



## **CHARTER AND TERMS OF REFERENCE OF THE INVESTMENT COMMITTEE AND THE FINANCE & AUDIT COMMITTEE OF THE GLOBAL CROP DIVERSITY TRUST**

*In implementation of decision EB/2021/5-1 of the Executive Board of the Global Crop Diversity Trust, this document replaces the Finance and Investment Committee Charter approved by the Executive Board 17 March 2015.*

### **Purpose**

The Investment Committee (“IC”) and the Finance & Audit Committee (“FAC“) of the Executive Board of the Global Crop Diversity Trust (Crop Trust) shall provide oversight and timely advice to the Executive Board on all matters relating to the financial affairs of the Crop Trust encompassing the areas of investment and strategic financial planning, resource management, treasury management and financial risk management, financial monitoring and policy related issues, including those relating to the general management of risk within the organization.

### **Roles and Responsibilities of the Investment Committee (IC) and the Finance & Audit Committee (FAC)**

The primary roles of the IC and the FAC are to assist the Executive Board in ensuring that the management of the Trust complies with its statutory and other obligations in an efficient and effective manner.

The following responsibilities are set forth as a guide to the Committees with the understanding that the Board may alter or supplement them as appropriate.

The role of the Committees will normally include, but will not be restricted to:

- assessing the reliability, integrity and regularity of the financial and other management information relevant to the efficient operation of the Crop Trust;
- reviewing the efficiency and effectiveness of those systems and controls established by management to ensure compliance with policies, plans, procedures, laws and regulations, and,
- appraising the economy and efficiency with which resources are utilized.



## INVESTMENT COMMITTEE (IC)

### Purpose

The Investment Committee of the Executive Board of the Crop Trust shall be responsible for all matters relating to the investment affairs of the organization, encompassing the areas of investment and financial risk strategy and management, financial and performance monitoring and policy and governance related issues in the areas of investment.

### Specific Functions

The responsibility and function of the IC is to assist the Executive Board in ensuring that the management of the Crop Trust investments, complies with its statutory and other obligations in an efficient and effective manner to support the work of the Crop Trust, and the work of all those partners the Crop Trust supports. The IC will provide advice to the Executive Board which will include, but is not necessarily limited to, the following:

- Recommend to the Executive Board the Investment Strategy to be followed by the Crop Trust in the management of its reserves;
- Review the market performance of the endowment fund against the investment objectives as set out in the Investment Policy Statement and report to the Executive Board;
- Review the performance of the outsourced Chief Investment Officer (oCIO) at least on an annual basis;
- Oversee the Crop Trust's financial and investment risks and ensure that an appropriate control environment is in place to govern the management of investment risks. These risks will then be incorporated into the overall institutional risk matrix which will be reviewed by the FAC and recommended to the Executive Board for approval.

### Operations

<b>1. Meetings</b>	The Investment Committee will convene at least four times each year, with additional meetings as appropriate.
<b>2. Reporting to the Executive Board</b>	The Investment Committee will report regularly to the Executive Board with respect to the Committee's activities at least twice per year.
<b>3. Self-Evaluation; Assessment of Charter</b>	The Committee shall conduct an annual performance self-evaluation and shall report the results of this self-evaluation to the Executive Board. The Committee will review and reassess the adequacy of this charter annually and will submit any recommended changes to the Executive Board for approval.



## Membership

<b>1. Members</b>	The Investment Committee shall be comprised of a minimum of five members, of which at least three are members of the Board, including the Executive Secretary.
<b>2. Chairperson</b>	The Chairperson of the Investment Committee shall be appointed by the Executive Board. The Chairperson shall be entitled to cast a vote to resolve any ties.
<b>3. Removal and Replacement</b>	The members of the Committee may be removed or replaced, and any vacancies shall be filled, by the Executive Board.

The Chairperson of the IC may invite other Board members or Secretariat staff to attend any Committee meeting as non-voting participants.



## **FINANCE & AUDIT COMMITTEE (FAC)**

### **Purpose**

The Finance & Audit Committee of the Executive Board of the Crop Trust shall be responsible for all matters relating to the financial management of the organization encompassing the areas of strategic financial planning, resource management, treasury management, audit, financial monitoring, policy and governance related issues.

### **Specific Functions**

The responsibility and function of the FAC is to assist the Executive Board in ensuring that the management of the Crop Trust complies with its statutory and other obligations in an efficient and effective manner. The FAC will provide advice to the Executive Board which will include, but is not necessarily limited to the following:

#### *External Audits*

- Recommend to the Executive Board the appointment of the independent auditors;
- Review and agree the audit plans of the independent auditors;
- Evaluate the results of the external audit and ensure that any recommendations agreed to by the Board are acted upon by management, and,
- Ensure that no management restrictions are being placed upon the external auditors.

#### *Long-term Partnership Agreements (LPA)*

- Review the qualification status of genebanks for long-term Partnership Agreements and the fund availability of the Trust with reference to management recommendation;
- Review the annual long-term Partnership Agreement rollout plan with management and report to the Executive Board.

#### *Review the Financial Statements and Annual Budgets*

- Review the annual financial statements with management and external auditors prior to their public release and report to the Executive Board;
- Review and recommend to the Executive Board approval of the Annual Budget and Revised budgets as necessary.

#### *Accounting and Internal Controls*

- Review and approve all significant accounting policy changes;
- Evaluate the adequacy and effectiveness of the Trust's administrative, operating and accounting policies through active communication with management and external auditors where appropriate, and,



- Evaluate the adequacy of the Trust’s internal controls with reference to management and external auditors.

*Risk Management*

- Review of the institutional risk management strategy, incorporating financial and investment risks, and report to the Executive Board.

**Operations**

<b>1. Meetings</b>	The Finance & Audit Committee will convene at least twice per year, with additional meetings as required to discharge its obligations.
<b>2. Reporting to the Executive Board</b>	The Finance & Audit Committee will report regularly to the Executive Board with respect to the Committee’s activities at least twice per year.
<b>3. Self-Evaluation; Assessment of Charter</b>	The Committee shall conduct an annual performance self-evaluation and shall report the results of this self-evaluation to the Executive Board. The Committee will review and reassess the adequacy of this charter annually and will submit any recommended changes to the Executive Board for approval.

**Membership**

<b>1. Members</b>	The Finance & Audit Committee shall be comprised of a minimum of five members, of which at least three are members of the Board, including the Executive Secretary. To avoid potential conflicts of interest, the Executive Secretary shall not vote in bringing about decisions related to the audit function of the Finance & Audit Committee.
<b>2. Chairperson</b>	The Chairperson of the Finance & Audit shall be appointed by the Executive Board. The Chairperson shall be entitled to cast a vote to resolve any ties.
<b>3. Removal and Replacement</b>	The members of the Committee may be removed or replaced, and any vacancies shall be filled, by the Executive Board.

The Chairperson of the Finance & Audit Committee may invite Secretariat staff to attend any Committee meeting as non-voting participants.