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FINANCE COMMITTEE

Hundred and Forty- third Session

Rome, 7 - 11 May 2012

FAO Audit Committee Membership

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

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EXECUTIVE SUMMARY

- The FAO Audit Committee currently comprises four men and one woman, with representation from four geographical regions. Collectively they have extensive senior international experience in the audit and investigation fields. By the end of May 2012 three current members of the FAO Audit Committee will have completed their current terms. Two members have confirmed their availability to serve additional terms and one member has confirmed that he will step down from the Committee at the end of his current term.
- In accordance with the Immediate Plan of Action (IPA) for FAO Renewal (2009-11), adopted by the Conference at its 35th (Special) Session, "*the Audit Committee (a) will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Director-General and Finance Committee*" (IPA action 2.92).
- Upon advice received from the Inspector General, taking into account the need to balance continuity and turnover of the Committee, extend the collective professional experience of the Committee and improve gender balance of the membership, the Director-General is recommending:
 - the extensions of appointment of Ms Fatoumata Ndiaye for a further two years; and Mr Stephen Zimmermann for a further one year
 - the appointment of Ms Carolyn Dittmeier to the vacancy which will arise on the Committee at the end of May 2012, for an initial period of two years, renewable.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE:

- The Finance Committee is invited to consider the document and make a recommendation to the Council regarding the appointments and extensions of Audit Committee Members recommended by the Director-General.

Draft Advice

- **The Committee considered the document in which the Director-General recommended that the term on the Committee of Ms. Ndiaye be extended for a further two years, the term on the Committee of Mr Zimmermann be extended for a further one year, and that Ms Carolyn Dittmeier be appointed by the Director-General as a member of the FAO Audit Committee for an initial period of two years, renewable. Such extensions and appointments would be made by the Director-General effective from the date of approval by the Council.**
- **The Committee supported the Director-General's recommendation and agreed to submit to the Council its endorsement.**

Introduction

1. The Audit Committee operates as an advisory panel to the Director-General and to the Office of the Inspector General (OIG). It provides the Director-General with assurance that these functions are operating effectively and efficiently, in the context of the risks of the organization and the coverage of the other FAO oversight functions (evaluation and external audit). The annual report of the Audit Committee is also presented to the Finance Committee, accompanied by any comments of the Director General thereon.
2. The Audit Committee consists of five external members, and the Inspector General is Secretary *ex-officio*. Members are selected on the basis of their qualifications as senior audit and/or investigation professionals. The Committee elects its own Chairperson. Members serve for a two-year period, which may be renewed for one or more years.
3. Although the Committee's terms of reference does not currently specify a term limit, the JIU recommends (paragraph 195 of JIU/REP/2010/5) a term limit of six years for those of UN organizations. Practice for audit committees within and outside the UN System indicates that a term of four to six years, combined with an appropriate staggering of membership, provides a reasonable balance between turnover and institutional knowledge within the Committee.
4. As the JIU has also noted, the group should reflect a mix of skills and competences including good management experience, knowledge of accounting and financial reporting, internal controls, risk management, audit, governance issues and some knowledge of the Organization and of United Nations administration systems.
5. In accordance with the Immediate Plan of Action (IPA) for FAO Renewal (2009-11), adopted by the Conference at its 35th (Special) Session, "*the Audit Committee (a) will be appointed by the Director-General and have a membership which is fully external agreed by the Council on the recommendation of the Director-General and Finance Committee*" (IPA action 2.92). This action is being reflected in an amendment to Director-General's Bulletin N° 2008/12 entitled "*The FAO Audit Committee*".

Current Members of the Committee

6. The current members of the Committee, and their present terms, are as follows:
 - Mr Eddie Ouko (Kenya), Current Chair, Auditor General of Kenya (and former Auditor General of the African Development Bank). Member since April 2007. His current term finishes in May 2012;
 - Mr Claus Andreasen (Denmark), Director, Division of Internal Oversight Services of UNRWA. Member since February 2008. His current term finishes in May 2013;
 - Mr Adnan Khan (Pakistan), Sri Lanka Country Director WFP (and former Inspector General and Director of Oversight of WFP). Member since February 2008. His current term finishes in May 2013;
 - Ms Fatoumata Ndiaye (Senegal), Director, Internal Audit Division, United Nations Office of Internal Oversight Services. Member since June 2010. Her current term finishes in June 2012.
 - Mr Stephen Zimmermann (United States), Director of Operations, World Bank Institutional Integrity Vice-Presidency. Member since April 2007. His current term finishes in May 2012.
7. Mr Ouko has indicated that he wishes to step down from the Committee at the end of his current term in May 2012. In accordance with the Committee's Terms of Reference, at the 29th session in January 2012 the members elected Mr Andreasen to succeed Mr Ouko as Chair at the end of his term.
8. The Secretary of the Committee confirmed with Ms Ndiaye that she is available to serve a second two year term, and with Mr Zimmerman that he is available to serve an additional one year on the Committee before stepping down after six years.

9. Ms Ndiaye was the first member of the Audit Committee to be approved by Council, in June 2010, under the revised procedures implemented in accordance with the IPA. She has 26 years of professional experience in audit having worked with a leading financial services firm from Junior Auditor to Chief Management Advisory Services, and from 1995 with the United Nations in New York in positions of increasing responsibility in the Office of Internal Oversight Services.

10. Mr Zimmermann has extensive experience at senior level in international investigative positions. Prior to his current position as Director of Operations in the World Bank Institutional Integrity Vice-Presidency, he was Chief of the Office of Institutional Integrity for the Inter-American Development Bank, the interim Chief of Staff for the Independent Inquiry Committee into the United Nations Oil for Food Program, and Senior Policy Officer and Senior Counsel for the World Bank's then Department of Institutional Integrity.

Actions on Extensions and Appointment

11. The Secretary of the Committee, following consultations with the current members of the Audit Committee, provided the Director-General a review of the membership of the Committee, advice on term extensions to ensure there is sufficient staggering of membership terms to promote continuity and a list of highly-qualified candidates to fill vacancies on the Committee. In compiling the list, the Secretary also took into account the need to further diversify the Committee in terms of gender, and to broaden the collective professional experience of the Committee.

12. As a result of the aforementioned process, and upon advice received from the Inspector General, the Director-General is recommending:

- the extensions of appointment of Ms. Fatoumata Ndiaye for a further two years (which will bring her total term to four years); and Mr. Stephen Zimmermann for a further one year (which will bring his term to six years).
- the appointment of Ms. Carolyn Dittmeier (Italy) for an initial period of two years, renewable. Ms. Dittmeier is currently Director of Internal Audit of Poste Italiane S.p.A, and President of the European Confederation of Institutes of Internal Auditing. She recently completed a term as a Member of the Global Board of Directors of the Institute of Internal Auditors, the worldwide professional body.

13. Summary curriculum vitae of Ms. Dittmeier are attached.

14. If approved by the Council, this would improve the gender balance of the Committee's membership, and would bring to the Committee a member active in the international bodies for internal audit standard setting, certification, training and research.

Education	Wharton School, University of Pennsylvania, USA, Bachelors Degree, cum laude, 1978
Certifications	<p>Revisore ufficiale, Italy</p> <p>Certified Public Accountant (CPA)</p> <p>Certified Internal Auditor (CIA)</p>
Professional Experience	
2002 – present	<p>Director of Internal Audit - Poste Italiane S.p.A</p> <p>Focus on change management, implementing a major restructuring and streamlining of the internal audit department. Responsible for systematic reporting and ‘assurance’ on internal governance for the Board, through a specific mandate. Promotion of continuous improvement initiatives by working with middle and top management with a focus on cost beneficial solutions in support of the company’s business and governance objectives. Full support of Organismo di Vigilanza 231.</p>
1999 – 2002	<p>Associate Partner, KPMG responsible for Corporate Governance Services</p> <p>Launched a consulting service regarding internal control and risk governance, serving primarily multinational entities. This relatively short but intensive period offered the possibility to benchmark a wide variety of financial systems and organizational strategies in governance.</p>
1995 – 1999	<p>Head of Internal Auditing, Montedison Group</p> <p>Reporting to the CEO and to the Audit Committee, coordinated the strategic internal audit plan, risk based, implementing a strategy of decentralized internal audit functions within the main subsidiaries.</p>
1987 – 1995	<p>Head of Group Financial Reporting, Montedison Group</p> <p>From 1987, coordinated overall financial reporting requirements regarding the various international stock exchange listings (Annual Report, US GAAP, IAS, etc) From 1989, Head of Group Financial Reporting, coordinating the financial reporting process of approximately 20 sub-holdings with 800 subsidiaries worldwide. Following the financial crisis of the Feruzzi group in 1993, participated in the Mediobanca task force assisting the bank restructuring plan.</p>
1978 – 1986	<p>Sasea Industriali, Manager in charge of Acquisitions, focusing on Due Diligence analyses</p>
1978 – 1986	<p>KPMG, Philadelphia, Pennsylvania USA - Financial Auditing progressing from Senior Manager</p>

Other professional activities

- President of the European Confederation of Institutes of Internal Auditing, mandate for 2011-2012, maintaining relations with the European Commission and European organizations regarding Corporate Governance
- President of the Institute of Internal Auditors, Italy 2004-2010, coordinating among other things thought leadership projects in the areas of efficiency and effectiveness of internal control systems, d.lgs 231/01, etc
- Member of the Board of Directors of the Institute of Internal Auditors global 2007-2011
- Author of Internal Auditing , Chiave della Corporate Governance, published by Egea, 2007, second edition in 2011
- Professor for Luiss University teaching Corporate Governance and Internal Auditing, 2010-present
- Selected among top 28 “women ready for the Board of public entities”, Corriere della Sera, 2008

Personal information

Nationality: Italian; US

Date of birth: 6 November 1956