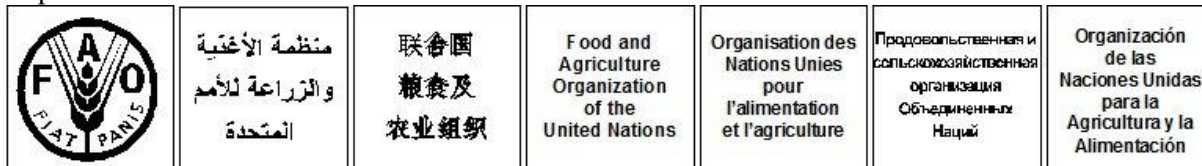


September 2011



FINANCE COMMITTEE

Hundred and Fortieth Session

Rome, 10 - 14 October 2011

The Multi-Year Programme of Work of the Finance Committee 2010-13

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

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Chairperson
Finance Committee

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EXECUTIVE SUMMARY

- The Immediate Plan of Action for FAO Renewal (IPA), approved by the 35th (Special) Session of the Conference in November 2008, envisages under its action 2.70-2.72 that the Finance Committee "*prepare a multiyear programme of work of at least four years' duration, once a biennium which will be reviewed by the Council...*"
- Accordingly, the Committee prepared a Multi-Year Programme of Work of the Finance Committee for the period 2010-13 during the course of 2010. The Committee discussed its Multi-Year Programme of Work 2010-13 at its 132nd Session in April 2010 and at its 135th Session in October 2010. It was subsequently endorsed by the Council at its 140th Session.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Multi-Year Programme of Work 2010-13 is presented to the Committee for review, and any revision and/or amendment it may deem fit.

Draft Advice

- **The Committee reviewed its Multi-Year Programme of Work for the period 2010-13 and agreed to hold further discussion and consultation amongst members and the Chairperson for possible amendment to the document.**

Overall Objective for the Finance Committee for 2010-13

1. 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, as well as for planning of financial and budgetary resources of the Organization, in order to improve the quality of FAO's work and strengthen the delivery of its services to Members.

Results for 2010-13

2. The specific results below will also be consistent with, and in the context of, achieving Efficient and Effective Administration (FAO Functional Objective Y) and Effective Collaboration with Members States and Stakeholders (FAO Functional Objective X).

3. Through the indicators for Results 1 to 6 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

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

5. Indicators and targets:

- FC recommendations on the Audited Accounts of FAO are endorsed in the CL report to Conference
- FC recommendations on the Scale of Contributions are endorsed in the CL report to Conference
- FC recommendations and guidance on the technical requirements for financial integrity and stability (resource mobilization, liabilities, investments) are duly considered by the CL.

6. Outputs: Clear, precise and consensual recommendations to the CL

7. 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

8. Working methods:

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

II. BUDGETARY MATTERS

9. Result: CL advice and decisions on budgetary matters are strongly based on FC guidance and recommendations

10. 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, IPA financing, and other budgetary matters are duly considered by CL
11. Outputs: Clear, precise and consensual decisions and recommendations to the CL
12. Activities:
- Assessment of, and decisions on, proposed Budgetary Transfers, in line with Financial Regulation 4.5 (b)
 - Review of annual Budgetary performance
 - Review of estimated costs, allotments, and overall financing of IPA implementation
 - Assessment of proposals on reporting policy of Budgetary Transfers, and policy on project servicing costs
 - 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 for unidentified further efficiency gains and one-time savings
 - Review progress of the resource-mobilization and management strategy
13. Working methods:
- Regular contact with Director OSP, ADG/CS, and other concerned units
 - Close collaboration with the PC
 - Close collaboration with the Independent Chairperson of Council

III. HUMAN RESOURCES

14. Result: CL advice and decisions on Human Resources are based on FC guidance and recommendations
15. Indicators and targets:
- FC observations and guidance on human resources issues are endorsed in CL reports
16. Outputs: Clear, precise and consensual recommendations
17. Activities:
- Assess progress of implementation of corporate HR strategy, including in specific areas foreseen under the IPA, against MTP/PWB targets, including:
 - Staff Rotation
 - Gender Balance
 - Geographic Representation
 - PEMS
 - Staff Development
 - Junior Professional Programme
 - Review FAO HR policies vis-à-vis the UN Common System
 - Review use of consultants retirees on an annual basis
 - Review recommendations of the General Assembly, the International Civil Service Commission, and the United Nations Joint Staff Pension Board

18. Methods of work:

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

IV. ADMINISTRATIVE AND INFORMATION SYSTEMS FRAMEWORK

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

20. 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

21. Outputs: Clear, precise and consensual recommendations

22. 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 and Enterprise Risk Management framework for the Organization
- Review terms of reference and subsequent reports of the Ethics Committee, as appropriate
- Review of assessment of FAO's language services

23. Methods of Work:

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

V. OVERSIGHT

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

25. 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

26. Outputs: Clear, precise and consensual recommendations

27. Activities:

- Review of the results-based monitoring and reporting system
- Assess progress of 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
- 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

28. Methods of Work:

- Regular contact with the office of the Inspector-General, and other concerned units
- Close collaboration with the External Auditor
- Close collaboration with the PC

VI. PLANNING OF FINANCIAL AND BUDGETARY RESOURCES FOR THE ORGANIZATION

29. Results: CL advice and decisions on financial and budgetary planning proposals take into account FC recommendations and guidance

30. Indicators and targets:

- FC provides sound technical recommendations and guidance on funding of staff related liabilities and replenishment of reserves to CL for its recommendations to Conference
- FC provides sound technical recommendations and guidance to CL on the results-based formulation and overall funding levels in the MTP/PWB for FAO Functional Objective Y (Efficient and Effective Administration) and Functional Objective X.4 (Effective Collaboration with Members States and Stakeholders)
- FC provides sound technical recommendations and guidance on adjustments to the Programme of Work to CL for its decisions or recommendations to Conference

31. Outputs: Clear, precise technical recommendations with presentation of a range of well-defined options for consideration by the CL where appropriate

32. Activities:

- Assess the state of unfunded liabilities, in particular staff-related liabilities including from After Service Medical Coverage
- Assess the requirements for funding and revision of the Organization's reserves
- Assess requirements for adjustments to the Programme of Work for unidentified further efficiency gains and one-time savings
- Review status of the resource-mobilization and extra-budgetary funding

33. Methods of Work:

- Regular contact with ADG/CS, Director OSP and other concerned units
- Close collaboration with the PC, including on adjustments to the Programme of Work and in formulation of MTP/PWB
- Close collaboration with the Independent Chairperson of Council
- Working within context of advice from Regional Conferences

VII. IMPROVED METHODS OF WORK AND EFFICIENCY OF THE FINANCE COMMITTEE

34. Results: The FC works in a proactive, inclusive and efficient manner, and has a forceful advisory role

35. Indicators and targets:

- The agendas of FC meetings are consistently integrated into overall governance structure of the Organization
- The agendas of FC meetings focus on a few strategic issues
- 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 in order to ensure optimal use of time and resources available at FC sessions

36. Outputs:

- Clear, precise and consensual recommendations

- A multi-year programme of work for the work of the FC

37. Activities:

- Finalizing a multi-year programme of work for the FC
- Reporting on achievement 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

38. Methods of work:

- Strategic issues are prioritized in formulation of FC agendas
- Documents for agenda items are well prepared 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 context of decisions and advice from other Governing Bodies, including the CCLM