

Global Crop Diversity Trust Statement on Risk Management and Internal Controls 2016

The Executive Board of the Global Crop Diversity Trust has responsibility for ensuring that an appropriate risk management process is in place to identify and manage high and significant risks to the achievement of the Trust's objectives. These risks include **performance, governance, financial, operational, program as well as fundraising and communications risks** that are inherent in the nature, *modus operandi* and partnerships of the Trust's activities, and are dynamic as the environment in which the Trust operates changes. They represent the potential for loss or failure resulting from inadequate or failed internal processes or systems, human factors, or for many of them external, uncontrollable events.

Risk management is aimed at minimizing risks and taking appropriate opportunities in line with the organization's strategy and business plans. In the Crop Trust's context, the objectives of risk management include:

- Maintaining a clear focus on Trust mission and mandate and on its role as a key element of the Funding Strategy of the *International Treaty of Plant Genetic Resources for Food and Agriculture*
- Strong performance in ensuring the long-term conservation and availability of plant genetic resources;
- High impact, effective fund disbursement and allocation of scientific efforts towards building a global system;
- Maintenance of integrity, reputation and recognition as an essential element of the funding strategy of the Treaty;
- Maintenance of strong relationships with key partners, an engaged political constituency and clear strategic direction;
- Momentum in building the endowment;
- Strong performance from investment management allowing liquidity of funds for long-term program needs;
- Strong performance across project planning, management and monitoring;
- Efficient transaction processing and robust internal and external controls;
- Maintenance of assets including information assets;
- Recruitment, retention and effective utilization of qualified and experienced leadership and staff and capacity for core operations; and
- Proper execution of legal, fiduciary and agency responsibilities.

Risk mitigation strategies include maintaining systems of internal control and monitoring, which by their nature, are designed to manage rather than eliminate the risk. The Trust endeavors to manage risk by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the organization. Key practices employed in managing risks and opportunities include environmental scans, clear policies and accountabilities, transaction approval frameworks, early identification through monitoring, strategies to ensure staff continuity, financial and technical reporting and the monitoring of metrics which are designed to highlight positive or negative performance across a broad range of areas.

The risk management approach of the Trust seeks to draw upon best practice and will be subject to ongoing review.

The Crop Trust Board with the Secretariat has reviewed the implementation of risk management for 2016. The Board view risk management as an ongoing process and is satisfied with the progress made.