Emerging Topics in Environmental Auditing in the World Bank Group

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The World Bank Group

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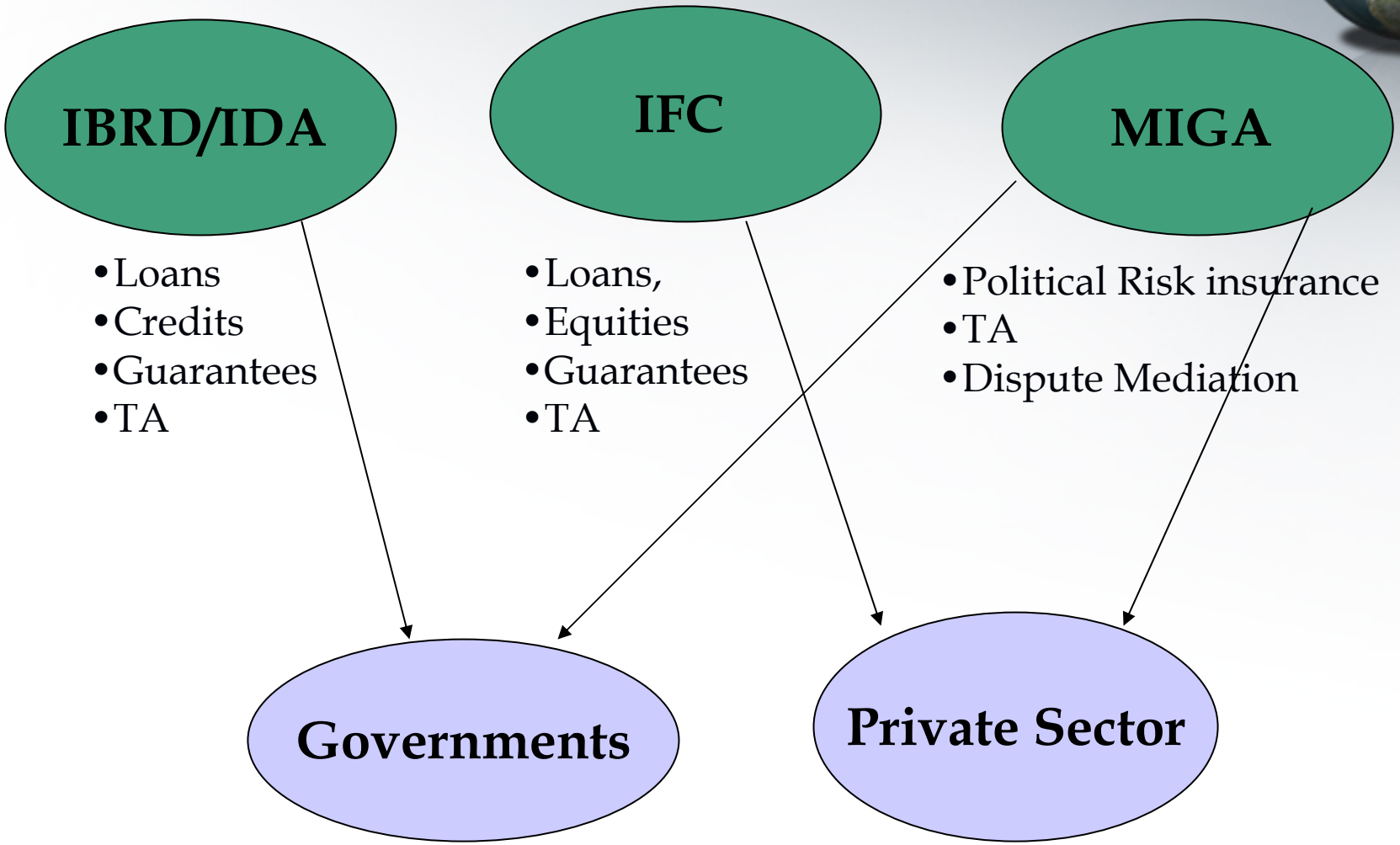

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Our Dream is a World Free of Poverty…

The Millennium Development Goals:

1. Eradicate extreme poverty & hunger
2. Achieve universal primary education
3. Promote gender equality & empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria & other diseases
7. Ensure environmental sustainability
8. Build a global partnership for development

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Internal Auditing in WBG

Internal Auditing Vision:

Assurance & Advice that bring *Our Dream* closer

Internal Auditing Mission:

IA helps the WBG achieve its mission by:

- **Providing objective assurance and advice that add value;**
- **Influencing change that enhances risk management, control, and governance; and,**
- **Improving accountability for results.**

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Strategy for Assessing and Reporting on Risk Management, Control and Governance Processes

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Process/Activity Risk Assessment Support Paper Content

- WBG Entity
- Business Process/Activity
- Definition or Description
- Risk Ratings & Rationale:
  - Impact Rating & Rationale
  - Likelihood Rating & Rationale
- Financial Information:
  - Latest Fiscal Year
  - Admin Budget
  - Trust Funds, etc.
  - Affected Balance Sheet Items
- Relevant Work by Risk, Control, & Evaluation Units for Previous two Fiscal Years:
  - Internal Audit Reports (Report #, Title, Rating)
  - Corporate Risk Scan Summaries (Relevant Risk Dimensions described as High Risk, and Frequency)
  - INT Reports
  - Evaluation Studies
  - Operations QA Reviews
  - Trust Fund Quality Control Reviews

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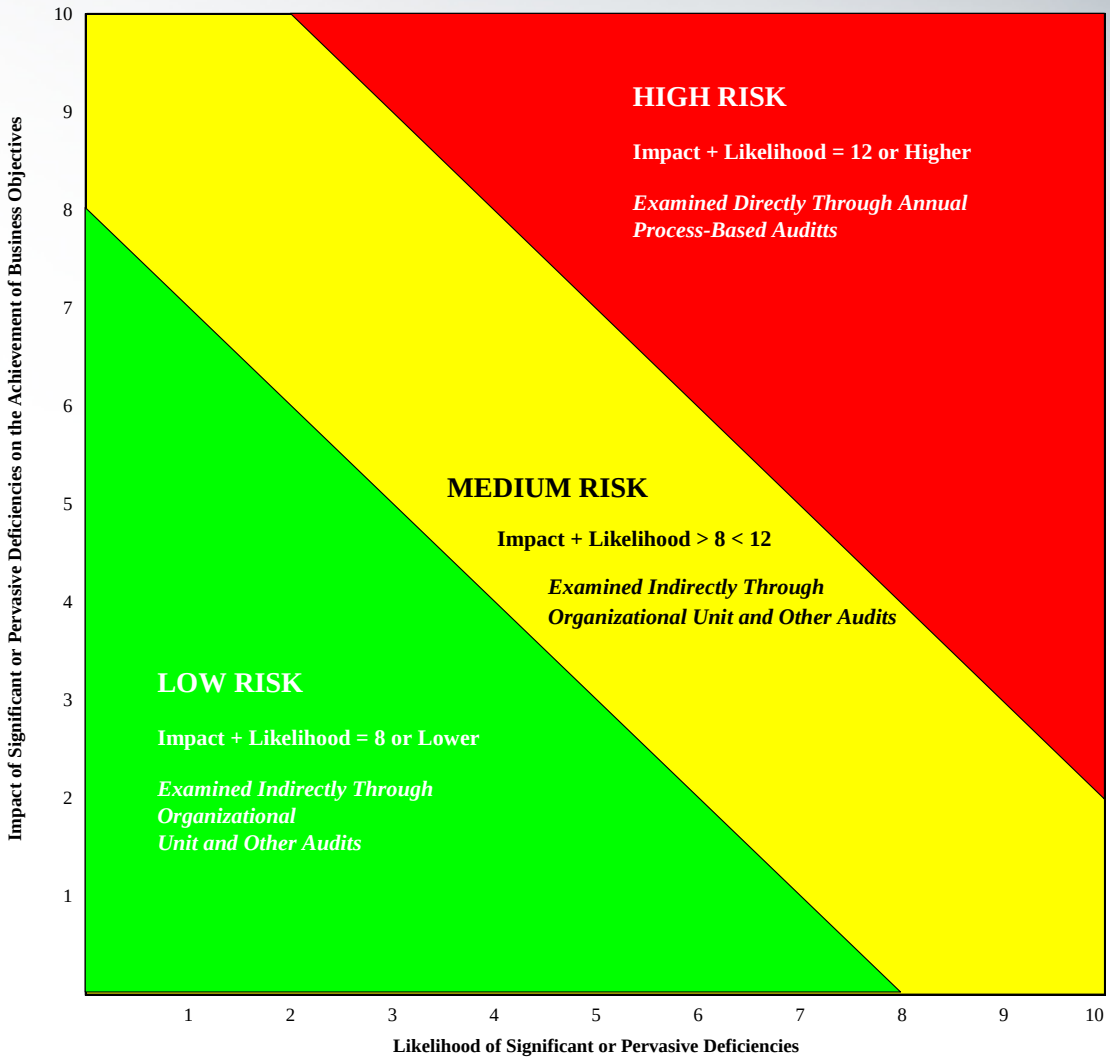
Business Process Risk Map



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Is our Coverage Adequate to Support Positive Assurance on Internal Control?

High Risk Business Process	Regions	Network Anchors	Other Operational Units	Financial Units	Administrative Units	Corporate & Other Units
1-Process aa	X		X			
2-Process bb	X		X			
3- Process cc	X		X			X
4- Process dd	X	X	X			
5- Process ee	X	X	X			X
6- Process ff	X	X	X			X
7- Process gg	X	X	X	X		X
8- Process hh	X	X	X	X	X	X
9- Process ii				X		X
10- Process jj	X	X		X		X

WBG E&S Focus for Projects

- Country Assistance on E&S Sustainability
- Biodiversity Conservation
- Climate Change
- International Waters
- Ozone Depleting
- Carbon Finance
- Cleaner Technologies and Production
- Sustainable Energy Initiatives

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WBG E&S Policies & Standards

- Safeguard Policies & Environment Strategy
- Policy on Social and Environmental Sustainability & Performance Standards
- Environmental Assessment Policy & Environmental Guidelines
- Disclosure Policy

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IAD Work

- To review the system of internal control for assessing and monitoring the E&S risk specific to each business line
- To identify key controls that mitigate the risk inherent in each product and allow for the achievement of the intended objective
- To test effectiveness of the key controls on a sample basis
- To review adequacy of policies and standards to achieve WBG objectives, compared to best practice

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Examples of IAD work in FY07

- Advisory
  - IBRD Carbon Finance Unit and Program
- Assurance
  - IFC Environment & Social Review process
- Project, Program & Unit Audits
  - Audit Compliance with Key Controls

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WBG Internal E&S Focus

"Greening" Program

To achieve environmental best practice for all activities: make best use of resources; minimize waste to lessen our impact on the environment; and provide comfortable and healthy surroundings in which to work

IAD Work

To review the effectiveness of the "Greening program" to achieve its objectives

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Any Questions?

Thank You

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