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FINANCE COMMITTEE

Hundred and Forty-eighth Session

Rome, 18 - 22 March 2013

Membership of the FAO Audit Committee

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

- The FAO Audit Committee currently comprises three men and two women, with representation from four geographical regions. Collectively they have extensive senior international experience in the audit and investigation fields.
- While the present Audit Committee terms of reference do not fix term limits on the membership, revised terms of reference submitted to the Finance Committee at its 147th session, and to be further considered at its 148th session, introduce limits. It is proposed to revise the appointment terms to an initial period of three years renewable up to six years.
- In mid 2013 three members will have completed their current terms. In one case, Mr Stephen Zimmermann, the member has confirmed that he will be stepping down from the Committee at the end of his term, as envisaged when his membership was last extended.
- The other two members whose current terms expire, including the current Chair, have confirmed that they will be available to serve a further term to ensure continuity on the Committee.
- Another member has resigned from the Committee to avoid a cross-membership of Audit Committees, as she has taken up the post of Director of Internal Audit and Investigation for UNICEF. The FAO Inspector General serves on the Audit Committee of UNICEF.
- In accordance with the Immediate Plan of Action (IPA) for FAO Renewal (2009-11), adopted by the Conference at its 35th (Special) Session, "*the Audit Committee (a) will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Director-General and Finance Committee*" (IPA action 2.92).
- Upon advice received from the Inspector General, taking into account the need to balance continuity and turnover of the Committee, extend the collective professional experience of the Committee, and give due regard to gender and geographical balance on the Committee, the Director-General is recommending:
 - the extensions of appointment of Mr Claus Andreasen and Mr Adnan Khan for a further one year, at which time they will have served on the Committee for six years.
 - the appointment of Ms Lesedi Lesetedi, for an initial period of three years, renewable thereafter up to a maximum of six years in total.
 - the appointment of Mr Juan Manuel Portal Martinez, for an initial period of three years, renewable thereafter up to a maximum of six years in total.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to consider the document and make a recommendation to the Council regarding the appointments and extensions of Audit Committee Members recommended by the Director-General.

Draft Advice

- **The Committee considered the document in which the Director-General recommended that the terms on the Committee of Mr. Andreasen and Mr. Khan be extended for a further one year which will bring them to a total of six years on the Committee, and that Ms Lesedi Lesetedi and Mr Juan Manuel Portal Martinez be appointed by the Director-General as members of the FAO Audit Committee for an initial period of three years, renewable thereafter up to a maximum of six years in total. Such extensions and appointments would be made by the Director-General effective from the date of approval by the Council.**
- **The Committee supported the Director-General's recommendation and agreed to submit to the Council its endorsement.**

INTRODUCTION

1. The Audit Committee operates as an advisory panel to the Director-General and to the Office of the Inspector General (OIG). It provides the Director-General with assurance that these functions are operating effectively and efficiently, in the context of the risks of the organization and the coverage of the other FAO oversight functions (evaluation and external audit). The annual report of the Audit Committee is also presented to the Finance Committee, accompanied by any comments of the Director General thereon. Revised terms of reference were submitted to the Finance Committee at its 147th session, and will be further considered at its 148th session.

2. The Audit Committee consists of five external members, and the Inspector General is Secretary *ex-officio*. Members are selected on the basis of their qualifications as senior audit and/or investigation professionals and these criteria were confirmed by the Finance Committee at its 147th session. The Committee elects its own Chairperson.

3. Although the Committee's terms of reference does not currently specify a term limit, the JIU recommends (paragraph 195 of JIU/REP/2010/5) a term limit of six years for those of UN organizations. Practice for audit committees within and outside the UN System indicates that a term of four to six years, combined with an appropriate staggering of membership, provides a reasonable balance between turnover and institutional knowledge within the Committee.

4. While the present Audit Committee terms of reference do not fix term limits on the membership, revised terms of reference submitted to the Finance Committee at its 147th session, and to be further considered at its 148th session, introduce limits. It is proposed to revise the appointment terms to an initial period of three years renewable up to six years.

5. In accordance with the Immediate Plan of Action (IPA) for FAO Renewal (2009-11), adopted by the Conference at its 35th (Special) Session, "*the Audit Committee (a) will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Director-General and Finance Committee*" (IPA action 2.92).

Current Members of the Committee

6. The current members of the Committee, and their present terms, are as follows:

- Mr Claus Andreasen (Denmark), Director, Division of Internal Oversight Services of UNRWA. Member since February 2008. His current term finishes in May 2013;
- Mr Adnan Khan (Pakistan), Sri Lanka Country Director WFP (and former Inspector General and Director of Oversight of WFP). Member since February 2008. His current term finishes in May 2013;
- Ms Fatoumata Ndiaye (Senegal), formerly Director, Internal Audit Division, United Nations Office of Internal Oversight Services, and since January 2013 Director, Internal Audit and Investigation for UNICEF. Member since June 2010. Her current term finishes in June 2014 but she has resigned from the Committee, to avoid a cross-membership of Audit Committees, as the FAO Inspector General serves on the Audit Advisory Committee of UNICEF. .
- Mr Stephen Zimmermann (United States), Director of Operations, World Bank Institutional Integrity Vice-Presidency. Member since April 2007. His current term finishes in June 2013 at which time he will have served six years, and as noted when his membership was last extended, he will step down from the Committee at that time.
- Ms Carolyn Dittmeier (Italy), Director of Internal Audit of Poste Italiane S.p.A. Member since June 2012. Her current term, which is renewable, finishes in June 2014.

7. The Secretary of the Committee confirmed with Mr Andreasen and Mr Khan that they are available to serve a further year on the Committee to ensure continuity. Both will reach six years on the Committee in June 2014.

Actions on Extensions and Appointments

8. The Secretary of the Committee, following consultations with the current members of the Audit Committee, provided the Director-General with advice on term extensions to ensure there is sufficient staggering of membership terms to promote continuity and the curriculum vitae of highly-qualified candidates who are willing to fill vacancies on the Committee. In compiling the list, the Secretary took into account the need to maintain gender balance, expand the geographical representation on the Committee and broaden the collective professional experience of the Committee.

9. As a result of the aforementioned process, and upon advice received from the Inspector General, the Director-General is recommending:

- the extensions of appointment of Mr. Claus Andreasen and Mr. Adnan Khan for a further year (which will bring their terms to six years).
- the appointment of Ms Lesedi Lesetedi (Botswana) for an initial period of three years, renewable. Ms. Lesetedi is currently Director of Internal Audit, Botswana International University of Science and Technology. Prior to her current position, she has held leadership positions for over ten years in the internal audit functions of various Botswana government ministries and agencies. She is Chair of African Federation of Internal Auditors (AFIIA) Governing Council for 2011-2013; Director at large for the Global Board of Directors of the Institute of Internal Auditors for 2011-2013, the worldwide professional body, and she has been nominated to become Secretary of this Committee for 2014-2015.
- the appointment of Mr Juan Manuel Portal Martinez (México) for an initial period of three years, renewable. Mr. Portal is currently Auditor Superior de la Federación and has a career of over 40 years in the fields of auditing, oversight and control. Prior to his current position he served as Special Auditor Financial Compliance in the Office of the Auditor Superior de la Federación, and prior to this in senior internal audit and evaluation posts in the Mexican public sector. He has served in the governing bodies of the international professional body for internal auditing, the Institute of Internal Auditors. In 2010, he received the Bradford Cadmus Memorial Award, one of the highest honours bestowed by the Institute on individuals impacting the internal auditing profession.

10. If approved for membership, Mr Portal would be the first member of the FAO Audit Committee to come from the Latin American and Caribbean region.

11. Summary curriculum vitae of Ms. Lesetedi and Mr. Portal are attached.

SUMMARY CURRICULUM VITAE

Ms. Lesedi Lesetedi

Since May 2009, Ms Lesetedi has been Director of Internal Audit, Botswana International University of Science and Technology. Prior to her current position, she has held leadership positions for over ten years in the internal audit functions of various Botswana government ministries and agencies. From 2005-2009 she was Chief Internal Auditor of the Botswana Unified Revenue Service, From 2003-2005 she was Internal Audit Head of the Botswana National Productivity Center. From 2001 to 2003, she was Head of Internal Audit for the Ministry of the State President. She is Chair of the African Federation of Internal Auditors (AFIIA) Governing Council for 2011-2013; Director at large for the Global Board of Directors of the Institute of Internal Auditors for 2011-2013, the worldwide professional body, and she has been nominated to become Secretary of this Committee for 2014-2015.

Ms Lesetedi has an MSC in Internal Audit and Management from City University, London and a Bachelor of Commerce from the University of Botswana. She is a licentiate member of Botswana Institute of Chartered Accountants and a Certified Internal Auditor.

Mr. Juan Manuel Portal Martínez

On 15 December 2009, with a vote of more than 90% of the Plenary of the Chamber of Deputies, Juan Manuel Portal Martínez was elected Senior Auditor of the Federation for the period 2010 - 2017.

Before his appointment, he had served during the previous eight years as Special Auditor for Financial Compliance at the Supreme Audit Office of the Federation (ASF), charged, among other functions, with coordinating and supervising the conduct of financial, operational and legal compliance audits of inspected bodies. The Senior Auditor has a professional career spanning more than 40 years in the fields of auditing, oversight and control. Key positions in his career have included Internal Auditor of Liconsa, the Secretariat of Social Development and Petróleos Mexicanos. He was Director of Oversight and Evaluation of Internal Audits of the Public Sector in the Secretariat of the Comptroller General of the Federation, and Coordinator of Advisors of the Undersecretariat of Control and Audit of Public Management of the Secretariat of Audit and Administrative Development.

CPC Portal Martínez is a public accountant graduate of the Faculty of Accounting and Administration of the Autonomous National University of Mexico. He pursued postgraduate studies in the D-1 Business Management Programme of the Pan-American Institute for Senior Business Management (IPADE), and has a Master's in Public Administration from the Institute of Higher Studies in Public Administration. His professional qualifications include Certified Public Accountant recognized by the Mexican Institute of Public Accountants; Certified Internal Auditor (CIA) with international recognition from the Institute of Internal Auditors; Certified Fraud Examiner (CFE) with international recognition from the Association of Certified Fraud Examiners; and Certified Internal Controls Auditor (CICA) with international recognition from the Institute for Internal Controls.