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# FINANCE COMMITTEE

**Hundred and Ninety-eighth Session**

**Rome, 6-10 November 2023**

**Progress Report on Implementation of Recommendations of the  
FAO Oversight Advisory Committee**

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### EXECUTIVE SUMMARY

- This report outlines the progress by the Secretariat on implementation of recommendations made by the Oversight Advisory Committee (OAC).
- This report provides an update on reporting on implementation of recommendations of the Oversight Advisory Committee as included in *Annex 2* of document [FC 195/12](#) *FAO Oversight Advisory Committee - 2022 Annual Report*.

### GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to review the document, and provide its guidance as deemed appropriate.

#### Draft Advice

#### **The Committee:**

- **noted the status of implementation of the recommendations of the Oversight Advisory Committee;**
- **welcomed the progress made in closing recommendations of the Oversight Advisory Committee; and**
- **looked forward to further updates on progress in implementing recommendations at its next Session.**

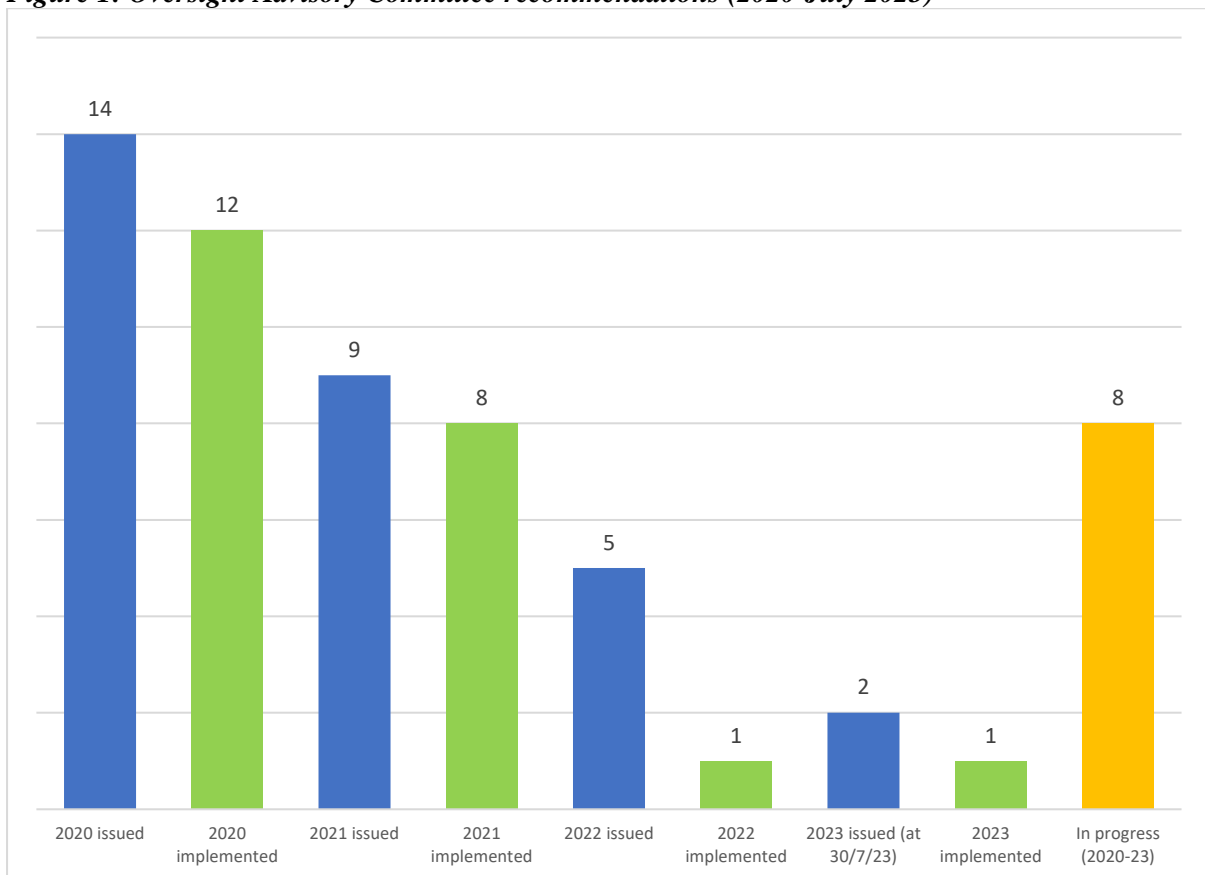
1. This document provides a summary of the status of implementation of the Oversight Advisory Committee (OAC) recommendations at the time of writing this report as shown in *Table 1* and *Figure 1*.
2. *Table 2* presents details of the latest status of implementation of Oversight Advisory Committee recommendations.

**Table 1. Status of implementation of Oversight Advisory Committee recommendations**

Year	Recommendations issued	Recommendations implemented	Recommendations in progress
2020	14	12	2
2021	9	8	1
2022	5	1	4
2023 <sup>(i)</sup>	2	1	1
<b>Total recommendations</b>	<b>30</b>	<b>22</b>	<b>8</b>

<sup>(i)</sup> The 65th meeting of the OAC (12-14 December 2023) is not included in this report

**Figure 1: Oversight Advisory Committee recommendations (2020-July 2023)**



**Table 2: Status of implementation of Oversight Advisory Committee recommendations**

		● COMPLETED	● BEING FINALIZED	● ONGOING
OVERSIGHT, INTERNAL CONTROL, RISK MANAGEMENT				
1.	OAC 63 July 2023	●		<p><b>OAC:</b> Recommended that RNE clearly identify the second line of defense in the Office and the Subregional offices, in particular, to set up a clear mapping and rationale to assign responsibility and accountability for execution of programmatic project decisions and verification of compliance.</p> <p><b>FAO:</b> Action in progress.</p>
2.	OAC 63 July 2023	●		<p><b>OAC:</b> In relation to the establishment of the Data Protection Unit (DPU), recommended the unit acquire independent expertise to guide its work. It also suggested to utilize existing public standards, where feasible and to continue its outreach and training activities.</p> <p><b>FAO:</b> Data protection advisory services were provided by the World Bank Data Privacy Office to strengthen FAO's data protection framework and support the development of operational guidance on a variety of topics. The DPU has also sought external independent expertise which was integrated in its knowledge sharing material. Regular exchanges are ongoing with the United Nations International Computing Centre (UNICC) and other UN agencies involved in data protection, including the UN informal group on Data Protection.</p> <p>Following the recommendations provided by the World Bank Data Privacy Office, operational units are aligning their existing procedures and guidelines with the FAO Data Protection Policy (DPP), and in parallel, the DPU is finalizing guidance and tools on responsible data.</p> <p>The DPU has launched the Data Protection Champions network, as a crucial component of policy implementation and outreach activities, to champion the FAO DPP and any related internal procedures and guidelines across the Organization. The creation of a series of publications as mini guides, the launch of a series of new awareness raising webinars and the preparation of strengthened and more focused training activities, sourced on external expertise, with a focus on close collaboration with UNICC as leading agency in the training of other UN entities on data protection matters, continue to be an integral part of the DPU outreach plan, and all DPU products and events are promoted through the FAO multi-channel and multi lingual approach. The "FAO Data Protection E-learning Course" is currently under development by the DPU in close collaboration with CSH.</p>
3.	OAC 62 October 2022		●	<p><b>OAC:</b> In relation to the management of wrongdoing and internal justice at FAO, suggested that this important work be more proactively conveyed through outreach and communication activities, including on the FAO home page and on the individual webpages of the units concerned through a uniform message promoting the work on ethical behaviour, integrity and respect for communication purposes.</p> <p><b>FAO:</b> All actions proposed by the OAC are either already in progress or being planned and have been included in the Action Plan on Workplace Conduct and PSEA 2023/2024 that all integrity players have signed up to.</p>
4.	OAC 59 October 2021		●	<p><b>OAC:</b> In relation to the recommendations of the Audit Report on the Decentralized Offices' Governance Structure and Capacity, observed that the current model and structure of country offices required thoughtful review to reflect the realities on the ground in consultation with FAO's membership. It concluded that most findings in the audit report may be related to the adequacy of resource levels.</p> <p><b>FAO:</b> An extensive review of the structure of Decentralized Offices was carried out between 2020 and 2022 under DDG guidance, with the objective of improving relevance, timeliness, cost-efficiency, technical quality, and effectiveness of the support provided to Members through Regional, Subregional and Country Offices. By end 2022, the Regional Offices (ROs) and the Subregional Offices (SROs) exercises were completed, with the Regional and Subregional Offices finalizing their restructuring at the beginning of 2023.</p> <p>The preliminary analysis of the Country Office business model carried out in 2020-21 (Country Office Transformation) was broadly aligned with the findings and recommendations of the Audit report, and highlighted the need for adequacy, predictability, flexibility, and continuity of resources for the Decentralized Offices. Some key aspects have been integrated in the ongoing transformation of regional structures, in particular the need for adequacy, predictability, flexibility, and continuity</p>

● COMPLETED		● BEING FINALIZED	● ONGOING
			<p>of resources. While a number of the more operational recommendations are already under implementation, a set of recommendations of a more transformative nature can be envisaged in a progressive manner for implementation at a later stage. In this context, a Regional Conferences paper entitled <i>Decentralized Offices Network and FAO Representations - Current Status and Way Forward - A Policy Paper</i> is intended to be tabled for discussion at each of the 2024 Regional Conferences.</p> <p>COMMIT (Country Office Management and Monitoring Indicators Tool) - the new monitoring tool for improved management of Decentralized Offices was implemented for Country Offices in October 2022, gathering key data in a one stop shop. In complement to the Country Office Dashboards, the Subregional and Regional Office Dashboards as “operating units” in COMMIT was released in 2023 providing an executive snapshot of these offices’ capacities on programme management, resources, operations and accountability.</p>
<b>INTERNAL AUDIT AND INVESTIGATIONS</b>			
5.	OAC 62 October 2022	●	<p><b>OAC:</b> In relation to the <i>Audit of the medical insurance coverage for supernumeraries plans</i>, recommended the uptake of governance improvements, in particular the creation of knowledge on contract management through training and development.</p> <p><b>FAO:</b> According to the OIG report, a qualitative leap and enhancement of medical insurance plan was made in the management of, and implementation of the new contract in 2021. The Organization continued to improve various internal control weaknesses in timecard management, sick leave management, and receivable reconciliation in the SSC. CSH Social Security made significant efforts to address these cross-cutting matters, both inside and outside the scope of CSH. In addition, CSH Social Security steered a large-scale medical insurance plan transition in 2021 and 2022, affecting more than 10 000 individuals. CSH also addressed a long overdue policy gap with updated FAO Manual Sections published in 2022. These operational and competing priorities were handled in a very tight timeframe with limited resources and technical capabilities.</p>
6.	OAC 62 October 2022	●	<p><b>OAC:</b> Concerning the <i>Audit of cash transfers</i>, suggested to improve risk management to identify additional risks faced by partners and stressed the need to strengthen the implementation of risk management and controls in cash transfers.</p> <p><b>FAO:</b> This recommendation has been completed through the creation of a new Risk Assessment, Management and Mitigation Framework (RAMMF) for Cash Transfers, together with an associated Terms of Reference for use of the framework, including establishment of a Coordination Group, meeting periodically to update the risk register and review progress against remedial/mitigation actions.</p>
7.	OAC 55 July 2020	●	<p><b>OAC:</b> Recommended continued attention by FAO on developments within the UN system concerning the provisions for a process and modalities for allegations of misconduct against a Director-General.</p> <p><b>FAO:</b> In line with the guidance provided by the Finance Committee at its 195th Session (CL 172/9, paragraph 38), preliminary procedures concerning allegations of misconduct against an FAO Director-General will be considered by the Finance Committee at its 198th Session (FC 198/8), together with the views of the Committee on Constitutional and Legal Matters (CCLM).</p>
<b>ETHICS AND OMBUDSMAN FUNCTIONS</b>			
8.	OAC 55 July 2020	●	<p><b>OAC:</b> Recommended the Ethics Office assume the responsibility for management of the gifts policy.</p> <p><b>FAO:</b> The Ethics Office has collected stakeholders’ feedback for the revised draft Policy document for review by the OAC and LEG with a plan to finalize the Policy before year end.</p>

● COMPLETED		● BEING FINALIZED		● ONGOING	
HUMAN RESOURCES					
9.	OAC 62 October 2022	●	<p><b>OAC:</b> Reiterated its concern over the number of issues raised with the Ethics and Ombuds Offices from affiliate personnel on perceived inequality of treatment. Recommended to rebalance the workforce through undertaking of medium- and long-term analyses of needs and funding, and suggested that some workforce planning activities could be streamlined by clarifying roles and responsibilities of the business units and the HR Division. Recommended the Organization invest in supporting employees with burnout mitigation and stress management, as well as more dedicated efforts to addressing racism and racial discrimination and disability in FAO's policies.</p> <p><b>FAO:</b> Ongoing. FAO continues to follow the work at the CEB/UN level regarding the review of contractual modalities, and will contribute as appropriate to relevant discussions of the International Civil Service Commission (ICSC). On the shorter-term, FAO is conducting a first review of the non-staff/affiliate workforce guidelines and procedures, with a view to streamline procedures and improve conditions of service where possible.</p>		
10.	OAC 61 June 2022 OAC 59 October 2021	●	<p><b>OAC:</b> Agreed on the need to rationalize categories of employment and contractual modalities and suggested this be brought forward in coordination with other UN entities.</p> <p><b>FAO:</b> Ongoing. FAO continues to follow the work at the CEB/UN level regarding the review of contractual modalities, and will contribute as appropriate to relevant discussions of the International Civil Service Commission (ICSC). On the shorter term, FAO is conducting a first review of the non-staff/affiliate workforce guidelines and procedures, with a view to streamline procedures and improve conditions of service where possible.</p>		