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Продовольственная и
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Organización de las
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Alimentación y la Agricultura

منظمة
الغذية والزراعة
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FINANCE COMMITTEE

Hundred and Fifty-seventh Session

Rome, 9 - 13 March 2015

The Multi-Year Programme of Work of the Finance Committee

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

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EXECUTIVE SUMMARY

- This document presents an updated version of the Multi-Year Programme of Work (MYPOW) of the Finance Committee for the period covering 2015-18.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Committee is invited to review the document, and provide its guidance as deemed appropriate.

Draft Advice

- **The Committee took note of the updated version of the Multi-Year Programme of Work (MYPOW).**

Introduction

1. This document presents an updated version of the MYPOW of the Finance Committee for the period covering 2015-18. Insertions and deletions to the document as compared with the version submitted to its 156th Session in November 2014 are identified as *italic underlined* and ~~strikeout~~ respectively.
2. The MYPOW also includes an updated road map of issues to be discussed during 2015-16, taking into account on-going issues and requests from the Committee and other Governing Bodies.

A. Objectives for the Finance Committee for 2015-18 related to FAO Matters

3. FAO Council has a solid analytical basis for sound, timely, effective and efficient decision-making with respect to the Organization's financial position, budgetary matters, administrative and information systems framework, human resources and oversight activities in order to improve the quality of FAO's work and strengthen the delivery of its services to Members.

Results

4. The specific results below will also be consistent with, and in the context of, Information Technology (Functional Objective 9); FAO Governance, Oversight and Direction (Functional Objective 10) and achieving Efficient and Effective Administration (Functional Objective 11).

5. Through the indicators for Results below, the Finance Committee (FC) seeks to provide sound technical and policy advice and guidance to the Council (CL). It is recognized that the CL will consider other factors beyond the purview of the FC when taking decisions on these matters.

I. MONITORING FINANCIAL POSITION

6. Results: Council (CL) advice and decisions on financial position are strongly based on Finance Committee (FC) guidance and recommendations.

7. Indicators and targets:

- All FC recommendations on the Audited Accounts of FAO are endorsed in the CL report to Conference
- All FC recommendations on the Scale of Contributions are endorsed in the CL report to Conference
- All FC recommendations and guidance on the technical requirements for financial integrity and stability (resource mobilization, liabilities, investments) are duly considered by the CL
- FC provides sound technical recommendations and guidance on funding of staff related liabilities and replenishment of reserves to CL for its recommendations to Conference

8. Outputs: Clear, precise and consensual recommendations to the CL with presentation of a range of well-defined options for consideration by the CL, where appropriate.

9. Activities:

- Assessment of Audited Accounts of the Organization, along with the concomitant report of the External Auditor
- Continual assessment of unaudited accounts and financial highlights
- Continual review of status of assessed contributions and arrears, and cash flow situation of the Organization
- Review status of resource-mobilization and voluntary contributions
- Assessment of the state of unfunded liabilities, in particular staff-related liabilities, including from After-service Medical Coverage
- Annual review of FAO investments
- Review of Audited Accounts of the FAO Commissary and Credit Union
- Assessment of requirements for funding and revision of the Organization's reserves

10. Methods of work:

- Close collaboration with the Programme Committee (PC)
- Regular contact with ADG/CS, Director CSF and other concerned units
- Close collaboration with the External Auditor

II. BUDGETARY MATTERS

11. Results: CL advice and decisions on budgetary matters are strongly based on FC guidance and recommendations.

12. Indicators and targets:

- FC decisions on budgetary transfers are noted in the CL report
- FC recommendations on budgetary performance are endorsed in the CL report
- FC recommendations on financial aspects of formulation of the MTP/PWB are duly considered by the CL
- Technical recommendations of the FC on adjustments to the Programme of Work, and other budgetary matters are duly considered by CL
- FC provides sound technical recommendations and guidance to CL on the results-based formulation and overall funding levels in the MTP/PWB for Functional Objectives 9 (Information Technology); 10 (FAO Governance, Oversight and Direction); and 11 (Efficient and Effective Administration)

13. Outputs: Clear, precise and consensual decisions and recommendations to the CL with presentation of a range of well-defined options for consideration by the CL, where appropriate.

14. Activities:

- Assessment of, and decisions on, proposed budgetary transfers, in line with Financial Regulation 4.5 (b)
- Review of annual budgetary performance
- Review of Annual Report on Support Costs Expenditure and Recoveries and related policies
- Review and make recommendations on cost increases and other technical aspects in the formulation of MTP/PWB
- Monitor financial aspects of adjustments to the Programme of Work, including for further efficiency gains and one-time savings
- Review progress of the resource-mobilization and management strategy in the Joint Meeting

15. Methods of work:

- Close collaboration with the PC
- Regular contact with Director OSP, ADG/CS and other concerned units
- Close collaboration with the Independent Chairperson of Council

III. HUMAN RESOURCES

16. Results: CL advice and decisions on Human Resources are based on FC guidance and recommendations.

17. Indicators and targets:

- FC observations, recommendations and guidance on human resources issues are endorsed in CL reports

18. Outputs: Clear, precise and consensual recommendations.

19. Activities:

- Assessment of progress in implementation of corporate HR strategy against MTP/PWB targets, including in particular:
 - Introduction of the competency framework
 - Implementation of a consistent, transparent approach and supporting processes and tools for strategic workforce planning

- Strengthen and speed up internal and external recruitment processes (including gender balance, geographic representation and JPP)
- Strengthen and improve performance management processes
- Promotion of continuing improvement and innovation
- HR policies and processes support organizational objectives and incorporate best practice in UN and HR management
- Review FAO HR policies vis-à-vis the UN Common System
- Review use of consultants [retirees] on an annual basis
- Review recommendations and decisions of the General Assembly, the International Civil Service Commission, and the United Nations Joint Staff Pension Board

20. Methods of work:

- Regular contact with ADG/CS, Director OHR and other concerned units
- Close collaboration with the Independent Chairperson of Council

IV. ADMINISTRATIVE AND INFORMATION SYSTEMS FRAMEWORK

21. Results: CL advice and decisions on effective and efficient administrative and information systems are based on FC guidance and recommendations.

22. Indicators and targets:

- FC recommendations on enhancing administrative and business processes and structures are endorsed in the CL report
- FC recommendations on reform of management and administrative systems are endorsed in the CL report

23. Outputs: Clear, precise and consensual recommendations.

24. Activities:

- Review reform of management and administrative systems, including on procurement policy
- Monitor progress of implementation of International Public Sector Accounting Standards
- Review proposals relating to structure and functions of decentralized offices
- Review progress on the introduction of an Enterprise Risk Management framework for the Organization
- Review terms of reference and subsequent reports of the Ethics Committee, as appropriate

25. Methods of Work:

- Close collaboration with the PC
- Frequent and regular contact with ADG/CS and other concerned units
- Close collaboration with the Independent Chairperson of Council
- Working within context of advice from Regional Conferences

V. OVERSIGHT

26. Results: CL advice and decisions on internal and external oversight matters are strongly based on FC guidance and recommendations.

27. Indicators and targets:

- FC recommendations on internal audit and external audit are endorsed in the CL report
- FC recommendations on implementation reporting are endorsed in the CL report
- Council's appointment and/or re-appointment of the External Auditor is based on recommendations from the FC

28. Outputs: Clear, precise and consensual recommendations.
29. Activities:
- Review of an accountability and internal control framework
 - Assessment of progress in implementation of External Auditor's recommendations
 - Annual review of the activities of the Office of the Inspector-General
 - Review the Annual Report of the FAO Audit Committee
 - Review of proposals for extension and appointment of members of the FAO Audit Committee, and make a specific recommendation to CL accordingly
 - Oversee the process for renewal of incumbent External Auditor, and/or for appointment of a new External Auditor, and make a specific recommendation to CL accordingly
 - Review relevant UN Joint Inspection Unit reports
30. Methods of Work:
- Close collaboration with the PC
 - Regular contact with the Office of the Inspector-General, Director OSP and other concerned units
 - Close collaboration with the External Auditor
- VI. IMPROVED METHODS OF WORK AND EFFICIENCY OF THE FINANCE COMMITTEE**
31. Results: The FC works in a proactive, inclusive and efficient manner, and has a forceful advisory role.
32. Indicators and targets:
- The Agenda of FC meetings are consistently integrated into the overall governance structure of the Organization
 - The Agenda of FC meetings focus on a few strategic issues
 - Discussions at the meetings of the FC are focussed and time management is effective for greater efficiency
 - Conclusions of discussions are based on consensus
 - The reports of the FC are structurally coherent with relevant segments of CL Agenda, allowing CL to clearly identify relevant decisions and recommendations
 - The reports of the FC are prepared in an efficient manner to ensure optimal use of time and resources available at FC sessions without detriment to the quality of FC recommendations
33. Outputs:
- Clear, precise and consensual recommendations
 - An updated multi-year programme of work for the FC
34. Activities:
- Update the multi-year programme of work for the FC
 - Report on achievements against targets in the multi-year programme of work at the end of the biennium
 - Enhanced use of Joint Meetings with the PC
 - Continuous review of methods of work of the FC, including review of matters via (virtual) meetings
 - Define the roles of the Chairperson and Vice-Chairperson of the FC
35. Methods of work:
- Strategic issues are prioritized in formulation of FC Agenda
 - Documents for Agenda items are well prepared by the Secretariat

- Documentation for FC meetings is properly prepared and timely delivered by the Secretariat
- Concise and relevant presentations to agenda items are requested of the Secretariat
- Deliberations of the FC are concise and relevant
- Joint Meetings and close collaboration with the PC
- Informal consultations on the multi-year programme of work
- Informal, inter-sessional consultations amongst Members
- Close collaboration with the Independent Chairperson of Council
- Working within the context of decisions and advice from other governing bodies, including the CCLM

B. Objectives for the Finance Committee related to WFP Matters

36. The World Food Programme (WFP) is jointly established by the United Nations and the Food and Agriculture Organization of the United Nations (FAO) as a programme for the purposes and for the performance of the functions set out in the General Regulations and shall continue its activities in the light of periodic reviews.¹

37. As stated in Article XIV.4 of the WFP General Regulations and Rules: “In all matters relating to the financial administration of WFP, the Board shall draw on the advice of the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Finance Committee of FAO.

Results

38. On the basis of the results indicators set out below, the Finance Committee seeks to provide sound technical and policy advice and guidance for the Executive Board.

I. RESOURCE, FINANCIAL AND BUDGETARY MATTERS

39. Results: The Executive Board’s decisions on resource, financial and budgetary matters take into account the guidance and recommendations of the Finance Committee.

40. Indicators and targets:

- The Finance Committee’s recommendations are noted in the “Decisions and Recommendations” document of each Board session.

41. Outputs: Clear, precise and consensual recommendations to the Executive Board.

42. Activities:

- Review of WFP Management Plans and updates
- Assessment of WFP’s Annual Audited Accounts and the related report of the External Auditor
- Review of the Report of the Executive Director on the Utilization of Contribution and Waivers of Costs [General Rules XII.4 and XIII.4 (h)]
- Review of other papers for consideration or approval on resource, financial and budgetary matters

43. Methods of work:

- Discussions during Finance Committee sessions that result in clear recommendations to the Executive Board
- Contacts as required with the Assistant Executive Director of the Resource Management and Accountability Department

II. OVERSIGHT

44. Results: The guidance and recommendations of the Finance Committee strongly support and inform the Executive Board’s decisions on oversight matters.

45. Indicators and targets:

- The recommendations of the Finance Committee are noted by the Executive Board in the “Decisions and Recommendations” document of each session

46. Outputs: Clear recommendations to the Executive Board.

¹ “General Regulations – General Rules – Financial Regulations – Rules of Procedure of the Executive Board”, November 2009

47. Activities:

- Review of the reports of the External Auditor on management matters and the management's responses
- Recommendations to the Executive Board regarding the appointment of members of the Audit Committee, as required
- Review of the proposed amendments to the terms of reference of the Audit Committee, as required
- Review of the annual report of the Audit Committee
- Review of the progress report on the implementation of the External Auditor's recommendations
- Review of the reports of the Inspector General
- Review of reports by the External Auditor and the management's responses
- Review of proposed amendments to WFP policies on oversight matters, as required

48. Methods of work:

- Focused and efficient discussion during Finance Committee sessions leading to clear recommendations
- Contact as required with the Assistant Executive Director of the Resource Management and Accountability Department

C. Road Map of Issues to be Discussed

I. 2015-16 Plan

	Spring Session 2015	WFP Exec Board² Annual Session	WFP Exec Board² 2nd Regular Session	Autumn Session 2015
Monitoring Financial Position	<ul style="list-style-type: none"> • Financial Position • 2014 Actuarial Valuation of staff related liabilities • 2014 Report on Investments • Scale of Contributions 2016-17 	<ul style="list-style-type: none"> • Audited Annual Accounts 2014 		<ul style="list-style-type: none"> • Financial Position • FAO Audited Accounts 2014 • 2014 Audited Accounts of FAO Commissary
Budgetary Matters	<ul style="list-style-type: none"> • Mid-term Review - Synthesis Report 2014 • Annual Report on Budgetary Performance and Programme and Budgetary Transfers for the 2014-15 Biennium • Medium Term Plan and Programme of Work and Budget 2016-17 • FAO Cost Recovery Policy 	<ul style="list-style-type: none"> • Method for Determining the Indirect Support Cost Rate for WFP 	<ul style="list-style-type: none"> • WFP Management Plan (2016–2018) 	<ul style="list-style-type: none"> • Programme and Budgetary Transfers in the 2014-15 Biennium • Adjustments to the PWB 2016-17 (if required by decision of Conference) • Annual Report on Support Costs Expenditure and Recoveries

² The dates for Finance Committee meetings to discuss WFP matters are set as part of the preparations for the WFP Executive Board. WFP matters presented in the biennial plan 2014-15 are derived from the Biennial Programme of Work of the Executive Board (WFP/EB.2/2014/10*).

	Spring Session 2015	WFP Exec Board² Annual Session	WFP Exec Board² 2nd Regular Session	Autumn Session 2015
Human Resources	<ul style="list-style-type: none"> Human Resources Management 			<ul style="list-style-type: none"> Human Resources Management Recommendations and Decisions of the International Civil Service Commission and UN Joint Staff Pension Board to the General Assembly
Administrative and Information Systems Framework				<ul style="list-style-type: none"> Progress Report on the Global Resource Management Programme
Oversight	<ul style="list-style-type: none"> 2014 Annual Report of the Inspector General 2014 Annual Report of the FAO Audit Committee 2014 Annual Report of the Ethics Committee Progress Report on Implementation of the External Auditor's Recommendations FAO Accountability Policy Progress Report on Delegation of Authority for Article XIV Bodies taking into account their 	<ul style="list-style-type: none"> Appointment of Members to the Audit Committee Annual Report of the Audit Committee Report on the Implementation of the External Auditor Recommendations Annual Report of the Inspector General and Note by the Executive Director Reports of the External Auditor on Management Matters and 	<ul style="list-style-type: none"> Appointment of the WFP External Auditor 	<ul style="list-style-type: none"> Status of Actions on FAO Audit Committee Recommendations Status of Implementation of JIU Recommendations

	Spring Session 2015	WFP Exec Board² Annual Session	WFP Exec Board² 2nd Regular Session	Autumn Session 2015
	differentiated nature	Management Responses <ul style="list-style-type: none"> • Amendments to the Financial Regulations 		
Improved methods of work and efficiency of the Finance Committee	<ul style="list-style-type: none"> • The Multi-Year Programme of Work of the Finance Committee • Status of Outstanding Recommendations of the Finance Committee • Working Methods of the Finance Committee 			<ul style="list-style-type: none"> • The Multi-Year Programme of Work of the Finance Committee • Status of Outstanding Recommendations of the Finance Committee • Working Methods of the Finance Committee

	Spring Session May 2016	WFP Exec Board Annual Session	WFP Exec Board 2nd Regular Session	Autumn Session November 2016
Monitoring Financial Position	<ul style="list-style-type: none"> Financial Position 2015 Actuarial Valuation of staff related liabilities 2015 Report on Investments 	<ul style="list-style-type: none"> Audited Annual Accounts 2015 		<ul style="list-style-type: none"> Financial Position FAO Audited Accounts 2015 2015 Audited Accounts of FAO Commissary
Budgetary Matters	<ul style="list-style-type: none"> Annual Report on Budgetary Performance and Programme and Budgetary Transfers in the 2014-15 biennium Programme Implementation Report 2014-15 (JM) 		<ul style="list-style-type: none"> WFP Management Plan (2017-2018) 	<ul style="list-style-type: none"> Annual Report on Support Costs Expenditure and Recoveries
Human Resources	<ul style="list-style-type: none"> Human Resources Management 			<ul style="list-style-type: none"> Human Resources Management Recommendations and Decisions of the International Civil Service Commission and UN Joint Staff Pension Board to the General Assembly
Oversight	<ul style="list-style-type: none"> 2015 Annual Report of the Inspector General 2015 Annual Report of the FAO Audit Committee FAO Audit Committee Membership 	<ul style="list-style-type: none"> Appointment of Executive Board Members to the Selection Panel for the Appointment of Members of the Audit Committee. Annual Report of the 		<ul style="list-style-type: none"> Progress Report on Implementation of the External Auditor's Recommendations Status of Actions on FAO Audit Committee Recommendations Status of Implementation of JIU Recommendations

	Spring Session May 2016	WFP Exec Board Annual Session	WFP Exec Board 2nd Regular Session	Autumn Session November 2016
	<ul style="list-style-type: none"> • 2015 Annual Report of the Ethics Committee • FAO Internal Control Framework 	<p>Audit Committee</p> <ul style="list-style-type: none"> • Report on the Implementation of the External Auditor Recommendations • Annual Report of the Inspector General and Note by the Executive Director • Report of the External Auditor on Management Matters and Management Responses 		
Improved methods of work and efficiency of the Finance Committee	<ul style="list-style-type: none"> • The Multi-Year Programme of Work of the Finance Committee • Status of Outstanding Recommendations of the Finance Committee • Working Methods of the Finance Committee 			<ul style="list-style-type: none"> • The Multi-Year Programme of Work of the Finance Committee • Status of Outstanding Recommendations of the Finance Committee • Working Methods of the Finance Committee