Audit of Occupational Health and Safety Management (AUD0722)

EXECUTIVE SUMMARY


The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management, and control processes to ensure that FAO exercises its duty of care towards its employees. More specifically, the objective of the audit was to determine whether OHS management at FAO:

- is effective in meeting the Organization’s OHS Policy and objectives;
- is compliant with best practices;
- has clearly defined roles and responsibilities, including reporting lines and measurable objectives;
- is informed by a comprehensive and regularly updated risk assessment to promote continuous improvement;
- plans actions in line with the risk assessment, including estimation of the required resources and prioritization of actions; and
- includes provisions for the adequate management of OHS incidents and regular analysis of sick leave trends, so that the Organization can identify OHS hazards in a timely manner and implement corrective measures as necessary.

The main governing documents for OHS at FAO include:

- Director-General’s Bulletin 2011/17 Statement of Principles Regarding an Occupational Safety and Health Programme for the Organization.
- Director-General’s Bulletin 2013/36 Safety and Health in the Working Environment.
- Manual Section 343 Health Protection and Medical Insurance Plan.
- Manual Section 342 Compensation for Death, Injury or Illness.

Main observations and conclusions

OIG determined that the governance arrangements, procedures established, and controls applied in OHS management in FAO Need Major Improvement (see Annex for the definition of audit terms).

At the governance level, OIG observed an excessively “headquarters-centric” approach to OHS and the absence of minimum OHS standards worldwide, which could result in FAO failing to adequately protect its employees in Country Offices, who may have a higher exposure to health risks than employees in headquarters. In addition, the roles and responsibilities of line managers and heads of FAO’s Decentralized Offices were not clearly defined, and those of the main responsible units in headquarters required clarification to ensure that the functions of OHS policy owner, as defined in FAO’s Internal Control Framework, are appropriately discharged.

At the operational level, OIG observed that the Organization lacked a comprehensive and regularly updated OHS risk assessment, which could result in FAO failing to identify OHS risks,
implement mitigating actions and ultimately exercise its duty of care for employees. As a result, there was no solid basis for the prioritization of OHS actions and definition of required resources. Moreover, comprehensive plans with clear and measurable objectives to monitor the implementation of these actions were missing.

CSL acknowledged the need to strengthen OHS arrangements overall and indicated that root causes for many of the gaps identified in the report were the lack of resources, priority given to other needs, and frequent organizational changes.

Agreed actions

This report contains sixteen actions that management has agreed to undertake and committed to fully implement by December 2023. In OIG’s opinion, the priority actions are to:

- designate a single unit/person as responsible for coordinating OHS functions;
- develop minimum OHS standards for the Organization;
- conduct a comprehensive OHS risk assessment that would serve as a basis for other elements of OHS management in FAO; and
- strengthen the planning of OHS activities.

Mika Tapio
Inspector General

14 June 2022
## ANNEX: DEFINITION OF AUDIT TERMS

### AUDIT RATINGS

<table>
<thead>
<tr>
<th>Rating System</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Satisfactory</td>
<td>The assessed controls, governance arrangements, and management of opportunities and risks, are adequate and effective to provide reasonable assurance that objectives are met.</td>
</tr>
<tr>
<td>Some Improvement Needed</td>
<td>A few specific weaknesses in the assessed controls, governance arrangements, and management of opportunities and risks were noted; generally however, they are adequate and effective to provide reasonable assurance that objectives are met.</td>
</tr>
<tr>
<td>Major Improvement Needed</td>
<td>Numerous specific weaknesses in the assessed controls, governance arrangements, and management of opportunities and risks were noted; they are unlikely to provide reasonable assurance that objectives are met.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>The assessed controls, governance arrangements, and management of opportunities and risks, are not adequate or effective to provide reasonable assurance that objectives are met.</td>
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</tbody>
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\(^1\) FAO’s accountability policy, in an extension of the COSO internal control objectives, establishes five critical areas of performance relevant for assessing the adequacy of controls – effectiveness, economy and efficiency, compliance, reporting and protection.