



Members' Update

FAO renewal



New standards to increase accountability

A new set of financial accounting standards will enable FAO to present a clearer picture of its financial position and performance.

The International Public Sector Accounting Standards, or IPSAS, are being adopted across the UN system and are a priority project in FAO's Immediate Plan of Action for renewal.

The standards will improve the measurement of current finances by recording economic transactions at the point when they occur, rather than when cash is received or paid.

They will also help FAO better manage assets around the world, such as buildings, office equipment and cars.

Under IPSAS, an updated system will replace the current Field Accounting System, with new processes and tools to manage assets, goods and services in the decentralized offices.

Details of this system are being worked on.

"IPSAS demands even higher standards from organizations," said Nick Nelson, director of finance and treasurer.

"These standards are much more complete and more transparent, and will therefore improve our ability to report to Member Countries on our performance.

"A new field accounting system will be a vital element in ensuring a more straightforward, manageable and efficient approach for decentralized offices.

"These measures should enable Members and the donor community to have even greater confidence in the service being provided by FAO."

IPSAS is scheduled for introduction in 2012, allowing time for thorough planning and training

ahead of implementation.

For more information on IPSAS, click [here](#).

Measures can help deliver better service

Reform of FAO's administrative and management systems is pressing ahead with the overriding aim of providing a better service to member countries.

The changes flow from recommendations in the Independent External Evaluation and the Root-and-Branch Review to reduce bureaucracy, streamline processes and increase delegation.

Areas for increased administrative delegation and empowerment of decentralized offices currently focus on procurement issues and letters of agreement.

“We see the IEE as an opportunity to make many processes more efficient and through this to make our work more effective, so it can better reach Member Countries,” said project leader Theresa Panuccio.

Procurement is one of the principal areas for reform. Delegating more authority to decentralized offices in procuring goods can mean speedier delivery of FAO services to member states, as the goods are bought either locally or regionally.

Similarly, delegation of authority for letters of agreement to divisional level and the decentralized offices aims to make the approval process more efficient while at the same time ensuring transparency.

“The aim is to enable quicker decision making on the ground, while ensuring delegated authority is applied correctly and that staff taking those decisions are accountable,” said Panuccio.

Comments? Suggestions? Write to Members-Update@fao.org.