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## FINANCE COMMITTEE

**Hundred and Fifty-First Session**

**Rome, 11 - 15 November 2013**

**Status of Actions on FAO Audit Committee Recommendations**

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

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### EXECUTIVE SUMMARY

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### EXECUTIVE SUMMARY

- At its 148th session, the Finance Committee requested the Secretariat to provide an update to the Committee on the status of actions on the FAO Audit Committee recommendations to its next regular session in Autumn 2013. These were elaborated in the Audit Committee's 2012 annual report presented at the 148th session, and concern the integration of remaining IPA projects relating to results-based planning and performance; GRMS and IPSAS implementation; completion of vendor sanctioning guidelines; and reducing time to close outstanding internal audit recommendations.
- Management notes that there has been progress in each of these areas, and action is ongoing.

### GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of the status of actions on recommendations of the FAO Audit Committee as elaborated in the Audit Committee's 2012 annual report.

#### Draft Advice

- **The Committee took note of the status of actions on recommendations of the FAO Audit Committee, and looks forward to a further update at the time the Audit Committee's 2013 annual report is presented at the Committee's next regular session in Spring 2014.**

## INTRODUCTION

1. The Audit Committee presents its recommendations to the Director-General through its annual reports, which are presented to the Finance Committee together with the Director-General's comments. The most recent (2012) annual report was presented with the Director-General's comments at the Committee's 148th session.
2. The Audit Committee's recommendations in the 2012 annual report concern the following issues: the integration of remaining Immediate Plan of Action (IPA) projects relating to results-based planning and performance; the Global Resource Management System (GRMS) and the International Public Sector Accounting Standards (IPSAS) implementation; vendor sanctioning guidelines; and reducing time to close outstanding internal audit recommendations.
3. Management reports progress in completing and institutionalizing results-based planning and monitoring, enterprise risk management, and performance reporting, within an approach to accountability and internal control that helps integrate and mutually reinforce these elements. Management's thinking on future approaches in this area is presented in the Finance Committee paper on Accountability and Internal Control (FC 151/20).
4. There has been a successful deployment of the GRMS and post-deployment tasks are under way, as are the final steps to prepare for implementation of IPSAS from 2014. Attention is being given to the risks identified by OIG in these final steps. Further information on this is presented in the Progress Report on the Global Resource Management System (FC 151/13).
5. OIG, together with the Office of the Legal Counsel and the Procurement Service, has prepared FAO's first Vendor Sanction Procedures. These have been submitted to senior management for review and approval. Management anticipates that these Procedures will be finalized before the end of 2013.
6. Further analysis of outstanding internal audit recommendations generally, and long outstanding high risk recommendations in particular, has been undertaken by OIG and reported to management with a view to reducing the time to close the recommendations. The Director-General has directed a focused effort by relevant units to close as many long-outstanding internal audit recommendations as possible by the end of 2013. As requested by the Finance Committee, a status report on the results will be presented at the next regular meeting in Spring 2014.