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# FINANCE COMMITTEE

**Hundred and Fifty-sixth Session**

**Rome, 3 - 7 November 2014**

**Status of Outstanding Recommendations of the Finance Committee**

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EXECUTIVE SUMMARY

- This document presents the updated status of outstanding recommendations made by the Committee at its previous sessions.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Committee is invited to take note of the information presented in this document.

**Draft Advice**

- **The Committee took note of the Status of Outstanding Recommendations of the Finance Committee and looked forward to receiving an updated version of the document at its next regular session.**

Recommendation	Status
<b>I. FINANCIAL POSITION</b>	
<b>Report of the 154th Session of the Finance Committee – document CL 149/4</b>	
<p>The Committee (on the <i>Financial Position of the Organization</i>) <u>requested</u> the Secretariat to provide further information and analysis of extra-budgetary contributions when presenting the financial position of the Organization to future sessions of the Committee.</p> <p>- paragraph 7</p>	<p>Additional information will be included in the document on the Financial Position of the Organization to be presented to the November 2014 Session of the FC (item 2).</p>
<p>The Committee ( on the <i>2013 Actuarial Valuation of Staff Related Liabilities</i>):</p> <ul style="list-style-type: none"> <li>• <u>requested</u> the Secretariat to schedule an informal meeting of the Committee, prior to its Autumn 2014 session, where the options could be discussed in greater detail;</li> <li>• <u>further requested</u> the Secretariat to present at the informal meeting, information on the ongoing discussions within the United Nations System on this matter; and</li> </ul> <p>- paragraph 9</p>	<p>An informal meeting of the Committee to discuss this matter will be scheduled prior to the November 2014 Session of the FC.</p> <p>An update on funding of After Service Medical (ASMC) liabilities will be presented to the November 2014 Session of the FC (item 5).</p>
<p>The Committee (on the <i>Review of the Incentive Scheme to encourage Prompt payment of Contributions</i>) <u>requested</u> the Secretariat to present to the Autumn 2014 Session of the Committee, under the agenda item on the Financial Position of the Organization, measures which give positive and public appreciation of Members that pay contributions on a timely basis.</p> <p>- paragraph 15</p>	<p>Additional information will be included in the document on Financial Position of the Organization to be presented to the November 2014 Session of the FC (item 2).</p>
<b>II. BUDGETARY MATTERS</b>	
<b>Report of the 148th Session of the Finance Committee – document CL 146/3</b>	
<p>The Committee (on the <i>Mid-Term Review Synthesis Report for 2012</i>):</p> <ul style="list-style-type: none"> <li>• <u>looked forward</u> to future reports which should include improved information on measuring financial performance in the delivery of Organizational Results as the results-based budgeting model is further elaborated; and</li> <li>• <u>requested</u> that reporting on performance in the Asia and the Pacific Regional Office clearly delineate performance in the South West Pacific Subregional Office.</li> </ul> <p>- paragraph 19</p>	<p>To be addressed in the MTR Synthesis Report for 2014 to be presented to the Spring 2015 Session of the FC.</p>

Recommendation	Status
<b>Report of the 151st Session of the Finance Committee – document CL 148/6</b>	
<p>The Committee (on the <i>Annual Report on Support Costs Expenditure and Recoveries</i>) <u>requested</u> that future annual reports further break down the statistics on projects approved at their ceiling rates to show the type, number and volume of such projects approved at a non-standard PSC rate.</p> <p>- paragraph 24</p>	<p>To be reflected in the next Annual Report to be presented to the November 2014 Session of the FC (item 6)</p>
<b>Report of the 154th Session of the Finance Committee – document CL 149/4</b>	
<p>The Committee (on the <i>Annual Report on Budgetary Performance and Programme and Budgetary Transfers in the 2012-13 Biennium</i>) received upon its request preliminary information on how the unspent balance of USD 9.6 million would be used in 2014-15 to cover additional expenditures of a one-time nature associated with transformational change as authorized by Conference Resolution 7/2013, and the Committee <u>looked forward</u> to receiving further information for discussion at its next Session - paragraph 19</p>	<p>Information will be provided with the next Annual Report on Budgetary Performance and Programme and Budgetary Transfers in the 2014-15 Biennium which is due to be presented to the Spring 2015 Session of the FC.</p>
<p>The Committee (on a <i>Comprehensive Financial Framework for cost recovery - Update</i>):</p> <ul style="list-style-type: none"> <li>• <u>looked forward</u> to reviewing the final concept and implementation considerations at its next regular session;</li> <li>• <u>requested</u> the Secretariat to present this information at an informal meeting of the Committee before the next regular session of the Finance Committee in November 2014, in view of the highly technical nature of the matter.</li> </ul> <p>- paragraph 23</p>	<p>An informal meeting of the Committee to discuss this matter will be scheduled prior to the November 2014 Session of the FC.</p> <p>A report will be presented to the November 2014 Session of the FC (item 7).</p>
<b>III. HUMAN RESOURCES</b>	
<b>Report of the 151st Session of the Finance Committee – document CL 148/6</b>	
<p>The Committee (on the <i>Recommendations and Decisions of the International Civil Service Commission and the United Nations Joint Staff Pension Board to the General Assembly</i>) <u>requested</u> that the Secretariat raise the matter of the high level of the margin between the United Nations and the comparator United States Federal Civil Service with the ICSC with a view to introducing mechanisms to ensure that the margin will remain within the desirable mid-range level of 115 - paragraph 30</p>	<p>Updates on recommendations of the International Civil Service Commission on mechanisms to manage the margin will be provided in the Report on the Recommendations and Decisions of the International Civil Service Commission and the United Nations Joint Staff Pension Board to the</p>

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	General Assembly will be presented to the November 2014 Session of the FC (item 11).
<b>Report of the 154th Session of the Finance Committee – document CL 149/4</b>	
<p>The Committee (on the <i>Progress Report on the Implementation of the Human Resources Strategic Framework and Action Plan</i>) <u>requested</u> that the Secretariat give particular attention to the alignment of the decentralized offices with the corporate human resources strategy; vacancy rates; geographic and gender representation; retention measures for Junior Professionals (JPs) and Associate Professional Officers (APOs); and automation of human resources processes by better use of available systems such as GRMS - paragraph 25.</p>	Progress Report to be presented to the November 2014 Session of the FC (item 10).
<b>IV. ADMINISTRATIVE AND INFORMATION SYSTEMS FRAMEWORK</b>	
<b>Report of the 154th Session of the Finance Committee – document CL 149/4</b>	
<p>The Committee (on the <i>Progress Report on the Global Resource Management Programme</i>):</p> <ul style="list-style-type: none"> <li>• <u>requested</u> that the Secretariat continue to report on the business benefits realized through the implementation of the GRMS;</li> <li>• noted that activities to support IPSAS implementation were on track with the first set of IPSAS-compliant Financial Statements scheduled to be prepared for financial years commencing 1 January 2014 and <u>requested</u> that Management provide strong oversight to ensure that risks of delivery were appropriately managed.</li> </ul> <p>- paragraph 27</p>	Progress Report to be presented to the Spring 2015 Session of the FC.
<b>V. OVERSIGHT</b>	
<b>Report of the 148th Session of the Finance Committee – document CL 146/3</b>	
<p>The Committee (on the <i>Annual report of the Ethics Committee</i>) <u>requested</u> that when presenting future Annual reports, the report of the Ethics Officer should also be made available to the Finance Committee and noted that the Secretariat would examine this request in light of the practice of other Organizations of the United Nations System - paragraph 38</p>	Examination of the request will be considered with the 2014 Annual Report to be presented to the Spring 2015 Session of the FC.

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<p>The Committee (on the <i>Review of Article XIV Statutory Bodies with a view to allowing them to exercise greater financial and administrative authority while remaining within the framework of FAO</i>) noted that Management was in the process of implementing the recommendations contained in Appendix II to document FC 148/21, and generally reflected in paragraph 27 of that document, which were within Management’s authority, and <u>requested</u> a report on the matter at a future session of the Committee, possibly as part of the IPA follow-up report by the Secretariat.</p> <p>- paragraph 50</p>	<p>Report to be presented to the November 2015 Session of the FC.</p>
<p><b>Report of the 151st Session of the Finance Committee – document CL 148/6</b></p>	
<p>The Committee (on the <i>Status of Actions on FAO Audit Committee Recommendations</i>) <u>encouraged</u> harmonization of the format of future status reports with other status reports, such as the “Progress Report on Implementation of the External Auditor’s Recommendations” and the “Status of Implementation of JIU Recommendations”;</p> <p>- paragraph 38</p>	<p>Updated format to be reflected in the next status report to be presented to the November 2014 Session of the FC (item 12).</p>
<p>The Committee (on <i>Status of Implementation of JIU Recommendations</i>) <u>requested</u> an annual update of the status of implementation of JIU recommendations of relevance to FAO - paragraph 45</p>	<p>The next annual update will be presented to the November 2014 Session of the FC (item 16).</p>
<p><b>Report of the 154th Session of the Finance Committee – document CL 149/4</b></p>	
<p>The Committee (on the <i>2013 Annual Report of the Office of the Inspector-General</i>):</p> <ul style="list-style-type: none"> <li>• highlighted the importance of strengthening internal control in the Organization and in particular in relation to the Decentralized Offices Network, and <u>requested</u> updates from management and the Inspector-General in this regard at its regular session in Spring 2015;</li> <li>• <u>looked forward</u> to an update on the status of GRMS implementation and operation at its regular session in Spring 2015;</li> <li>• <u>requested</u> the Office of the Inspector-General to closely monitor the progress on the preparation of the Organization’s 2014 IPSAS-compliant financial statements and to include an assessment of this in its 2014 annual report;</li> <li>• <u>requested</u> a further update on the implementation of long outstanding high risk internal audit recommendations, in particular those related to security issues, and the definition of gross</li> </ul>	<p>An update on strengthening Internal Control and a Progress Report on GRMS implementation will be presented to the Spring 2015 Session of the FC.</p> <p>Information will be provided in the 2014 Annual Report of the Inspector General to be presented to the Spring 2015 Session of the FC.</p> <p>Status of implementation of internal audit recommendations will be presented to the</p>

Recommendation	Status
<p>negligence and recklessness, at its next regular session in Autumn 2014.;</p> <ul style="list-style-type: none"> <li>• <u>requested</u> that the Organization's workforce planning give due regard to the requirements for implementing sound internal controls and that the Office of the Inspector-General provide advice on this to the Office of Human Resources, and looked forward to a progress report on this at its next regular session in Autumn 2014.</li> </ul> <p>- paragraph 30</p>	<p>November 2014 Session of the FC (item 13). Progress Report on the Implementation of the Human Resources Strategic Framework will be presented to the November 2014 Session of the FC (item 10)</p>
<p>The Committee (on <i>FAO Audit Committee Membership</i>) <u>requested</u> that for future appointments of Audit Committee members, the candidate identification process be reviewed, considering practices adopted in some other agencies of the United Nations System - paragraph 34.</p>	<p>Additional information on the identification process will be included when the Finance Committee is next presented with recommendations for appointment to FAO Audit Committee Membership.</p>
<p>The Committee (on the <i>2013 Annual Report of the Ethics Committee</i>) <u>looked forward</u> to receiving more detailed information in the next report of the Ethics Committee on issues covered by the deliberations of the Committee, including on aspects related to partnerships with the private sector, on the presentation of Human Resources policies, rules and procedures in the Administrative Manual and on activities related to ethics education and awareness raising - paragraph 36.</p>	<p>To be reflected in the next Annual Report to be presented to the Spring 2015 Session of the FC.</p>
<p>The Committee (on the <i>Progress Report on an Accountability and Internal Control Framework</i>) <u>requested</u> a progress report for the next regular session of the Finance Committee in November 2014. - paragraph 38.</p>	<p>Report to be presented to the November 2014 Session of the FC (item 15).</p>