

September 2012



منظمة الأغذية  
والزراعة للأمم  
المتحدة

联合国  
粮食及  
农业组织

Food and  
Agriculture  
Organization  
of the  
United Nations

Organisation des  
Nations Unies  
pour  
l'alimentation  
et l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones Unidas  
para la  
Alimentación y la  
Agricultura

## FINANCE COMMITTEE

**Hundred and Forty-seventh Session**

**Rome, 5 - 9 November 2012**

**Frequency of Reporting of FAO Audit Committee**

Queries on the substantive content of this document may be addressed to:

**Mr John Fitzsimon**

**Inspector General, OIG**

**Tel: +3906 5705 4884**

*This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at [www.fao.org](http://www.fao.org)*

### EXECUTIVE SUMMARY

- At its 143rd session in May 2012, the Finance Committee, having noted the usefulness of the FAO Audit Committee's report for its deliberations, agreed to consider at its next regular session whether any changes in the timing or frequency of reporting to the Committee on the conclusions and recommendations of the FAO Audit Committee, and on the status of action on the recommendations, would be appropriate.
- In the interests of timely annual reporting, the Secretariat proposes that the Finance Committee retain the present practice of considering the Audit Committee's annual report of the previous year, along with the annual report of the Office of the Inspector General for that year, at its regular session in the spring of the following year.
- The Secretariat also proposes that the Director-General's comments that accompany the Audit Committee's annual report be confirmed as the means of providing an update on actions relating to matters covered in the report, including any relating to previous reports. While not proposing that a further update should become a standing item in the following autumn session of the Finance Committee, the Secretariat proposes that the Committee decide at the spring session, on a case-by-case basis, if any matter warrants more frequent update at a session earlier than the following spring.

### GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to review and conclude on the preferred timing and frequency of reporting by the FAO Audit Committee and on the status of actions on the recommendations.

### Draft Advice

#### **The Committee:**

- **reconfirmed its desire that both the Annual Report of the Inspector General and that of the FAO Audit Committee at the regular sessions of the Finance Committee held in the spring on a yearly basis to enable the Committee to discuss both oversight reports together;**
- **welcomed the practice established in the FAO Audit Committee's terms of reference whereby the report is presented at the session by the Audit Committee chair, or another member if that was not possible;**
- **encouraged the continued practice, when providing a copy of the FAO Audit Committee's report to the Finance Committee, of accompanying it with written comments of the Director-General, in which a status of actions on matters communicated in the current and, where relevant, prior Audit Committee reports could be conveyed;**
- **noted that such comments could be supplemented at the session by further updates by the management representatives as appropriate; and**
- **agreed that the Finance Committee could decide on a case-by-case basis, depending on the nature of the matters communicated in the FAO Audit Committee's reports, whether to request that further updates of actions also be provided by the Secretariat at a further session prior to the following year.**

## **Background**

1. In accordance with the terms of reference of the FAO Audit Committee, the Committee reports to the Director-General and all reports of the Committee will be addressed to him. The Director-General will provide a copy of the Committee's annual report to the Finance Committee, together with the Director-General's comments thereon, if any. The Chairperson or another member, as decided by the Committee, will be invited to the Finance Committee session to present the Committee's annual report<sup>1</sup>.
2. At its 143rd session in May 2012, the Finance Committee, having noted the usefulness of the FAO Audit Committee's 2011 annual report for its deliberations, agreed to consider at its next regular session whether any changes in the timing or frequency of reporting to the Committee on the conclusions and recommendations of the FAO Audit Committee, and on the status of action on the recommendations, would be appropriate<sup>2</sup>.

### **Timing of presentation of FAO Audit Committee annual reports to the Finance Committee**

3. The annual reports of the Office of the Inspector General and the FAO Audit Committee are normally prepared as soon as possible early in the following year so that the information in them is timely. They have also, normally, been considered in the same spring sessions of the Finance Committee. In 2010 the FAO Audit Committee's report was not ready in time to be presented at the Finance Committee's spring session that year and it was not considered until the 135th session in October 2010. In the report of that session, the Finance Committee reconfirmed its desire that, in future, both the Annual Report of the Inspector General and that of the Audit Committee at the regular sessions of the Finance Committee held in the spring on a yearly basis to enable the Committee to discuss both oversight reports together<sup>3</sup>.
4. The Audit Committee discussed this further at its meeting in July 2012 and also reconfirmed its agreement with this timing.

### **Follow Up of the Recommendations in the FAO Audit Committee Reports**

5. In recent times the FAO Audit Committee's report has been accompanied by the Director-General's comments. These can be the means of conveying information on actions taken or proposed in connection with matters in that report or earlier reports. They can also be supplemented by further updates by Secretariat representatives at the Finance Committee session during the discussion of the report.
6. Bearing in mind other information provided by the Secretariat at the 143rd session of the Finance Committee on (a) the number of oversight bodies to which the Secretariat must provide information, responses and follow-up, (b) where there might be opportunities for streamlining improvements, and (c) the agreement of the Committee to review this matter at a future session<sup>4</sup>, the Secretariat proposes that, at this time, the Finance Committee decide on a case-by-case basis each spring whether to request a further update on actions in a session prior to the next spring session. This may depend on the nature of the matters communicated in the Audit Committee's report.

---

<sup>1</sup> MS 146 Appendix C

<sup>2</sup> CL 144/12

<sup>3</sup> CL 140/21

<sup>4</sup> CL 144/12, paragraphs 41-43