

CGIAR System Board  
20th meeting, Virtual  
18-19 May 2021

CGIAR Audit, Finance and Risk Committee

**Distribution Notice:** May be shared without restriction.

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**Agenda Item**                      **6. Consent Agenda**

**Special notice on 'Consent Agenda' status of this document**

This item is presented to the Board according to Article 7.1 of the Rules of Procedure, permitting a 'consent agenda' of multiple items being presented for approval via a single vote (not item by item).

**Should a Board member wish to remove an individual item from the Consent Agenda, that request should be communicated to the Board Secretary by close of business Paris time on 11 May 2021.**

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**Purpose:** This document sets out, **for approval** by the CGIAR System Board, proposed terms of reference and inaugural membership for a common Audit, Finance and Risk Committee for CGIAR.

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**Document Pathway:** At its 29<sup>th</sup> meeting on 8 April 2021, the System Board's Audit and Risk Committee ('ARC') reviewed the proposed terms of reference and membership of the common CGIAR Audit, Finance and Risk Committee, and at the conclusion of its deliberations, recommended that the System Board approve the adoption of the terms of reference to replace those of the ARC. In light of the conflict arising due to the ARC's members being among the proposed appointees, the ARC took note of the proposed membership.

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**Details of the Board's most recent deliberations on this matter:** At its 19<sup>th</sup> meeting in January 2021, the System Board materials included an update that the working group of CGIAR's Audit Committee Chairs was commencing work to develop an approach on a common audit committee, continuing the initial thinking by Transition Advisory Group 3 on Unified Governance.

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**Draft decision point:** Pursuant to Article 9.11 of the Charter of the CGIAR System Organization, the CGIAR System Board:

- i. Disbands the mandate and membership of the current Audit & Risk Committee of the CGIAR System Board at 31 May 2021;
- ii. Adopts the terms of reference for the CGIAR Audit, Finance and Risk Committee, replacing the ARC's terms of reference;
- iii. Appoints the following persons to serve as the inaugural members of the CGIAR Audit, Finance and Risk Committee from 1 June 2021 until the date indicated, or until their successor is appointed:
  - Chemutai Murgor (to 31 May 2024)

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	<ul style="list-style-type: none"> <li>• Clarissa van Heerden (to 31 May 2024)</li> <li>• Esteban Chong (to 31 August 2023)</li> <li>• Hilary Wild (to 31 August 2023)</li> <li>• Maurice Goddard (to 31 August 2023)</li> <li>• Nancy Andrews (to 31 August 2023)</li> <li>• Richard Golding (to 31 May 2024)</li> </ul>
<b>CGIAR Risk Management Framework linkages:</b>	<p>Critical Success factors linked to CGIAR's Risk Families</p> <ol style="list-style-type: none"> <li>1. CGIAR values and desired behaviors strengthen its credibility and attractiveness</li> <li>2. Adequate processes are in place to prevent or detect inappropriate use of funds</li> <li>3. Clear and transparent financing of the CGIAR portfolio</li> <li>4. Effective and efficient Center operations minimize costs and protect key assets (people, systems, data) against threats (internal, external, cyber)</li> <li>5. Financial stability requirements met by all Centers</li> </ol>
<b>Issue date:</b>	4 May 2021
<b>Author(s):</b>	<p>Terms of Reference and process for selection developed by a Working Group of CGIAR's Audit Committee Chairs, with proposal on membership developed by a Selection Panel operating independently from the Working Group. Facilitated by Christine Larson-Luhila, Deputy Director Board and Council Relations and Common Secretariat</p>
<b>Presenter(s):</b>	Christine Larson-Luhila, Secretary to the ARC and the Audit Committee Chairs' Working Group

## Executive Summary

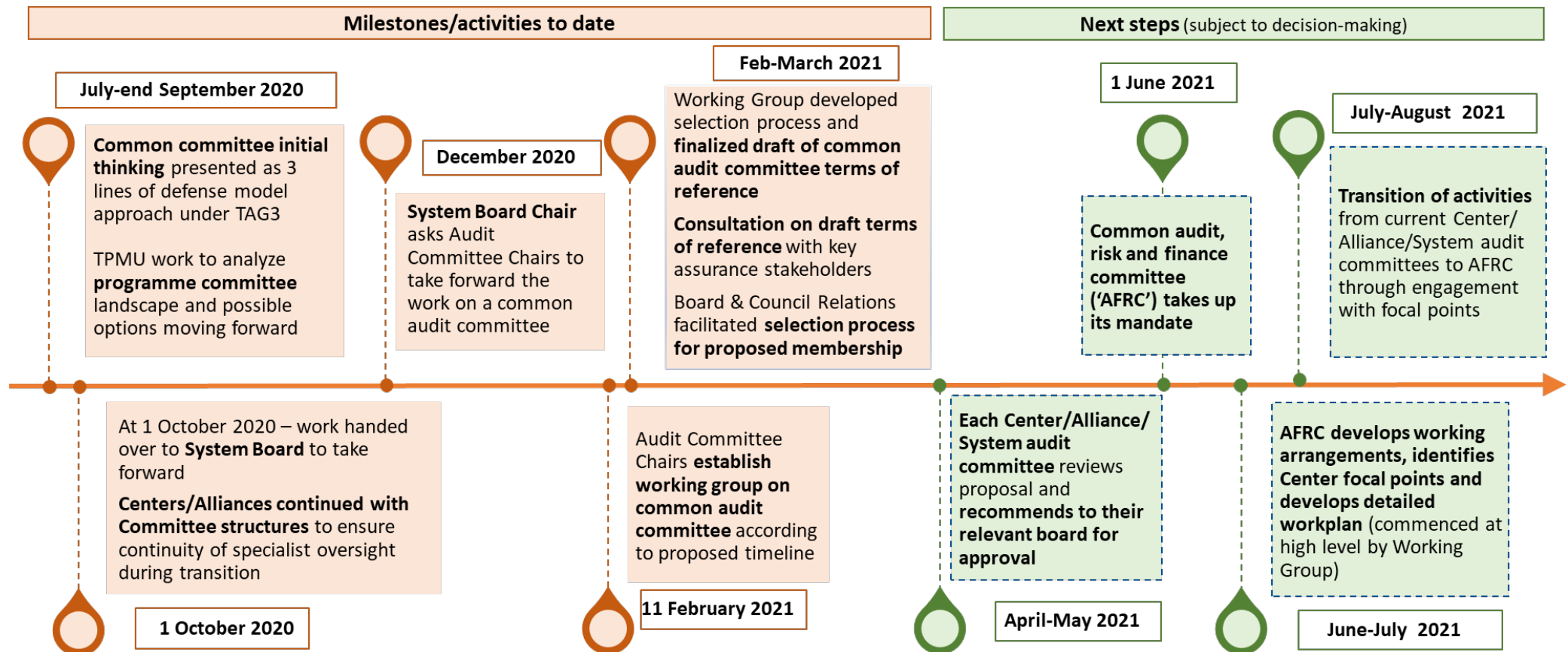
1. The following documents support the recommendation for the common Audit, Finance and Risk Committee, its terms of reference and recommended membership to be launched on 1 June 2021 replacing current audit/finance committees for all One CGIAR legal entities.
2. On behalf of the Audit Committee Chairs, the Working Group is happy to have facilitated the process leading to the first One CGIAR common committee. They believe this represents an important step towards harmonizing our efforts as part of unified governance to ensure that there is effective oversight of finance, risk and internal controls within CGIAR. An overview of these milestones is set out in Part A below.
3. The thoughtful input provided from Boards, Committees and Communities of Practice throughout the process was greatly appreciated. All input has helped strengthen the terms of reference resulting in a solid starting point to launch the inaugural common Audit, Finance and Risk Committee. A summary of the working group process is set out in Part B below.
4. The terms of reference:
  - a. Set out clearly where oversight will be carried out as legal entities and where a collective view is needed across CGIAR;
  - b. Will enable the Committee to understand more easily where gaps might exist in assurance coverage and how risks that affect one entity affect us all; and
  - c. Will ensure that existing great practices at Centers and Alliances can be recognized and effectively shared across the System.
5. With proposed membership drawn from experts across the fields within the Committee's mandate, the One CGIAR boards will be able to rely on and take comfort from the advice it provides and be assured that that advice has benefitted from a broad and deep understanding of CGIAR's assurance environment.
6. Input from stakeholders: Two areas received considerable input as follows:
  - a. Colleagues questioned the rationale for including the oversight of 'audit' and 'finance' under a single committee - This topic was discussed at length by the Working Group when first drafting the terms of reference and during consultations after input was received.
  - b. At this point of the One CGIAR transition, with other committees under the overall governance framework not yet defined, it was decided that it was critical that 'finance' be included under the mandate of the common audit committee. The issue of 'finance' oversight will be incorporated into future discussions regarding

the remaining committee governance structures and any adjustments made as approved.

- c. The selection panel carefully took this matter into consideration, proposing highly-qualified members with deep experience in each discipline to adequately capacitate the common committee across all disciplines.
  - d. Colleagues reflected on the time commitment required - It was identified that the time commitment required from AFRC members is anticipated to require some flexibility and may be more than the estimated 20 working days during its first year of operation with the One CGIAR transition and while assurance arrangements established. All proposed members recognize this and have confirmed their availability.
7. Financial implications: Honorarium for AFRC members will be paid from CGIAR System budget. Centers/Alliances do not need to include any costs for the AFRC in their budgets.
  8. Support implications: The One CGIAR Common Secretariat will provide all secretariat support to the AFRC regularly liaising with Centers/Alliances.
  9. Effective date: 1 June 2021
  10. Steps required for decision-making on this matter:

Task	Responsible	Timeline
Supporting documents sent to Board Secretaries	Common Secretariat	March 30
Session added to each audit committee agenda and supporting documents provided to audit committees for review and recommendation to the Board for approval	Board Secretaries	April/May
Board is presented proposal for common audit committee and membership at their Board meeting	Board Secretaries	April/May
Common Secretariat representative invited to all audit committee/board meetings as a presenter/resource for this agenda item	Board Secretaries	April/May
Outcome of Board decisions communicated to Common Secretariat as decided	Board Secretaries	No later than May 13

## A - Milestones toward a common committee as part of unified governance



## B - Audit Committee Chairs Working Group – process followed

STEP	TIMING
Working Group Meeting #1 - WG TOR/timeline and tasks	March 1
Email to Audit Chairs & COPs - notice of WG#1, sharing TOR/timeline and asking them to consult within Center/Alliance as appropriate	March 3
Working Group Meeting #2 - committee TOR 1st draft, membership process	March 8
Email to Audit Chairs & COPs - update of WG#2 with encouraged consultation within Center/Alliance as appropriate	March 10
Working Group Meeting #3 - committee TOR 2nd draft	March 15
Consultation at ARC & AOC Meetings (ARC & AOC Chairs to have led advance consultation)	March 16 & 19
Process to identify members of the inaugural common audit committee facilitated by BCR	March 16-29
Email to Audit Chairs & COPs - update of WG#3, draft committee TOR with encouraged consultation within Center/Alliance as appropriate, and consultation calls scheduled as necessary	March 17-24
Working Group #4 - committee TOR 3rd draft	March 22
Selection Panel sits	March 25
Working Group #5 - committee TOR final draft	March 29
Final proposal sent to all One CGIAR ARCs for review & recommendation to Boards for approval - concept, committee TOR and membership	March 30



CGIAR Audit, Finance and Risk Committee  
Terms of Reference

**A. Purpose**

1. The CGIAR Audit, Finance and Risk Committee (“**AFRC**”) is a committee of each of the following Boards (collectively referred to as “**Boards**”):
  - i. The CGIAR System Board as the Board of the CGIAR System Organization (“**System Board**”); and
  - ii. The One CGIAR Center/Alliance Boards.
2. The purpose of the AFRC is to:
  - i. Provide all Boards to which it reports with reasonable assurance of performance of internal audit for each of CGIAR’s legal entities; delivery of independent external audit for Board approval; the integrity of financial information; oversight of systems of risk management, an internal control framework and an ethics framework; and compliance with applicable laws, regulations and codes of conduct;
  - ii. Provide the System Board with reasonable assurance of adequate internal audit capacity, system-wide governance, risk management and internal controls<sup>1</sup> across CGIAR;
3. The AFRC serves the Boards in all matters covered by these Terms of Reference.

**Commented [CG 1]:** Takes effect following decisions by each respective Board

**B. Interpretation and operational context**

4. Words and expressions used in these Terms of Reference shall, unless the context requires otherwise, have the meaning attributed to them in the Charter of the CGIAR System Organization (“**Charter**”).
5. Without limiting paragraph 4, a reference to:
  - a. “**One CGIAR Centers and Alliances**” means those CGIAR Research Centers<sup>2</sup> who have adopted unified governance arrangements consistent with the recommendations of the CGIAR System Reference Group<sup>3</sup>.

<sup>1</sup> Article 9.11 of the Charter of the CGIAR System Organization (“Charter”).

<sup>2</sup> AfricaRice; The Alliance of Bioversity International and CIAT; CIP, CIMMYT, ICARDA; IITA; IFPRI; ILRI; IRRI; IWMI; WorldFish

<sup>3</sup> [https://storage.googleapis.com/cgiarorg/2019/11/SC9-02\\_SRG-Recommendations-OneCGIAR.pdf](https://storage.googleapis.com/cgiarorg/2019/11/SC9-02_SRG-Recommendations-OneCGIAR.pdf)

- b. “**System Council**” is as defined in the Framework;
  - c. “**CGIAR System Internal Audit Function**”, is as defined in the Framework; and
  - d. “**internal audit arrangements for CGIAR’s legal entities**”, means all internal audit arrangements in place to provide independent and objective assurance and advisory services to the CGIAR System Board and the One CGIAR Center/Alliance Boards.
- 6 The System Organization, including the CGIAR System Board and the AFRC, work in consultation with the System Council, and its committees, in accordance with the terms of the Charter and the Framework, and in good faith in the interests of the CGIAR System<sup>4</sup>.
- 7 Pursuant to the Framework, the purpose of the **System Council’s Assurance Oversight Committee (“AOC”)** is to provide the System Council with: (i) assurance of the completeness and effectiveness of the Internal Audit Function and the independence of external audit functions; (ii) a structured reporting line between internal and external auditors and the System Council; and (iii) oversight of system-wide governance, risk management and internal controls.

### C. Responsibilities relating to Audit & Assurance matters

- 8 The AFRC shall undertake the following responsibilities, delegated to it by the CGIAR System Board<sup>5</sup> and the Boards of One CGIAR’s Centers and Alliances as indicated below:

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
<i>External audit</i>				
a.	Lead a process for the selection of the external auditors, and a process for evaluation of their ongoing performance and effectiveness		✓	✓
b.	Recommend to each Board the appointment, retention, rotation and/or termination of the external auditor and approve their terms of engagement and compensation		✓	✓
c.	Approve annual external audit plans and the scope of any non-audit services, and satisfy themselves as to the independence of the external auditors		✓	✓

<sup>4</sup> As required pursuant to Article 7.10 of the Charter.

<sup>5</sup> The CGIAR System Board has oversight roles relating to the CGIAR System as a whole, and of the System Organization, the latter meaning the international organization governed by the Charter, with its organs being the CGIAR System Board and System Management Office.



## CGIARAFRC Terms of Reference

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
d.	Review and recommend to each Board the approval of the annual financial statements, and report on significant financial reporting issues and judgments		✓	✓
e.	Monitor and report to Boards on management's response to and implementation of recommendations arising from external audit or audits conducted by and on behalf of funders.		✓	✓
<i>Internal audit</i>				
f.	Provide recommendations on the completeness, effectiveness and resourcing of internal audit arrangements for CGIAR's legal entities, taking into account the risk management frameworks of the CGIAR System and each legal entity	✓	✓	✓
g.	Approve the organizational structure, multi-year and annual risk-based work plans and budgets for the ongoing delivery of internal audit arrangements	✓	✓	✓
h.	Approve the appointment/renewal/termination of the head(s) of the internal audit arrangements; set and review their objectives, satisfy itself as to the independence of internal audit; recommend the remuneration of the head(s); and conduct their annual performance assessments with inputs from management	✓	✓	✓
i.	Review reports and recommendations made by internal audit arrangements, and monitor implementation of these by management	✓	✓	✓
j.	Regularly review the internal audit charter(s) for internal audit arrangements and approve amendments as required	✓	✓	✓
k.	Approve criteria for assessing the capacity and quality standards of internal audit arrangements for CGIAR's legal entities in conformity with the International Standards for the Professional Practice of Internal Auditing and guidelines	✓	✓	✓
l.	Recommend to the CGIAR System Board the criteria upon which the CGIAR System Board provides periodic assurance to the AOC that an effective CGIAR System Internal Audit Function is in place that is consistent with the risk management framework of the CGIAR System	✓		

#### D. Responsibilities relating to Financial Oversight matters

9. The AFRC shall undertake the following responsibilities, delegated to it by the CGIAR System Board and the Boards of One CGIAR's Centers and Alliances as indicated below:

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
<i>Financial oversight – policies, guidelines and processes</i>				
a.	Periodically assess the appropriateness and application of financial policies and principles and recommend any necessary changes for them to accord with the applicable accounting standards and financial reporting framework	✓	✓	✓
b.	Advise on policies and guidelines that prescribe formats for, and the periodicity of, financial management and budget reporting for the CGIAR System that accord with internationally recognized financial standards	✓		
c.	Keep under review the investment policies and ongoing compliance with these policies, ensuring that these align with approved risk appetite statements, and make recommendations to the respective Board(s) as required	✓	✓	✓
d.	Advise on effectiveness of the process for the preparation and approval of multi-year, consolidated business plans and budget projections for the administrative costs of the CGIAR System and the means by which such costs can be financed	✓		
<i>Financial oversight – budget review/approval</i>				
e.	Review the proposed annual work programs and annual financing plans for the CGIAR Portfolio, alerting the CGIAR System Board to any perceived risks in the proposed allocation of financial resources having regard to System Council approved uses of funding allocations	✓		
f.	Review and recommend to the respective Board(s) approval of the annual work programs and budgets of the System entities, Centers/Alliances and CGIAR Research Programs/Platforms	✓	✓	✓
<i>Financial oversight – monitoring</i>				
g.	Review consolidated System-level financial reporting as appropriate and in advance of submission of any such reports to the System Council	✓		
h.	Monitor and advise on financial position and outlook, and the status of investments	✓	✓	✓

## CGIAR AFRC Terms of Reference

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
i.	Monitor the implementation of each entity's approved budget and alert the Board to any deviations, including possible corrective actions as required		✓	✓
j.	Periodically review forecasts of available resources for the CGIAR Portfolio and monitor the financial position of CGIAR's legal entities, recommending appropriate corrective action to be taken in the circumstances of an adverse financial position	✓	✓	✓

### E. Responsibilities relating to Risk and Compliance matters

10 The AFRC shall undertake the following responsibilities, delegated to it by the CGIAR System Board and the Boards of One CGIAR's Centers and Alliances as indicated below:

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
<i>Risk Management and Internal Control Systems – policies, procedures and guidelines</i>				
a.	Advise on appropriate CGIAR System risk management framework, risk appetite statement and escalation procedures for recommendation to, and approval by, the System Council	✓		
b.	Provide input into each Board's framing of a risk appetite statement, ensuring alignment with CGIAR's overall risk appetite		✓	✓
c.	Recommend to each Board approval of the annual Statement on Risk Management for inclusion in the entity's annual financial statements		✓	✓
d.	Periodically review the ongoing appropriateness and application of CGIAR Policies and Frameworks, having regard to how these align with CGIAR's risk appetite in the relevant area, and recommend appropriate changes	✓		
<i>Risk Management and Internal Control Systems – monitoring</i>				
e.	Periodically review compliance with the CGIAR System risk management framework across CGIAR's legal entities and report annually to the System Board	✓		
f.	Oversee the efficiency and effectiveness of risk management, internal compliance and control systems and make recommendations to Board(s) as required	✓	✓	✓

## CGIAR AFRC Terms of Reference

Article:	Role	CGIAR as a whole	System Organization	Center/ Alliance
g.	Recommend a process by which the Boards may continually obtain reasonable assurance from management teams that all known and emerging risks have been identified and are being appropriately mitigated or managed	✓	✓	✓
h.	Review and report on significant financial and operational risk exposures and the steps taken by management to monitor and control such exposures	✓	✓	✓
<i>Ethics/Code of conduct</i>				
i.	Monitor overall compliance with the CGIAR Ethics Framework and related policies, report on significant areas of non-compliance to Boards and provide consolidated reporting to the System Board and AOC on matters arising	✓	✓	✓
j.	Advise on the appropriateness and timing of any further escalation to the System Council of significant events raised through audit, risk and/or whistleblowing processes	✓	✓	✓
<i>Business Continuity Planning and Cybersecurity</i>				
k.	Advise on effective Business Continuity Planning, including an effective cybersecurity strategy and incident response planning as part of CGIAR's risk management approach and internal control framework, aligned to CGIAR's risk appetite, and monitor its implementation	✓	✓	✓
<i>Tax &amp; Legal Compliance</i>				
l.	Monitor the effectiveness of systems of compliance with host country obligations and laws/regulations applicable to each CGIAR legal entity, and make recommendations as relevant		✓	✓
m.	Receive updates on any litigation in which a CGIAR legal entity is engaged, including assessments of contingent liabilities associated with such litigation in the event of judgements against that legal entity, and advise the respective Board(s) as required		✓	✓
<i>Whistleblowing and investigations</i>				
n.	Oversee the investigation of credible concerns of fraud, financial irregularity or other matters presenting a material risk exposure to CGIAR (including those reported through CGIAR's whistleblowing mechanisms) and advise the Board(s) of the outcome of such investigations as required	✓	✓	✓

## F. Other Responsibilities

- 11 The AFRC may, on request or at its own initiative, provide advice on any matter under its mandate to the Boards.
- 12 Without prejudice to its formal reporting lines to the Boards, the AFRC shall establish and maintain effective coordination and communications with the AOC, or any other standing committees as may be established, to facilitate delivery on the respective mandates of the committees, thus ensuring open and transparent communications, and the appropriate escalation and de-escalation of matters as relevant to the differing bodies with oversight responsibilities within the CGIAR System.

## G. Composition and Chair

### *Composition and qualifications*

- 13 The AFRC shall be comprised of between five and seven members. The process of nominations and selection shall be coordinated by the One CGIAR Common Secretariat team, with a proposal on membership presented to the Boards for decision.
- 14 At the conclusion of the term of the inaugural membership as set forth in paragraph 16, the AFRC membership shall include:
  - a. At least one voting member of the System Board (who is also a common member of One CGIAR Center/Alliance Boards), provided that they bring the relevant skills as set forth in paragraph 14;
  - b. Up to two external independent persons, with no affiliation to the CGIAR System in the three years prior to their appointment as a member of the AFRC; and
  - c. Additional members as required who bring the relevant skills as set forth in paragraph 14.
- 15 Each AFRC member shall possess solid financial acumen and experience and should have previous experience serving on an audit/risk/finance committee. At least two members should hold relevant professional qualifications in accounting, finance and/or business administration. Membership should also include expertise in risk, ethics and legal compliance matters. The external independent members must hold a formal financial or accounting qualification and bring a minimum of 10 years' expertise.
- 16 Taking note of the independence element of the AFRC's mandate set out in Article 9.11 of the Charter, no Center or System Organization staff member shall be appointed as a member of or expert advisor to the AFRC. Additionally, any person serving as a Chair of a CGIAR Board shall not be appointed as a member of or expert advisor to the AFRC.

*Inaugural composition and terms*

17. To ensure continuity of knowledge and progress on One CGIAR, where possible, the inaugural AFRC will serve staggered transitional terms of between two and three years and be drawn from current One CGIAR audit committee members or persons who recently served as Chairs of One CGIAR audit committees<sup>6</sup>. Consideration can be given to extending the terms of up to three of the inaugural members once to ensure a staggered rotation of AFRC members.

*Term*

18. At the end of the period of the inaugural membership as set forth in paragraph 16, members of the AFRC shall be appointed to serve a term of up to three years and shall serve until their successors shall be duly appointed or until such member's earlier resignation or removal. Subject to paragraph 15, these members may be reappointed once for up to an additional three years. The precise appointment term will be determined taking into account the desirability of achieving a staggered rotation of AFRC members.
19. An effective rotation should take into account the following principles where possible:
- i. Ensure continuity (do not change all members at same time)
  - ii. Ensure diversity (e.g. region, gender, skills and expertise) of members

*Chair*

20. The AFRC Chair shall be elected by its members for a term of up to three years. The AFRC Chair may be re-appointed for one additional three-year term, to not exceed the maximum membership term set out in paragraph 17.
21. Where not otherwise a voting member, the AFRC Chair is a non-voting member of the CGIAR System Board<sup>7</sup>.
22. It shall be the responsibility of the AFRC Chair to ensure that channels for regular and open communication among AFRC members and with the Boards are in place.
23. The AFRC shall determine the most effective way to ensure strong links with all Boards and key management staff and establish such protocols. This could be through assigning members as focal points to one or more Boards, with the focal points engaging regularly with management and internal audit and attending Board meetings. The AFRC shall review its Board and Center engagement protocols regularly during the inaugural term.

<sup>6</sup> Recent in this context is defined as those in post at January 2020 or later.

<sup>7</sup> In line with the Charter (Article 7.4), where not a voting member of the CGIAR System Board, the Chair of the AFRC will serve on the CGIAR System Board as an ex-officio non-voting member.

## H. Operations

The AFRC shall be governed by the following provisions:

- 24 **Meetings:** The AFRC will typically meet quarterly, and more often as determined by the AFRC Chair in consultation with the other AFRC members. Meetings may be held in person or by virtual means.
- 25 **Secretariat:** A representative of the One CGIAR Common Secretariat team shall serve as Secretary to the AFRC, support the AFRC Chair in preparation of the meetings and maintain all records of the AFRC.
- 26 **Quorum:** A simple majority of members shall constitute a quorum for the transaction of business provided such majority includes the AFRC Chair or their designate.
- 27 **Agenda:** The AFRC Chair shall develop an annual rolling agenda, and a draft Agenda for each meeting in consultation with the One CGIAR Common Secretariat and distribute that draft to AFRC members not less than 14 days before the meeting.
- 28 **Meeting documents:** Documents for each meeting will, to the extent practicable, be posted on the AFRC meeting site by the One CGIAR Common Secretariat not less than 7 days prior to each meeting so as to permit meaningful review in advance of the meeting.
- 29 **Decision-making on matters for recommendation to the Board:** The Chair shall aim for consensus on all decisions resulting in a recommendation being formally put to the Board(s). If consensus cannot be reached, both the majority and minority positions shall be reported to the Board(s).
- 30 **Invited guests and subject matter experts:** Guests or subject matter experts may be invited to participate in AFRC meetings or sessions as relevant, at the invitation of the AFRC Chair. Those persons may include, but are not limited to:
  - a. The CGIAR System Board Chair
  - b. The Chairs of One CGIAR Center/Alliance Boards
  - c. The Executive Management Team
  - d. Directors General of One CGIAR Centers/Alliances
  - e. Senior Management roles responsible for Risk, Finance, Governance, Legal, Ethics, Insurance and other assurance-related functions;
  - f. Head(s) of CGIAR's internal audit arrangements
  - g. External auditors of CGIAR's legal entities
 Other participants may attend sessions/meetings as determined appropriate by the AFRC Chair in consultation, where necessary, with the other AFRC members.
- 31 **Authority:** The AFRC will have unrestricted access to any information, records, data and reports it considers necessary to fulfil its responsibilities from any One CGIAR legal entity.

- 32 The Boards are responsible for ensuring regular and open communication with the AFRC.
- 33 In discharging its responsibilities, the AFRC has unrestricted access to (including in closed sessions without management present, as relevant):
- a The Executive Management Team and other management staff of the System Organization and CGIAR's Centers and Alliances to seek explanations and information;
  - b The staff of any One CGIAR legal entity;
  - c The Head(s) of CGIAR's internal audit arrangements; and
  - d External auditors of CGIAR's legal entities to seek explanations and information from them.
- 34 **Access to expertise, including consultants:** The AFRC in fulfilling its duties under these Terms of Reference may draw on CGIAR staff expertise, and may engage external resources for legal and/or investigation work required to fulfill its mandate.
- 35 **Reporting:** Summaries of AFRC meetings will be made available to the Boards after each regular meeting. Regular reports on AFRC activities under its mandate as relevant to each Board will be provided to the Boards. The AFRC Chair will ensure that they or a designated AFRC member attends all formal meetings of each Board.
- 36 **Meeting summary:** To the extent possible, meeting summaries shall be prepared as follows:
- a. Provided to the AFRC Chair by the One CGIAR Common Secretariat within 10 days after the close of the meeting;
  - b. Reviewed by the AFRC Chair and circulated to the AFRC members for consultation within 4 days thereafter;
  - c. Finalized between the AFRC Chair and the One CGIAR Common Secretariat within a further 7 days of receiving AFRC member inputs; and
  - d. Sent by the One CGIAR Common Secretariat to the respective Boards within 3 days of finalization.
- 37 **Delegation of Authority:** The AFRC shall have the power to delegate on an exceptional basis its authority and duties to the AFRC Chair or individual AFRC members as it deems appropriate.

#### I. Declarations of interests and independence

- 38 **Declarations of interests:** All AFRC members must act in accordance with CGIAR's Code of Conduct for Governance Officials<sup>8</sup>, and self-identify and declare actual, potential or perceived conflicts of interest as and when they become aware of them including through annual declarations, on the receipt of agendas for each meeting and during meetings as new information becomes available.

<sup>8</sup> <https://storage.googleapis.com/cgiarorg/2020/11/CGIAR-Code-of-Conduct-Gov-Officials-Approved-03.11.20.pdf>



- 39 **Declarations of independence:** All external independent members will be required to sign a declaration of independence.

J. **Remuneration**

- 40 **Honorarium:** Members of the AFRC may receive an honorarium for service on the AFRC in accordance with an honorarium framework approved by the CGIAR System Board. Travel and out of pocket expenses related to in-person meetings will be reimbursed according to the travel and expenses policy applicable to the CGIAR System Board.

K. **Performance Evaluation and Changes to the Terms of Reference**

- 41 **Performance:** The AFRC will evaluate its own performance on an annual basis having regard to the principles and responsibilities set out in these Terms of Reference and report the outcome of such to the Boards. An external evaluation every 3 years should be considered by the AFRC.
- 42 **Amendment:** The inaugural AFRC will review these Terms of Reference not later than during its second year of operation and recommend any proposed changes. The desired frequency of subsequent regular review should be considered at that time.

Proposed inaugural membership of the CGIAR Audit, Finance and Risk Committee

	<b>Name</b> <i>(alphabetically by first name)</i>	<b>Nationality/ies</b>	<b>Current CGIAR affiliation(s)</b>	<b>Proposed term of appointment</b>
1	<b>Chemutai Murgor</b>	Kenya	<b>IWMI</b> : Board Vice Chair and Audit, Finance & Risk Management Committee Chair <b>WorldFish</b> and <b>System Board</b> : Audit & Risk Committee member	1 June 2021 to 31 May 2024
2	<b>Clarissa van Heerden</b>	South Africa	<b>System Board</b> : Audit & Risk Committee Chair and ex-officio non-voting board member	1 June 2021 to 31 May 2024
3	<b>Esteban Chong</b>	Peru	<b>CIP</b> : Board member and Audit & Risk Committee Chair	1 June 2021 to 31 August 2023
4	<b>Hilary Wild</b>	UK; Ireland	<b>System Board</b> : member and Audit & Risk Committee member <b>One CGIAR Centers/Alliance Boards</b> : Member <b>ICARDA</b> : Finance & Audit Committee Chair <b>Alliance of Bioversity &amp; CIAT, IITA, AfricaRice, IFPRI, ILRI</b> : Member of audit committees	1 June 2021 to 31 August 2023
5	<b>Maurice Goddard</b>	United Kingdom	<b>System Board</b> : Audit & Risk Committee member <b>System Council</b> : Assurance Oversight Committee member	1 June 2021 to 31 August 2023
6	<b>Nancy Andrews</b>	United States	<b>Alliance of Bioversity &amp; CIAT</b> : Audit, Finance & Risk Committee Chair and board member <b>System Board</b> : Audit & Risk Committee member <b>Convenor of the Audit Committee Chairs Group</b>	1 June 2021 to 31 August 2023
7	<b>Richard Golding</b>	United Kingdom	<b>ILRI</b> : Board and Audit & Risk Committee member, Finance Committee Chair	1 June 2021 to 31 May 2024

## Summary bios – Proposed AFRC members

Alphabetically by first name

### **Chemutai Murgor**

Chemutai Murgor is currently Executive Director Finance and Chief Financial Officer of Standard Chartered Bank Kenya Limited, a subsidiary of Standard Chartered Plc which employs 1,400 staff in Kenya and is listed on the Nairobi Securities Exchange with market capitalization to over USD 500 million. She has enjoyed a long and distinguished career at Standard Chartered and has extensive experience across a broad range of finance and audit issues.

Chemutai sits on the Boards of SCB Kenya Limited and other subsidiaries owned by SCB Kenya Limited. She is an immediate former Director of the Insurance Regulatory Authority having served for six years since inception (2007 to 2013), and an immediate former Director and Vice Chairperson of Jaramogi Oginga Odinga University Council, where she served from 2009 to 2014.

Before joining Standard Chartered, Chemutai held various senior positions at Deloitte & Touche, both in Kenya and the United Kingdom. Chemutai is currently a Board member and Vice Chairperson of the International Water Management Institute (IWMI) since 2015, and chairs its Audit, Finance & Risk Management Committee. She also sits on the Audit & Risk Committee of WorldFish and the Audit & Risk Committee of the CGIAR System Board.

She is a member of the Institute of Chartered Accountants in England and Wales Members Advisory Board (MAB) for Africa which was established in 2016, and the Women Corporate Directors (WCD) Kenya Chapter.

Chemutai holds a Bachelors Degree from the University of Nairobi and an MBA from Warwick University Business School. She is a Fellow of the Institute of Chartered Accountants in England and Wales and of the Chartered Institute of Management Accountants.

### **Clarissa van Heerden**

Clarissa van Heerden is an audit, finance and risk professional with seventeen years of senior management and advisory experience working for the UN, big 4 firms and international organizations.

Currently the Chief Risk Officer at the IOM – UN Migration, based in Geneva, Clarissa is responsible for the development and implementation of the global risk management strategy, policy, standards and guidelines and is a member of the senior management team implementing a comprehensive internal governance and business transformation, and of the Treasury Risk Management Committee.

In previous roles, Clarissa served as Senior Audit Executive at the Mubadala Investment Company based in Abu Dhabi, Associate Director – Risk Consulting at KPMG and Manager – Governance, Risk and Compliance at PwC South Africa.

Clarissa has served on the Audit & Risk Committee of the CGIAR System Board since 2018, and as its Chair since 2019. She is an ex-officio non-voting member of the System Board. She has also served as a member of the Audit Committee of the International Criminal Court since 2019.

Clarissa holds a degree in Accounting, completed her training through the South African Institute of Chartered Accountants, is a Certified Internal Auditor and is pursuing a Masters in Global Corporate Compliance (LL.M.).

### **Esteban Chong**

Esteban Chong is Professor at Universidad del Pacifico where he is a full-time faculty member of the Accounting Department, in charge of Intermediate Accounting and International Financial Reporting Standards courses since 2017. He is also a Research Professor at the Centro de Investigacion de la Universidad del Pacifico in accounting, reporting and audit. Esteban chairs the University's Admission Council and is a member of the Advisory Council to the Master in Auditing Program and member of the Budget Committee. Previously he has been member of the Advisory Council of and Vice-Dean of Accounting at the Business School.

Esteban is a retired Partner from PricewaterhouseCoopers Peru (PwC) after more than 36 years of professional career, 20 of which as partner. During his career in PwC, he was elected or appointed for several positions within the Firm, including Territory Senior Partner (TSP) for Peru and Bolivia, Head de Assurance for Peru, Risk Management Partner, Member of the Regional Executive Committee and Member of the Regional Oversight Board where he was appointed Chairman of the Admissions Committee.

Esteban has served on the Board of the International Potato Center (CIP) since 2018 and chairs its Audit and Risk Committee. He also serves or has served as Member of the Board of Directors in several companies and institutions, with current Board appointments including KR Comercial, an agribusiness company, since 2016; Inmobiliaria Los Alerces since 2018 and KR Proyectos since 2018.

Esteban holds an MBA from the University of Pittsburgh, a BS Science – Accounting and is a Peruvian Certified Public Accountant.

### **Hilary Wild**

Hilary Wild has extensive international experience in the fields of finance, organizational management, governance and risk management. She has served on the CGIAR System Board (previously the System Management Board) since September 2019, and on its Audit & Risk Committee since September 2020. Hilary has served as a common board member on all One CGIAR Center and Alliance Boards since October 2020 and is a Chair or member of the audit committees of 6 of these. She is also Trustee and Audit Committee Chair of WaterAid UK, Chair of the Church Commissioners Audit and Risk Committee and a member of the Oversight Advisory Committee of the Food and Agriculture Organisation.

She was previously Chief Financial Officer of the World Health Organization (WHO), with overall responsibility for financial management of a USD 2 billion organization operating in 140 countries, and Director Business Change. Before joining the WHO, she held various positions in the international financial sector, including as a director of investment banking and asset management in the Kleinwort Benson Group. She also worked for the United Nations Children's Fund (UNICEF) in New York as Chief of Finance, and for a major American commercial bank in London and as its representative in Greece.

Hilary is a former Vice Chair of the World Agroforestry (ICRAF) Board and Chair of its Audit and Finance Committee. She has chaired oversight committees for the United Nations Development Programme, International Labour Organization, and United Nations Educational, Scientific and Cultural Organisation. She is a Fellow of the Institute of Chartered Accountants in England and Wales.

### **Maurice Goddard**

Maurice Goddard is an Executive Internal Audit, Risk and Finance Leader; possessing significant international business experience gained over a thirty-two-year career to-date. He has held a number of FCA and Bank of England Approved Roles in the United Kingdom and has had wide experience of regulated industries and organizations. He is presently the Executive Director, Head of Internal Audit for Astellas Pharmaceuticals in EMEA and is based in the United Kingdom.

With a focus on building and developing teams to achieve their potential, Maurice has a proven track record of being a credible partner and adviser to Boards on risk control and governance related matters, across a range of companies within complex business environments.

Prior to working at Astellas, Maurice gained significant global financial services experience and product knowledge in banking, derivatives broking, fund management, Insurance (Life, Non-Life & Lloyds Market), Payments and Financial Technology. He has held senior leadership positions at UK Payments, Prudential Plc, RSA Plc, the Prebon Group Ltd., Cox Insurance Holdings Plc and the Gerrard Group Plc. Also worked at the Chase Manhattan Bank and J Sainsbury plc.

Maurice has served as a Trustee Director of the Brendoncare Foundation (UK Registered Charity) and a term as the Independent Member of the Audit and Finance Committee of the National Archives of the United Kingdom. He currently serves on the Assurance Oversight Committee of the CGIAR System Council and on the CGIAR System Board's Audit and Risk Committee.

Maurice holds UK National security vetting Security Check (SC) accreditation, and has been awarded Fellowships of the Chartered Institute of Management Accountants (FCMA) and the Association of Certified Public Accountants (Australia) (FCPA). He is a Chartered Global Management Accountant (CGMA), Chartered Internal Auditor (CMIIA), Certified PRINCE 2 Practitioner and Member of the British Computer Society (AMBCS).

**Nancy O. Andrews**

From 1998 to March 2018, Nancy O. Andrews was the President and Chief Executive Officer of the Low Income Investment Fund (LIIF), a \$1 billion financial institution that invests in social enterprise development and poverty alleviation. She is a recognized expert in finance and social investing.

Previously, Nancy served as the Deputy Director of the Ford Foundation's Office of Program Related Investments, where she assisted in the management of a \$130 million social investment portfolio. She also designed and launched the foundation's housing policy program, which focused on national housing and capital market issues. Following her tenure at the Ford Foundation, Ms. Andrews was the Chief Financial Officer of the International Water Management Institute.

During the Clinton administration, she consulted for the Department of Housing and Urban Development to restructure the \$18 billion multi-family mortgage portfolio, and for the Department of Treasury to establish the Community Development Financial Institutions Fund.

In addition to her work at LIIF, Nancy has served on numerous boards and committees of community development and environmental organizations, including Bank of America's National Community Advisory Council, Morgan Stanley's Community Development Advisory Committee, Capital One's Community Advisory Council, the National Housing Law Project, Rail~Volution and the Federal Reserve Board's Consumer Advisory Council. She has served on the Boards of the Center for International Forestry Research and the International Center for Insect Physiology and Ecology. She currently serves on the Board of the Alliance of Bioversity International and CIAT, and Chairs its Audit, Finance & Risk Committee. She has also served on the Audit & Risk Committee of the CGIAR System Board since 2018.

Nancy holds an M.S. in Urban Planning with a concentration in Real Estate Finance from Columbia University.

**Richard Golding**

Richard Golding was, until very recently (March 2021), Finance Director at The New Humanitarian, the world's leading humanitarian not-for-profit news service, reporting from the frontlines of conflicts and natural disasters in some 70 countries to drive more effective prevention and responses to crises. He is based in Geneva and also serves as Chair of the British Swiss Chamber of Commerce (Geneva Chapter) and as a member of the BSCC Council. He also works as an independent management consultant providing governance and risk management advisory and facilitation services to multilateral and other international organizations.

A Fellow (FCPFA) of the Chartered Institute of Public Finance & Accountancy, Richard worked for 25 years at PwC (London, Geneva and New York), culminating in being PwC's Global Relationship Partner from 2005-2012 for the United Nations System, The Global Fund to Fight Aids, Tuberculosis & Malaria and other multilateral organizations

Richard also serves as an independent advisor to the Board and Finance & Accountability Committee of Unitaid, Geneva - an international organization for innovative funding and investment in projects to prevent, diagnose and treat HIV/AIDS, tuberculosis and malaria.

He has served on the Board of the International Livestock Research Institute since 2015 and has been the Chair of its Finance Committee as well as a member of its Programme Committee and Audit & Risk Committee.