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# FINANCE COMMITTEE

**Hundred and Eighty-third Session**

**9- 13 November 2020**

**Progress Report on Implementation of the External Auditor's  
Recommendations**

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

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*Documents can be consulted at [www.fao.org](http://www.fao.org)*

ND480/e

### EXECUTIVE SUMMARY

- This report outlines the progress on implementation by the Secretariat of recommendations made by the External Auditor.
- The report presents the progress made by FAO to implement recommendations that were outstanding at the date of the previous progress report presented to the Finance Committee at its 178th Session in November 2019.

### 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:**

- **noted the status of implementation of the recommendations of the External Auditor; and**
- **welcomed and commended the significant progress made in closing recommendations of the External Auditor and urged the Secretariat to continue efforts to close the remaining outstanding recommendations.**

## Introduction

1. The table below summarizes overall FAO progress in implementing the External Auditor's recommendations.

Audit Report <sup>1</sup>	Total Recommendations	Outstanding at previous Reporting Date <sup>2</sup> (November 2019)	Closed since previous Reporting Date	Outstanding at current Reporting Date (November 2019)
Long Form Report 2014	26	2	1	1
Long Form Report 2016	19	1	0	1
Long Form Report 2017	29	6	1	5
Long Form Report 2018 <sup>3</sup>	41	41	23	18
Total	115	50	25	25

2. The table below presents details of the latest status of implementation of each recommendation which had not yet been closed at the date of the previous progress report presented to the Finance Committee, including the timeline suggested by the External Auditor for implementation.

3. Actions taken by the Secretariat to implement each recommendation are presented in the column entitled Management Response, and the External Auditor's view on the progress of implementation of all recommendations is presented in the last column entitled External Auditor's Comments.

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<sup>1</sup> Reports are not listed when all recommendations have been previously closed (Long Form Reports for 2012-13 and 2015).

<sup>2</sup> FC178/9 for Long Form Reports issued for 2017 and prior

<sup>3</sup> FC178/3

<b>Long Form Report 2018</b>
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	Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	<b>FUNDAMENTAL</b>				
	Financial Matters				
	Liquidity of the Organization				
1	Consider the changes in the timing of payments by major contributors in monitoring and forecasting its cash position and align expenditure patterns with the cash inflow to ensure that obligations to implement the approved Programme of Work are covered. (Paragraph 43)	2019	CSF	Changes in the timing of receipt of major contributions are already built into cash flow estimates and scenarios are routinely developed to anticipate potential shortfalls in liquidity. On the expenditure side, delays in making payments have shown to have limited impact on the cash-flow, particularly given that much of FAO's Regular Programme expenditures are on staff salaries.	<b>Implemented.</b>  We appreciate Management's action to address the potential shortfall in liquidity.
2	Make more robust representations with member nations for the consistent and timely payment of their current assessed contributions and arrears to ensure the availability of sufficient funds for the operations of the Organization. (Paragraph 44)	2019	CSF	The Secretariat continues to follow-up with Member Nations on a regular basis to encourage timely payment of assessed contributions and arrears: - Monthly reports on the status of contributions are prepared and posted on the FAO Website. - Quarterly statements are sent out to all Member Nations with assessed contributions outstanding. - Follow-ups are made by phone to those owing more significant amounts to ensure proper liquidity. - Regular reporting is provided to the Governing Bodies on this matter.	<b>Implemented.</b>  We appreciate the numbers of activities put in place by the Management to assist in the timely payment and/or collections of assessed contributions
	Employee Benefits Obligations (EBO)				
5.	Develop written guidelines that will contain procedures, manner of allocation, and other appropriate conditions, to distribute the refund or profit share among the respective participating RBAs (Paragraph 58)	2019 - 2020	CSH	A comprehensive review of the apportionment of the balance of profit sharing among the RBAs through the Joint Advisory Committee on Medical Coverage (JAC/MC) was completed and the agreed portions for each RBA have been disbursed.	<b>Implemented.</b>  We appreciate the actions taken by the Management to implement this

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				recommendation through the JAC/MC.
7. Set up specific funding and cost reduction (containment) arrangements within a determined period to address its end-of-service liabilities within the guidance provided by the FAO Governing Bodies. (Paragraph 69)	2019	CSF/CSH	Management continues to draw the attention of the Governing Bodies to this matter, including regularly presenting documents providing updated information on the size of the liabilities, options to address the funding shortfalls, ongoing discussions within the United Nations System on this matter and activities aimed at containing the costs of the current medical insurance plan.	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring.
<b>Management of Investments</b>				
8. Formalize, circulate, and publish as a written policy the present practice of procuring the services of Investment Managers and Custodian. The policy to include: a. detailed activities to be performed in every stage of procurement, from the Initiation, Selection, Approval and Signing of the Financial Contracts; and b. defined criteria in the selection and eligibility requirements of Investment Managers and Custodians, the terms of reference, and other conditions that are deemed appropriate. (Paragraph 73)	2019	CSF	A written policy will be prepared and presented to the Investment Committee for approval. It is noted that definition of the selection criteria can only be set when the selection is being prepared since it will be different for each type of mandate depending on the class of investable assets and risk budget of the Organization at the time.	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring of the approval of the written policy.
9. Evaluate with due diligence the current performance of emerging market portfolio and determine appropriate	2019	CSF	The FAO treasury unit submitted the negative excess performance issues to the Advisory	In progress.

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	avenues where optimal returns are achievable while outperforming the benchmark to ensure that investments in emerging markets are protected against future losses. (Paragraph 78)			<p>Committee on Investments which expressed concern with this mandate and suggested terminating it.</p> <p>Following endorsement by the Investment Committee (IC), in March 2020 the Organization divested its equity holdings (both in emerging markets and developed markets). These have since been repositioned, and active management will be sought for the target manager of the emerging market equity portion.</p>	The recommendation is endorsed to the new External Auditor for continuous monitoring of the action to be taken to implement the recommendation.
Statement of Internal Control (SIC)					
16.	Ensure systematic documenting of the basis for the conclusion on the status of internal controls to support the assurances provided in the SIC, and to further promote accountability and transparency in the process. (Paragraph 108)	2019-2020	OSP/DDG-Thomas	This was implemented for the Internal Controls Reporting process for 2019. The basis was documented and approved by the Internal Controls Board	<b>Implemented.</b>  We appreciate the Management for integrating the recommended measures in its 2019 Internal Controls Reporting process.
20.	Address the challenges confronting the Office of the Inspector General (OIG) in its investigation work especially on constraints in resources, and put equal emphasis on and strategize to take prompt and effective action on complaints relating to fraud or misconduct to sustain its strong message that the Organization is serious in combating fraud and misconduct and to better deter their occurrence hence, promoting better	2019	OSP	Management agrees with the recommendation and is currently considering options to address resource constraints in order to strengthen the investigative capacity of OIG. The implementation is in progress.	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring to address resource constraints in order to strengthen the investigative capacity of OIG.

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	fraud controls within the Organization. (Paragraph 128)				
30.	Financial disclosure Initiate the crafting of the most appropriate strategy, in close coordination with the Legal Counsel, which will warrant full compliance by staff with the required financial disclosure statement within a specified period, including the imposition of disciplinary actions for non-compliance to promote better transparency and accountability within the Organization. (Paragraph 166)	2019-2020	CSH/LEG	A Human Resources Officer in CSH has been appointed as dedicated focal point to support the Ethics Office in this exercise. The Ethics Office will submit a formal report at the end of the Financial Disclosure period with clear indications of non-compliance, for appropriate administrative action. The Ethics Officer has been collaborating with CSH to deal with cases of non-compliance with the FDP. In 2018, one case of non-compliance was identified and escalated to CSH. The staff member was subject to a disciplinary measure in accordance with Manual Section 330. In 2019, there was 100% compliance in the FDP programme.	<b>Implemented.</b>  We appreciate the Management's action to put in place mechanisms in ensuring compliance in the submission of financial disclosure statement.
<b>SIGNIFICANT</b>					
Financial Matters					
Employee Benefits Obligations (EBO)					
3.	Ensure a realistic and relevant valuation of post-EBO reported in the financial statements at year-end by coming up with updated and relevant retirement and participation rates to be used for December 2019 valuation and in future periods. (Paragraph 49)	2019-2020	CSF/CSH	The Organization prepared a report on retirement and withdrawal rates, taking into consideration the new Mandatory Age of Separation from 1 July 2019 and used this data for the 2019 actuarial valuation. This valuation also reflected the results of the Lapse Rate study on ASMC participation.	<b>Implemented.</b>  We appreciate the Management in taking prompt action to initiate action in achieving realistic valuation of post-EBO.
4.	Institutionalize and perform as a regular exercise the conduct of audit on the performance of the Insurance Plans with results available at established times to ensure informed decisions and effective actions. (Paragraph 54)	2019-2020	CSH	<u>Agreed.</u> FAO received an audit report in August 2019 on the performance of the Insurance plan with the current insurer for the contract 2015-2017 and its related extension for the years 2018-2019. A new provider has been selected and the review of the	<b>Implemented.</b>  We appreciate Management's efforts to ensure conduct of audit on the performance of the Insurance Plans and its

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				performance of the plans is expected to become a regular exercise.	assurance on the regular exercise of this process.
6.	Review the balance of Medical Coverage Super (MCS) Numeraries (Account 3232) totalling USD 978,857 in coordination with the Office of Human Resource (CSH), and reallocate the surplus based on the 2019 revised MCS distribution percentage. (Paragraph 62)	2019-2020	CSF/CSH	The balance on the account was reconciled and actions were taken to reallocate the balance within 2019.	<b>Implemented.</b>  We appreciate the Management in reconciling the balance of Medical Coverage Super (MCS) Numeraries (Account 3232) and on the actions taken to reallocate the balance.
Shared Services Centre (SSC)					
10.	Undertake the necessary action to enhance further the efficiency and effectiveness of management controls in the services delivered by SSC as well as improve compliance across the Organization with the existing policies, regulations and procedures concerning the SSC process delivery. (Paragraph 83)	2019-2020	SSC	All improvement opportunities identified have been addressed and are recommended for closure: Asset Management: The process for asset additions has been enhanced with improved procedures for Construction In-Progress (CIP) assets communicated to offices and monitored by the SSC. All incorrectly added CIP items have been retired. All the non-trackable expendable goods costing below USD 1 500 and expendable goods costing below USD 500 have been removed from the Asset Register. The SSC now carries out periodic reviews of the asset register. Accounts payable services: The SSC is working on the elaboration of a strategy and plan to consider the centralization of invoice processing. The SSC concluded a first pilot with 6 FAO country offices during which the processes were reviewed and the possibilities to automate parts of the process considered. As a result, a Robotics Process automation is now in design stage to scan and enter	<b>Implemented.</b>  We appreciate the Management in addressing all the improvement opportunities that we have raised to further enhance management controls within the SSC.

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			<p>invoices into the system. More elements have been identified for automation, and the activities are ongoing to further test the approach and design a fully-fledged strategy.</p> <p>The CSLA dashboard has been deployed and will be used to ensure the effective delivery of responsibilities by Budget Holders and/or Responsible Officers in inserting the receipt of goods in the receiving module as well as to timely submit requests for invoice adjustments to Finance Division (CSF) for approval and SSC for processing.</p> <p>Payroll services. Lending employers are no longer handled through PSA type of contract and as payments are no longer paid through payroll, there are no issues with withheld salaries or honoraria.</p> <p>Increased controls have been implemented to reduce the risk of errors related to super-user GRMS actions by ensuring the log of actions is reviewed regularly by the Head of HR Services.</p> <p>SSC will work with CSH to increase awareness with supervisors on timecard approvals.</p> <p>SSC will review with CSH the existing provisions and revisit the policy on whether the Organization is allowed to contribute to the United Nations Joint Staff Pension Fund (UNJSPF) for staff member on special Leave Without Pay (LWOP).</p> <p>Human resources services. Staff members can now submit documents to support the updates or changes to their family status for dependency allowance through a self-service function released to all staff in August 2019.</p>	

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				<p>How to guides on how to request rental subsidy and revised form were published in May 2019.</p> <p>Travel services. An update on travel policy by incorporating the guidelines on Post Factum Travels in order to have clear-cut regulations and rules to support the currently existing procedures in the processing of Post Factum Travel Authorization and Travel Expense Claims will be pursued.</p> <p>“How to” guides for Medical Evacuation Travels were prepared and published in March 2019.</p>	
11.	Fast track the negotiation and procurement of a structured tool for SSC to ensure that cases/requests for processing are properly managed, accurately tracked and monitored resulting in effective and efficient operations, reporting and compliance to better support FAO. (Paragraph 87)	2019-2020	SSC	<p>This work is in progress. A case management tool (ServiceNow) has been identified for use by the SSC for automating case management. Some delays have been experienced during the last three months due to the Covid-19 situation. During this period, requirements have been confirmed and estimated costs for licensing/implementation defined. A Capex proposal has been prepared and submitted to the Capex Board for review. This is a combined project for a tool to be utilized by SSC and CSI. The project is expected to begin upon final endorsement and provision of Capex funding, New Timeline: Q2/Q3 2021</p>	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for continuous monitoring.</p>
12	Craft a mechanism to prepare a periodic Report on Compliance with policies and procedures of service requests coming from FAO Offices which should be regularly communicated to them, and publish such report in the SSC dedicated website or dashboard primarily to serve	2019-2020	SSC	<p>This recommendation will be addressed as part of the adoption of ServiceNow which will provide much more powerful reporting tools. The integrations with GRMS foreseen in the third phase of implementation will allow to build more powerful analytics and trending reports which can easily be shared with country offices via a dashboard. The implementation of the third phase is</p>	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for continuous monitoring.</p>

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	as valuable information that will assist FAO Offices and the SSC in proactively addressing the communicated opportunities in improving compliance of service requests and help in achieving efficient and effective process results. (Paragraph 91)			foreseen for the end of 2021, after the ERP technical upgrade is completed. In the meantime, the SSC is expanding its use of Power BI to provide more analytics reports and will be reviewing the interim provision of some targeted reports to regional offices. Topics to be determined through newly initiated regional service meetings. Target completion date for interim reports End 2020.	
13.	Utilize the Report on Compliance by SSC, to include error rate or non-compliance rate indicators when evaluating the performance of the Responsible Officer/Staff causing the non-compliance to further enhance accountability and effective delivery of their responsibilities. (Paragraph 92)	2019-2020	SSC	Not started. The feasibility of this recommendation will also be taken into account in the elaboration of compliance reports during the third phase of implementation of Service Now as described above (recommendation 12)	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring.
14.	Support the SSC Management to prepare a work plan that will include specific activities to implement an International Organization for Standardization (ISO) compliant quality system and have the work and resource plan approved and implemented in 2019 to ensure that SSC is offering its clients with high quality services compliant with an international quality management system standard. (Paragraph 96)	2019-2020	SSC	In 2019, the SSC developed its Quality Management System (QMS) in order to undertake its ISO 9001 certification. The ISO 9001 certification audit for selected processes in the areas of payables, travel and asset was carried out in November and the certification was obtained. The SSC is extending the certification to 7 additional processes in 2020, and has extended the certification to HR and Payroll areas.	<b>Implemented.</b>  We appreciate the actions of Management to implement that recommendation and for taking forward to fully realize its value.
Statement of Internal Control (SIC)					
15.	Enhance the existing process and activities supporting the preparation of	2019-2020	OSP	This was implemented for the Internal Controls Reporting process for 2019	<b>Implemented.</b>

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the SIC by formally documenting the assessment of all internal control principles under FAO Internal Control Framework (ICF), particularly Principles 1, 2, 8, 10, 13, and 17 which are not specifically included in the Internal Control Questionnaire (ICQ). (Paragraph 102)				We appreciate Management's effort to implement the recommendation.
17. Further define and provide additional guidance on the basis for Management's conclusion in the Representation Letter to streamline and harmonize the process, and ensure consistency in drawing a conclusion on the real state of internal control within a region/department/office. (Paragraph 113)	2019-2020	OSP	This was implemented for the Internal Controls Reporting process for 2019	<b>Implemented.</b>  We appreciate Management's effort to implement the recommendation.
18. Initiate additional proactive measures to further ensure the accuracy of responses to the ICQ in view of the importance of their confirmation therein to support the assurances of the Director-General in the Statement on Internal Control, and to enable informed action to address any weakness in internal controls within their respective area of responsibility. (Paragraph 119)	2019-2020	OSP	The importance of carefully considered responses in the ICQ was further emphasized in briefings and guidance material for the Internal Controls Reporting process for 2019. The ongoing work to strengthen guidance notes and ICQs will help to further improve the accuracy of responses provided as well as the review/validation process referred to in recommendation 19 below.	<b>Implemented.</b>  We appreciate Management's action to ensure accuracy of responses to the ICQ.
19. Strengthen the execution of the review and validation steps of the responses made in the ICQ, as required in the guidance note on internal controls	2019-2020	OSP	The importance of careful review and validation of ICQs was further emphasized in briefings and guidance material for the Internal Controls Reporting process for 2019.	<b>Implemented.</b>  We appreciate Management's action to further emphasize

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reporting, to ensure that the real state of internal controls in the offices are reflected. (Paragraph 120)				the importance of review and validation steps of the responses made in the ICQ.
Governance				
Corporate Human Resource (HR) Management				
21. HR business plans Prepare and update its human resource business plans that are reflected in formal and concrete Strategic and Action Plans covering a given period to establish clear roadmaps and milestones; corroborate monitoring of work deliveries; support reported methodologies, strategies and accomplishments to improve information integrity in its reports. (Paragraph 133)	2019-2020	CSH	The preparation of HR’s strategic plan 2020-2022 is currently underway. The HR strategic plan will include results with timelines and milestones, as well as indicators to ensure accountability.	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring.
22. Workforce planning Ensure that the workforce planning exercise takes into consideration the staff feedbacks and the established timeframe for delivery; and supported by a good analysis framework to attain the value intended and promote operational efficiency. (Paragraph 137)	2019-2020	CSH	CSH will continue the review of the Integrated Workforce Management Plan under the new Director CSH, taking into consideration the PWB restructuring proposals.  CSH has undertaken a preliminary skills mapping exercise in July-August 2019, in consultation with OSP. For the next PWB cycle, CSH together with OSP will coordinate the workforce planning, in consultation with the hiring units at HQ in an integrated manner. Staff feedback, recommendations of the OIG audit of the mobility programme as well as OED’s evaluation of the strategic results framework (ability to deliver the	In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring.

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				strategic results and field capacity gaps) will be duly taken into account.	
23.	<p>Staff Mobility</p> <p>Enhance its mobility policy by ensuring that the HR strategic objective and the related action plan are clearly articulated to facilitate effective implementation; by performing timely and regular evaluations through feedback from staff; and by strengthening further its communication with other offices. (Paragraph 144)</p>	2019-2020	CSH	OIG performed a review of FAO's Geographic Mobility Programme. Its findings and conclusions will be considered in light of the new strategy on staffing and rotation.	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for continuous monitoring.</p>
24.	<p>Recruitment policies</p> <p>Strengthen its existing recruitment and selection policies, design effective processes and mechanisms and ensure that clear efficiency parameters are included in the development of its recruitment process Key Performance Indicators to accurately measure performance of related activities by process owners and enable better performance monitoring of the whole recruitment and selection process. (Paragraph 147)</p>	2019-2020	CSH	CSH is in the process of conducting a review of the recruitment and selection procedures aimed at improving transparency and efficiency, as well as supporting strategic partnerships and the needs of both technical and non-technical divisions and offices.	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for continuous monitoring of the review on recruitment and selection procedures.</p>
25.	<p>Gender parity</p> <p>Continue to pursue efforts towards achieving the gender parity goals inter alia by articulating its target for each category of post with timelines; articulate with clarity, the guidelines</p>	2019-2020	CSH	The Organization fully recognizes the importance of monitoring its gender parity targets and periodically reports on progress made for each level of post to the Finance Committee and FAO Council. Based on the Action Plan for the achievement of equitable geographic distribution and gender parity	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for continuous monitoring.</p>

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<p>and procedures on geographic diversity and to communicate the same to hiring managers to ensure better representation and transparency; and facilitate the timely monitoring of the progress made therein for the efficient achievement of expected results. (Paragraph 150)</p>			<p>of FAO staff, FAO gender parity at professional level should be achieved by 2022, and for senior positions by 2024. To strengthen managerial accountability, an indicator was added to the supervisory objective as part of the 2020 Performance Evaluation and Management System (PEMS) work plan aimed at promoting gender parity.</p>	
<p>26. Hiring of consultants Reinforce its policy on the hiring and renewal of consultants/PSA subscribers with the inclusion of clear provisions on the grant of exceptions on the required contract breaks to better establish authority, clarify accountabilities and eliminate discretions. (Paragraph 155)</p>	2019-2020	CSH	<p>The appropriate level of delegation for decisions regarding contract breaks is being reviewed. Once the decision is taken, relevant documents will be revised to reflect the level of delegation along with provisions on the grant of exceptions.</p>	<p>In progress.  The recommendation is endorsed to the new External Auditor for continuous monitoring.</p>
<p>27. Staff performance evaluation Enhance its institutional capacity in preparing and delivering its Performance Evaluation and Management System (PEMS) Objectives and Performance Indicators through robust monitoring and review built around well-defined and coherent performance yardsticks to support more accurate and meaningful assessment of staff performance and the associated programme results reporting. (Paragraph 158)</p>	2019-2020	CSH	<p>Use of the PEMS library function was reinforced. Starting with PEMS Planning 2020, the objective related to supervisory responsibilities has been automatically added to the supervisors' work plan. It includes two new indicators on promoting gender parity and enabling an inclusive and respectful work environment. The sample objectives and performance indicators for FAO Representatives have been reviewed and updated in the library function. New sample objectives and performance indicators have been added to the Library function for the following profiles: Economist, Communication Officer and Technical Officer (AG, CB, FI, and FO).</p>	<p><b>Implemented.</b>  We appreciate the number of actions taken by the Management to implement the recommendation.</p>

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			<p>Two new eLearning modules were designed and launched on the Performance Evaluation and Management Process (PEMS) and How to Write SMART Objectives. The first module is designed to support staff and managers in navigating the PEMS process and understanding roles and responsibilities in the different PEMS phases, including the preparation of PEMS Objectives and Performance Indicators. The second is a short video designed to support staff and managers in understanding the importance of writing SMART objectives, and train them on how to write well-defined objectives. The Toolkit for managers was reinforced. To support more accurate and meaningful assessment of staff performance, a document containing Sample Performance Comments has been prepared, made available online and widely distributed during presentations, briefings and workshops.</p> <p>New face-to-face training for supervisors were designed and delivered in February 2020 with a focus on engaging staff, appraising effectively (through well-defined Objectives and Performance Indicators) and building a culture of effective feedback.</p> <p>New face-to-face training for staff members was designed and delivered in February 2020 with a focus on writing SMART objectives and the linkage between the work plan, competencies and professional development.</p> <p>Briefings sessions were delivered to new staff members on a regular basis to provide guidance on the performance management process, including a</p>	

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			detailed part about the importance of well-defined PEMS Objectives and Performance Indicators.	
<p>28. Staff guidance and training                      Ensure that appropriate guidance and training are provided to both staff and supervisors in managing performance feedback and to document the same in the PEMS to better support future performance assessments; review existing rebuttal policies and their experience in other UN agencies and align itself with good practices in the UN system. (Paragraph 159)</p>	2019-2020	CSH	<p>New tools were developed to provide guidance for managers on how to address and document cases of underperformance: Guide for Managers – Addressing and Resolving Underperformance and Addressing Underperformance – A Manager’s Checklist.</p> <p>Two new eLearning modules were designed and launched on the PEMS Process and Giving and Receiving Feedback and Appraising Effectively.</p> <p>New face-to-face training for supervisors were designed and delivered in February 2020 with a focus on engaging staff, appraising effectively and building a culture of effective feedback.</p> <p>New face-to-face training for staff members were designed and delivered in February 2020 with a focus on writing SMART objectives and the linkage between the work plan, competencies and professional development.</p> <p>A Playlist on performance management was created to facilitate users experience in the learning platform and to provide compiled list of e-learning developed by FAO and LinkedIn Learning modules.</p> <p>Practical tips for managers on how to manage performance remotely were issued with a session dedicated to performance feedback, as part of HR guidelines developed during COVID-19 crisis.</p> <p>Briefing sessions were delivered to staff members, managers and PEMS focal points on a regular basis to raise awareness on the performance management</p>	<p><b>Implemented.</b></p> <p>We appreciate the efforts of Management to ensure effective management of performance feedback.</p>

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			<p>process and to provide practical guidance on how to manage performance feedback and to document the same in the PEMS.</p> <p>Ad-hoc briefings were provided to managers on how to address and document underperformance and how to appraise effectively.</p> <p>Review of existing rebuttal policies and their level of success in other UN agencies was completed in December 2019 and conclusions documented in January 2020.</p>	
<p>29. Staff learning plans Monitor the delivery of staff learning plans more closely to ensure that these are prepared based on an inclusive analysis of the knowledge and skills needs of staff that are clearly linked to the organizational needs and priorities to optimize the use of staff development resources and efforts. (Paragraph 163)</p>	2019-2020	CSH	<p>FAO conducted a Global Learning Needs Assessment (GLNA) during September 2019 - April 2020. The GLNA aimed to identify key learning priorities for 2020-2021 and expose learning needs at both the organizational and individual level, enabling FAO to assess the level of alignment and identify potential asymmetries in order to make more strategic and coordinated use of resources for delivering learning. Following a review of more than 200 data sources and 1500 individual learning plans, the GLNA evidenced an overall high level of alignment between the organizational learning priorities and the individual development plans (66%). This data indicates the validity of the current learning strategy, but also highlights the possibility to better structure upcoming learning initiatives in alignment with organizational priorities. With this aim, FAO has already started working to implement specific actions to reinforce communication efforts, improve online learner experience and increase</p>	<p><b>Implemented.</b></p> <p>We appreciate the actions taken by Management to ensure that staff learning needs are linked to organizational needs and priorities to optimize staff development resources and efforts.</p>

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			learning offers related to Agroecology, Leadership and Communication skills.	
31. Coordination between OHR <sup>4</sup> and Ethics Office Establish a specific policy on mutual feedbacking between the OHR and the Ethics Office to allow for more efficient engagements and operational enhancements of human resource-related actions; and to include in the OHR action plan for 2017-2019, the conduct of mandatory training on ethics for all staff members and design a training course that includes a session targeting the ethical concerns of staff, done in close coordination with the Ombudsman and Ethics Office. (Paragraph 167)	2019-2020	CSH	A Human Resources Officer in CSH has been appointed as dedicated focal point to support the Ethics Office's recommendations on human resource-related actions. Mandatory training on ethics has already been established and implemented on an ongoing basis. The e-learning course Ethics and Integrity United Nations is now mandatory for all FAO personnel. CSH has launched a new monitoring tool for Mandatory Training in you@fao. The tool will be beneficial for Management, CSH and the Ethics Office to track compliance on the completion of mandatory courses.	<b>Implemented.</b>  We commend the action taken by the Management to appoint CSH as dedicated focal point to support the Ethics Office as well as the mandatory training on ethics.
32. Feedback exercise on HR matters Ensure that a formal feedback exercise involving the comprehensive management of the Organization's human resource is conducted on a regular interval basis to strengthen further its human resource relations and the related strategies and to inform further its policy agenda, anchored on	2019-2020	CSH	FAO's Employee Satisfaction Survey was launched on 16 December 2019 to 13,549 employees. The Survey covered the period ending 31 July 2019 and closed on 07 February 2020 with a response rate of 41%. Following the analysis and communication of the high-level results, a corporate action plan will be defined through a comprehensive Action Planning exercise including the establishment of a Task Force. This is to address the feedback from the Survey and construct a timeline to convert	<b>Implemented.</b>  We appreciate the actions taken by the Management including the planned activities to ensure that formal feedback exercise is effectively implemented.

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<sup>4</sup> Now CSH following revision to the organizational structure

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	skills, knowledge and commitment. (Paragraph 172)			actionable information into positive change. A senior level Survey Champion has been designated by the Director-General to help drive this process. FAO will establish an ongoing communication plan to provide updates to employees on the progress of the corporate action plan. If required, a pulse survey may be held to 'take the temperature' of change. A new full survey will be carried out in early 2022 (and every two years thereafter).	
Control environment in decentralized offices					
Project implementation and monitoring					
33.	Ensure effective and efficient project implementation and delivery through enhanced monitoring and supervisory controls over the project budget and in the achievement of project timelines and objectives, as well as in imposing accountability towards donors and other administrative project requirements. (Paragraph 177)	2019-2020	PSS	Since July 2018, monitoring and follow-up on operational projects on the Field Programme Support Network (FPSN) list has been intensified with direct support provided to DOs with difficult cases. Monthly reports are sent to all Regional ADGs and heads of headquarters departments, and weekly reports to SFPOs and focal points in headquarters departments.	<b>Implemented.</b>  We appreciate the actions of Management to intensify its monitoring and follow-ups on operational project.
Technical Cooperation Programme (TCP)					
34.	Ensure overall efficiency and effectiveness in the delivery of TCP projects by revisiting and further improving its implementation strategy, closely engaging with all project stakeholders to reduce project time lags, and capacitating staff by providing trainings on formulation of	2019-2020	PSS	In February 2019, Management issued revised TCP policies and procedures, containing a simplified project document format. It is expected that the simplifications introduced will substantially reduce the time required to respond to requests for assistance and facilitate efficient implementation. In addition, early approvals against a biennial allocation will result in early delivery of resources. Further improvements are being explored in the	In progress.  The recommendation is endorsed to the new External Auditor for further validation on the result of the revised TCP policies and procedures.

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	the mechanics and preparation of project documents. (Paragraph 181)			<p>follow-up to the Audit of the project cycle (completed in May 2020), ad hoc initiatives to simplify procedures and through a corporate initiative to replace FPMIS.</p> <p>Management is promoting staff capacity development on the project cycle, including TCP, through training events and the updating of guidelines and e-learning tools.</p>	
<b>Donor Reporting</b>					
35.	Ensure timely and accurate delivery of relevant donor reports through sustained monitoring efforts and control activities; and take advantage of the usage of the Reports facility of FPMIS to provide the required reports and monitor submission of the progress and terminal reports. (Paragraph 185)	2019-2020	CSF/PSS	<p>The Project Cycle includes standard formats for reports, indicating their scope and focus, as well as the supporting quality assurance tools available in FPMIS and the terminal report template includes the Logical Framework Agreement, as well as scorecards on relevance, achievement of results, implementation and sustainability.</p> <p>The formats for both TCP and trust fund terminal reports were updated in 2018/19 to include explicit reference to the SDGs. TCP terminal report was also simplified and streamlined.</p> <p>To improve the monitoring system, PS will be working closely with OSP, Budget Holders and other stakeholders to introduce a new IT platform in FAO (based on lessons learned from the existing FPMIS), so as to be able to (a) incorporate new data to better align with new resource partners' reporting requirements, and (b) apply a computerized follow-up system and more stringent controls to monitor the status of reports and the consequent closure of projects. The scoping of the project to replace FPMIS was completed in June 2020 and</p>	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for further validation on the result of the activities undertaken as well as the planned actions to implement the recommendation.</p>

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				<p>implementation is pending a decision on the way forward. However, the suggested timeline of 2020 will not be met as the initiative is very complex and will require at least two years of implementation. During 2019 and early 2020 PSR has strengthened its internal reporting guidelines and capacities for ensuring the delivery of more timely, reliable and relevant donor reporting. A fully updated set of reporting templates is being developed, including for new funding instruments.</p> <p>In this context, and after a successful series in 2019, capacity building activities continue in 2020 with trainings and webinars on FAO's corporate and donor reporting for all Decentralized Offices and FAO headquarters.</p> <p>In addition, internal guidelines will continue to contribute to ensuring that all relevant project documents and funding agreements clearly mention the required responsibilities, deadlines and reporting costs in a standardized language</p>	
Procurement management					
36.	Strengthen monitoring and supervisory controls in procurement processes that drive effective procurement management to ensure timely acquisition of goods, works and services; the preparation of complete and updated procurement plan; and procurement compliance with policies, regulations and rules. (Paragraph 189)	2019-2020	CSL	The new MS 502 identifies individual roles and responsibilities during the procurement process and attributes accountabilities for the risk management also to those sitting outside of the buying unit such as Budget Holders, technical officers, etc. The procurement planning is being placed within the Organization's functional framework and the project cycle.	<p><b>Implemented.</b></p> <p>We appreciate the action taken by Management to formulate a new MS 502 to strengthen supervisory controls in procurement process.</p>

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			<p>Significant additions have been made to tackle weaknesses such as accountabilities for procurement planning and technical support to procurement process, both of which are expected to have an important impact on the effective management of risks associated with procurement.</p> <p>The new MS introduces accountabilities for ensuring adequate Segregation of Duties (SoD) complemented by developments in the ERP. In parallel arrangements are being made to transfer certain process responsibilities to SSC so that country offices with limited staff or inadequate segregation of duty can avail themselves of assistance for tender opening panel or local procurement committee from pre-positioned procurement team in SSC. SoD has also been linked to the Anti-fraud Strategy and Fraud Prevention plans. Declaration of no Conflict of Interest and other human resource measures, have become obligatory for those undertaking or being involved in procurement activities.</p> <p>The new MS introduces default public procurement solicitation method through UNGM using In-Tend which, together with procurement planning, intends to increase transparency, competition and obtaining of the best value for money while limiting, to the extent possible, exceptional awards and unnecessary direct procurement. With the introduction of obligatory public tendering, the Organization's procurement actions have become more visible and as a consequence their compliance review and monitoring will be facilitated.</p>	

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			<p>Risk identification and mitigation measures have been incorporated in the MS to respond to increasing challenges of the operational environments, changing complexities of the Organization's programmes and demands for improved and more transparent delivery of the Organization's mandate. This includes efforts to undertake strategic and sustainable procurement within ethical and environmental standards. Definition of responsibilities in the contract management has become an integral part of the MS so to recognize the importance of the joint efforts as well individual responsibilities in delivery of goods, works and services by the Organization. The Organization's first Vendor Management Policy is being finalized to set standards and regulations for vendor classifications, registration and in-house record management including vendor performance management and protocols for application of penalties for late or under performance. The new business model, while providing higher delegations of authority to enable shorter lead times, improved operability with better understanding and quicker responsiveness to local needs and contexts, provides additional structures of procurement units within regional offices and enlarges IPO network in high risk countries in order to assist better integration with the project implementation and lead to effective decision making and operational arrangements in country programmes. New online training based on different roles participating in procurement process is obligatory certification for</p>	

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				all personnel contributing or undertaking procurement.	
Cash management					
37.	Strengthen compliance with the controls over cash related activities through close monitoring of bank balance as well as Operational Cash Advance (OCA) and Operational Petty Cash (OPC) utilization and replenishments, review of authorized level of OPC fund based on monthly utilization, and continuous monitoring of the same to avoid multiple grants and non-settlement of advances beyond due date. (Paragraph 193)	2019-2020	CSF	The online, risk-based Fraud Prevention Plan for Decentralized Offices, allows the preparation and follow-up by Country Offices of their Fraud Prevention Plans. Petty/Operational Cash is identified as a sub-area of risk, which allows self-assessment of risks and identification of mitigating measures by country offices.	In progress.  The recommendation is endorsed to the new External Auditor for further validation on the result of the effectiveness of the mitigating measures being implemented by the country offices.
Asset Management					
38.	Ensure that activities, processes and responsibilities relating to asset management are properly observed and undertaken through enhanced controlling and monitoring mechanisms, updating of records, and filling up of necessary forms with relevant information to promote accountability and to adequately safeguard its assets. (Paragraph 197)	2019-2020	SSC	- SSC Asset Management now carries out periodic reviews of the asset register to ensure the completeness of asset records - SSC Asset Management has sent communications to Heads of Office to strengthen compliance with policies and procedures, also related to the Physical Verifications of Assets (PVA) at HQ and at DO level.	<b>Implemented.</b>  We appreciate the actions/activities taken by Management to ensure that asset management processes and responsibilities are properly observed.
Human Resource Management in Decentralized Offices					
39.	Reinforce monitoring activities on record keeping and documentation of activities such as records of consultant's selection and notes explaining the choice of National	2019-2020	CSH	CSH has taken over this function from the dismantled OSD and will support Regional Offices to identify existing training streams for specific country office functions, including human resources management.	In progress.  The recommendation is endorsed to the new External Auditor for further validation

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	Project Personnel (NPP) to assure efficiency and transparency in managing Human Resource-related activities; and ensure completeness of information in the terms of reference of Non-Staff Human Resources (NSHR) as basis for monitoring and evaluation of work delivery. (Paragraph 201)			CSH will accordingly work closely with Regional HR Officers to increase compliance through capacity development and mandatory training.	on the result of the effectiveness of monitoring on compliance with mandatory trainings and capacity development initiatives of country offices.
Travel Management					
40.	Strengthen monitoring controls in the management of travels to ensure adherence with FAO's policies and procedures through compliance with the Quarterly Travel Plan (QTP) requirement, timely settlement of travel prepayments and submission of required post-travel documents such as Travel Expense Claims (TEC) and Back to Office Report (BTOR). (Paragraph 205)	2019-2020	CSF	FAO is further strengthening the development of monitoring tools (e.g. dashboards) to improve managers and business owners' supervisory capacity over critical business processes. In addition, a small Internal Control and Compliance Unit was established under DDG-Thomas (starting early 2018) to strengthen oversight/monitoring over those process in the operations/administrative areas. The existing travel oversight dashboard will also include a new tool that monitors the quantity of national travel to identify all travel trends and take actions as necessary.	In progress.  The recommendation is endorsed to the new External Auditor for further validation on the result of the effectiveness of monitoring on quantity of national travel to identify all travel trends.
Overall assessment of the control environment					
41.	Assess the level of operational risks of its decentralized offices and implement strategic solutions to strengthen their supervisory and monitoring controls over critical processes and decisions to ensure operational efficiency and effectiveness; and better support the certification made by the decentralized office directors of the state of their control environment. (Paragraph 209)	2019-2020	DDG-Thomas	The corporate approach towards strengthening FAO's risk management and control environment encompasses Decentralized Offices (DOs): 2018 - Preparation of the risk logs for each Regional Office and the headquarters DDG-led streams, whereby most significant operational risks/related mitigating actions were captured at regional level and DDO stream level. Progress in implementing related actions (e.g. procedures/tools/monitoring capacities) is closely monitored.	<b>Implemented.</b>  We appreciate the Management's action to improve in the risk management and control environment over critical operational and administrative processes at DO.

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			<p>2019 - rollout of the risk logs for Country Offices (ongoing - in parallel with the preparation of the Internal Control Questionnaires [ICQs]) and initiatives such as the Review of the Regional offices, Think Labs with DOs/Business Owners and the rollout of the new risk based Fraud Prevention Plans.</p> <p>These contributed to improvements in the risk management and control environment over critical operational/ administrative processes at DO level and internal control environment: strengthened second level of defence/oversight within administrative areas with the establishment (early 2018) of a small Internal Control and Compliance Unit (DDCI); improved corporate procedures/arrangements for a more efficient/effective operational environment (e.g. issue of procurement to be addressed through the revised MS502); improved monitoring capacities/tools, e.g. for travel; a consolidated/ single dashboard for all audit recommendations [OIG/EAUD/JIU]; FAOR Key Management Indicators, new learning initiatives (finance, assets, travel, procurement, etc.).</p>	

<b>Long Form Report 2017</b>
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Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
<b>Financial Matters</b>				
<b>SIGNIFICANT</b>				
Voluntary contributions				
2	Review the provisions and initiate actions for write-off, where appropriate, considering the procedures set out in FAO Financial Rule 202.611 on project deficits and Rule 202.10.7.1 on authority to write-off bad debts. (Paragraph 43)	2018	CSF	A detailed request for the write-off of project deficits has been prepared and is now going through the process of review in accordance with the procedures set out in Financial Rule 202.10.7.1
In progress.  The recommendation is endorsed to the new External Auditor for further monitoring on the outcome of the review.				
Long outstanding accounts				
4	Prioritize the AP review process clean-up to address long outstanding payables, and consider crafting a policy to cover all long outstanding payables in the regular clean-up process, factoring in timelines for clearing and possible de-recognition and/or cancellation of outstanding payables following an appropriate review and follow-up. (Paragraph 55)	2018	CSF/SSC	A policy for long outstanding payables was implemented in the 4th quarter of 2019 and sent to all Decentralized Offices. It sets best practice that no approved invoices older than 30 days should remain on the payment dashboard and requires offices to report to CSF with the Monthly Management Letter for bank account operations if there are any unpaid transactions older than 60 days. Simultaneous with this policy, CSF is working closely with Decentralized Offices to review and clear those payments that have remained long outstanding for which review and research is required.
<b>Implemented.</b>  We appreciate the actions taken by the Management in crafting a policy for long outstanding payables.				

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				<p>SSC has set up a number of system notifications to help track aged invoices and eliminate manual monitoring as follows:</p> <p>    Detects Invoices pending in rejected status which enables AP team to take immediate action to correct/amend the invoice as necessary.</p> <p>    Notification to inform requestors and buyers about held invoices due to missing receipt which ensures timely recording of goods receipt and eliminates manual follow-up done previously by AP team.</p> <p>    notification to inform SSC AP team about receipt record for a pending invoice which considerably reduces processing time and number of pending invoices</p>	
5	Continue the ongoing work undertaken by the business unit, CIO <sup>5</sup> and Oracle to prioritize the solution of the identified system errors, other reporting issues and reconciling items to ensure that generated reports are complete, accurate and reliable. (Paragraph 59)	2018	CSI	<p>The resolution of the items reported requires a combination of technology upgrades and manual system interventions.</p> <p>A number of changes to the Oracle system setup have been implemented at per vendor recommendations. Additional fixes have been identified as part of available patches made available by Oracle. Application of these patches is required to resolve the remaining identified</p>	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for further monitoring of the actions employed to resolve the system errors.</p>

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<sup>5</sup> Now CSI following revision to the organizational structure

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
				<p>system errors. Implementation of these within the FAO test environment is tentatively planned for Q4 2020/Q1 2021 to enable the business units to perform the necessary functional testing, given the current constraints of remote working. Upon successful testing, the patches will be rolled out to production.</p> <p>New Timeline: Q4 2020 – Q1 2021</p>	
<b>Governance Matters</b>					
Corporate Travel Management					
15	Undertake a comprehensive review of its corporate travel policies with the end-view of enhancing their contents and processes to ensure consistency, establish clear accountabilities and policy ownership; ensure they are properly monitored with a concrete feedback mechanism; are supported by a high level of staff awareness on the policies; and provide effective policy implementation oversight. (Paragraph 113)	2018	CSF	This recommendation will be addressed with the ongoing revision of the FAO Manual.	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for further monitoring of its implementation due to the ongoing revision of the FAO Manual.</p>
<b>Operations of Representation Offices</b>					
Delivery of Trust Fund projects					
21	Make certain the effective and efficient delivery through management of factors and	2018	PSS	Delays in project delivery have an impact on the Organization's resource mobilization targets and involves a reputational and financial risk for FAO.	In progress.

Recommendation		Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
	project responsibilities that influence the timeliness, level of delivery and information reliability of trust fund projects. (Paragraph 141)			PSDQ provides weekly and monthly monitoring of the portfolio of donor funded and TCP funded projects. The Senior Management of FAO receives monthly updates, while Senior Field Programme Officers (SFPOs) and headquarters Departmental Focal Points receive the weekly updates. Projects are monitored against a number of conditions (low delivery, over expenditure, pending terminal report, pending closure) and the team follows up with SFPOs in the regions and/or Budget Holders in order to ensure that support can be provided for addressing challenging issues, as well as raising awareness for the urgency to resolve any issues. During 2019, it has been noted that those responsible for projects are taking action, and there have been improvements in the overall number of projects with conditions that require Budget Holder action.	The recommendation is endorsed to the new External Auditor for further monitoring on the implementation of a system for project management, PROMYS.
Asset and inventory management					
27	Ensure that activities, processes and responsibilities relating to asset and inventory are properly observed and undertaken through enhanced monitoring mechanisms to adequately safeguard and effectively utilize its resources. (Paragraph 161)	2018	CSF/SSC	The project started at the end of 2019 and is currently in the phase of confirming high level business requirements, preparing a process matrix in consultation with stakeholders, and carrying out a fit gap analysis against oracle products to confirm and finalize the selection of the system solution. The project is aligned to the ERP technical and functional upgrade and the time frame for completion is last quarter of 2021. The module will provide a robust system that will track inventory	In progress.  The recommendation is endorsed to the new External Auditor for further monitoring on the result of the actions taken to ensure effective management of Organization's assets and inventory.

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
			across all offices, will improve delivery of goods to destinations in the field, and the subsequent tracking, management and maintenance of inventory for Organizational effectiveness and will improve visibility, oversight, monitoring and controls with analytics reports and dashboards, and increased transparency to Donors.	

**Long Form Report 2016**

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
<b>MANAGING CONTROLS IN PROJECTS</b>				
<b>SIGNIFICANT</b>				
Field Project Management Information System (FPMIS)				
10	Conduct a comprehensive analysis of the crucial issues identified by system users to obtain better clarity in defining its roadmap to deliver an integrated solution and in prioritizing its activities, moving forward. (Paragraph 92)	2017	PSS	The analysis has been completed and a way forward is to be developed. In the meantime FPMIS continues to be maintained in good working order.
In progress.  The recommendation is endorsed to the new External Auditor for further monitoring on the implementation of a system for project management, PROMYS.				

Long Form Report 2014				
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Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment	
<b>AUDIT OF HEADQUARTERS</b>					
<b>FUNDAMENTAL</b>					
Governance and Change Management in Human Resources (HR)					
3	Design and implement a concrete and formal change management plan to better control the implementation of the Human Resource Strategy. (Paragraph 56)	2015	CSH	<p>The HR Change Management Plan will be fine-tuned, reflecting the strategic direction of the new FAO management which took office on 1 August 2019. The updated Plan will be implemented in sync with the new HR Strategy and Action Plan to be formulated for 2020/21.</p> <p>The preparation of a new HR strategic plan 2020-2022, as requested by the Council in December 2019, is currently underway, starting with a desk review that includes recommendations from the FAO Council and Finance Committee, Internal and External Audits, key areas of focus formulated in a number of FAO's Action Plans, and UN-system wide drivers.</p> <p>The development of the people-centred HR strategic plan and initiatives will be done in consultation with managers and employees, ensuring that the diverse needs of FAO's workforce are taken into consideration.</p> <p>The results of the Employee Satisfaction Survey will be an important input to this process, as well as the integrated lessons learned during covid-19 on flexibility and agility.</p>	<p>In progress.</p> <p>The recommendation is endorsed to the new External Auditor for further monitoring on the implementation of updated Change Management Plan in sync with the new HR Strategy and Action Plan.</p>
<b>SIGNIFICANT</b>					
Emergency and Resilience Division (PSE)					
13	Craft clear protocols dedicated for L1 and L2 emergencies to ensure clearer accountability lines. Clarify the roles and responsibilities,	2015	OER	<p>FAO issued Director-General's Bulletin 2013/32 - FAO's Declaration and Response Protocol for Level 3 Emergencies (FAO, 2013a) and the accompanying Operational Guidelines for Level 3 Emergency Preparedness and Response (Level 3 Guidelines) (FAO, 2013b).</p> <p>Following extensive consultation with FAO Decentralized Offices and headquarters divisions, the revision of Director-General's bulletin 2013/32 on</p>	<p><b>Closed.</b></p> <p>In view of the explanation of the Management that L3 concept is no more in use and is replaced by the</p>

Recommendation	Suggested Timeline	Responsible Unit	Management Response	External Auditor's Comment
<p>and control designs for L3 protocol. (Paragraph 112)</p>			<p>Level 3 emergency protocols is finalized. The revised DGB, seeks also to further enhance FAO responses to emergencies by introducing declaration and response protocols at regional level.</p> <p>The final release of the DGB was conditioned by the results of the ongoing IASC discussions. At its Principals’ meeting held at the end of May 2019, the IASC decided that the ERC lead the finalization of the protocol of the humanitarian system-wide emergency activation system taking into consideration the need for continuing major responses and high levels of financing for the biggest protracted crises.</p> <p>In the meantime, the “Emergency and Preparedness Response” section of the FAO Handbook provides country offices with the relevant guidance to prepare and respond to crises.</p> <p>Updated:</p> <p>You may wish to consider that the L3 concept is no more in use and is replaced by the “Scale-up” activation mechanism and “sustain” activation mechanism. Ultimately the original recommendation will no more match with the new response protocol which is being formulated under the IASC.</p> <p>While the IASC work on this is ongoing and outside our control, FAO country and regional offices are benefitting from the Emergency Preparedness and Response handbook which provides the required guidance to respond to crisis - <a href="http://intranet.fao.org/faohandbook/area/emergency_preparedness_response/">http://intranet.fao.org/faohandbook/area/emergency_preparedness_response/</a></p>	<p>“Scale-up” activation mechanism and “sustain” activation mechanism.</p>