last audited by Internal Audit.
<b>Change in management</b>	Significant change in management is considered a critical factor within the control environment of each auditable activity.
<b>Change in process</b>	The evaluation was based on the consideration of any known significant process or system changes during the last 12 months.
<b>Other contributing factors</b>	The nature and rating of findings reported in the last Internal Audit reports were considered in the evaluation. The evaluation of other contributing factors was based on any Management concerns raised or known to internal audit at that time.

It is expected that the maturity of the Internal Audit Function, and the increased awareness of the different units with regard to the value of internal audit, will result in:

- increased knowledge within the Internal Audit function;
- increased efficiency; and
- increasing assurance to the Audit and Risk Committee.

If the Audit and Risk Committee and Management require assurance from areas in which other specialist skills are required; Internal Audit will obtain such requisite expertise.

### ***How to read the three year rolling plan?***

The Plan includes the auditable activity as per the audit universe, a high-level scope linked to the risks identified, the various assurance providers which provide assurance on the identified auditable activity, and the periods in which Internal Audit will cover the particular auditable activity over the next three years.

#	Auditable Area	Risk Identified	Last audited	High level Scope for 2021/2022	Assurance Provider					2021 /2022	2022 /2023	2023 /2024
					EA	IA	MGT	Other	Audit type			
	GENERAL MANAGEMENT											
1	Management of the Internal Audit Function	Not Applicable	N/A	<ul style="list-style-type: none"><li>Strategic and Operational Planning.</li><li>Discussion of reports with Senior Management.</li><li>Preparing for and Attending HSRC Audit and Risk Committee, Executive Director &amp; Risk Committee meetings.</li><li>Liaison with Auditor- General.</li><li>Project Management.</li></ul>	Not Applicable					✓	✓	✓
	AUDIT ACTIVITIES											
2	Research Management	<ul style="list-style-type: none"><li>Sustainability of the HSRC is compromised</li><li>Lack of relevance and impact of the HSRC</li><li>Human Resources:<ul style="list-style-type: none"><li>✓ Lack of senior research staff;</li><li>✓ Inability to achieve desired transformation targets.</li></ul></li><li>Sustainability of the HSRC during and after Covid-19</li></ul>	2020/2021	<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><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></li><li>Perform a follow up of the prior period findings.</li></ul> <p>For 2021/2022, the performance audit will again only focus on one of the five research units under Programme Two (rotational basis).</p>	⌘	✓	✓	⌘	Performance Audit	✓ (F)	✓	✓

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					EA	IA	MGT	Other				
3	Human Resource Management	<ul style="list-style-type: none"> <li>Human Resources: <ul style="list-style-type: none"> <li>✓ Lack of senior research staff;</li> <li>✓ Inability to achieve desired transformation targets.</li> </ul> </li> <li>Sustainability of the HSRC during and after Covid-19</li> </ul>	2020/2021	Not scoped for 2021/2022	✓	✓	✓	✗	Operational	✗	✓	✓
4	Audit of Predetermined Objectives	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> <li>Sustainability of the HSRC during and after Covid-19</li> <li>Lack of relevance and impact of the HSRC</li> <li>Human Resources: <ul style="list-style-type: none"> <li>✓ Lack of senior research staff;</li> <li>✓ Inability to achieve desired transformation targets.</li> </ul> </li> </ul>	2020/2021	<ul style="list-style-type: none"> <li>Verify the adequacy and effectiveness of the management and monitoring of the performance reporting process;</li> <li>Verify the adequacy and effectiveness of the system established and implemented for collecting, processing and collating performance information;</li> <li>Ensure that there is an adequate monitoring tool in place to ensure achievement of predetermined objectives;</li> <li>Verify the accuracy of the quarterly performance report; and</li> <li>Verify that sufficient supporting evidence exists for actual</li> </ul>	✓	✓	✓	✗	Performance	✓ (F)	✓	✓

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5	Health and Safety / Facilities Management	<ul style="list-style-type: none"><li>▪ Sustainability of the HSRC is compromised</li><li>▪ Sustainability of the HSRC during and after Covid-19</li><li>▪ Human Resources:<ul style="list-style-type: none"><li>✓ Lack senior research staff;</li><li>✓ Inability to achieve desired transformation targets.</li></ul></li></ul>	2020/2021	<ul style="list-style-type: none"><li>▪ Not scoped for 2021/2022</li></ul>	⌘	✓	✓	✓	Compliance	⌘	✓	⌘	
6	Information Technology	<ul style="list-style-type: none"><li>▪ Deteriorating and aging of Physical &amp; IT Infrastructure, Systems and Equipment</li></ul>	2020/2021	<p>The audit will focus on the following specific objectives:</p> <ul style="list-style-type: none"><li>▪ IT Governance ;<ul style="list-style-type: none"><li>✓ IT Governance Framework;</li><li>✓ IT Risk management;</li><li>✓ IT Steering committee; and</li><li>✓ SLA management and monitoring</li></ul></li><li>▪ Security Management;<ul style="list-style-type: none"><li>✓ IT Security policy;</li><li>✓ Network Operating system security (Password Parameter Settings on Active Directory); and</li><li>✓ Network security (Patch management Anti-virus and Firewall).</li></ul></li><li>▪ User Access Management on<ul style="list-style-type: none"><li>✓ Active Directory (AD);</li><li>✓ Finance System; and</li><li>✓ HR &amp; Payroll System</li></ul></li></ul>	✓	✓	✓	⌘	Information Technology	✓ (F)	✓	✓	

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				<ul style="list-style-type: none"> <li>Program Change Management on; <ul style="list-style-type: none"> <li>✓ Finance System; and</li> <li>✓ HR &amp; Payroll System</li> </ul> </li> <li>IT Service Continuity: <ul style="list-style-type: none"> <li>✓ Disaster Recovery Plan and processes, and</li> <li>✓ Backups Management.</li> </ul> </li> <li>Physical and Environmental Controls.</li> </ul>								
7	<b>Finance (Internal Financial Controls)</b>	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> <li>Sustainability of the HSRC during and after Covid-19</li> <li>Human Resources: <ul style="list-style-type: none"> <li>✓ Lack of senior research staff;</li> </ul> </li> <li>Inability to achieve desired transformation targets.</li> </ul>	2020/2021	<ul style="list-style-type: none"> <li>Assess the adequacy and effectiveness over controls over HSRC financial processes (Internal Financial Controls).</li> <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> <li>✓ Management of Income and Expenditure</li> <li>✓ Management of Assets and Liabilities</li> <li>✓ Annual Financial Statements</li> <li>✓ Cash flow management</li> </ul> </li> <li>Perform a follow up of the prior period findings raised by IA and EA.</li> </ul>	✓	✓	✓	⌘	Financial	✓ (F)	✓	✓
8	<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> </ul>	2020/2021	<ul style="list-style-type: none"> <li>Review the adequacy and effectiveness of processes relating to Supply Chain Management processes. Key focus areas for consideration include: <ul style="list-style-type: none"> <li>✓ Acquisition Management</li> <li>✓ Logistics Management</li> <li>✓ Supply Chain Performance</li> <li>✓ Contract Management</li> <li>✓ E Workflow</li> <li>✓ Covid-19 Procurement</li> </ul> </li> </ul>	✓	✓	✓	⌘	Financial	✓ (F)	✓	✓

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				<ul style="list-style-type: none"> <li>Perform a follow up of the prior period findings raised by IA and EA.</li> </ul>								
9	Governance	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> <li>Sustainability of the HSRC during and after Covid-19</li> <li>Human Resources               <ul style="list-style-type: none"> <li>✓ Lack of senior research staff</li> <li>✓ Inability to achieve desired transformation targets</li> </ul> </li> </ul>	2018/2019	<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> <li>Review adequacy of the approved charters against the HSRC Act.</li> <li>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"> <li>✓ Determining the adequacy of the committees' charters, in relation to their mandate within the HSRC;</li> <li>✓ Determining whether the meeting protocols e.g., meeting notifications, packs, declarations etc. are in accordance to the Charters;</li> <li>✓ Establishing if the reporting lines to and by the committees are adequate in order to execute their mandate effectively;</li> <li>✓ 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>✓ Determining the adequacy of the minutes of meetings and that it clearly defines the resolutions made by the committees;</li> </ul> </li> <li>Review the extent of training and continuous improvement programmes.</li> <li>Review the reporting process of the committees to Council.</li> </ul>	✓	✓	✓	⌘	Compliance	✓	⌘	⌘

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					EA	IA	MGT	Other				
10	Legal Services	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> </ul>	2017/2018	<ul style="list-style-type: none"> <li>Not scoped for 2021/2022</li> </ul>	⌘	✓	✓	⌘	Performance audit	⌘	✓	✓
11	Enterprise Risk Management	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> <li>Sustainability of the HSRC during and after Covid-19</li> <li>Human Resources <ul style="list-style-type: none"> <li>✓ Lack of senior research staff</li> <li>✓ Inability to achieve desired transformation targets</li> </ul> </li> </ul>	2016/2017	<ul style="list-style-type: none"> <li>Not scoped for 2021/2022</li> </ul>	⌘	✓	✓	⌘	Compliance	⌘	✓	⌘
12	Asset Management	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> <li>Sustainability of the HSRC during and after Covid-19</li> <li>Human Resources <ul style="list-style-type: none"> <li>✓ Lack of senior research staff</li> </ul> </li> <li>Inability to achieve desired transformation targets</li> </ul>	2016/2017	<ul style="list-style-type: none"> <li>Not scoped for 2021/2022</li> </ul>	✓	✓	✓	⌘	Financial	⌘	✓	⌘
13	POPIA (Protection of Personal Information Act)	<ul style="list-style-type: none"> <li>Sustainability of the HSRC is compromised</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Not scoped for 2021/2022</li> </ul>	⌘	✓	✓	⌘	Compliance	⌘	✓	⌘

***(F) – Denotes that a detailed follow up audit is planned as part of the audit***