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FINANCE COMMITTEE

Hundred and Ninety-fifth Session

Rome, 13-17 March 2023

2022 Annual Report of the Inspector General

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EXECUTIVE SUMMARY

- This Annual Report, submitted to the Director-General and the Finance Committee in accordance with paragraph 57 of the Office of the Inspector General (OIG) Charter, provides an overview of OIG's activities during the period 1 January to 31 December 2022.
- OIG issued 12 final audit reports, one audit advisory memorandum, 25 investigation reports and 13 investigation memoranda in 2022. Seven audit reports were made available to two Member Nations at their request.
- At the end of the year, audit work was in progress on 25 audit and advisory engagements and the investigation caseload consisted of 136 open cases.
- OIG received 288 new complaints during the year, up from 214 in 2021, representing an increase of 35 percent. After the intake process, 103 new cases were opened for further review.
- The number of management requests for OIG advice, totalling 174, was slightly lower than in 2021 (188), with 62 percent of the requests relating to advice on partnership agreements, project agreements and integrity-related matters.
- As at 31 December 2022, 370 agreed actions were pending implementation by FAO management, a 2 percent decrease from 2021. However, 42 percent of agreed actions had been open for over two years and 27 percent of agreed actions were overdue. Fifteen agreed actions had been open for more than six years.
- OIG had a budget surplus of USD 262 000 at the end of the year, due mainly to an additional allotment of USD 435 000 received in May 2022 and savings in staff costs of USD 200 000 due to vacancies.
- The Inspector General confirms OIG's operational independence and the absence of any interference in the performance of its audit and investigations work during the reporting period.

DIRECTOR-GENERAL'S COMMENTS

The Director-General expresses his appreciation for the work performed by OIG during 2022. OIG has increased its visibility in the Organization through communication and outreach and demonstrated its availability to personnel in and outside of headquarters for guidance and information. In conjunction with the other independent services, i.e. the Ethics Office and the Ombuds, OIG has contributed to strengthen integrity management in the Organization. Furthermore, OIG has provided valuable advice to management on various matters related to inter alia FAO policies, donor agreements and risk management. OIG also plays an important role in bringing emerging risks to the attention of management.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of the Inspector General's 2022 Annual Report.

Draft Advice

The Finance Committee:

- **appreciated the quality of the report and the analysis of issues presented, which provided a comprehensive and informative overview of OIG's activities during 2022;**
- **welcomed the increase in resources allocated to OIG to assist with its investigation caseload, while noting that the number of incoming complaints has continued to increase;**
- **appreciated the launch of the new FAO Hotline to report allegations of misconduct to OIG or retaliation to the Ethics Office, which represents an improvement to the already existing reporting mechanisms;**
- **noted with concern the high number of overdue agreed actions, some of which have been outstanding for several years, and urged management to expedite their implementation, with a focus on those assessed as high risk;**
- **was re-assured by the Inspector General's confirmation that OIG activities were free from interference and obstruction, and welcomed the Director-General's support for the work of OIG;**
- **welcomed the Inspector General's review of the Charter of the Office of the Inspector General and concurred with the Inspector General's assessment that no changes to the Charter are currently necessary; and**
- **requested that the Inspector General continue to periodically review the Charter, as stated in paragraph 72 of the Charter, and propose changes when necessary for review by the Oversight Advisory Committee and endorsement by the Director-General.**

Office of the Inspector General

Annual Report 2022

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Inspector General's Foreword

I am pleased to submit to the Director-General, the Oversight Advisory Committee and the Finance Committee, the Annual Report of the Office of the Inspector General (OIG) for the year 2022.

The return to normalcy, following the COVID-19 pandemic, allowed OIG personnel to begin mission travel (although this has not yet reached pre-pandemic levels). In-person meetings also resumed. Implementation of the OIG Strategy for the period 1 July 2021–30 June 2025 entered its second year, with an emphasis on strengthening external communication and intra-office collaboration and knowledge sharing.

Execution of the biannual internal audit workplan for 2022–2023, finalized in February 2022, was progressing well, despite a backlog of some audits from 2021 that still need to be completed. Twelve audit reports and one advisory memorandum were issued during the year, while 18 audit and advisory engagements were close to completion as at 31 December 2022.

In terms of corporate audits, OIG concluded that major improvement in internal controls was needed in two areas, namely governance and implementation of the Global Environment Facility portfolio and management of occupational health and safety. Sixteen of the agreed actions in these two reports were considered to be high priority for implementation.

As regards the field audit portfolio, OIG issued final audit reports on three Subregional Offices. A common observation from these audits was that the Subregional Offices had provided the required technical and programmatic support to Country Offices in their respective regions; however, their responsibilities for providing operational support, such as in human resource management, finance and procurement, were unclear and were not linked to resource allocation decisions.

As OIG continued to remain concerned about the recurring internal control weaknesses in Decentralized Offices, an advisory engagement was commenced during the year to help build the capacity of second-line management, i.e. corporate divisions at headquarters and Regional Offices, on techniques and tools for remote monitoring of the implementation of internal controls.

The number of open agreed audit actions fluctuated during the year, with 370 actions open at 31 December 2022, remaining stable when compared to the 379 outstanding agreed actions at year-end 2021. Twenty-seven percent of the agreed actions were overdue.

Of more concern to OIG is the fact that 85 percent of the agreed actions were past their original target date provided by management at the time of the audit. Even if OIG were to record revised target dates when management feels it needs more time to implement the agreed action, there is an underlying problem when six of every seven agreed actions are considered by management, from the outset, to take less time to implement than they will actually require in practice.

The delivery of OIG's investigation outputs was strong. Thirty-eight investigation reports and memoranda were issued during the year. At the same time, OIG received 288 new complaints, representing an increase of 35 per cent compared to 2021. As at 31 December 2022, the investigation caseload constituted an average of 23 cases per staff investigator, which represents an improvement on the 28 cases per investigator recorded at the end of 2021, but is still well above the Joint Inspection Unit's benchmark of ten cases per investigator.

Despite the additional resources received for investigations for the biennium, consisting of two new P-3 Investigator posts and a Junior (formerly: Associate) Professional Officer at the P-2 level, and USD 935 000 in non-post resources mainly for hiring investigation consultants, the increase in the number of complaints has made it difficult for OIG to assess and investigate all complaints in a timely manner. 103 cases have been open for more than a year.

OIG is grateful to management for the additional resources provided. However, it is evident that more resources will be required in the next biennium, notably in the form of additional regular posts, which provide more continuity and stability to the management of OIG's caseload than investigation consultants.

Management also approved OIG's request to fund a new corporate hotline to report misconduct, amounting to USD 91 000 for the biennium. This hotline, operated by an external service provider, allows anyone internal or external to the Organization to report their complaints and grievances through a web-based system, available in multiple languages, while also offering access to a telephone call centre with interpretation services in over 150 countries.

The OIG Charter continued to support OIG well. For example, on numerous occasions in discussions with donors and resource partners, OIG was able to refer to the provisions of the Charter on the independence of the Inspector General and audit report disclosure. These important provisions serve to increase the trust that stakeholders have in OIG's work and have helped in the negotiation of some challenging oversight clauses in donor funding agreements.

To conclude, OIG is pleased to confirm that it cooperated well with the Director-General and his senior management team throughout the reporting period, and OIG's audit and investigation work was free of any interference or obstruction. Similarly, OIG is highly appreciative of the support and guidance provided by the Oversight Advisory Committee.

Mika Tapio

Inspector General

I. Introduction

1. This Annual Report is submitted to the Director-General and to the Finance Committee in accordance with paragraph 57 of the Charter of the Office of the Inspector General (OIG). It provides information, *inter alia*, on: significant audit findings and systemic weaknesses identified by OIG audits and investigations; the action taken by management to implement OIG recommendations; disclosure of OIG audit reports; cases investigated by OIG, their status and final disposition, including a summary of findings and the disciplinary or administrative action taken by the Organization; the OIG quality assurance and improvement programme; and OIG resources.

II. Mandate and mission

2. According to its Charter, OIG provides oversight of FAO's programmes and operations through internal audit and investigation. OIG is responsible for evaluating and contributing to the improvement of the Organization's governance, risk management and control processes. OIG provides the Director-General and the functions and programmes audited with independent, objective assurance and consulting services designed to add value and improve FAO operations. OIG is also responsible for investigating allegations of misconduct involving FAO personnel and allegations of sanctionable actions involving third parties.

3. In its audits, OIG follows the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors. In its investigations, OIG follows the Uniform Principles and Guidelines for Investigations, adopted by the Conference of International Investigators, and the new FAO Investigation Guidelines issued in April 2021.

III. Charter

4. The OIG Charter was last revised in 2020. It took effect, on an interim basis, on 25 March 2020, as endorsed by the Director-General, and was further amended and approved by the Finance Committee at its 180th session in June 2020. In paragraph 72, the Charter states that "The Inspector General shall review the Charter periodically, but at least every three years, and propose changes when necessary for review by the Oversight Advisory Committee and endorsement by the Director-General. Any revision shall be submitted to the Finance Committee for approval".

5. In December 2022, OIG conducted a detailed review of the Charter and confirmed, as already stated in the OIG Annual Reports of 2020 and 2021, that it has served OIG well and does not require any substantive changes at this time. OIG shared its view with the Oversight Advisory Committee (OAC) and the Director-General who concurred with this position.

IV. Statement of independence

6. According to the OIG Charter, the Inspector General shall confirm to the Finance Committee, at least annually, the organizational independence of OIG.

7. During the reporting period, the organizational independence of OIG continued to be ensured through the Inspector General's direct reporting line to the Director-General and through the Inspector General's access to the OAC and the Finance Committee. OIG's audit and investigation activities were free from interference and there were no circumstances of impairment to its independence. OIG received full support and cooperation from management in the conduct of its work. The authority delegated to the Inspector General for the recruitment of personnel, both regular staff and non-staff resources, official travel of OIG personnel, and procurement of goods and services supported the efficient conduct of OIG's work.

V. Internal audit

8. OIG's internal audit activities in 2022 were based on its 2022–2023 biennial workplan, which was approved in February 2022 by the Inspector General, after review by the OAC and concurrence of the Director-General. The workplan was based on a risk assessment, which took into account risk and

control concerns identified by management. The audit engagements in the workplan were divided between the two years, with the 2022 plan comprising ten audits of corporate functions and six audits of Decentralized Offices, excluding the carry-over engagements from the prior year. In addition, the workplan included two advisory engagements.

9. During the year, one audit and one advisory engagement were added to the 2022 plan. In addition, at year-end, OIG was conducting a revalidation of the plan to assess its continued relevance for 2023. This exercise was also considering the availability of staffing resources to execute the plan, and was expected to result in some further changes to planned engagements.

10. Audit travel resumed during the year and OIG undertook missions to Cuba and Bangladesh.

Key highlights of internal audit work

11. OIG issued 12 audit reports and one audit memorandum. As at 31 December 2022, 25 audit and advisory engagements were in progress, of which 18 were at the reporting stage, six were at fieldwork stage and one was at planning stage.

12. The following audit reports were issued (the audit rating is shown in parenthesis):¹

Audit of the Governance and Implementation of the Global Environment Facility Portfolio (AUD0122) (Major Improvement Needed)

Audit of Selected Staff Entitlements (AUD0222) (Some Improvement Needed)

Audit of the FAO Subregional Office for Eastern Africa (AUD0322) (Some Improvement Needed)

Audit of FAO's Office of Emergencies and Resilience (AUD0422) (Some Improvement Needed)

Audit of the FAO Subregional Office for the Caribbean (AUD0522) (Major Improvement Needed)

Audit of Procurement of Services (AUD0622) (Some Improvement Needed)

Audit of Occupational Health and Safety Management (AUD0722) (Major Improvement Needed)

Audit of Payroll Controls (AUD0822) (Some Improvement Needed)

Audit of the FAO Subregional Office for West Africa (AUD0922) (Major Improvement Needed)

Audit of Cash-based Interventions (AUD1022) (Some Improvement Needed)

Audit of the Medical Insurance Coverage for Supernumeraries (AUD1122) (Some Improvement Needed)

Audit of the Markets and Trade Division - Part 1 (AUD1222) (Some Improvement Needed).

Corporate audits

13. In the programme and operations area:

- The **Audit of the Governance and Implementation of the Global Environment Facility Portfolio** reviewed the emerging risks relating to the current transition of the FAO Global Environment Facility portfolio from a direct execution modality to a predominantly indirect execution modality. The audit concluded there was a need for major improvements in this area, including ensuring that responsibilities in the FAO Project Cycle roles for project formulation and management always operate as defined; and increasing the assurance that the risks related to partners' technical capacity have been comprehensively identified, analysed and mitigated.
- The **Audit of the Role of the Office of Emergencies and Resilience (OER) in leading and coordinating FAO's emergency response and resilience efforts** assessed that OER had made significant progress in developing and streamlining its coordination role. However, some further improvement was needed; for example, to agree with Decentralized Offices on a

¹ Summaries of the reports' observations and conclusions can be found in a separate document (FC195/13.2).

breakdown of the corporate target of assisting 60 million of the world's most acutely food insecure people.

- The **Audit of Cash-based Interventions** concluded that issuance of Manual Section (MS) 702 in 2019 closed a significant policy gap in the governance and implementation of cash transfers, and the Project Support Division and OER had introduced a solid control framework for managing cash-transfer operations. However, improvements were needed in beneficiary management.
- Finally, the **Audit of the Markets and Trade Division** concluded that the procedures established by the Division for compliance with corporate policies and rules in the areas of control environment, management of project implementation, administrative and financial controls, and gender equality were generally adequate.

14. In the administrative area:

- The **Audit of Occupational Health and Safety** determined that the governance arrangements, procedures established and controls applied in occupational health and safety management needed major improvement, including developing minimum standards for the Organization and conducting a comprehensive occupational health and safety risk assessment to guide activities in this area.
- The **Audit of Staff Entitlements** concluded there was room to further improve anti-fraud controls in the management of education grant claims.
- The **Audit of Procurement of Services** concluded that established procedures were generally adequate and complied with; however, OIG made some recommendations for further improvement, including the need to strengthen procurement planning and monitoring of exceptional awards and direct procurement cases.
- The **Audit of Payroll Controls** found no errors in the substantive testing of payroll calculations, disbursements and accounting, which provided confidence that payroll controls were operating adequately during the period under review. However, OIG identified areas for improvement relating to governance arrangements for the payroll process, which generates nearly 50 percent of FAO annual expenses.
- The **Audit of Medical Insurance Coverage for Supernumeraries** attested that major improvements had been introduced in management of the contract with the current commercial insurer. However, the audit made recommendations to improve the monitoring of service providers and insurance plan performance; and to establish procedures over the management of an emergency reserve fund. The audit also determined that under the old contract, FAO had paid approximately USD 1.8 million to participants as advances, which had not been settled. Most of this amount is irrecoverable.

Field audits

15. The **audits of three Subregional Offices** during the year showed that the Subregional Offices had provided technical support to Country Offices in their respective subregions, as required, but their role in providing support in other areas, such as operational support in human resource management, financial management and procurement, was unclear. For example, while the Regional Office in Africa expected its Subregional Offices to be the first point of call for assistance to Country Offices, the Subregional Offices were not equipped with the necessary resources. In the absence of a detailed description of Subregional Offices' responsibilities over Country Offices, and corresponding key performance indicators, it was difficult to objectively assess their performance and to make informed decisions on resource allocation and delegation of authority.

16. The follow-up of agreed actions and a comparison of results in the 25 audits of Decentralized Offices over the past four years showed that personnel have increased awareness of ethical matters and gender mainstreaming. The completion rates for mandatory training on the conduct expected of an FAO employee, fraud prevention and gender equality significantly increased from an average of approximately 35 percent in 2019 to over 85 percent in 2022. Similarly, unlike in 2019, when only a

limited number of projects had gender markers, nearly all projects in 2022 had a gender marker assigned to indicate the extent the project addressed gender equality. Nonetheless, the audits of Decentralized Offices concluded that, in a majority of offices, the overall assessment of implementation of internal control systems was either unsatisfactory or needed major improvement, often due to control gaps in procurement, financial, human resource and project management.

17. Although OIG conducted two thematic audits and issued 28 agreed actions in 2021 to address the root causes of the recurring issues in Decentralized Offices, all the agreed actions remained outstanding throughout 2022. Management assessed that more time was needed to fully implement them holistically and to ensure sustainable action through integration within ongoing business improvement initiatives and the transformation of country offices. Pending corrective actions, further audits of Decentralized Offices are likely to still have similar conclusions on the overall assessment of internal controls. OIG considers the main root causes of the systemic issues to be inadequate governance structures and staffing capacity in Country Offices and gaps in risk, control and performance monitoring and support to country operations by second-line management, i.e. corporate divisions in headquarters and Regional Offices.

18. Therefore, to support the Organization, OIG commenced an advisory engagement during the year to build the capacity of second-line management on techniques and tools for remote monitoring of implementation of internal controls at Decentralized Offices. OIG conducted eight online workshops and trained 66 participants working at Regional Offices and relevant divisions at headquarters on 20 analyses that would provide them with indications for either assurance or early detection of possible control gaps in procurement, financial, human resource and travel management at Decentralized Offices. In the workshops, OIG also discussed and provided the participants with “Dos” and “Don’ts” that mirrored good and bad practices in each area. While 82 percent of participants found the workshops to be useful for their functions, discussions in the workshops and written feedback showed that the participants were either unclear about their role in performing second-line management functions in Decentralized Offices or had very limited time to perform such responsibilities due to competing priorities and thinly stretched resources. These observations were in line with those reported in the OIG assurance mapping study described in the next paragraph, and OIG observations in the 2021 audit of Decentralized Offices’ Governance and Capacity.

Assurance mapping

19. In addition to its standard audit work, OIG conducted an Assurance Mapping study, a diagnostic exercise that assessed how the Three Lines Model² is implemented in FAO. The exercise, initiated as a means to inform OIG’s own work planning and prioritization, focused on analysing how the second-line functions that report to Deputy Director-General (DDG) Thomas (Human Resources, Procurement, Finance, Travel, Security, Information Technology,³ Logistics, and Emergencies and Resilience), which provide expertise, support and monitoring on risk-related matters to other divisions, offices and units in the Organization, carry out their respective risk and control roles and responsibilities. OIG’s study concluded there was a lack of consistent understanding of second-line function responsibilities in the Organization. OIG issued an advisory memorandum on the assurance mapping and presented its results to DDG-Thomas and his team and the Internal Control Board who welcomed the study and have started taking action to address its findings.

Implementation of agreed actions

20. As at 31 December 2022, 370 agreed actions were outstanding, a 2.3 percent decrease from 2021 (see Table 1). This decrease was due to the implementation and closure of 116 agreed actions and the issuance of 107 new agreed actions during 2022.

² A principles-based model recognized as best practice globally to help organizations manage risk holistically.

³ The reporting line of the information technology function under the responsibility of the Digitalization and Informatics Division (CSI) was subsequently transferred from DDG-Thomas to the Office of the Chief Economist.

Table 1: Agreed actions open/closed in 2022 and final balance as at 31 December 2022

Status	Agreed Actions
OPEN - As at 10 January 2022	379
(-) CLOSED - 10 January to 31 December	116
(+) NEW - 10 January to 31 December 2022	107
TOTAL OPEN - As at 1 January 2023	370

21. While the target date for implementation of each agreed action is established by management at the issuance of the audit report, in most cases management revised the target date when it subsequently assessed that the initial target was no longer achievable. As at 31 December 2022, the number of overdue agreed actions based on original target dates and revised target dates was as shown in Table 2. Based on the revised due dates, implementation of 27 percent (101 of 370) of the agreed actions were therefore overdue.

Table 2: Outstanding agreed actions by original and revised due date as at 31 December 2022

Implementation	Overdue	Not Overdue	Total
Original due date	313 (85%)	57 (15%)	370
Revised due date	101 (27%)	269 (73%)	370

22. At the same time, the percentage of agreed actions older than two years, i.e. raised in 2020 or before, has slightly increased from 40 percent at the end of 2021 to 42 percent (155 of 370) at the end of 2022.

23. Charts 1 and 2 below show additional details of the 370 outstanding agreed actions as at 31 December 2022. Chart 1 shows 16 FAO business areas and two implementing entities (headquarters or Decentralized Offices); with the first four business areas (human resources, project cycle, procurement and information technology) representing 50 percent (184) of the outstanding agreed actions. Chart 2 shows the report year (2012–2022) and risk levels, with 20 percent (73) of the outstanding agreed actions categorized as high risk.

24. OIG regularly follows up with the various FAO units responsible for implementation of agreed actions to assess the progress made and identify areas requiring particular attention. Specifically on the top four business areas shown in Chart 1, OIG acknowledges that:

- The Human Resources Division (CSH) developed an HR Strategic Action Plan, which has taken into account the results of OIG's recent audits in this area (Geographic Mobility Programme, Non-Staff Human Resources, the Recruitment and Onboarding of Professional Staff, and Staff Learning and Training);
- The Project Support Division is working on a new model for technical support to projects and other enhancements to the Project Cycle. In addition, work is continuing on the PROMYS project to replace and upgrade the corporate information system for project/portfolio and programme management, with phase 2 of the project launched in 2022;
- The Logistics Services Division, supported by an external consulting firm, is conducting a study to define the future procurement model, considering the main issues identified in the area and to align the function with other ongoing corporate initiatives; and
- In 2023, CSI will start implementation of an ambitious action plan to enhance information technology security in the Organization after securing the necessary Capex funds in December 2022.

25. Notwithstanding the above, OIG is concerned that the long time required to devise, fund and/or implement the required actions continues to expose the Organization to high risks.

Chart 1: Outstanding agreed actions by business area and implementing entity (headquarters or Decentralized Offices) as at 31 December 2022

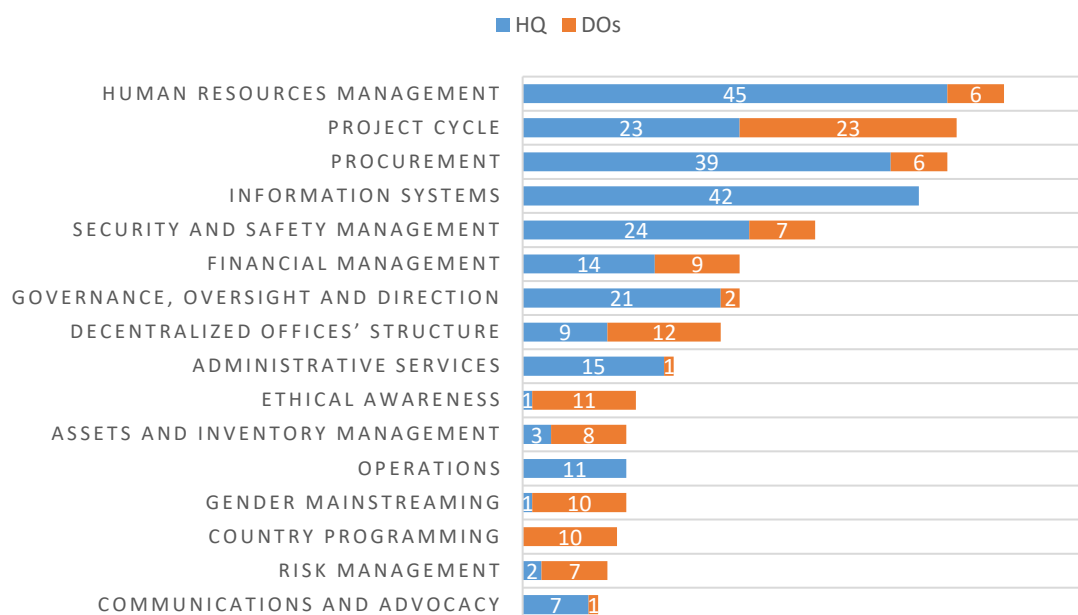
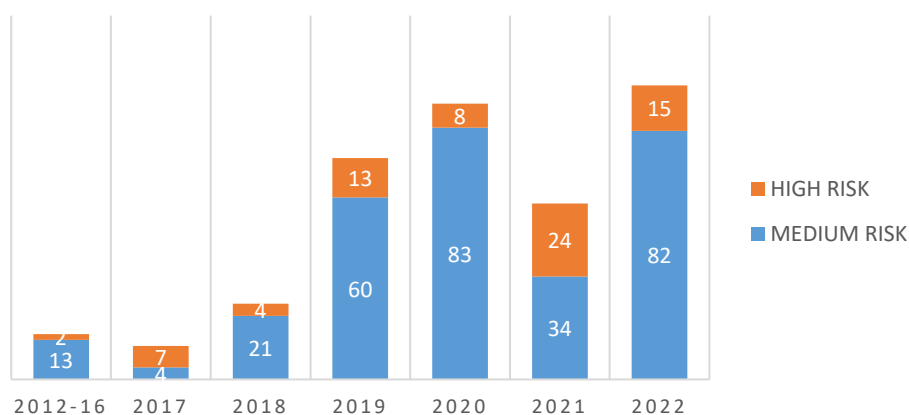


Chart 2: Outstanding agreed actions by report year and risk level as at 31 December 2022



Key unaddressed risks

26. In the following cases, the Organization remained exposed to underlying risks for six years or more:

- One agreed action related to the lack of a host country agreement to safeguard FAO interests, immunities and privileges in the country, has been outstanding for ten years due to challenges in reaching an agreement on certain issues. The frequent changes in government representatives further prolonged the negotiations. In March 2022, FAO resumed the discussions and, in January 2023, the FAO Representative revised the expected implementation date to December 2024. Pending finalization of a host country agreement, FAO has mitigated the risks by engaging in lengthy discussions for approval of each project agreement to include some clauses on immunities and privileges.
- Four agreed actions related to an audit of information technology security that was carried out in 2015 remain open. A follow-up audit in 2019 determined they had not been effectively

implemented so OIG decided to reiterate them. While there was no noticeable progress in implementation of these four agreed actions during 2022, OIG acknowledges, as mentioned above in paragraph 24, that CSI has developed and funded an action plan to address the outstanding agreed actions in this area.

- Ten agreed actions related to an audit of Procurement of Information Products and Promotional Development have been outstanding since 2016 due to the protracted process of developing a new MS to govern the area.

VI. Disclosure of audit reports

27. In accordance with the OIG Charter, upon written request for a specific report, the full version of the report can be made available to Permanent Representatives accredited to FAO. In addition, upon written request from an institutional resource partner for a specific audit report covering programmes and operations co-funded by the requester, the institutional resource partner may be granted access to the full report. The Permanent Representatives and institutional partners should treat any report received under this provision as confidential and should not publicly disclose any information contained therein.

28. During the reporting period, requests were received from two Member Nations for a total of seven audit reports. OIG shared all requested reports with no redactions. The following reports were disclosed in adherence to the Charter:

- AUD0420 - Audit of Capital Expenditure Facility Management in FAO
- AUD0920 - Audit of the Project Cycle Part 6 (Gender)
- AUD1120 - Audit of the Operational Partners Implementation Modality
- AUD1620 - Audit of the New Cost Recovery Policy
- AUD0117 - Audit of FAO Iraq Operations (Comprehensive Review)
- AUD0721 - Audit of Decentralized Offices' Governance Structure and Capacity
- AUD1021 - Audit of Recurring and Systemic Issues in FAO Country Office Operations.

VII. Investigations

29. Following the restrictions on travel resulting from the COVID-19 pandemic, in 2022, OIG resumed travel for investigation purposes. The OIG Investigations Unit fielded investigative missions to offices in four different regions.

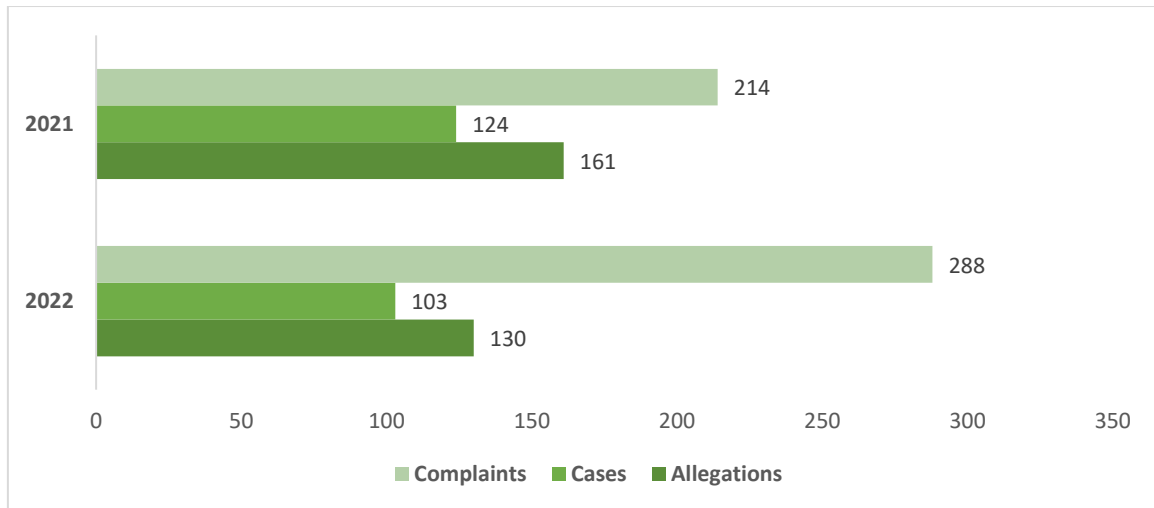
30. In line with its Strategy, OIG has focused part of its work on raising awareness about the investigation process and underlying integrity-related policies. OIG held a number of webinars aimed at demystifying investigations, and participated in webinars organized by other offices (e.g. on ethical workplace).

31. During the year, OIG also launched the new FAO Hotline, a comprehensive and confidential reporting tool hosted by an independent service provider on behalf of FAO where anyone, whether FAO personnel or any third party, can report allegations of misconduct to OIG or retaliation to the Ethics Office. The Hotline provides an effective reporting system, which will augment the Organization's efforts to foster a culture of integrity where speaking up is the norm. The online platform also contributes to the Organization's visibility and makes it easier for beneficiaries and vulnerable individuals to report allegations of sexual exploitation and abuse (SEA) in a safe and discreet manner. This hotline allows reporting through a web-based system and is available in multiple languages, while also offering access to a 24/7/365 voice/telephone call centre with interpretation services available worldwide, including access to local phone numbers in over 150 countries. The system automatically allocates complaints to the relevant office in FAO, i.e. OIG or the Ethics Office, in accordance with applicable policies. This will expedite the receipt and review of complaints and further standardize their management.

Key highlights of investigative work

32. As can be seen in Chart 3 and Table 3 below, the intake function of the Investigations Unit has allowed a significant number of complaints to be resolved without the need to open a case for further review and, as a result, OIG has concentrated its work on medium and high-priority matters. A single complaint may result in multiple cases (e.g. if it raises unconnected allegations against different individuals or different allegations against one individual when they refer to distinct FAO policies).

Chart 3: Number of new complaints, cases and allegations in 2021–2022



33. There has been a consistent trend of increased reporting of complaints over the past few years, which continued into the present reporting period where the number of new complaints in 2022 was 288, up from 214 in 2021, an increase of 35 percent.

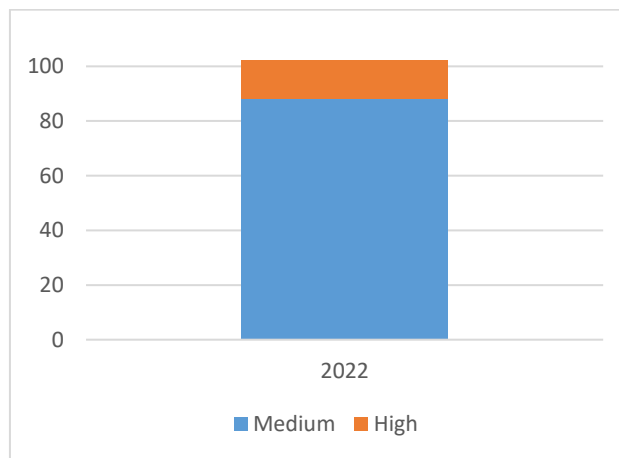
34. As part of the intake process, OIG assigns each case a priority (low/medium/high) based on a set of standardized criteria, including the type of allegation, the value of any alleged fraud and the seniority of the alleged subject, to assist in managing the allocation of limited investigative resources. As reflected in Table 3 below, OIG's intake function closed 121 matters without logging them as cases for further review. Of these, 55 (45 percent)) were considered to be low-priority matters and were referred to various divisions and offices within the Organization, such as management (both in headquarters and Decentralized Offices), CSH, Legal Office, CSI, Procurement Service (CSLP), Security Services and OIG audit units. The matters referred involved managerial, interpersonal, performance and office environment issues between personnel; tender and procurement-related issues of vendors; administrative issues related to personnel and vendors; legal and/or reputational concerns; and information technology security concerns.

Table 3: Status overview of matters received by OIG in 2022

Status of matters	Number of matters
Complaints received in 2022	288
Cases opened in 2022	103
Carry-over cases as of 31 December 2021	111
Total caseload for 2022	214
Total cases closed in 2022	78
Caseload at the end of 2022	136
Cases closed after a preliminary review	56
Cases closed after an investigation	22
Matters closed at intake stage	121
Matters pending intake at the end of 2022	15
Cases referred to other offices after preliminary review or investigation	13
Low-priority matters referred to other offices after intake	55

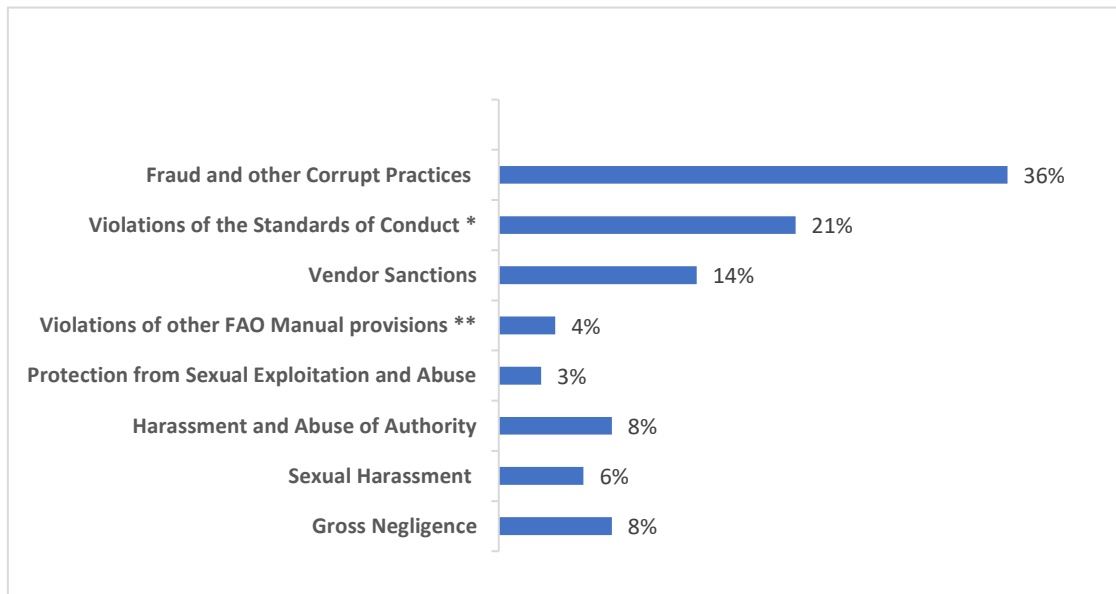
35. Chart 4 presents the assigned priority of the cases logged in 2022. As mentioned above, the OIG intake function disposed of the low-priority matters, which is consistent with OIG’s prior statements that even if credible, such matters would not be investigated. OIG highlights that cases involving allegations of harassment, abuse of authority (including all forms of discrimination), sexual harassment and SEA are, by default, considered high-priority matters and tend to be more complex and resource intensive to review than others (e.g. fraud cases) typically because of their reliance on significant volumes of testimonial evidence.

Chart 4: Priority of cases logged in 2022



36. Chart 5 presents a breakdown of allegations received in 2022.

Chart 5: Breakdown of allegations by policy received in 2022



* Violations of the standards of conduct include:

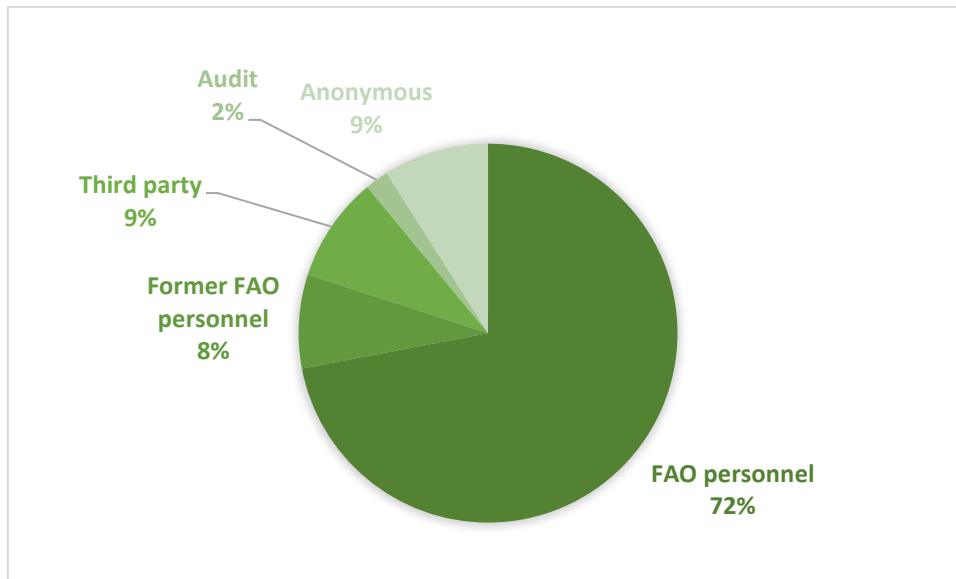
- Violation against the policy on the Standards of Conduct for International Civil Service
- Conflict of interest
- Damage to the image of the Organization
- Failure to cooperate with OIG
- Failure to report/disclose
- Favouritism
- Neglect of financial debt

** Violations of other FAO Manual provisions include:

- Abuse of authority
- Improper gifts
- Unauthorized outside activities
- Improper use of the Organization's resources (including information technology resources)

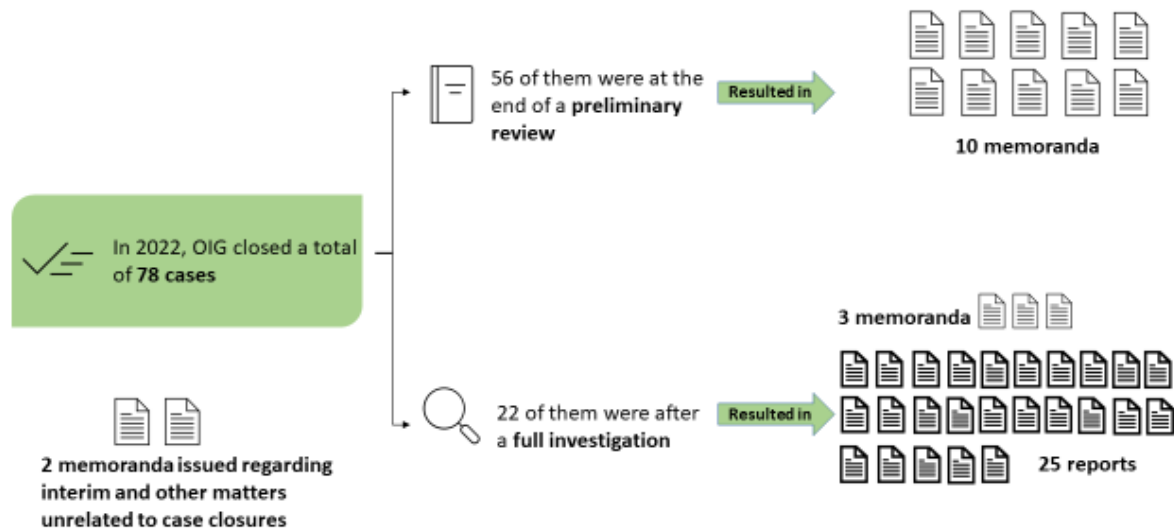
37. As indicated in Chart 6, OIG consistently received the majority of complaints in 2022 from FAO personnel, followed by third parties and anonymous reports.

Chart 6: Source of complaints received in 2022



38. As presented in Table 3 above, OIG started 2022 with a carryover caseload of 111. Over the course of the reporting period, OIG opened 103 new cases for a total caseload of 214. OIG closed 78 cases as detailed below, leaving 136 cases open at the end of the year. The majority of cases were closed following the conclusion of preliminary reviews. Of those cases that were closed after a full investigation, 96 percent substantiated allegations of misconduct. Only one report concluded that the allegation was unsubstantiated.

39. OIG issues investigation memoranda to highlight any matters detected during the course of preliminary reviews or investigations that need to be brought to the attention of management, such as matters relating to weaknesses in internal controls, work environment, or staff conduct that would not result in a formal disciplinary process. These memoranda supplement OIG's investigation reports to senior management issued at the conclusion of investigations with findings and conclusions on allegations of misconduct against FAO personnel. Investigation reports regarding third parties (e.g. contractors and implementing partners) are issued to the Vendor Sanctions Committee pursuant to FAO's Vendor Sanctions Procedures. Summaries of OIG's investigation memoranda (13) and investigation reports (25) with investigation-related findings and the administrative or disciplinary measures taken based on the investigative findings, as well as descriptions on two additional memoranda issued to management regarding interim and other matters, are contained in Annex A. The reasons for closure in all other matters are recorded in OIG's confidential files. Chart 7 below provides an overview of the stages when these 38 investigation reports and memoranda were issued.

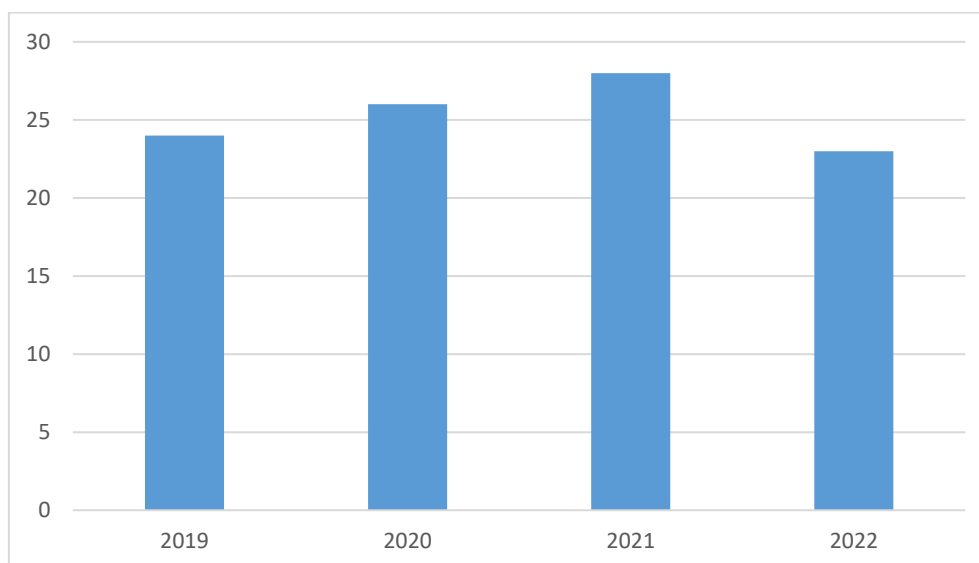
Chart 7: Stages of issuance of investigation outputs

40. OIG issued nine requests for temporary suspension of vendors to the Vendor Sanctions Committee. Eight of these requests were granted by the Committee in 2022, while the remaining case was still pending at the end of the reporting period. Investigations into the eight suspended vendors were completed and reports submitted to the Committee, all of which are pending decision on whether to initiate sanctions procedures at the end of the reporting period. Furthermore, OIG requested the extension of five temporary suspensions previously granted by the Committee, decisions on which were pending at the end of the reporting period.

Investigation workload statistics

41. In 2022, OIG received three additional posts for investigations, a Junior (formerly: Associate) Professional Officer post at the P-2 level, one Investigator at the P-3 level and one Investigation Intake Officer at the P-3 level. OIG also received additional resources to engage consultants to assist with its increasing workload. The result of these additional resources has been an increase in the investigative output and, with the enhancement of the intake function, improved results on the number of complaints resolved without the need to open a case for further review. The increase in resources has also had a positive effect on the Unit's workload, despite the ever-increasing number of new complaints:

- each investigator, including staff on regular posts and consultants, carried an average caseload of 24 cases, on the basis of the total caseload of 214 for the year (compared to 31 cases per investigator in 2021); and
- the average number of open cases per investigator, taking into account staff on regular posts only, as at 31 December 2022, was 23 cases (28 as at 31 December 2021) (see Chart 8 below). The average number of open cases, including consultants on board as at 31 December 2022, was 16 cases.

Chart 8: Average cases per staff investigator at year-end**Policy-specific reporting***Policy on the Prevention of Harassment, Sexual Harassment and Abuse of Authority (Administrative Circular 2015/03)*

42. During the reporting period, OIG opened 11 new cases under the Policy on the Prevention of Harassment, Sexual Harassment and Abuse of Authority. Of these, four were closed as unsubstantiated and one was closed as unfounded. Six cases remain under review, in addition to two cases opened before the reporting period.

43. Of the seven cases open at the end of 2021, one was substantiated after investigation; one was referred to CSH and two were re-categorized and substantiated as violations of the Standards of Conduct for the International Civil Service. One case was closed as unsubstantiated.

44. OIG issued three investigation reports and one investigation memoranda with findings relating to allegations of harassment and abuse of authority. Additional details, including OIG's recommendations and administrative action taken by management on these cases, can be found in Annex A.

Policy on the Prevention of Sexual Harassment (Administrative Circular 2019/01)

45. During the reporting period, OIG opened eight cases relating to allegations of sexual harassment under the Policy on the Prevention of Sexual Harassment. Of these, three cases were closed as unsubstantiated, while five remain under review.

46. Of the eight cases open at the end of 2021, OIG closed two cases after investigations – one was substantiated and the other one unsubstantiated due to insufficient evidence. One case was closed as unsubstantiated after preliminary review, in light of FAO's victim-centred approach to sexual harassment as outlined in Administrative Circular (AC) 2019/01 "FAO Policy on Sexual Harassment". Another two cases were closed as unsubstantiated after preliminary review due to insufficient evidence. To maximize efficiency and streamline the investigation process, another two of the carried-over cases were merged with already existing cases as part of a broader investigation.

47. The last case carried over from 2021 was substantiated following an investigation shortly after the reporting period, the details of which will be included in the next annual report. In total, as of 31 December 2022, five cases containing allegations of sexual harassment remain under review by OIG, all of which were received in 2022.

48. OIG issued two investigation reports and one investigation memorandum with findings related to allegations of sexual harassment. Additional details, including OIG's recommendations and administrative action taken by management on these cases, can be found in Annex A.

Policy on Protection from Sexual Exploitation and Abuse (Administrative Circular 2013/27)

49. During the reporting period, OIG opened two cases under the Policy on Protection from Sexual Exploitation and Abuse. Of these, one was closed as unsubstantiated, while the other remains under review.

50. In 2022, FAO contributed to the United Nations Secretary-General's public reporting mechanism on SEA (the iReport SEA Tracker). OIG duly recorded all SEA complaints received during 2022 in the iReport SEA Tracker.

VIII. Advisory activities

51. During the reporting period, OIG provided advisory services on particular subjects or events to clarify facts or provide information to management to assist in decision-making. These advisories are mostly ad hoc, short duration services at the request of management. OIG responded to 174 such requests in 2022, which was slightly lower than the 188 requests received in 2021. Similar to prior years, advisory work on partnership and project agreements was the main advisory activity, followed by management requests for advice on integrity, risk management, internal control and fraud prevention matters, review of new policies and inputs to external assessments.

52. OIG participated in a number of donor agreement negotiations in an advisory capacity. Negotiations with some donors were particularly difficult and time-consuming due to disagreements about clauses related to audits, verifications and/or investigations. This is an area that OIG continues to raise alarm bells about as there are multiple risks associated with some of the emerging donor demands and conditions. These risks can have long-lasting adverse consequences on the Organization's efficiency, which go beyond the financial benefits of obtaining additional project funding. OIG has strongly recommended that the Organization establish general principles under which it is prepared to accept voluntary funding for implementing its approved programmes and projects, including the critical red lines for donor due diligence, monitoring, oversight and reporting conditions that it is not prepared to concede.

53. OIG also participated as an observer in the Internal Control Board, Committee on Workplace Conduct and Protection from Sexual Exploitation and Abuse, Investment Committee and FAO Credit Union Board of Directors.

IX. Collaboration activities

Collaboration with the other oversight functions

54. OIG cooperated closely with the External Auditor of FAO, the Comptroller and Auditor-General of India. The main activity was the coordination of respective workplans and information-sharing on specific audit engagements, such as the External Auditor's audit of FAO's Global Resource Management System. OIG also assisted the External Auditor in generating relevant corporate reports on emergency projects at Decentralized Offices for work planning purposes. The External Auditor was copied on all final internal audit reports.

55. OIG welcomes the arrival of the new Director of the FAO Office of Evaluation (OED), Ms Clemencia Cosentino. At her request, OIG is conducting an audit of OED, with a focus on administration. The audit was at the fieldwork stage at the end of the year. OIG also coordinated with OED during the audits of the FAO Representation in Somalia, cash-based interventions, the reporting procedures for the Sustainable Development Goals and FAO's Subregional Office in the Caribbean. OIG also provided OED with advice on budget management matters at OED's request. OED was routinely copied on final internal audit reports.

56. OIG attended all three meetings of the OAC. OIG audit and investigation work was a standing item on the agenda of these meetings. In addition, the Inspector General had a private session with the Committee during each meeting. Matters of specific interest and importance to OIG, where the Committee's advice was considered particularly valuable, related to outstanding agreed actions and OIG's support to management in addressing those agreed actions that are considered a priority; the volume of work and resource constraints in terms of OIG investigations; and lessons learned from the assurance mapping study of FAO corporate functions (discussed in paragraph 19). OIG appreciates OAC's support for its work and welcomed all the recommendations raised by the Committee for OIG's attention.

Collaboration with key integrity stakeholder offices

57. OIG collaborated closely with the Ethics Office, Ombuds, CSH, Legal Office, Staff Counsellor and OER, on promoting ethics, integrity, fraud prevention and protection from SEA in the Organization. For example, OIG had regular interaction with CSH in relation to policy clarifications and to coordinate matters related to investigative activities, e.g., suspensions and protective measures.

58. The Inspector General conducted a joint mission with the Ethics Officer and the Ombuds to Budapest to meet management and personnel of the Regional Office for Europe and Central Asia and the Shared Services Centre, in order to learn about the work in the region; discuss confidential matters with individual staff; and give briefings about ethics, conflict resolution and investigations.

X. Cooperation activities with other United Nations system oversight offices

59. In accordance with its Charter, OIG liaises and cooperates with the internal oversight offices of other United Nations system organizations with a view to contributing to the adoption of best practices and cohesion of oversight. During the reporting period, OIG cooperated with the oversight offices of the United Nations system and other international organizations.

60. The 14th United Nations Representatives of Internal Audit Services (UN-RIAS) annual conference was held in Vienna, Austria in September 2022. It was held in conjunction with the 51st conference of the Representatives of Internal Audit Services of United Nations Organizations, Multilateral Financial Institutions and Other Associated Intergovernmental Organizations (RIAS). OIG attended both conferences; served as a panellist during the UN-RIAS conference in a discussion on donor relations; and moderated a panel discussion during the RIAS conference on stakeholder perceptions in internal audit. In addition, during the year, OIG attended a virtual UN-RIAS meeting on the single audit principle and contributed to online surveys initiated by various UN-RIAS member organizations related to management oversight and cost-recovery processes.

61. The Inspector General has assumed the function of Vice-Chair of UN-RIAS since September 2022. The Inspector General also serves as the focal point of UN-RIAS in interactions with the United Nations High-Level Committee on Management.

62. OIG participated in three virtual meetings and one in-person meeting of the United Nations Representatives of Investigation Services (UN-RIS). OIG also attended the 22nd Conference of International Investigators, organized in May 2022 in Luxembourg. In addition, OIG participated in benchmarking surveys on case management systems and abusive behaviour allegations.

63. In October 2022, OIG launched a survey to gather information about the financial and staffing resources dedicated to internal audits and investigations in United Nations organizations, for benchmarking purposes. Twenty-two offices, including OIG, responded to the survey. OIG will use the results *inter alia* to support its resource requests for the upcoming 2024–2025 biennium.

64. As part of continued interactions and sharing of information between the Rome-Based Agencies, OIG delivered a workshop to IFAD and WFP colleagues from the respective internal oversight offices on "Probity considerations in procurement". The workshop focused on understanding the principles of probity in the procurement process and how probity is upheld by internal controls that address fraud risks.

65. OIG is a member of The Digital Investigators Group, which includes digital forensics specialists from United Nations offices and agencies as well as international organizations such as the Office of Internal Oversight Services, UNHCR, UNDP, UNFPA, UNICEF, WFP, IMF and the World Bank. It meets on a monthly basis to discuss digital forensics related topics of common interest (e.g. latest technological developments in forensic tools; knowledge and experience sharing, particularly in finding solutions to complex or unusual technical questions; and training opportunities). The Digital Investigators Group has also developed guidelines and procedures relevant to its field of activity.

66. Finally, OIG provided input to the Joint Inspection Unit review of: (i) mental health and well-being policies and practices; and (ii) accountability mechanisms in United Nations system organizations.

XI. Communication activities

67. In line with its four-year Strategy for 2021–2025, OIG dedicated time and resources during 2022 to strengthening its external communication efforts, with the motto of “demystifying OIG and demonstrating the impact of its work”. OIG was active in organizing management briefings and hosting and co-hosting webinars for FAO personnel and issued four newsletters on its mandated activities and the results of its work. OIG also began a process of revising its Intranet and Internet pages.

XII. Quality assurance and improvement programme activities

68. As required by the OIG Charter, the Inspector General maintains a quality assurance and improvement programme.

69. OIG updated the audit programme for Decentralized Offices taking into account changes in the FAO Manual and enhancements in internal controls for certain risk areas. In addition, OIG developed a new standard audit programme for the review of headquarters technical divisions. OIG is also gradually improving its data analytics capability and in this regard, it developed new audit analyses using macros in Excel.

70. In line with the International Standards for the Professional Practice of Internal Auditing, OIG is required to undergo an External Quality Assessment of its internal audit practices at least every five years. Given that the last assessment took place in 2017, OIG is in the process of engaging an external firm to perform the assessment in early 2023.

71. As part of the overall improvement of its investigation function and in line with the recommendations of the external assessment conducted in 2019, OIG continues to regularly review its professional practices in investigations. During 2022, standard operating procedures were updated and two new procedures were issued on forensics and interviewing respectively, which clarify specific aspects of the investigation process in more detail, supplementing the Investigation Guidelines. OIG also concluded the implementation and roll-out of its new case management system.

XIII. Gender mainstreaming

72. Among OIG’s strategic priorities is the promotion of gender mainstreaming in OIG’s activities as well as obtaining and maintaining gender parity and diversity among its staff. The Inspector General exercises overall responsibility for OIG’s gender mainstreaming work and has appointed a Gender and Diversity Focal Point with specific Terms of Reference. The Focal Point acts as OIG’s liaison with FAO’s Gender Team and participates in gender focal point network meetings to ensure gender awareness in OIG and to support gender mainstreaming activities.

73. As part of its audit work, OIG systematically assesses FAO’s progress towards gender mainstreaming in the audits of Decentralized Offices and as relevant in its corporate level audits. Of the 12 audit reports issued in 2022, five contained gender mainstreaming issues and agreed actions. Further, OIG is responsible for the implementation, monitoring and annual reporting on Performance Indicator 5 of the United Nations System-Wide Action Plan on Gender Equality and the

Empowerment of Women, which defines requirements for the mainstreaming of gender in audits. OIG has maintained consistent exceptional performance on Performance Indicator 5 by achieving the highest rating of “Exceeds Expectations” each year since 2017.

74. Recruitment in OIG is gender sensitive at all levels, enabling OIG to achieve reasonable gender balance across grades and to surpass overall gender parity targets with its staff members consisting of 52 percent women and 48 percent men. OIG personnel are required to complete mandatory e-learning courses on gender-specific and gender-related topics.

XIV. Management of resources

Financial resources

75. OIG ended 2022 with a surplus of USD 262 000. The surplus was mainly due to an additional allotment of USD 435 000 received from management in May 2022 to strengthen OIG’s investigative capacity, as well as savings in staff costs (USD 200 532) due to delays in planned recruitments.

76. The breakdown of OIG’s expenditure in 2022 was as shown in Table 4.

Table 4: OIG expenditure 2022*

Expenditure	Budget	Commitments and actuals	% of total expenditure	Balance (surplus/deficit)
Staff costs	4 596 732	4 396 200		200 532
Consultants	852 858	736 874		115 984
Travel	125 000	163 940		-38 940
Other non-staff costs	195 500	249 859		-54 359
Training	61 500	31 099		30 401
Sub-total	5 831 590	5 577 972		253 618
Additional income	5 000	12 976		7 976
Total				261 594

*Preliminary figures based on iMIS data retrieved on 24 January 2023.

77. In 2023, OIG expects to have a higher level of expenditure than in 2022, and consequently break even or, more probably, have a small deficit at year-end. The main reasons are that: (i) the additional allotment received in May 2022 was for the entire 2022-2023 biennium; (ii) OIG is now fully staffed, therefore no savings from vacancies are expected in 2023; and (iii) travel activity will continue to increase following the normalization of the situation after the COVID-19 pandemic. Given the growth in incoming complaints and OIG’s involvement in a number of FAO’s integrity initiatives, investigation resources are likely to continue to be stretched in the near future. A higher number of new investigation consultants are planned to be engaged in the coming months to assist with the caseload. For the 2024–2025 biennium, OIG envisages having to make another request for additional resources, notably in the form of a higher number of regular posts.

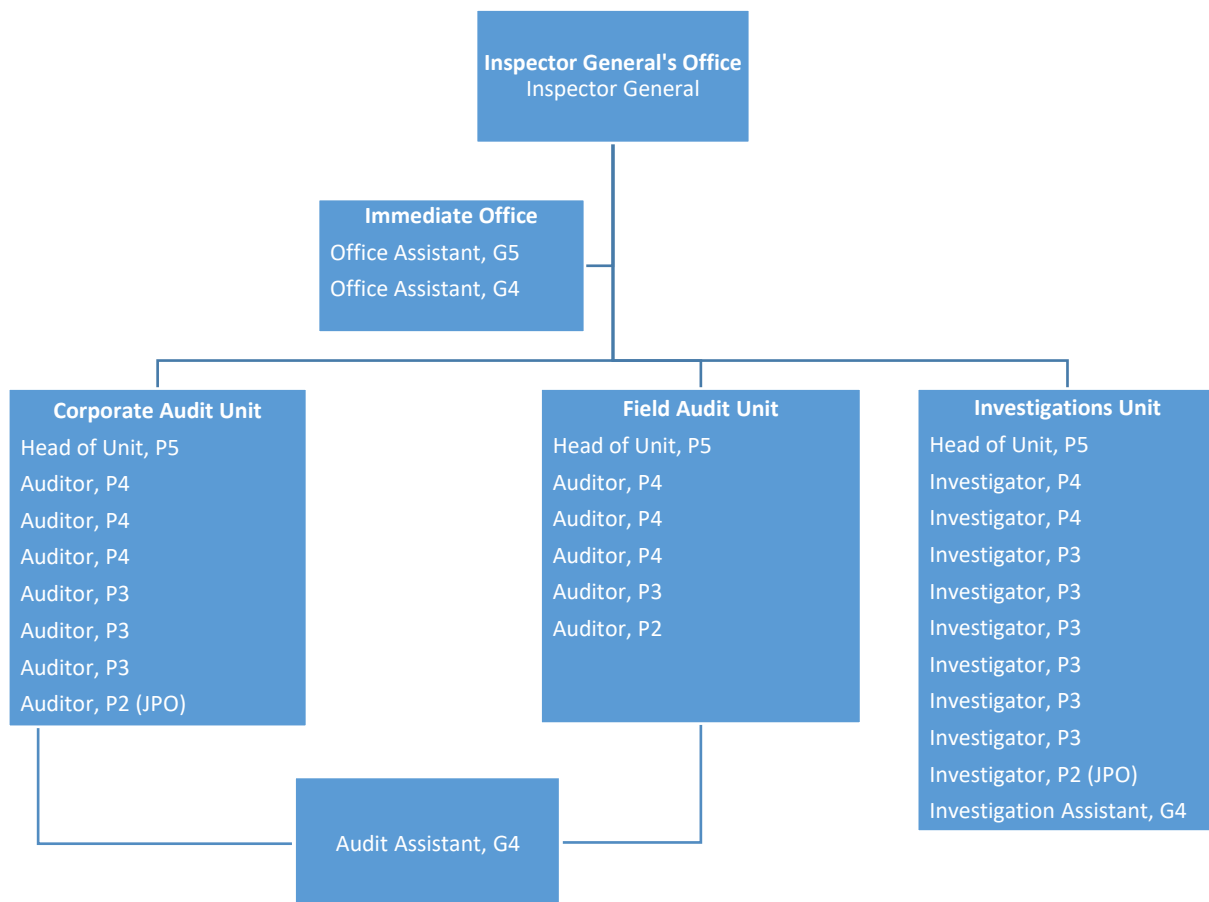
Staff and other personnel

78. All approved staffing positions in OIG were filled as at 31 December 2022. In addition to regular staff, as of 31 December 2022, OIG had seven consultants under contract (two in audit and five in investigations).

Table 5: OIG staffing table as at 31 December 2022

	Grade	Male	Female	Vacant	Total
Inspector General	D2	1			1
Office Assistant	G5	1			1
Office Assistant	G4	1			1
Sub-total IG's Office		3			3
Internal Audit					
Senior Auditor/Head of Unit	P5	1	1		2
Auditor	P4	3	3		6
Auditor	P3	2	2		4
Auditor	P2	1*	1		2
Audit Assistant	G4		1		1
Sub-total Internal Audit		7	8		15
Investigation					
Senior Investigator/Head of Unit	P5	1			1
Investigator	P4		2		2
Investigator	P3	2	4		6
Investigator	P2		1*		1
Investigation Assistant	G4	1			1
Sub-total Investigations		4	7		11
Total OIG					
		14	15		29

* Junior Professional Officer (JPO)

Chart 9: OIG Organizational Chart as at 31 December 2022

Professional development

79. In 2022, OIG's staff development plan comprised both online and in-person training activities. The plan was developed taking into consideration staff members' training needs as well as OIG's cross-cutting training priorities. In 2022, OIG conducted its first in-person group training after COVID-19 on Auditing at the Speed of Risk. Other external training for auditors related to Third-Party Risk Management and Data Analytics, while training for investigators related to Investigative and Cognitive Interviewing.

80. Throughout the year, OIG prioritized the completion of FAO mandatory training. OIG personnel also completed internal training relevant to OIG's work on finance, procurement, travel management, gender equality, cybersecurity and forensics. On average, OIG staff spent nine days on training in 2022.

81. Five OIG staff members obtained certifications related to fraud (Certified Fraud Examiner) and risk management (Certification in Risk Management Assurance).

Office culture

82. Since mid-2022, in accordance with its Strategy, OIG has focused on promoting staff development and learning and intra-office cooperation and knowledge sharing. These activities aim to have a direct impact on staff motivation, skills and competencies, and promote a healthy office culture in OIG. In October 2022, OIG organized its first all-staff retreat since 2018. The focus of the retreat was on teambuilding.

83. During the year, OIG conducted joint workshops between its investigation and audit units, and established a set of agreed upon measures to strengthen collaboration and enhance information exchange between the two functions. OIG also developed a template to facilitate referral of cases by auditors for investigation.

XV. Performance indicators

84. OIG continued to monitor and report to the Director-General and the OAC on internal performance indicators regarding its core work and management. Some of the achievement rates are below expectations, partly due to the backlog created by the COVID-19 pandemic and partly to staff absences/extended sick leave during the year. Details are shown in Table 6 below.

Table 6: OIG performance indicators

#	Indicator	Target	As of 31 December 2021	As of 31 December 2022
OIG core work				
1	Coverage of high-risk areas: Percentage of high-risk engagements in the audit workplan	70%	63%	76%
2	Audit plan implementation: Actual vs. planned engagements in a biennium	100%	84%	60% ⁴
3	Average days to complete audit engagements (days charged)	<100 days	111 days	121 days
4	Average months to complete audit engagements (from start to final report)	8 months	12 months	10.5 months
5	Audit client satisfaction rate (on a rating scale of 1 to 6)	>4.0	5.0	5.1
6	Investigations completed within timeline	100%	44%	45%
7	Investigation recommendations implemented within one year	>90%	56%	69%
8	Audit recommendations accepted (= agreed actions)	>90%	100%	100%
9	Outstanding agreed actions older than two years	<10%	40%	42%
10	Audit reports per auditor	2	1.02	1.09
11	OAC action points addressed	100%	100%	100%
OIG management				
12	Vacancy rate	<8.5%	4.0%	0%
13	Mandatory training completed by OIG personnel	>90%	99%	98%
14	Auditors with professional certification	100%	100%	92%
15	Training days per member of OIG personnel	10 days	11	9
16	Absenteeism rate (below FAO average): Uncertified sick leave	<1.7 days	1.7 days	1.8 days
17	Absenteeism rate (below FAO average): Certified sick leave	<7.7 days	2.1 days	10.9 days

⁴ Implementation rate of the 2022–2023 biennial workplan after the first year.

Annex A: Summary of 2022 investigation reports, investigation memoranda and pending recommendations from prior year

Table 1: Summary of 2022 investigation reports and memoranda and related management action concerning FAO personnel

INV0122 (JUL-2022)	OIG concluded that the head of a Decentralized Office instructed personnel under their supervision to provide misleading or false information; failed to provide relevant information within their possession that would have been necessary to allow the Organization to address the aftermath of a fatal automobile accident; and failed to provide support to personnel following the accident, amounting to gross negligence as defined in AC 2016/23 which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330. As the staff member separated from the Organization, the decision to impose the disciplinary measure of suspension without pay for one week could not become effective. A note was placed in the staff member's personnel file.
INV0222 (JUN-2022)	OIG concluded that a National Project Personnel (NPP) knowingly submitted false travel expense claims and breached confidentiality during the investigation, in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), the Standards of Conduct for the International Civil Service (MS 304, Appendix A) and the FAO Investigation Guidelines (March 2021) which, in turn, amounted to conduct that was inconsistent with the obligations set out in the NPP's contract with FAO. The NPP's service contract was terminated, and action taken to recover USD 5 082.08 in funds improperly reimbursed.
INV0322 (JUL-2022)	OIG concluded that an NPP knowingly submitted false travel expense claims and breached confidentiality during the investigation, in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), the Standards of Conduct for the International Civil Service (MS 304, Appendix A) and the FAO Investigation Guidelines (March 2021) which, in turn, amounted to conduct that was inconsistent with the obligations set out in the NPP's contract with FAO. The NPP's service contract was terminated, and action taken to recover USD 6 022.47 in funds improperly reimbursed.
INV0422 (JUL-2022)	OIG concluded that the conduct of a head of a Decentralized Office towards a consultant was improper and unwelcome, and that the staff member improperly used their position of authority against the consultant to improperly influence their career and employment conditions, in violation of the Policy on the Prevention of Harassment, Sexual Harassment and Abuse of Authority and of the Standards of Conduct for the International Civil Service which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings, which were ongoing as at the issuance of this Annual Report.
INV0522 (JUL-2022)	OIG concluded that a consultant in a Decentralized Office had sexual relationships with two women from the local community who lived in a state of vulnerability and that the consultant behaved towards colleagues from another UN agency in a manner that did not reflect the values enshrined in the Standards of Conduct for the International Civil Service nor was conducive to a workplace based on mutual respect. OIG considered that the foregoing amounted to violations of AC 2013/27 on the Protection from Sexual Exploitation and Sexual Abuse and the Standards of Conduct for the International Civil Service (MS 304, Appendix A) which, in turn, was inconsistent with the obligations set out in the consultant's contract. The consultant's contract was terminated and their name included in the ClearCheck database.

INV0622 (JUL-2022)	OIG concluded that an FAO retiree and recurring consultant failed to disclose a personal interest in an FAO vendor, which interfered with their ability to perform official FAO duties, used their position within FAO to benefit the vendor and, lastly, upon retiring from the Organization, took up employment with the vendor, in violation of the Standards of Conduct for International Civil Service and of FAO MS 507 which, in turn, amounted to conduct inconsistent with the obligations set out in the FAO retiree's consultancy contracts with FAO. A note was placed in the individual's personnel file.
INV0722 (AUG-2022)	OIG concluded that the evidence during an investigation was insufficient to conclude that a staff member with managerial responsibilities had made unwanted advances and remarks of a sexual nature to a member of FAO personnel working under their supervision or engaged in other violations of the FAO Policy on Sexual Harassment (AC 2019/01) or the Standards of Conduct for the International Civil Service (MS 304, Appendix A). Considering the conclusion, OIG did not recommend the initiation of disciplinary proceedings.
INV0822 (AUG-2022)	OIG concluded that a staff member misrepresented that their family intended to relocate to a new duty station, resulting in the Organization's payment of a Settling-in-Grant and its purchase of plane tickets for the family's travel in excess of the amount to which the staff member was entitled. Additionally, OIG concluded that the staff member misrepresented the purpose of requesting the issuance of a Note Verbale to assist in obtaining a travel visa. OIG considered that the foregoing amounted to violations of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), the Standards of Conduct for the International Civil Service (MS 304, Appendix A), and MS 302, 308 and 405 which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings and recovery of any payments in excess of what the staff member was entitled to. The staff member's contract with the Organization was terminated and the amount of EUR 1 346 was recovered.
INV1022 (AUG-2022)	OIG concluded that an assistant head of a Decentralized Office failed to provide relevant information within their possession to the Chief of the Security Service in relation to a fatal automobile accident involving an FAO vehicle, thereby preventing the Organization from taking timely action to address the situation and protect its interests. Additionally, OIG concluded that the staff member knowingly created a false document for submission to the local police to avoid any problems relating to the operation of the vehicle. OIG considered that the foregoing amounted to gross negligence as defined in AC 2016/23 and violations of the Organization's Policy Against Fraud and Other Corrupt Practices (AC 2015/08), and/or the Standards of Conduct for the International Civil Service (MS 304, Appendix A). OIG recommended disciplinary proceedings, which were ongoing as of the date of this Annual Report.
INV1122 (AUG-2022)	OIG concluded that a staff member knowingly obtained an undue rental subsidy under false pretences and, through their actions and omissions, exposed the Organization to a reputational risk, amounting to a violation of the Organization's Policy Against Fraud and Other Corrupt Practices (AC 2015/08), and/or the Standards of Conduct for the International Civil Service (MS 304, Appendix A) which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings and recovery of EUR 7 393.47 in undue rental subsidy. Disciplinary proceedings were ongoing as of the date of this Annual Report.
INV1922 (NOV-2022)	OIG concluded that a long-serving senior staff member was reckless in not reading or acting upon emails related to a request for issuance of a potentially fraudulent Note Verbale for travel purposes (INV0822 refers) and that the staff member failed to take appropriate action once the potential issues with the Note Verbale came to light, amounting to gross negligence as defined in AC 2016/23 which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. The staff member in question separated from the Organization before the issuance of the investigation report.

INV2022 (NOV-2022)	OIG concluded that a staff member failed to timely disclose an intimate relationship with a member of FAO personnel working under their supervision and was involved in the process of promotion and salary increase for that member of personnel, in such a way as to prevent the Organization from being able to address the situation, amounting to a violation of MS 304, Appendix A, paragraph 23 which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings, which were ongoing as of the date of this Annual Report.
INV2122 (DEC-2022)	OIG concluded that a senior staff member knew or reasonably should have known that a member of FAO personnel working under their supervision had a close association with an implementing partner and not only recklessly failed to take any action to address the situation, but took steps to implement a project with that implementing partner amounting to gross negligence as defined in AC 2016/23 which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings, which were ongoing as of the date of this Annual Report.
INV2222 (DEC-2022)	OIG concluded that a senior staff member serving at the director level with managerial responsibilities failed to effectively communicate with colleagues, and therefore failed to ensure a harmonious workplace amounting to a failure to adhere to the Standards of Conduct for the International Civil Service (MS 304, Appendix A). OIG recommended that the Organization take appropriate administrative action with respect to the staff member, which was ongoing as the date of this Annual Report.
INV2422 (DEC-2022)	OIG concluded that a staff member misrepresented on multiple occasions an entitlement to an exemption from otherwise applicable taxes as an FAO staff member when the staff member knew that this was not the case; and, as a result, obtained a financial benefit by avoiding their obligation to pay applicable taxes, amounting to multiple violations of FAO's Policy Against Fraud and Other Corrupt Practices (AC 2015/08), and a failure to adhere to the highest standards of conduct as required by the Standards of Conduct for the International Civil Service (MS 304, Appendix A). OIG recommended disciplinary proceedings which were ongoing as of 31 December 2022. OIG also recommended that the matter be referred to relevant national authorities.
INV2522 (DEC-2022)	OIG concluded that a staff member engaged in repeated unwelcome conduct of a sexual nature involving five colleagues amounting to violations of the Policy on Prevention of Sexual Harassment (AC 2019/01) and the Standards of Conduct for the International Civil Service (MS 304, Appendix A) which, in turn, amounted to unsatisfactory conduct within the meaning and spirit of MS 330.1.5. OIG recommended disciplinary proceedings, which were ongoing as of the date of this Annual Report.
INVM0222 (JAN-2022)	OIG concluded that a retired staff member colluded with a staff member (INV1121 refers) to arrange for FAO's issuance of a Letter of Agreement to an entity in which he had an interest and falsely declared there was no association with the entity, amounting to a violation of FAO's Policy Against Fraud and Corrupt Practices (AC 2015/08) and the Standards of Conduct for the International Civil Service (MS 304, Appendix A). The retired staff member is no longer with the Organization and a note was placed in the retiree's personnel file.
INVM0322 (FEB-2022)	OIG concluded that a staff member borrowed money from a supervisee and failed to promptly repay the debt, but that the debt had been repaid by the time of OIG's review. The matter was referred to CSH with the recommendation that the supervisor be reminded that borrowing money from colleagues, especially subordinates, is inappropriate.

INVM0422 (FEB-2022)	OIG investigated allegations that a staff member favoured another staff member in the assignment of tasks prior to a selection process for a vacant position that resulted in their appointment. OIG concluded that the evidence was insufficient to open an investigation. However, the information available indicated issues involving performance, work environment and management style, which were referred to the relevant divisions of both staff members for review and any action deemed appropriate, in consultation with CSH if necessary.
INVM0522 (FEB-2022)	OIG concluded that the head of a Decentralized Office failed to consult the relevant office (i.e. CSH) before deciding to suspend two personnel under their supervision and in so doing may have failed to ensure the proper application of FAO's rules and regulations. OIG referred the matter to CSH to remind the staff member of the extent of their authority and the applicable framework for managing FAO personnel.
INVM0622 (MAR-2022)	Following the withdrawal of a complaint of sexual harassment involving several alleged victims and one alleged perpetrator, and in light of FAO's application of the victim-centred approach, OIG closed the case as unsubstantiated, as the evidence was insufficient to substantiate allegations of sexual harassment at the time of the complaint's withdrawal. Nevertheless, in light of the credibility and seriousness of the allegations, OIG informed CSH of its preliminary findings so that the Organization could take any mitigating measures that may be appropriate, in order to ensure a safe work environment.
INVM0722 (APR-2022)	OIG concluded that a former staff member intentionally made a malicious (fraudulent) complaint and made death threats towards a colleague, using an FAO-issued laptop, amounting to a violation of the Standards of Conduct for the International Civil Service (MS 304, Appendix A), and of MS 505.5.6. The matter was referred to CSH for appropriate action as the individual in question no longer worked for the Organization.
INVM0822 (JUL-2022)	OIG found allegations that a former staff member may have created a hostile work environment as credible. However, considering that the individual in question no longer worked for the Organization, OIG referred the possible violations of the Organization's Policy Against Harassment, Sexual Harassment and Abuse of Authority (AC 2015/03) to CSH for consideration and action as appropriate should the individual be considered for future employment with FAO.
INVM0922 (JUL-2022)	OIG concluded that a consultant failed to properly disclose their concurrent employment with another UN agency. OIG referred the matter to CSH for administrative action with respect to the individual and their potential future employment with FAO. Additionally, with CSH's explicit authorization, OIG confidentially shared the evidence obtained with the United Nations agency concerned. A note was placed in their personnel file
INVM1122 (AUG-2022)	OIG concluded that a former consultant had an undisclosed conflict of interest with an FAO vendor. However, given that the individual was no longer employed by the Organization, OIG shared the above information with CSH for appropriate action. A note was placed in the consultant's personnel file.

Table 2: Summary of 2022 investigation reports and memoranda and related management action concerning FAO vendors or implementing partners

INV0922 (AUG-2022)	OIG concluded that the vendor violated its obligations under the United Nations Supplier Code of Conduct by failing to maintain proper records and prevent ineligible individuals (children under the age of 18) from participating in project activities. The matter was submitted to the Vendor Sanctions Committee and is pending a decision on whether to initiate sanctions proceedings.
INV1222 to INV1822 (SEP-2022)	OIG concluded that seven vendors agreed among themselves to misrepresent that their bids were independent of each other's bids and therefore competitive, in order to improperly influence the outcome of the evaluation for award. The matters were submitted to the Vendor Sanctions Committee and are pending decision on whether to initiate sanctions proceedings.
INV2322 (DEC-2022)	OIG concluded that an FAO vendor submitted fraudulent documentation as part of its bid for the supply of agricultural inputs. The matter was submitted to the Vendor Sanctions Committee and is pending a decision on whether to initiate sanctions proceedings.
INVM1222 (AUG-2022)	In connection with the above reports regarding alleged collusion between vendors (reports INV1222-1822 refer), OIG concluded that evidence was insufficient to find that an additional six vendors had participated in the collusive scheme to misrepresent that their bids were independent of the other bids and therefore competitive, in order to improperly influence the outcome of the evaluation for award. However, the information gathered during the investigation was shared with CSLP for its information and appropriate action, if any.
INVM1022 (AUG-2022)	OIG conducted an investigation into allegations that an FAO vendor colluded with another vendor in the preparation of its bid for the supply of agricultural inputs and requested the temporary suspension of the vendor in 2021. At the end of its review, OIG determined that the evidence was insufficient to substantiate the allegations and informed the Vendor Sanctions Committee that it would not be requesting sanctions procedures.

Table 3: Summary of 2022 investigation memoranda issued to management regarding other matters

INVM0122 (JAN-2022)	During the course of an investigation, OIG became aware of the existence of national associations of local personnel in FAO Representation offices that are not affiliated with the Association of Professionals in FAO or the Union of General Service staff, and thus not addressed by FAO's internal policies and framework (e.g. CSH and/or LEG as appropriate). OIG concluded that the activities of such associations should be examined to ensure they are in accordance with the Organization's regulatory framework, specifically MS 301.8, and to best serve the interests of the Organization. OIG closed the case without specific recommendations.
INVM1322 (DEC-2022)	During the course of a preliminary review, OIG found that a Country Office's request for advice on whether to extend an NPP's contract was not sent in a timely fashion, and the advice received only after the contract had come to an end. OIG found that this was likely to have created misperceptions by the NPP about the reasons for non-extension of their contract. OIG considered the matter was aggravated by the personal and medical circumstances of the NPP at the time when the non-extension decision was communicated to them. OIG referred its findings to CSH for information and any action considered appropriate under the circumstances.

Table 4: Summary of pending recommendations from investigation reports from 2021 and related management action taken during 2022 concerning FAO personnel

INV0721 (SEP-2021)	OIG concluded that a staff member knowingly created documentation containing false and misleading information, and directed subordinates to prepare and submit such false and misleading documentation to assist another in obtaining an undue benefit in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), amounting to an abuse of their authority under MS 330, and a violation of their obligations under the Standards of Conduct for International Civil Service (MS 304, Appendix A). The disciplinary measure of one week suspension without pay was imposed.
INV0821 (SEP-2021)	OIG concluded that a staff member knowingly failed to correct false information in several documents thereby misleading external parties to benefit another party in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), amounting to an abuse of their authority under MS 330, and a violation of their obligations under the Standards of Conduct for International Civil Service (MS 304, Appendix A). The disciplinary measure of one week suspension without pay was imposed.
INV0921 (SEP-2021)	OIG concluded that a staff member knowingly signed documentation containing false and misleading information to assist an individual external to FAO in obtaining an undue benefit and directed subordinates to prepare and submit such misleading information to external parties in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), amounting to an abuse of their authority under MS 330, and a violation of their obligations under the Standards of Conduct for International Civil Service (MS 304, Appendix A). The disciplinary measure of one week suspension without pay was imposed.
INV1121 (SEP-2021)	OIG concluded that a staff member made an arrangement with an FAO retiree that circumvented applicable rules and procedures in the context of human resources and conflict of interest management; intentionally omitted information related to the FAO retiree's role in the context of the approval of a Letter of Agreement, amounting to collusive practices in violation of the Policy Against Fraud and Other Corrupt Practices (AC 2015/08), material violations of MS 507, and breaches of the Standards of Conduct for International Civil Service (MS 304, Appendix A), or at a minimum gross negligence under AC 2016/23. The staff member resigned before the disciplinary process was finalized. A note was placed in the staff member's personnel file.
INV1521 (DEC-2021)	OIG concluded that the head of a Decentralized Office failed to take appropriate action to manage a conflict of interest by hiring an FAO retiree with a pensioner consultant contract without mentioning that the latter was also contemporaneously working as the lead consultant under a Letter of Agreement that they signed a month before, in violation of AC 2016/23 on gross negligence. OIG recommended disciplinary proceedings, which were still ongoing as of the issuance of this Annual Report.

Table 5: Summary of pending recommendations from investigation reports from prior years and related management action taken during 2022 concerning FAO vendors or implementing partners

INV0220 (JAN-2020)	OIG concluded that a third-party monitor contracted by FAO knowingly misrepresented its findings relating to cash distributions in a report submitted to the Country Office, amounting to a fraudulent practice under section 1.2.12(a)(ii) of FAO's Vendor Sanctions Procedures. The sanction of three-year debarment was imposed on the vendor on or about 11 February 2022.
INV1020 (MAY-2020)	OIG concluded that employees of an FAO vendor requested payment from an FAO supplier in connection with the inspection of goods procured by FAO; and not having received the payment requested from the vendor, made misrepresentations to FAO, amounting to a violation of the United Nations Supplier Code of Conduct, and so a Sanctionable Action under section 1.2.12(b) of the Organization's Vendor Sanctions Procedures. The sanction of three-year debarment was imposed on the vendor on or about 09 February 2022.
INV2120 (AUG-2020)	OIG concluded that a vendor submitted false documentation in order to obtain a payment from FAO. OIG considered that the conduct amounted to fraudulent practice as set out in paragraph 1.2.12(a) (ii), and a Sanctionable Action pursuant to the Organization's Vendor Sanctions Procedures. The sanction of five-year debarment was imposed on the vendor on or about 09 February 2022.
INV0421 (MAY-2021)	OIG concluded that an implementing partner knowingly or recklessly misrepresented the manner in which it implemented the activities under a Letter of Agreement and the quantity of inputs distributed, as well as the training and services rendered to the designated beneficiaries, amounting to a fraudulent practice under section 1.2.12(ii) of FAO's Vendor Sanctions Procedures, and therefore a sanctionable action. OIG recommended that the Vendor Sanctions Committee begin proceedings against the implementing partner pursuant to sections 3.1.1 and 3.2.1 of the Organization's Vendor Sanctions Proceedings. The sanction of two-year debarment was imposed on the vendor on or about 22 March 2022.
INV1421 (DEC-2021)	OIG concluded that two vendors colluded in preparing and submitting their bids in response to an Invitation to Bid from an FAO Country Office, amounting to collusive practices under section 1.2.12(iii) of FAO's Vendor Sanctions Procedures, and therefore a sanctionable action. OIG recommended that the Vendor Sanctions Committee begin proceedings against the two vendors pursuant to sections 3.1.1 and 3.2.1 of the Organization's Vendor Sanctions Proceedings. The sanctions procedures are pending completion with CSLP.

Annex B: List of acronyms

AC	Administrative Circular
CSH	Human Resources Division
CSI	Digitalization and Informatics Division
CSLP	Procurement Service
DDG	Deputy Director-General
JPO	Junior Professional Officer
MS	Manual Section
NPP	National Project Personnel
OAC	Oversight Advisory Committee
OED	Office of Evaluation
OER	Office of Emergencies and Resilience
OIG	Office of the Inspector General
RIAS	Representatives of Internal Audit Services of United Nations Organizations, Multilateral Financial Institutions and Other Associated Intergovernmental Organizations
SEA	Sexual Exploitation and Abuse
UN-RIAS	United Nations Representatives of Internal Audit Services
UN-RIS	United Nations Representatives of Investigation Services