OFFICE OF THE INSPECTOR GENERAL

Audit of the FAO Office in Suriname (AUD 0321)

EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted an audit of the FAO Office in Suriname from May to July 2020. While the audit covered the period from January 2019 to March 2020, this report also reflects some subsequent developments as of February 2021.

The Office in Suriname is a multiple accreditation office with the FAOR residing in the Trinidad and Tobago Representation. Suriname’s largest project of USD 15 million was managed locally by a Chief Technical Adviser, while other projects were managed from the Trinidad and Tobago Representation.

Main findings and conclusions

Overall, OIG assessed the Office as Major Improvement Needed in its implementation of the system of internal controls, mainly due to gaps in project implementation leading to significant delays.

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Governance:

- Reporting lines in the Office were clear, and the supervisory span was adequate. Regarding the 2019 Internal Control Questionnaire, OIG assessed that of the 43 internal control points, 25 were partially implemented (including 5 that the Office had reported as fully implemented) and 1 had not been implemented.
- The Office had not established a reporting channel to receive and handle allegations of sexual exploitation and sexual abuse by FAO employees in a confidential manner. In addition, as of February 2021, between 33 and 53 percent of personnel had not completed the six mandatory training courses on key subjects relating to fraud prevention and the conduct expected of an FAO employee.
- The Office did not submit an annual risk log and Fraud Prevention Plan (FPP) for 2019. Although it had submitted a FPP in 2020, the risk statements were not well formulated in most cases. OIG was particularly concerned that the Office had not fully managed the risk related to the lack of a Host Country Agreement to protect the Organization’s privileges and immunities.
- OIG interviews showed that key stakeholders viewed FAO as a valuable partner. The Office had a communications action plan to increase project visibility and to seek local community and stakeholders’ buy-in of project activities.
Operations:

- The Office did not determine pay rates based on an established salary scale and paid some local personnel salaries in local currency and others in USD without proper approval. In September 2020, the Office obtained approval from the Human Resource Division to pay all personnel in USD for six months but the established salary scale for the local personnel was not implemented.

- The Office had developed annual procurement plans for 2019 (USD 3.4 million) and 2020 (USD 5.2 million) for goods but actual procurement was only 2 percent and 13 percent of the planned requirements, respectively.

- In 24 bank transfers totalling USD 145,000, vendor banking information was not registered in the corporate system. However, corrective action was subsequently taken by the Office.

- The Office took corrective action to rectify the discrepancies and errors in its assets register identified during the audit.

- The Office participated in all Security Management Team meetings during the audit period but had not implemented the Security Risk Management Measures.

Programme:

- The 2016–2019 Country Programming Framework (CPF), extended to 2020, included results indicators linked to the United Nations Development Assistance Framework and the regional initiatives but not to the targeted Sustainable Development Goals. The Office made errors in estimating funds at CPF inception. On resource mobilization, the Office significantly exceeded its total CPF requirement of USD 3.4 million when it succeeded in securing a project with a budget of USD 15 million in 2017.

- The Office had integrated gender in the CPF results matrix but did not have any projects that promoted gender equality. It had not conducted a gender stocktaking exercise and did not have an action plan for gender mainstreaming activities. Only 60 percent of personnel had completed the mandatory training on gender as of February 2021.

- Controls over project formulation were generally adequate, although some improvements were needed for compliance with Environment and Social Management Guidelines.

- There were significant delays in project implementation. For the largest project with a budget of USD 15 million, the Office reported total delivery of only USD 3.9 million. This amount included purchase requisitions of USD 1.8 million that had been outstanding since August 2020. The remaining USD 2.1 million comprised mainly personnel costs amounting to USD 1.4 million. Considering the expected project end date of November 2021, OIG was concerned that it would be very difficult for the Office to complete the project. This exposed the Office to both operational and reputational risks.

- For the three sampled projects, the Office had complied with reporting requirements in Project Documents and had submitted progress reports to donors in a timely manner.

Agreed Actions

This report contains 10 actions that the Office has agreed to undertake. The Office has committed to fully implement all actions by December 2021.

Mika Tapio
Inspector General

2 March 2021