





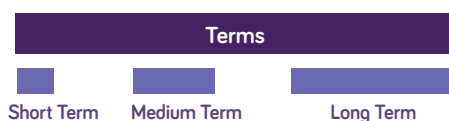


RISK MANAGEMENT

Defining our low, medium and long-term risks and the way to manage them is defined as one of our main responsibilities.

The risks that may cause damage to the Academy were evaluated by our Board of Directors at the end of 2016. The risks that may occur in 2017 are also identified and consulted.

RISKS	DESCRIPTION	TERM	RISK MANAGEMENT
 Reputational Risks	The weakening of trust towards our Academy and loss of reputation.	Medium Term	Pay special attention to have transparent, effective, accountable and participatory decision-making mechanism, build a varied range of areas/stakeholders, control the quality of projects, improve awareness of the team on importance of reputation.
 Strategic Risks	Withdrawal of donors, decline in the intention to support good governance	Medium Term	Search for other donors, always find different and interesting ways to underline the importance of governance and its contributions to the quality of life in the community and implement them.
 Political Risks	Stakeholders (institutions and individuals) may decide not to collaborate due to changes in political climate	Medium Term	Search for substitute collaborators and enrich the list of activities to perform collaboration, convince political actors and foster communication.
 Financial Risks	Volatility in exchange rates, withdrawal of donation commitments, too much over-deviation in estimated budget, fiscal imbalance.	Short Term Medium Term	Avoid transactions in other currencies, search for other donors, prepare alternative budgets, review and update activities and planning.
 Compliance Risks	Compliance to different legislation that non-profit organizations are subject to, damage on reputation and operation due to non-compliance.	Medium Term Long Term	Pay special attention to compliance rules and improve the knowledge of our team on the implementations of compliance, follow updates on legislations.
 Operational Risks	Abdication of lecturers, transportation risks (flight cancelation and delay, etc.), delays in publication process, inconsistencies with project time-plans.	Short Term	Keep substitute lecturers' lists, arrange make-up courses for postponed lectures, contact with different publishers and designers, finish the reviews in publication process as soon as possible, review and update project time-plans based on new conjuncture.



In addition to our risks, we focus on our opportunities to create sustainable value:

- New donors and potential donors
- Emerging demands for governance activities widening our area of impact
- New incentive & grant programs announced by the donors, government, NGOs, etc.
- New volunteers
- New stakeholders to collaborate

