Audit of the FAO Representation in Haiti  (AUD0520)

EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted an audit of the FAO Representation in Haiti in August 2019. While the audit covered the period from January 2018 to June 2019, this report also reflects subsequent developments as of February 2020.

Overall, OIG assessed the Representation as Unsatisfactory in its implementation of the system of internal controls for the period January 2018 to June 2019 as shown in the table below.

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Governance:

- The Representation did not have an effective and clear structure for governance. Its organizational chart did not include the three field offices and did not reflect actual reporting lines for some personnel.
- Seventy-three percent of Representation personnel were located at its main office while it spent close to USD 200 000 for 530 local duty travels during the audit period.
- Of the 41 control points in the 2018 Internal Control Questionnaire, OIG assessed that 12 were fully implemented, 27 partially implemented and 2 were not implemented. The 27 control points assessed as partially implemented included 5 that the Representation had reported as fully implemented.
- The Representation had not established a confidential reporting channel to receive and handle allegations of sexual exploitation and sexual abuse by FAO employees, and the level of personnel awareness on this subject was limited.
- The Representation submitted a fraud prevention plan in July 2019, but its risk register had not been updated since 2015.
- The Representation had established a good working relationship with government counterparts, development partners and the United Nations Country Team. However, the Representation could further improve its communication activities to advocate FAO’s mandate and operations in the country to support its resource mobilization efforts.
Operations:

- Supervision over key functions, such as human resource management, procurement, finance and asset management was weak.
- Personnel involved in the abovementioned functions did not have the necessary knowledge and capacity, which resulted in inefficiencies and increased risks.
- The Representation had a consistently high vacancy rate of over 40 percent of its approved staffing positions. For non-staff human resources, the recruitment process was not transparent, references were incomplete and pay increases of some individuals were not justified. The issuance of 321 short-term contracts ranging from two days to a year created a significant administrative workload.
- There was no procurement plan and no long-term agreements for recurring requirements. Repeated procurement processes for the same requirements and the issuance of purchase orders for low-value purchases led to unnecessary administrative workload – time that could be better spent on expediting procurement actions, and on applying liquidated damages for late deliveries.
- Some vendor banking information was kept outside the corporate system, and the six-level paper-based review process of invoices for payments was cumbersome and inefficient.
- The Representation approved multiple pre-payments to employees prior to settlement of a previous advance and allowed settlement of advances above 90 days.
- The year-end assets report was unreliable and inaccurate. Missing, sold and damaged assets were not reported and assets of closed projects were transferred to new projects instead of to project beneficiaries.
- The Representation did not implement a number of security-related recommendations and was not compliant with the security risk management measures.

Programme:

- The Country Programme Framework (CPF) did not have performance indicators to measure implementation results for some outputs.
- A number of errors occurred in monitoring and reporting CFP achievements and resource mobilization activities.
- The resource mobilization target for the 2017–2020 CPF of USD 53.5 million was unrealistic considering the Representation had mobilized only USD 8.4 million between 2017 and 2019.
- There was a decreasing trend in programme delivery from USD 10.4 million in 2017 to USD 3.2 million in 2019.
- As at 31 December 2019, of 20 national projects only 9 were operationally active, while the remaining 11 projects were pending closure, including 6 projects completed in 2017.
- All three sampled projects were delayed and did not comply with the reporting requirements in the project agreements.
- In the majority of cases, the selection of service providers was not transparent and competitive, and 29 expired Letter of Agreements remained outstanding.
- The Representation did not meet the minimum standards for mainstreaming gender in its work.
- There was no grievance mechanism for receiving and handling complaints of potential violation of FAO’s environmental and social standards.

This report contains 18 actions that the Representation has agreed to undertake. Under the leadership of the new Representative, appointed in October 2019, the Representation has initiated
the corrective actions described in ANNEX 1 and is committed to fully implement all actions by 31 December 2020.

(Signed) Egbert C. Kaltenbach
Inspector General a.i. 6 April 2020