



Food and Agriculture
Organization of the
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Office of the
Inspector General

Audit of FAO Representation in Central African Republic



AUD1324

05 November 2024

This document is comprised exclusively of the executive summary of the audit report.

Permanent Representatives accredited to FAO and institutional resource partners of FAO may be granted access to the full report upon written request to the Inspector General, in accordance with paragraphs 59-61 of the [Charter of the Office of the Inspector General](#).

EXECUTIVE SUMMARY

WHAT WAS AUDITED?

In accordance with its 2022–2023 biennial audit plan, the Office of the Inspector General (OIG) carried out an audit of FAO's Representation in Central African Republic (CAR). The audit covered the period from January 2022 to May 2024, but this report reflects subsequent developments as of July 2024, and management comments received in September 2024. The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and internal control processes in the Representation. In particular, the audit assessed:

- Implementation of internal controls and other measures applied by the Representation during the period under audit, with emphasis on the measures established by the interim Representation management to address the key risks associated with FAO operations in CAR.
- The integrity and transparency of the operations in accordance with established regulations and rules.
- Management of the project portfolio and activities to achieve the targeted programmatic objectives.

WHY IT MATTERS?

Well-functioning operations on the ground, supported by effective governance, risk management and internal control processes, contribute to solidifying FAO's reputation while also delivering much-needed programmes to affected populations. Further, it is important for management to be aware of the risk exposures associated with internal control gaps to implement corrective actions accordingly.

CAR is one of 14 countries listed by FAO with ongoing Level 3 emergency status until the end of 2024, which means that threats to agriculture, food security and safety have resulted in evident humanitarian needs that require a corporate-led response. As of December 2023, the Representation was the budget holder for 17 operationally active projects with a total budget and cumulative delivery of USD 39.9 million and USD 22.3 million, respectively.

WHAT WERE THE KEY OBSERVATIONS?

FAO's country programme in CAR is implemented in an extremely challenging political, economic, logistical and security environment. In prior years, serious operational and administrative problems affected the implementation of the country office programme and its relationships with resource partners and the government. Serious technical capacity gaps were also identified. To address these problems an interim FAO Representative assumed duties in March 2023 and additional personnel from the Emergencies and Resilience Division were temporarily transferred to support the country office. Since then, there have been significant improvements including:

- Restoring healthy relationships with resource partners and the government.
- Re-establishing cooperation and coordination with the United Nations Country Team.
- Strengthening the monitoring of both regular and project budget management.
- Enhancing the observance of and compliance with corporate policies and procedures.
- Streamlining the use of human resources and identifying technical capacity shortages based on forecasted work needs.

Notwithstanding the above, there are still important areas that require urgent attention by Representation management due to their high impact on achieving FAO's objectives in CAR and possible loss of FAO assets and resources:

- Gaps in risk management practices, including identification of project-related risks (High risk).
- Lack of locally established procedures or guidelines for managing implementation of input distribution and cash transfers (High risk).

- Absence of an integrated system for managing inputs for distribution including receipt from vendors, storage, delivery to implementing partners and distribution to beneficiaries (High risk).
- Technical capacity gaps and lack of financial resources required to fill these gaps, impeding achievement of FAO's strategic goals in CAR (High risk).

In addition to the country-level gaps described above, a contributory cause for the significant problems identified at CAR is the need for further clarification of corporate arrangements for monitoring the operations of country offices with level 3 emergencies, such as CAR. These offices receive support and oversight from the respective Regional Office, Sub-regional Office as well as the Office of Emergencies and Resilience (OER). These key stakeholders agree that the managerial and operational issues that affected the field programme of CAR might have been detected in a more proactive fashion if there had been more effective monitoring of the country office, supported by enhanced systems and information. However, the lines of command, roles, duties, and accountability are not detailed to clearly demarcate clear-cut responsibilities of the organizational units entrusted with supervising Level 3 country offices. While line management for the FAO Representatives is defined as administratively reporting to the ADG/Regional Representative and obtaining technical support from the Subregional Coordinator, in level 3 emergency countries OER plays a significant role in supporting the country office operations. However, OER-specific roles and responsibilities in monitoring and oversight should be more clearly defined. Since this is a corporate issue that goes beyond the scope of this audit, it is highlighted in this report for FAO Management's attention.

CONCLUSION

Identified weaknesses in the existing structures, policies and procedures negatively impact the effective mitigation of key risks. The audit identified five main risks, which were all rated as high. If not addressed, they will hinder the achievement of some important governance, risk management or internal control objectives.

FAO 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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05 November 2024