



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

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

FINANCE COMMITTEE

Hundred and Tenth Session

Rome, 19 - 23 September 2005

Provisional Annotated Agenda

1. Adoption of Provisional Agenda and Timetable (docs. FC 110/1, FC 110/1 Add.1 and FC 110/INF/1) **for decision**

In accordance with the Committee's internal working procedures, the Provisional Timetable provides to the extent possible for discussion at the beginning of the meeting of those items on which the Committee is required to make decisions or recommendations to the Council.

FINANCIAL AND BUDGET REPORTS

2. Programme and Budgetary Transfers in the 2004-2005 Biennium (doc. FC 110/2) **for decision**

In accordance with Financial Regulation IV, paragraph 4.5(b) (i), the Committee will be requested to review and approve the Director-General's proposals for inter-chapter transfers within the budget for the 2004-2005 biennium.

3. Financial Highlights and Status of Current Assessments and Arrears (doc. FC 110/3) **for discussion**

The Financial Highlights Report is designed to show, at a summary level, the financial situation of the Organization. In terms of the structure of the report, there are three groupings of data: income and expenditure by source of funds, the plan (budget) for particular sources of funds and balances for the comparative period in the previous biennium. Also included is the report on "Collection of Current Assessments and Arrears," which will present the status of member nation contributions to the Regular Programme as at 30 June 2005.

For reasons of economy, this document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies, unless strictly indispensable.
Most FAO meeting documents are available on Internet at www.fao.org

4. Report on Support Costs Expenditure and Recoveries (doc. FC 110/4) **for decision**
The Committee is invited to note the experience in the implementation of the policy on support cost reimbursement rates. Further the Committee is invited to endorse the following policy amendments:

Emergency assistance and rehabilitation projects

- *Change the principle of reimbursement from the current **Direct Operating Costs** principle to the **Project Support Cost** principle;*
- *Set the ceiling Project Support Cost rate at 10%.*

5. Audited Accounts
- | | | |
|----|---|---------------------|
| a) | FAO Credit Union 2004 (doc. FC 110/5a)) | for decision |
| b) | FAO Commissary 2004 (doc. FC 110/5b)) | for decision |

The Committee will receive the 2004 audited accounts of the Credit Union and the Commissary for approval.

6. Performance of the Split Assessment Arrangement 2004-05 (doc. C 2005/16)
for discussion

This document responds to the request from Conference for the secretariat to submit to its Thirty-third Session in 2005 a report on the performance of the split assessment arrangement. Any comments from the Finance Committee will be transmitted through Council to Conference.

OVERSIGHT MATTERS

7. Progress Report on Implementation of the External Auditor's Recommendations (doc. FC 110/7) **for information**

As requested by the Committee, a report will be provided on actions taken in respect of recommendations made by the External Auditor in his report on the 2002-2003 accounts, as well as on a number of recommendations brought forward from previous biennia.

8. Report of the External Auditor on the Review of Official Travel in FAO (doc. FC 110/8)
for discussion

9. Report of the External Auditor on the Review of Contracts for Local Services in FAO (doc. FC 110/9)
for discussion

The submission of these two External Audit reports responds for the first time to the Finance Committee's request that such "Value-for-Money" audits be issued in a sequential manner throughout the biennium.

10. Issues for Consideration in the Appointment of an External Auditor of FAO (doc. FC 110/10)
for discussion

The Committee agreed that the question of the appointment of the External Auditor should be further considered in light of further information on the advantages and disadvantages of extending the invitation to bid to private sector audit firms.

11. Utilization of the Special Fund for Emergency and Rehabilitation Activities (doc. FC 110/11)
for discussion

At its September 2004 session, the Committee requested that a further report on utilization of the Special Fund for Emergency and Rehabilitation Activities be submitted in one year's time.

12. Ongoing Review of the Mandate, Organization and Sustainability of FAO Emergency and Rehabilitation Assistance (no document)
for discussion

At its last session, the Committee requested to be informed on the ongoing review of the Mandate, Organization and Sustainability of FAO Emergency and Rehabilitation Assistance. The progress achieved so far as well as the prospects for the coming year will be brought to the attention of the Committee.

13. Internal Controls Reporting (doc. FC 110/13) **for discussion**
At its last session, the Committee requested further information on internal controls reporting, in particular, on alternative approaches to formal internal control reporting and the estimated costs.
14. FAO Audit Committee (Internal) – Annual Report to the Director-General for 2004 (doc. FC 110/14) **for information**
This is the second annual report of the Audit Committee following its establishment in April 2003. This report provides an overview of the Committee's activities, the important issues that have arisen and the actions taken by AUD and other stakeholders involved in the audit processes.
15. Joint Inspection Unit Reports **for discussion**
- a) Harmonization of the Conditions of Travel throughout the United Nations System (JIU/REP/2004/10) (doc. CL 129/INF/5)
 - b) Procurement Practices within the United Nations System (JIU/REP/2004/9) (doc. CL 129/INF/9)

These documents will be provided to the Committee for any comments it may wish to make to the Council.

FINANCIAL POLICY MATTERS

16. Funding of the After Service Medical Coverage Liability (doc. FC 110/16) **for discussion**
With regard to the funding of the ASMC liability, the Committee requested at its last session that the Organization engage its actuaries to undertake another valuation as soon as possible, so that the results and recommended biennial funding amount for 2006-07 could be reported to the September 2005 session of the Finance Committee.
17. Acceptance of Local Currency in Payment of Assessed Contributions (doc. FC 110/17) **for discussion**
The purpose of this paper is to respond to the Committee's request at its 109th session for a study of issues relating to the accepting of local currency in payment of assessed contributions from developing countries. The results are presented in this document for consideration of the Committee.

BUDGETARY MATTERS

18. Programme of Work and Budget 2006-2007 (doc. C 2005/3) **for discussion**
In accordance with General Rules XXVII 7(a) and XXVIII the Committee will review the Director-General's proposals for the Programme of Work and Budget for 2006-2007. It is expected that the Finance Committee will consider the financial aspects of the Programme of Work and Budget, such as financial framework, budgetary framework (including cost increases, impact of exchange rates, lapse factor etc.), Chapters 5, 6, 8 and 9 without concerning itself with the merits of the Programme. The comments of the Committee will be forwarded to the Council together with those of the Programme Committee.
19. European Commission for Control of Foot-and-Mouth Disease – Budget for 2006-2007 (doc. FC 110/19) **for decision**
20. Regional Animal Production and Health Commission for Asia and the Pacific (APHCA) – Budget for 2006-2007 (doc. FC 110/20) **for decision**
21. Approval of the Budgets of the Desert Locust Commissions (doc. FC 110/21) **for decision**

The Committee will be provided for its approval with the budgets proposed for the above-referenced Commissions for 2006-2007.

HUMAN RESOURCES MATTERS

22. Progress Report on Human Resources Action Plan (doc. FC 110/22) **for discussion**

The Committee will be provided with a progress report on human resources management issues.

23. Recommendations and Decisions of the International Civil Service Commission and UN Joint Staff Pension Board to the General Assembly (including Changes in Salary Scales and Allowances) (docs. FC 110/23 and FC 110/23-Add.1) **for information**

In accordance with standard practice, the Committee will be informed of any developments which took place at the ICSC, the UN Joint Staff Pension Board and the General Assembly which are of interest to the Organization, as well as an updated report on changes in salary scales and allowances.

24. Human Resources Issues Raised by the Finance Committee (doc. FC 110/24) **for information**

At its 109th session, the Committee had requested additional information on human resources issues, including the number and category of posts filled through internal promotions and external appointments, appointments to fixed-term positions made from the rank of consultants and the number of appointments of Permanent Representatives to FAO posts since January 2002. The Committee also requested the secretariat to report on the possibility of advertising short-term professional vacancies and general service vacancies.

25. Costs of the Medical Insurance Plans (doc. FC 110/25) **for discussion**

With regard to the cost of the Medical Insurance Plan, the Committee at its last session requested a paper showing the recent trends in premiums of similar UN system medical insurance plans, including an analysis of the impact of the principal factors affecting the medical insurance plan premiums.

ORGANIZATIONAL MATTERS

26. Independent Evaluation of FAO's Decentralization – Further Management Response (PC 94/3 - FC 110/26) **for discussion**

The Committee will be provided with a more thorough follow-up report on the Independent Evaluation of FAO's Decentralization that presents a clearer vision of the strategy that the Organization will follow in implementation of the action plan for decentralization, including identification of main obstacles, time frames and cost implications.

27. Progress Report on Administrative Information Systems (doc. FC 110/27) **for discussion**

In response to its request for regular progress reports, the Committee will be provided with updated information on the status of the various elements of the "Oracle" Project.

28. Translation Services in FAO (doc. FC 110/28) **for discussion**

The Committee requested at its last session that additional information be provided on translation services in FAO, including an assessment of the current backcharging mechanism, taking into consideration the practice and experience of similar UN agencies.

OTHER MATTERS

29. Working Methods of the Finance Committee (no document) **for discussion**
In accordance with the standard practice of the Committee, members will be given an opportunity to comment on the functioning of the session and to make suggestions for future improvements.
30. Date and Place of the Hundred and eleventh Session **for information**
The Committee will be informed of arrangements for its next session.
31. Any Other Matters