



OFFICE OF THE INSPECTOR GENERAL

Audit of the Markets and Trade Division (EST) Part II (AUD 0923)

EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted Part II of the audit of the Markets and Trade Division (EST) as part of its workplan for the 2022–2023 biennium. The audit fieldwork was carried out between November and December 2022 and covered the period from January 2020 to November 2022. The objective of Part II of the audit was to assess the arrangements established by EST for formulating, implementing, monitoring, measuring and reporting on its work plans and the achievement of results.

Main observations and conclusions

Based on the results of Part II of the audit, OIG determined that EST's arrangements over the formulation and monitoring of implementation of its work plans are **Satisfactory** (see Annex for definition of audit terms).

Overall, EST complied with the corporate rules and procedures related to the work planning for the 2020-21 and 2022-23 biennia. The audit found that EST has established effective measures to: (i) identify the biennial priorities based on the Members' needs and to link them with the results as per the Strategic Framework; (ii) allocate the biennial results to the internal Teams based on their competence and capacity; (iii) regularly monitor and assess the implementation progress of the work plans; and (iv) collect information for regular and year-end reporting on the implementation of the established work plans.

During the period under audit, EST responded effectively to unplanned work following demands received from Members, other stakeholders and requests from FAO Management as well as additional demands from the aftermath of the outbreak of the COVID-19 pandemic and other international crises.

Notwithstanding the above, the audit identified opportunities for improvement in the following three areas:

- I. maintaining an organized documentary trail for the supporting rationale of the selection of outputs for the work plans;
- II. maintaining summary or synopses of at least the team meetings that discuss implementation issues, especially the constraints that might hinder timely or quality implementation of the work plans; and
- III. establishing consistent and structured procedures for assessing the quality of the delivered outputs.

However, OIG is not making any formal recommendations on these matters and they therefore remain at EST management's discretion to implement.

Mika Tapio





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Inspector General

26 May 2023

ANNEX: DEFINITIONS OF AUDIT TERMS

AUDIT RATINGS

| Rating System | | An audit rating system (defined below) has been used to rank the adequacy of internal controls ¹ in each area. |
|--------------------------|---|--|
| Satisfactory |  | The assessed controls, governance arrangements, and management of opportunities and risks, are adequate and effective to provide reasonable assurance that objectives are met. |
| Some Improvement Needed |  | 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. |
| Major Improvement Needed |  | 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. |
| Unsatisfactory |  | The assessed controls, governance arrangements, and management of opportunities and risks, are not adequate or effective to provide reasonable assurance that objectives are met. |

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.