



Internal Audit Department

Internal Audit Planning Manual
MBZUAI – IA – IAPM – MAN – V2.0

Effective: 19/9/2023

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1. Document Control and Version History Information

Document Name	Internal Audit Planning Manual
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<i>For Office Use – Keywords for search function</i>	

2. Glossary of Terms

Term	Definition
IAF	Internal Audit Function
IIA	Institute of Internal Auditors
IPPF	International Professional Practices Framework
MBZUAI	Mohamed Bin Zayed University of Artificial Intelligence

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Manual Number	MBZUAI – IA – IAPM – MAN – V2.0	Revision Date	19/9/2025
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3. Introduction

- The Internal Audit Function (from herein referred to as “IAF”) of Mohamed Bin Zayed University of Artificial Intelligence (from herein referred to as “MBZUAI” or “the University”); has developed and adopted this Internal Audit Planning Manual (from herein referred to as “the Manual”) to define the processes and procedures related to the Internal Audit planning phase of the overall Internal Audit cycle. The Planning phase consists of the following 3 stages:
 1. Strategic Analysis
 2. Risk Assessment
 3. Internal Audit Plan
- The Manual applies professional international standards of internal audit, in line with the standards of the International Professional Practices Framework (IPPF) set by the Institute of Internal Auditors (IIA).
- The Internal Audit Staff of the University should familiarize themselves and understand the elements of the Manual. Moreover, this Manual should be diligently adhered to by all Internal Auditors whether internally hired within the University or outsourced.

4. Objective

The objective of this Internal Audit Planning Manual is to provide a standardized framework for Internal Audit Planning activities at MBZUAI, with the aim of assisting Internal Auditors in executing their work by adhering to best practices such as the IIA, the IPPF, and any relevant regulations.

5. Scope

Internal Audit planning coverage includes all aspects of MBZUAI activities in accordance with the Internal Audit Charter approved by the Audit Committee.

At least annually, the Director of Internal Audit will submit to the Executive Management and the Audit Committee an Internal Audit Plan for their review and approval respectively.

The Internal Audit Plan will consist of details outlining the number and nature of audits to be conducted, an approximate budget on how long each audit will require, a computation of the number of full-time staff required or consulting services required, and an estimated budget of the required costs related to the plan. The Director of Internal Audit will communicate the impact of resource limitations and significant interim changes to the Executive Management and the Audit Committee.

The Plan will depend upon varying circumstances such as relative risk associated with activities, materiality, the adequacy of the system of internal controls, and resources available at the Internal Audit Function.

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6. Internal Audit Planning

6.1. Overview of Internal Audit Methodology

6.1.1. Methodology Overview

As shown in the IAF’s Methodology graphic illustration below, the IAF’s Methodology is organized into 6 stages divided into 2 phases:

- **Planning** phase includes Strategic Analysis, Risk Assessment, and Internal Audit Plan; and
- **Execution** phase consists of Internal Audit Execution, Reporting, and Issue Resolution Tracking.

Diagram 1



6.1.2. Methodology Features

The key features of the IAF’s Methodology are that it:

- Consists of a top-down approach, focused on the strategic and significant risks to MBZUAI.
- Focuses efforts on the areas of greatest importance and value to MBZUAI.
- Actively involves the process owners of MBZUAI in the Risk Assessment stage and the resulting outcomes.

The 3 stages of the Internal Audit Planning phase are detailed in the sections below.

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6.2. Strategic Analysis

Introduction

Strategic Analysis provides an initial understanding of MBZUAI’s goals and objectives from a top-down perspective. Strategic Analysis is undertaken to gain a high-level understanding of MBZUAI’s operations and the external forces that affect it. Strategic Analysis also allows for the identification of strategic objectives and provides an understanding of how MBZUAI reacts to challenges that may hinder the achievement of these objectives.

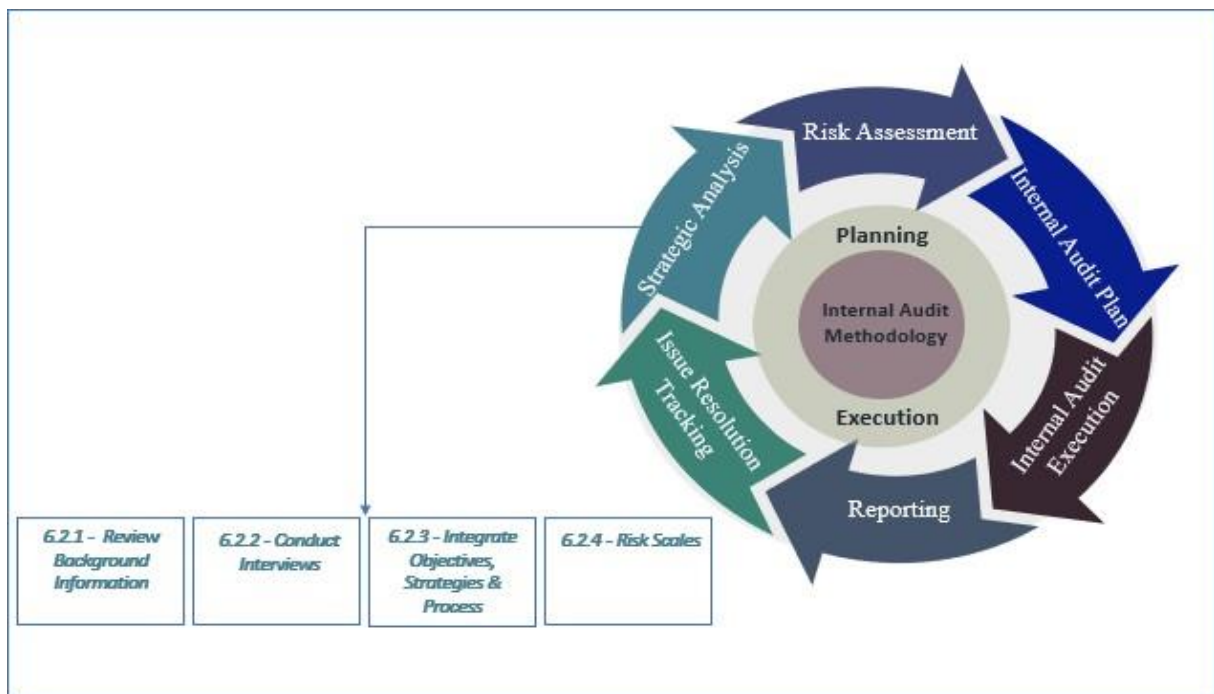
The identification of objectives is done at two levels:

- **The Strategic Level** – This level involves objective setting for the university, whereby objectives are set to fulfil MBZUAI’s vision and mission. Risks that directly hinder the achievement of a strategic objective are usually deemed to have a high impact.
- **The Functional Level** – This level involves objective setting exercises for divisions and functions across the organization. Functional objectives are cascaded from strategic objectives and must be directly linked to them.
- Hence individual functions working towards the achievement of their functional objectives collectively facilitate the achievement of strategic objectives. Each function exposes MBZUAI to different types and levels of risks.

An understanding of MBZUAI’s objectives at the above levels would facilitate the Risk Assessment process. The Internal Audit Function focuses the audit efforts based on the significance of the auditable entity.

Diagram 2

Strategic Analysis



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6.2.1. Review Background Information

The review of background information will help the IAF understand MBZUAI, how it is organized, and the environment in which it operates. This information can be obtained by using a variety of techniques, including:

- Reference to general and industry specific reference materials.
- Reference to planning documents, previous audit reports, etc.
- Reviewing history and events (e.g., new system implementations, key management changes, financial statements, geographic locations, etc.)

6.2.2. Conduct Interviews

Background information obtained can be supplemented by interviewing members of the management team, key employees, individual members of MBZUAI’s Board of Trustees and its Committees, and other parties.

Combining the activities of both strategic analysis and risk assessment may serve to help enable greater efficiencies during the Internal Audit planning process and reduce the likelihood of multiple interviews with the same management member. Internal Auditors should exercise professional judgment regarding combining activities from these two phases to best serve the objective of the IAF, while being respectful of the senior management’s time.

In general, the IAF should consider interviewing all members of “executive management” as they are most likely to have a good grasp of strategic objectives and critical information.

6.2.3. Integrate Objectives, Strategies and Processes

After obtaining a reasonable understanding of MBZUAI, the IAF should integrate the information to gain an understanding of its objectives, strategies, and processes.

Objectives

Objectives are the operational definitions of MBZUAI’s vision and mission. They may be highly structured or informal and either explicitly or implicitly stated.

Strategies

MBZUAI’s formulated strategies and business plans define how the organization plans to achieve its vision, mission, and objectives. Strategies and business plans align corporate performance and operations to overall objectives.

Processes

Processes are a structured set of activities designed to produce a specific output within MBZUAI. Responses to risks at the strategic level can be associated with processes.

6.2.4. Risk Scales

Risk is the state of uncertainty related to future results of current events. Thus, the risk is the likelihood that an adverse outcome may occur. Risk is simply defined as any threat or loss of opportunity that may hinder MBZUAI from achieving its objectives or cause it to sustain damages.

Inherent risk is the risk that exists in the absence of controls. Inherent risk is important to the Internal Audit process because it represents the potential impact of a breakdown in the control environment within MBZUAI.

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Diagram 3



For each risk identified, the impact and likelihood of the risk must be assessed.

The Risk Scale:

In the absence of an approved Risk Appetite, **Matrix 1** (under Appendix 1) was created to serve as a reference point. Once a Risk Appetite is developed and approved for MBZUAI, Internal Audit will re-baseline the assessment of risks to the approved Risk Appetite.

Impact Rating:

The performance of MBZUAI must be measured in a comprehensive manner, in a way where operational activities are correlated and linked to the objectives derived from its strategy. Risks can have consequences/impacts in terms of, amongst others, financial performance and results, Business Continuity, Regulatory/Legal, Reputation, Human Resources, and Health and Safety. **Matrix 1** (under Appendix 1) provides a general description used to assess the degree of impact.

Likelihood Rating:

Certain events occur rarely, and others occur regularly almost daily. The risk analysis requires to measure the recurrence/probability of the risks. **Matrix 2** (under Appendix 1) provides a general description used to confirm the degree of likelihood.

Control Design Rating

For each identified risk, the Internal Audit Activity rates the controls in terms of adequacy and effectiveness, as illustrated in the table below:

Table 1

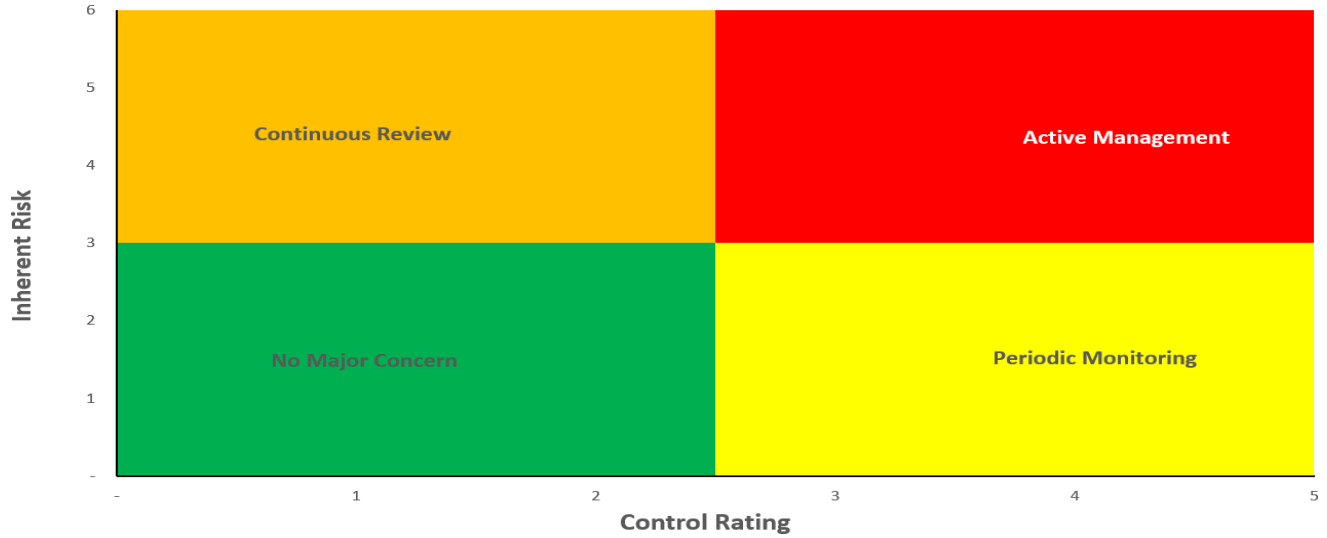
Control Rating Guidance			
Adequate	Excellent	1	Systems and processes exist to manage the risks and management accountability is assigned. The systems are well documented and regular monitoring/ management review indicates high compliance with the process and that the system is effective in mitigating the risk.
	Good	2	Systems and processes exist that manage the risk. Minor, improvement opportunities have been identified but not yet actioned.
Inadequate	Fair	3	Some systems and processes exist to manage the risk. Recent changes in operations require confirmation that accountabilities are in place and understood that the risk is being actively managed.
	Poor	4	Systems and processes for managing the risk have been subject to major change or are in the process of being implemented and their effectiveness cannot be confirmed.
	Unsatisfactory	5	No systems and processes exist to manage the risk.

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Auditable Areas Risk Rating

The inherent risk and control effectiveness ratings are combined to determine the residual rating of each auditable area, as illustrated in the Graph below:

Diagram 4



- Risks where current treatment options **require active review by Management.**
- Control is **adequate**, continued **monitoring** of controls by Management over time is **required to confirm this.**
- Control is **not strong, but risk impact is not high.** Options to improve control or monitor risk impact to ensure it does not increase over time.
- Risks where systems and processes managing the risks are **adequate and subject to minimal monitoring.**

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6.3. Risk Assessment

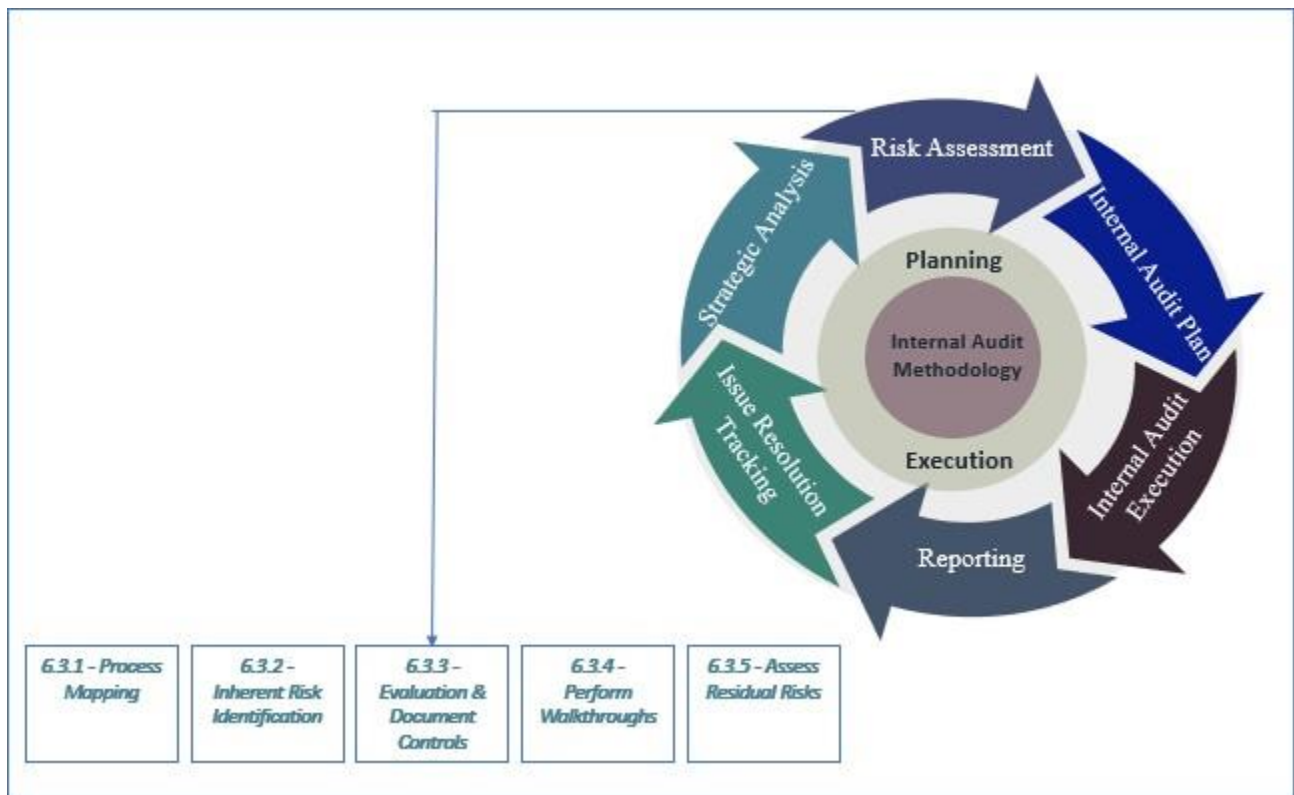
Introduction

In the context of the Internal Audit Methodology, the purpose of the Risk Assessment is to help the Internal Audit Activity to:

- Gain an understanding of the risks that threaten the achievement of MBZUAI’s objectives.
- Develop a foundation that will assist in identifying MBZUAI’s key processes (which have a significant relation with key objectives), and risk mitigation activities risks, while focusing on organizational processes rather than functions or departments.
- Develop the basis for the internal audit plan (3 years plan).

Diagram 5

Risk Assessment



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Internal Audit Planning Risk Assessment vs. Process Level/Detailed Risk Assessment

Internal Audit Planning Risk Assessment

This Risk Assessment is used to determine and measure the priority of risks by Auditable Entity/Process to best use internal audit efforts and focus on the major auditable areas. A complete understanding of the organizational objectives is crucial in performing the Internal Audit Planning Risk Assessment.

Process Level/Detailed Risk Assessment

A detailed Risk Assessment is conducted as part of each individual audit engagement to define the important aspects within the scope of audit (i.e. done not at the time of the Internal Audit Planning Risk Assessment but at the time of execution of the audits as per the audit plan). The Detailed Risk Assessment allows the Internal Auditors to design audit programs that test the major control procedures more comprehensively. Thus, in this case, a comprehensive understanding of the audit process is required.

Establish and Agree (Internal Buy-in) the Risk Assessment Process

While the IAF may facilitate Risk Assessment activities with the objective of developing a risk based prioritized Internal Audit plan, risk identification, assessment and management is ultimately management’s responsibility. Hence the participation and support of the management is crucial for a successful Risk Assessment.

One of the major factors for a successful Risk Assessment process is to obtain support of all the participants. Since the Executive Management decides the general orientation of the organization, its support and commitment to the process is extremely important. Therefore, the Executive Management should understand and perceive the importance of the Risk Assessment process, not only for assisting the internal audit, but for the entire management of MBZUAI’s affairs. Further, the participation of the middle management and all relevant Staff would also be beneficial.

To obtain buy-in from MBZUAI’s management on the Risk Assessment process, the concerned stakeholders (employees) should be aware of the purpose and benefits of the process and their responsibilities as well as the role of the IAF.

It is the responsibility of the Board of Trustees and Executive Management to promote the importance and benefits of the Risk Assessment not only for the IAF but for MBZUAI’s entire activities (such as Enterprise Risk Management). Certain options may be considered, ranging from official regular lectures to incidental and informal discussions. The IAF may also support management in creating awareness about the importance of Risk Assessment and Risk Management.

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6.3.1. Process Mapping

The IAF initiates the Risk Assessment by gaining an understanding of MBZUAI’s key business processes through interviews with key personnel and review of relevant policies, procedures, and business process-related documentation. This information is used to develop a pictorial map of MBZUAI’s key business processes.

Each process is broken down into the various sub-processes or activities that naturally occur within the process.

The IAF defines the auditable entities as the functions/processes that contribute to achieving the general objectives of MBZUAI and in exposing MBZUAI to risk. The following criteria are set by the IAF to help define the auditable entities:

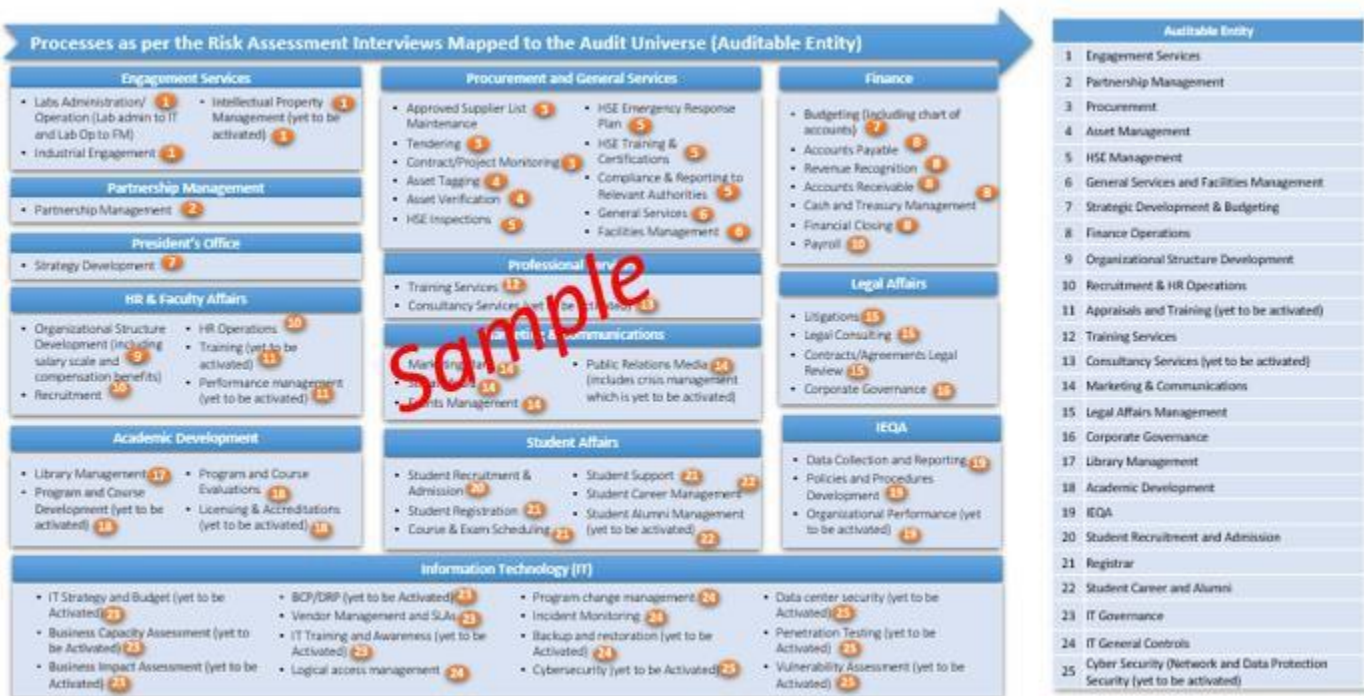
- The entity must contribute to achieving the general objective of MBZUAI.
- It should be of a size that is considerable enough to have a noticeable impact on the achievement of MBZUAI’s objectives at a strategic, operational, or financial level.

The types of auditable entities may vary as follows:

- Locations – Divisions, departments, sections, offices, liaison offices, etc.
- Projects – Systems, programs, subcontracts, etc.
- Activities – Area/activity unit, function, processes, etc.
- Assets – Actual, accounts, cash, information, resources, etc.

For audit planning to be comprehensive and to cover the entire audit scope of MBZUAI, the Internal Audit Activity needs to take into consideration the activity processes. Identifying the audit universe through process mapping as illustrated in Diagram 4 below:

Diagram 6



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6.3.2. Inherent Risk Identification

The IAF identifies the risks and assesses their impact and likelihood using Matrices 1 & 2 (under Appendix 1) as a guideline (in the absence of an approved Risk Appetite) to rate the risks.

Inherent Risk Description

A description of the inherent risk should be documented in the Risk Register. The description should be clear and concise.

The existence of each risk should be confirmed with management through a direct discussion or an arranged review. At the current stage, the basis of the Risk Assessment process is to first identify the risks without consideration of controls (i.e., inherent risks).

Inherent Risk Rating

Risk is assessed by determining the potential consequence/impact for the risk and the likelihood of the risk arising. Inherent risks are then rated on the consequence/impact and likelihood.

6.3.3. Evaluate & Document Controls

Using Table 1 under Section 6.2.4, the Internal Audit Activity identifies and rates the controls in terms of adequacy and effectiveness.

Identification & Assessment of Mitigating Practices and Controls

Mitigating practices and controls include all the policies, procedures, practices, and processes in place to provide reasonable assurance of the management of MBZUAI’s risks.

Where mitigating practices/controls exist but are not being followed and monitored, then adequate control does not exist, as for mitigating practices/controls to be effective they also must be communicated, actioned, and monitored.

Perform Evaluation of Controls Over Risks

Management typically establishes and maintains a system of internal controls to help identify, monitor, and mitigate risks, and to support the achievement of MBZUAI’s objectives.

The IAF evaluates how effective the design of a particular control is in mitigating the identified risk within a process. To perform this, the IAF needs to identify and evaluate the controls in place and assess their design effectiveness in preventing or mitigating risks.

As stated above, where Inherent Risks are rated as “Low Risk”, it is acceptable to focus scarce resources on higher inherent risk ratings; still, where resource availability is not a problem, the identification and evaluation of one control is sufficient.

When identifying controls, the IAF should link them directly to the risk in question. Often, there will be more than one control in place to mitigate a risk. The task of the IAF is to evaluate the combination of controls to determine if they are effective or, alternatively, if there may be inefficiencies created by redundant controls over less important process activities (e.g., non-value-added activities). It should be noted that not all controls will be significant controls that directly mitigate a risk.

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Documenting Controls

Interviews or workshops are held with process owners and Staff to document and confirm the understanding of the process(es). The understanding is documented in the form of structured notes or process diagrams (flow charts).

When documenting controls, the following should be clearly stated:

- Policy/Procedure reference where the control is described (if applicable).
- Who performs the control, who reviews and confirms that the control is performing effectively (usually a designation is stated and not the name of the individual performing the control (documented in the "Control Description" field).
- Who is the control owner i.e., responsible for ensuring that the control is effective (again state designation).
- What is the frequency of the control i.e., transaction based, daily, weekly, monthly, quarterly, annually etc.
- Is the control preventative or detective.
- Is the control manual, automated, or semi-automated.

Preventative and Detective Controls

Both preventative and detective controls are important. A preventative control is a control designed to prevent an error from occurring. Preventative controls are usually applied to each transaction during the normal flow of the process and are designed to prevent a risk from arising.

Detective controls are devices, techniques, and procedures designed to identify and expose undesirable events that elude preventative controls. Detective controls reveal specific types of errors by comparing actual occurrences to pre-established standards. When a detective control identifies a departure from a standard, it sounds an alarm to attract attention to the problem.

Manual, Automated and Semi-Automated Controls

- Manual controls operate outside the IT platform, such as manual approval of transactions.
- Automated controls on the other hand are controls that are hard coded into IT systems and will operate as designed until the program is changed.
- Semi-Automated controls are controls that are partially manual and partially automated. For example, if there are two platforms that are not fully integrated and require some degree of manual intervention to manually upload all the details and documentation.

6.3.4. Perform Walkthrough

The objective of the walkthrough is to determine whether policies, procedures, and other controls (on a strictly sample basis) are implemented. The appropriateness of the control at mitigating the identified risk will be evaluated by:

- Confirming the understanding of the design of the controls and whether they have been put into operation or activated.
- Assessing, based on a very limited sample, if the key controls are operating as designed.

Walkthrough tests are achieved by:

- Observing the process in operation; and/or
- Tracing one or two transactions through the process from beginning to end.

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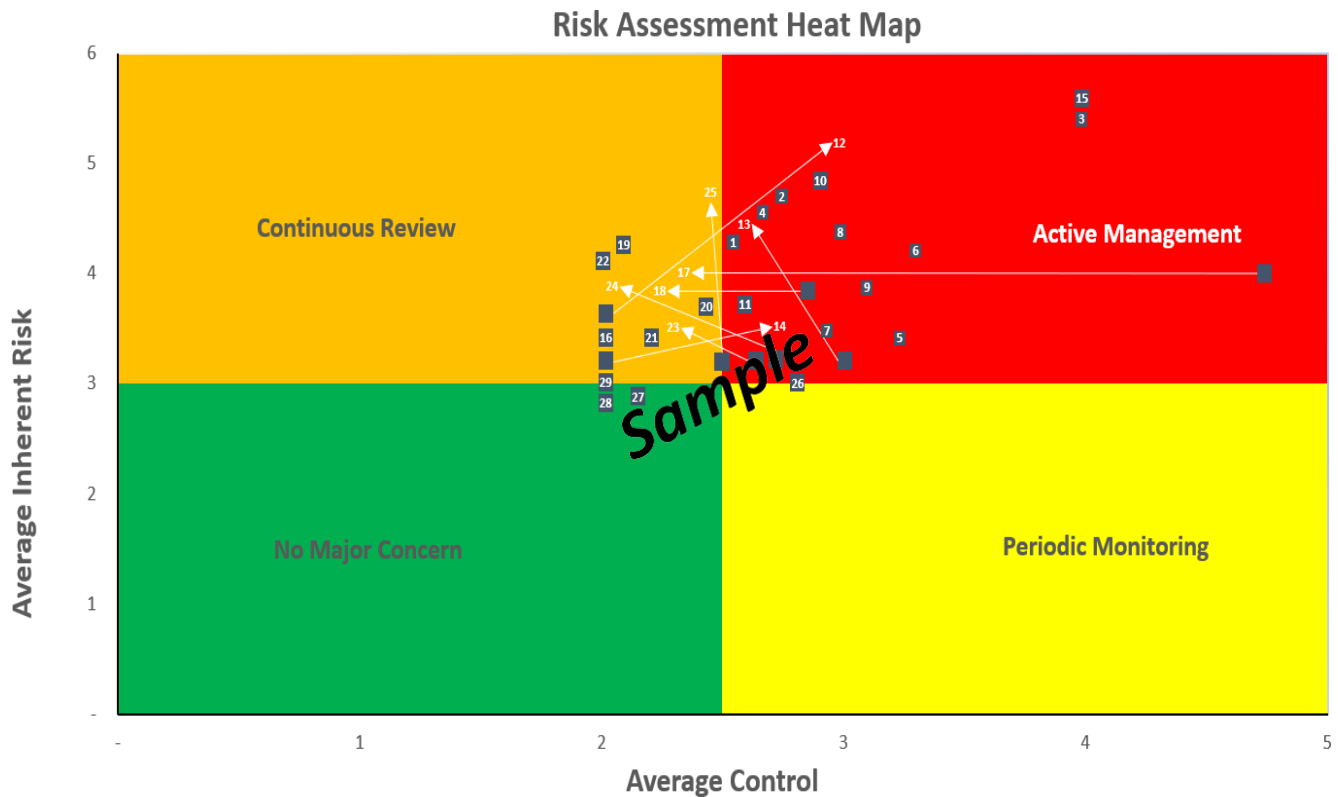
If the walkthrough confirms that the understanding of the controls was correct, then the IAF should rate them as adequate. If, as a result of the walkthrough however, it is noted that the controls do not perform as designed or are not applied or activated, then the Internal Auditor should rate them as inadequate (Table 1 under section 6.2.4, serves as a guideline for rating the controls in terms of adequacy and effectiveness).

6.3.5. Assess Residual Risk

Evaluating Residual Risk

Once the walkthroughs are completed, the Internal Audit Activity determines the Likelihood and Impact of each risk (refer to Matrices 1 & 2 under Appendix 1) and provides a control rating in terms of adequacy and effectiveness (refer to Table 1 under Section 6.2.4). The inherent risk and control effectiveness ratings are then averaged to determine the overall rating of each auditable area to be plotted in the Risk Assessment Heat Map, as illustrated in Diagrams 7 and 8 below:

Diagram 7



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Diagram 8

#	Auditable Entity	Average Inherent Risk Rating	Average Control Rating	Residual Risk Rating
1	Auditable Area 1	High	Inadequate	Active Management
2	Auditable Area 2	High	Inadequate	Active Management
3	Auditable Area 3	High	Inadequate	Active Management
4	Auditable Area 4	Medium	Inadequate	Active Management
5	Auditable Area 5	Medium	Inadequate	Active Management
6	Auditable Area 6	Medium	Inadequate	Active Management
7	Auditable Area 7	Medium	Inadequate	Active Management
8	Auditable Area 8	Medium	Inadequate	Active Management
9	Auditable Area 9	Medium	Inadequate	Active Management
10	Auditable Area 10	Medium	Inadequate	Active Management
11	Auditable Area 11	Medium	Inadequate	Active Management
12	Auditable Area 12	Medium	Adequate	Continuous Review
13	Auditable Area 13	Medium	Adequate	Continuous Review
14	Auditable Area 14	Medium	Adequate	Continuous Review
15	Auditable Area 15	Medium	Adequate	Continuous Review
16	Auditable Area 16	Medium	Adequate	Continuous Review
17	Auditable Area 17	Low	Inadequate	Periodic Monitoring
18	Auditable Area 18	Low	Inadequate	Periodic Monitoring
19	Auditable Area 19	Low	Inadequate	Periodic Monitoring
20	Auditable Area 20	Low	Adequate	No Major Concern
21	Auditable Area 21	Low	Adequate	No Major Concern
22	Auditable Area 22	Low	Adequate	No Major Concern
23	Auditable Area 23	Low	Adequate	No Major Concern
24	Auditable Area 24	Low	Adequate	No Major Concern
25	Auditable Area 25	-	-	-

sample

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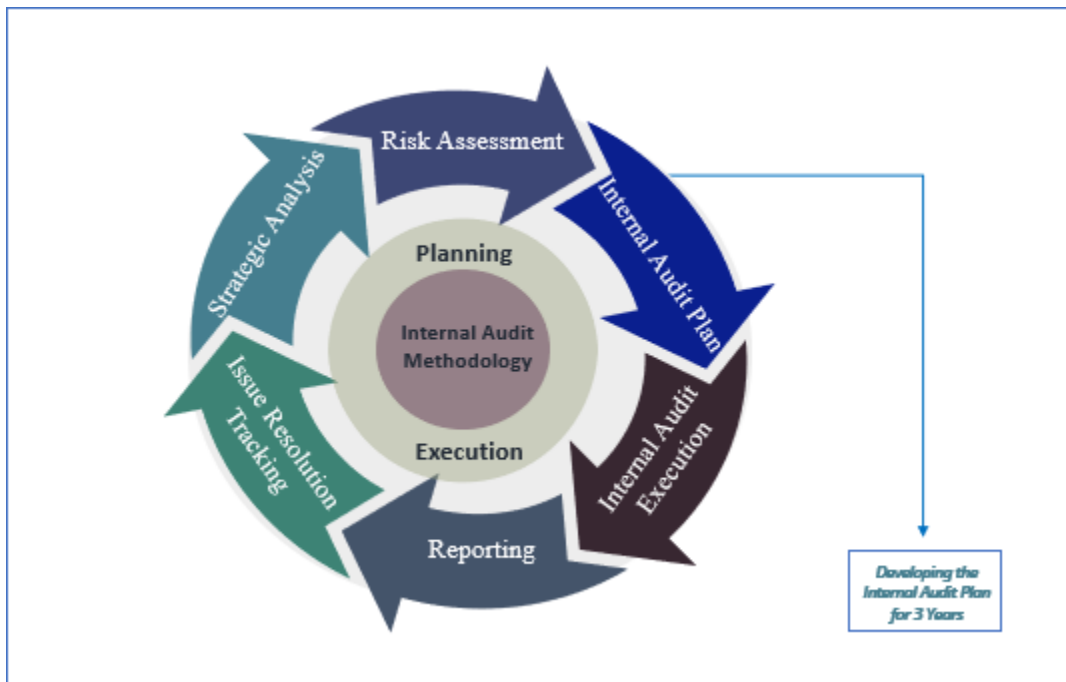
6.4. Internal Audit Plan

6.4.1. **Developing** the Three (3) Years Internal Audit Plan

The purpose of an Internal Audit Plan is to provide details on the timing to begin and complete the audits and assignment of audit teams with the requisite skill sets.

Diagram 9

Internal Audit Plan



The selection of those risks which should be tested, and the frequency of tests require considerable skill and judgement. An Internal Audit Plan should cover all key risks and yet should not be excessive or inefficient in terms of the amount of effort required.

The prioritization of the audits at MBZUAI is based on the rating attributed to each auditable area, as illustrated in Tables 2 & 3 below.

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Table 2

Rating of Auditable Area	Frequency of Audits
Active Management	High-risk auditable areas will be audited once every 2 years.
Continuous Review	Medium-risk auditable areas will be audited once every 3 years.
Periodic Monitoring	
No Major Concern	Low-risk areas will not be included in the internal audit plan.

In line with the table above, high-risk auditable areas are to be audited once every 2 years, medium-risk auditable areas once every 3 years and low-risk areas are not included in the three (3) year internal audit plan (Table 3).

A time estimate to perform the Internal Audit Plan should be developed detailing the resources (manpower, skill sets, OPEX, and CAPEX, inhouse capacity vs. outsourcing) required and presented to the Audit Committee for their review and approval (Table 4).

The Director of Internal Audit reserves the right to adjust the frequency and timing of the internal audit plan in consideration of changing circumstances (ex: results of audit and status of follow-ups, load balancing, Management input and requests, and regulatory mandates), subject to approval of the Audit Committee.

Table 3

Internal Audit Plan for 3 Years

#	Auditable Area	Current Ratings	2024	2025	2026
1	Auditable Area 1	Active Management	✓		✓
2	Auditable Area 2	Active Management	✓		✓
3	Auditable Area 3	Active Management		✓	
4	Auditable Area 4	Continuous review	✓		
5	Auditable Area 5	Continuous review		✓	
6	Auditable Area 6	Periodic Monitoring		✓	
7	Auditable Area 7	Periodic Monitoring			✓
8	Auditable Area 8	No major concern			
9	Auditable Area 9	No major concern			
Number of Audits			3	3	3

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Table 4

Details	Blended Rate	2024	2025	2026	Remarks
Total Number of Days (Non-IT) – In House	-	XX	XX	XX	Estimated Number of Man-Days
Total Number of Days (Non-IT) – Consultants	-	XX	XX	XX	
Total Number of Days (IT) {Non-Cybersecurity}	-	XX	XX	XX	
Total Days for Cyber Security (IT) {Cybersecurity}	-	XX	XX	XX	
Daily Blended Rate (Non-IT)	AED XXX	AED XX	AED XX	AED XX	
Daily Blended Rate (IT) {Non-Cybersecurity}	AED XXX	AED XX	AED XX	AED XX	-
Daily Blended Rate (IT) {Cybersecurity}	AED XXX	AED XX	AED XX	AED XX	
SME Rate	AED XXX	AED XX	AED XX	AED XX	
Total (AED)	-	AED XX	AED XX	AED XX	-
IA External Quality Assessment	-	AED XX	AED XX	AED XX	
Grand Total Estimate (without VAT)	-	AED XX	AED XX	AED XX	-
Grand Total Payroll Estimate	-	AED XX	AED XX	AED XX	

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7. Related Documents

1. Internal Audit Charter

8. Version History

Version number	Person responsible	Date of change	Comments
V1.0	Ali Baqer – Director of Internal Audit	25/8/2021	Initial version
V2.0	Ali Baqer – Director of Internal Audit	1/9/2023	<ul style="list-style-type: none"> • Added extra clarity on contents of the Internal Audit Plan under section 5: Scope. • Updated the heatmap quadrants by increasing range for Adequate Average Control from 2 to 2.5. • Updated formatting all over the document.

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Appendix 1:

Matrix 1 (Inherent Risk Impact Assessment):

Inherent Impact Assessment Criteria								
Risk Impact Rating	Risk Impact Measures							
	HSE	Finance	Operational	Regulatory Legal	Human Resources	Strategic	IT	Reputation
3-High	<p>a. Irreversible damage to one or more components of the environment (land, water, and air), that require to restore.</p> <p>b. Chronic or irreversible illness, major injury illness, Permanent total disability to the fatality of one or more than one person from an accident or occupational illness, and Hospitalization for 2 or more days.</p>	<p>The financial impact is from AED 2 million onwards. (1% of the average annual budget).</p>	<p>a. Business Operations are severely affected in several areas.</p> <p>b. Significant delay and/or disruption to business operations and recovery: -Duration required for mitigating an event is more than 7 days.</p>	<p>a. Significant noncompliance with applicable laws requirements (resulting in substantial penalties or a visit by a regulator in relation to non-compliance).</p> <p>b. Significant/major internal policy Failure/non-compliance with accounting standards.</p>	<p>Unexpected loss of the senior/executive team / one or more key staff members with specialist knowledge, without which business is significantly affected or delayed.</p>	<p>a. Failure to achieve, deviation, or delay of 1 or more strategic priorities.</p> <p>b. Occurrence resulting in lack of alignment to Strategy.</p>	<p>Major financial, operational, strategic, and/or regulatory impact, due to:</p> <p>a. Major security breach.</p> <p>b. Major delay or disruption to business operations and recovery.</p> <p>b. Noncompliance with key policies.</p>	<p>Negative publicity in the local, regional, or international media (i.e., issue exposed to the public or issue awareness limited to external stakeholders).</p>
2-Medium	<p>a. Small-scale measures required to restore damage.</p> <p>b. Minor injury or health effect affecting work performance resulting in lost time incident. Limited, reversible health effects requiring little or no hospitalization.</p>	<p>The financial impact is between AED 200 thousand to AED 2 million.</p>	<p>a. Business Operations are affected in a number of areas.</p> <p>b. Moderate delay and/or disruption to business operation and recovery: Duration required for mitigating an event is 5-7 days.</p>	<p>a. Significant noncompliance with applicable laws (resulting in a reportable incident to regulator).</p> <p>b. Moderate internal policy Failure/non-compliance with accounting standards.</p>	<p>Unexpected loss of one or more key staff members with specialist knowledge.</p>	<p>a. Significant delay in the achievement of two or more strategic initiatives.</p> <p>b. Failure to achieve three or more operating objectives/initiatives.</p>	<p>Moderate financial, operational, strategic, and/or regulatory impact, due to:</p> <p>a. inconsistent or absence of policies and procedures, and governing practices.</p> <p>b. Moderate delays in business processing.</p>	<p>Community public concerns</p> <p>Adverse stance of local government and/or action groups.</p>
1-Low	<p>a. Spontaneous recovery of effect.</p> <p>b. Minor injury or health effect. Can be treated at first aid level.</p>	<p>Financial impact up to AED 200 thousand.</p>	<p>a. Business Operations are affected in 1 or 2 more important areas.</p> <p>b. Minor delay and/or disruption to business operation and recovery: -Duration required for mitigating an event is up to 5 days.</p>	<p>a. Significant noncompliance with applicable laws (able to be resolved).</p> <p>b. Minor Internal policy failure/non-compliance with accounting standards.</p>	<p>Unexpected loss of a senior member of staff.</p>	<p>a. Moderate delay in the achievement of two or more strategic initiatives.</p> <p>b. Significant delay in the achievement of three or more operating objectives/initiatives.</p>	<p>No direct financial, operational, strategic, or regulatory impact.</p> <p>Minor delays in IT service delivery and business operations, documentation issues, etc.</p>	<p>Minor reputational impact. (i.e., issue limited to Division /Department).</p>

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Matrix 2 (Inherent Risk Likelihood Assessment):

Inherent Likelihood Assessment Criteria		
Category	Risk Probability Rating	Probability
3-Almost Certain/Frequent	Almost sure to occur during routine or non-routine activities. Monthly or more frequent occurrences would fall into this category.	>75%
2-Possible/Occasional	Medium chance of occurrence could occur one between 6 months to 1 year.	>25% >75%
1-Unlikely/Remote	The chance of occurrence is low and could happen with a probability of once every 2-5 years.	<25%

Matrix 3 (Inherent Risk Rating Assessment):

Inherent Risk Rating Criteria		Likelihood		
		1	2	3
Impact	1	Low	Medium	Medium
	2	Medium	Medium	High
	3	Medium	High	High

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