OFFICE OF THE INSPECTOR GENERAL

Audit of the Language Services
Part 1 – Governance (AUD1023)

EXECUTIVE SUMMARY

This report is the first of two reports communicating the results of an audit of language services in FAO conducted by the Office of the Inspector General (OIG). This first report addresses governance aspects related to the provision of language services; in particular, the adequacy of policies, quality assurance procedures, IT systems and risk management. Part II of the audit will cover operational aspects related to the provision of language services in FAO, including workforce planning; use of external language service providers by FAO divisions; and backcharging mechanisms used by the Language Services branch (CSGL) to reimburse incurred costs.

The audit was conducted between June 2022 and January 2023 and covered the past two biennia, i.e. 2018–2019 and 2020–2021 as well as the period between January and June 2022.

Main observations and conclusions

OIG is of the opinion that the governance arrangements for language services in FAO **Need Some Improvement** (see Annex for definition of audit terms) to increase the effectiveness and efficiency of the function, particularly through greater integration and alignment of language services obtained by FAO units directly from external providers with the well-established provision of such services in-house from the Governing Bodies Servicing Division (CSG).

OIG recognizes that in the last biennium CSG has delivered language services in the context of a sharp increase in demand and requirements, and the abolition of twelve staff positions between biennia 2016-2017 and 2018-2019.

OIG identified one significant cross-cutting issue that challenges the delivery of language services overall: demand and requirements for language services have grown sharply over the past two biennia, but without a comprehensive analysis conducted Organization-wide that integrates accurately the services provided by CSG with those procured directly by FAO units from external providers and their associated costs, and that reflects properly the evolution of language policies and practices.

Performing such an analysis in liaison with all key stakeholders would allow for better decision-making on streamlining of language services, to maximize value for money and increase transparency in the use of the Organization's funds.

Other issues identified by OIG include: (i) outdated and disparate governing documents which do not reflect accurately current policies and practices; (ii) lack of a formal quality assurance framework; and (iii) weaknesses in information technology (IT) arrangements, such as the lack of integration of the IT systems and dispersion of data between them, and weak reporting and budget management functionalities.

Agreed actions

This report contains five actions that management has agreed to undertake and committed to fully implement by September 2024.

The priority action is to conduct a holistic assessment of language services with the aim of identifying value for money, by an analysis that integrates services provided by external suppliers and takes into account current language policies and practices.

Mika Tapio
Inspector General *Mika Tapio*

1 June 2023

ANNEX: DEFINITION 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.

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[1] FAO's accountability policy, in an extension of the COSO internal control objectives, establishes five critical areas of performance relevant for assessing the adequacy of controls – effectiveness, economy and efficiency, compliance, reporting and protection.