

EXECUTIVE SUMMARY

WHAT WAS AUDITED?

The Office of the Inspector General (OIG) conducted an audit of the FAO Corporate Environmental Responsibility (CER) Strategy 2020–2030 in accordance with its risk-based audit plan for the 2022–2023 biennium. The CER Strategy is structured into ten commitment areas, themselves divided into 69 steps. The objective of the audit was to assess the adequacy and effectiveness of the governance arrangements, risk management and control processes over the management of implementation of the CER Strategy 2020 - 2030. The audit covered the period between March 2021, when the Strategy came into effect, and December 2023.

WHY IT MATTERS?

Over the past two decades, FAO has made numerous external commitments to combat global warming. For instance, in 2008, FAO joined the Moving Towards a Climate Neutral UN initiative and, in 2010, engaged with the UN-wide Greening the Blue initiative, which offers insights into the environmental impact of the UN system. Internally, in 2016, FAO solidified its dedication to sustainability through establishment of the FAO Corporate Environmental Responsibility Policy, followed by the CER Strategies for 2017–2020 and 2020–2030. Prioritizing the fulfillment of FAO's mandate while minimizing its ecological footprint is not only crucial for global sustainability but also integral to maintaining FAO's reputation.

WHAT WERE THE KEY OBSERVATIONS?

The CER Strategy is comprehensive in addressing the major environmental concerns in the UN-level Strategy for Sustainability Management in the United Nations System, and its implementation is well monitored given available resources, under the overall coordination of the Logistics Services Division. Mechanisms to collect and share data have been developed and monitoring mechanisms are in place.

The CER Strategy is operationalized through unit-level workplans for headquarters units and Regional Offices. However, there is no clear roll-out plan of the Strategy to Country Offices, limiting its impact.

Lack of both financial resources and sufficient human resources have hindered the execution of certain activities outlined in the workplans designed to achieve the objectives set forth in the CER Strategy, such as infrastructural improvements and replacement of equipment.

In terms of governance arrangements, some FAO units indicated that implementation of their workplan is hindered by the lack of priority given to their work. Stronger ownership and leadership from Senior Management in implementation of the CER Strategy would help ensure proper priority is given. This is particularly important for achieving measures included in the Strategy that have a significant impact on overall results but can be unpopular to implement, such as reducing travel emissions.

CONCLUSION

Relevant structures, policies and procedures are in place and operating as intended. Opportunities for improvement, if any, do not hinder the achievement of the established governance, risk management and internal control objectives. The audit identified four risks, of which one was rated as high and three as moderate.

Management has developed a suitable action plan to address the issues raised, and OIG will follow up on its timely implementation.

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