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Enabling poor rural people  
to overcome poverty

## **Additional report on Enterprise Risk Management activities in IFAD**

Executive Board — Ninety-fourth Session  
Rome, 10-11 September 2008

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For: **Information**

## **Note to Executive Board Directors**

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document:

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## **Additional report on Enterprise Risk Management activities in IFAD**

### **I. Introduction**

1. At its 101<sup>st</sup> meeting on 8 September 2008, the Audit Committee requested the Secretariat to provide the Executive Board with additional information on the role of the Enterprise Risk Management (ERM) Committee, on the specific steps of the committee's work programme and the envisaged timeframe for implementation. This document has been prepared in response to this request.

### **II. ERM Committee**

2. The ERM Committee was formally established under a President's Bulletin issued in April 2008 and is composed of the Vice-President, as IFAD's risk champion; one other member of Senior Management; and senior representatives from each department. The Director, Office of Audit and Oversight and the General Counsel participate as observers.
3. The committee's role is to establish ERM in IFAD, guide its development and coordinate implementation, and to review and monitor ERM processes and outputs on a regular basis.
4. To date, the committee has met seven times. It has a rolling workplan detailing monthly activities to be carried out during 2008 and a forward programme up to 2010.
5. Activities carried out to date include a presentation on ERM to the Senior Management Team, the launch of an ERM intranet site, and a review of existing risk management activities being undertaken in various divisions and of the corporate and departmental risk registers.
6. Other 2008 activities already under way are:
  - The establishment of IFAD's corporate risk profile (which will entail the participation of the Audit Committee Chairperson and members in the week of 15 September);
  - The development of a procedure for unusual and emerging risks and events;
  - The definition of the IFAD risk map;
  - The drafting of an accountability framework;
  - The finalization of an internal controls framework; and
  - Ongoing training and communication activities, in particular for middle management and divisional focal points.
7. It is anticipated that some of the activities in progress, particularly those related to the framework documents and training activities, will not be fully completed in 2008; in this case, these will be rolled into the 2009 workplan, with the objective of issuance and/or completion by mid-2009.
8. The 2009 workplan also includes a summary of the results of the exercise on the corporate risk profile, which will form part of the first annual ERM report to be submitted by the President to the Audit Committee and Executive Board in April 2009.
9. The forward programme for ERM activities in 2009-2010 includes the establishment of a financial disclosure policy and the production of a management assertion (internal control) letter, in connection with the audit of the annual financial statements.