Audit of the FAO Representation in Benin (AUD0820)

I. EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted an audit field mission to the FAO Representation in Benin in May 2018. Given the time lapsed, OIG conducted an additional desk review in December 2019 to ensure an up-to-date and comprehensive assessment. While the audit report covers the period from January 2018 to December 2019, it also reflects some subsequent developments as of February 2020.

Overall, OIG assessed the Representation as **Major Improvement Needed** in its implementation of the system of internal controls as shown in the table below.

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**Governance:**

- The Representation did not have a proper structure to govern its operations. The FAO Representative’s position had been vacant since December 2017. In the meantime, three officials had served as the FAO Representative ad interim. Since March 2019, the position had been held by a senior officer at the Regional Office in Accra, Ghana. However, the two Assistant FAO Representatives for Programme and Administration did not report to the FAO Representative ad interim, but to the Subregional Coordinator in Dakar, Senegal until April 2020.
- Of the 43 control points in the 2019 Internal Control Questionnaire, OIG assessed that 29 control points were partially implemented (including 18 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 did not complete a country risk register but had submitted a fraud prevention plan in 2019, where it assessed all risks to be low despite major control weaknesses, particularly in procurement and financial management.
- Interviews with key donors, government counterparts and members of the United Nations Country Team indicated limited country advocacy and communications activities to promote FAO’s mandate since the departure of the previous FAO Representative in December 2017.
- In addition to USD 2.8 million brought forward from 2017, the Representation had only mobilized USD 0.4 million in 2018 and 2019. With the support of headquarters, the Representation had two projects in the active pipeline with total budgets of USD 50 million;
however, the existing governance structure and internal control systems cannot support the expansion of operations should these two projects be approved.

Operations:

- Personnel files were well-maintained and in general, selection reports for recruitment of local personnel were available. However, the pay rates of local personnel were not based on an established salary scale.
- A procurement plan was developed but not used for effective procurement planning. The Representation paid 24 vendors without the use of purchase orders beyond the allowable threshold of USD 1 000. During the audit period, there were late deliveries in 93 percent of cases of goods received.
- There was no segregation of duties in procurement. For all purchase orders during the audit period, the Procurement Assistant, who was also involved in input distribution, acted as requisitioner and as buyer.
- Most payments were made to vendors with no details in the corporate system other than their names; over 50 percent of payments in local currency were made by cheque, including some employees' payroll and payments to a government counterpart employee.
- The asset register was inaccurate; the FAO Representative ad interim, although not in the country, was shown as the custodian for over 50 percent of assets. Most of the remaining assets were assigned to the Procurement Assistant.
- Since 2017, the Representation had not participated in Security Management Team meetings, and the emergency notification system was not tested on an annual basis.

Programme:

- The Country Programming Framework aimed to assist the country in achieving five targeted Sustainable Development Goals but the output and result indicators only addressed one of the five goals.
- The Representation had allocated only 10 percent of budgets for gender-related projects contrary to the required minimum of 30 percent stipulated in the FAO Policy on Gender Equality.
- There were errors and omissions in the screening of environmental and social management risks during project formulation. There were no grievance mechanisms for beneficiaries to lodge complaints of possible violations of FAO’s environmental or social standards.
- Five of the seven operationally active projects had been extended for periods ranging from two months to two years. There was inadequate monitoring of management of Letters of Agreement whereby 10 of the 11 Letters of Agreement during the audit period were overdue by 2 to 18 months.
- In all three sampled projects, the progress reports did not fully reflect the achievements against the pre-established indicators and targets.

This report contains 15 actions that the FAO Representative ad interim and/or the Regional Office has agreed to undertake. They are committed to fully implement all actions by December 2020.

(Signed) Egbert C. Kaltenbach  
Inspector General a.i. 08 May 2020