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REPORT ON THE IMPLEMENTATION OF THE EXTERNAL AUDITOR RECOMMENDATIONS

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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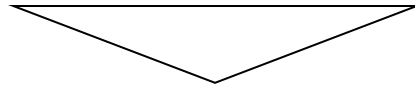
Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Resource Management and Accountability Department

** Finance and Treasury Division

*** General Accounts Branch

DRAFT DECISION*



The Board takes note of “Report on the Implementation of the External Auditor Recommendations” (WFP/EB.A/2013/6-H/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

1. This report sets out WFP's progress in implementing the recommendations made by the External Auditor in reports to the Board. It includes recommendations outstanding at the Board's 2012 Annual Session (WFP/EB.A/2012/6-H/1) and those in:
 - Report of the External Auditor on Emergency Preparedness for IT support in WFP (WFP/EB.A/2012/6-G/1);
 - Report of the External Auditor on Management of Human Resources (WFP/EB.A/2012/6-F/1); and
 - Audited Annual Accounts, 2012 (WFP/EB.A/2013/6-A/1).
2. The External Auditor has given her views on all recommendations that WFP has implemented, except for the recommendations included in: i) Report of the External Auditor on the Management of Human Resources; and ii) Audited Annual Accounts, 2012. Her views on those recommendations will be included in the next report to the Board.
3. Table 1 shows progress in implementing the External Auditor's recommendations during the reporting period.

TABLE 1: IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EXTERNAL AUDITOR, 2007–2013

Audit report	Date	Outstanding audit recommendations in the previous report	Recommendations completed to date	Recommendations incomplete to date	% complete
Has Decentralisation Met the World Food Programme's Operational Needs?	September 2007	1	1	0	100
Report of the External Auditor on Strategic Planning and Reporting at a WFP Country Office – Uganda	February 2010	2	1	1	50
Audited Annual Accounts, 2010	June 2011	1	0	1	-
Report of the External Auditor on WFP Operations in Somalia	January 2011	26	25	1	96
Report of the External Auditor on Procurement of Landside Transport, Storage and Handling Contracts	October 2011	8	7	1	88
Report of the External Auditor on Management of Projects	October 2011	11	4	7	36
Audited Annual Accounts, 2011	June 2012	6	3	3	50
Report of the External Auditor on Emergency Preparedness for IT Support in WFP	June 2012	10	9	1	90
Report of the External Auditor on Management of Human Resources	June 2012	15	5	10	33
Audited Annual Accounts, 2012	June 2013	5	1	4	20
TOTAL		85	56	29	66

PROGRESS REPORT ON THE IMPLEMENTATION OF THE EXTERNAL AUDITOR'S RECOMMENDATIONS

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Has Decentralisation Met the World Food Programme's Operational Needs? (WFP/EB.2/2007/5-C/1)					
<i>Adequacy of guidance on oversight and management responsibilities</i>					
1.	<p>Recommendation 2 We recommend that the Secretariat develop improved management oversight frameworks, agreed between regional bureaux and country offices and reviewed by the Oversight Services Division,¹ which:</p> <ul style="list-style-type: none"> i) Better clarify consistent responsibilities for management oversight of regional and country operations; and ii) Maintain an appropriate and independent management oversight of regional projects. 	<p>The task force recommended that all regional bureaux should have a minimum number of staff to ensure management oversight and to provide guidance and to be the first line of support for country offices. The responsibilities of regional bureaux and country offices were defined in paragraphs 183 and 184 of the Management Plan (2012–2014), which was approved by the Board in November 2011. The recommendation is deemed complete.</p>	Recommendation 2 is deemed complete.	Implemented	We acknowledge the action taken to improve management oversight by the regional bureaux, as defined in the Management Plan (2012–2014).



¹ The names of some WFP entities have changed since the recommendations were made.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Report of the External Auditor on the Strategic Planning and Reporting at a WFP Country Office – Uganda (WFP/EB.1/2010/6-D/1)					
2.	<p>Recommendation 5</p> <p>Include improved costing information, to enable a better understanding of the costs attributable to the achievement of Strategic Objectives to enable a measure of cost-effectiveness. Such attribution of costs would have a wider application as identified in our International Public Sector Accounting Standards (IPSAS) Dividend Report in moving WFP towards the achievement of results-based management and to facilitate the work of the Strategic Resource Allocation Committee.</p>	<p>Further to the current enhancement of the Performance Management System, WFP adopted results-based budgeting for the 2012–2014 Management Plan, including a costing of the Strategic Objectives and Management Results Dimensions.</p> <p>The recommendation is deemed complete.</p>	<p>Recommendation 5 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the attribution of costs for the Strategic Objectives in the Management Plan (2012–2014).</p>
3.	<p>Recommendation 8</p> <p>Establish cost-effective, consistent and reliable methodologies for measuring and validating the number of individuals assisted by projects.</p>	<p>Country offices currently use the data collection for WFP reports system (DACOTA) to plan and report annual actual beneficiaries through the Blue Book and Standard Project Reports (SPRs). Guidance is available through the updated SPR wiki,² which includes training materials and enables consultation with staff of the Operational Reporting and Analysis Branch.</p> <p>WFP continues to develop the Corporate Monitoring and Evaluation Tool (COMET) to enhance its capacity to track beneficiaries and</p>	<p>Actions to implement this recommendation are:</p> <p>i) development of the corporate monitoring and evaluation (M&E) strategy for 2012–2014, which will clarify the link between needs assessment and beneficiary targeting; guidance on beneficiary counting is being revised. Through this process,</p>	<p>December 2014</p>	<p>We acknowledge the steps being taken by the management to establish methodologies for measuring the beneficiaries. We will await further action on the same.</p>

² A wiki is a database of pages that visitors can edit live (source: Wiki.com).



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
	<p>related data. Pilot roll-out is expected by the last quarter of 2012, with further work in 2012–2013 to bring cooperating partners' reporting online and ensure timely information about beneficiaries.</p> <p>Implementation of the recommendation is in progress.</p>	<p>reliable registration methods will be made available to country offices; ii) the automated tool for managing project design and implementation – COMET – will provide a streamlined and centrally managed process for measuring and validating the number of individuals assisted by projects. With the launch of an IT system for cash and voucher (C&V) transfer modalities, which will interface with COMET, WFP will be able to systematically improve its measurement of and reporting on all assisted individuals assisted on an annual basis; and iii) augmentation of the capacity of WFP's monitoring staff at all levels to implement both the conceptual and IT aspects, based on the training conducted using the new tools.</p> <p>Systems and guidance will be rolled out in 2013 and 2014; the earliest expected date for completion is 31 December 2014.</p>		



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Audited Annual Accounts, 2010 (WFP/EB.A/2011/6-A/1)					
4.	<p>Recommendation 7 WFP may implement the Information Security Management System for WINGS II. A definite timeframe may also be fixed for operationalization of the Logistics Execution Support System (LESS) and the associated phase out of the SAP-COMPAS Interface.</p>	<p>The scope of the statement of applicability developed for the Information Security Management System (ISMS) changed with the field roll-out of Foodlink and WFP Connect projects. The Information Technology Division determined that taking the time to incorporate the changes will result in a more relevant and up-to-date document. The first draft of ISMS is available for corporate review; ratification is expected by the end of the second quarter of 2012.</p> <p>LESS project A timeframe for implementation of LESS and phase-out of the WINGS II/COMPAS interface will be determined when the pilot phase is completed and evaluated in mid-2012. Implementation of the recommendation is in progress.</p>	<p>ISMS: Work in progress to develop the scope and applicability of ISMS includes assessment of cloud computing, access controls and application security. Finalization is expected by the end of the first quarter of 2013, when the Information Technology Division (OST) will review the ISMS Statement of Applicability (SOA) and publish an updated framework master document that includes the new elements. OST will continue to work on the design and implementation of ISMS during 2013.</p> <p>LESS: Subject to the evaluation of the business plan and the availability of funding, LESS will be introduced in phases and expanded to more offices as COMPAS is phased out. This process will start in 2013 and end in 2015.</p>	<p>ISMS December 2014 LESS December 2015</p>	<p>We look forward for a close monitoring of the timeframe of implementation of LESS.</p>

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Report of the External Auditor on WFP Operations in Somalia (WFP/EB.1/2011/5-B/1)					
Strategic Issues					
5.	<p>Recommendation 1</p> <p>A staff member in each office must be nominated as an ethics advocate to be a flag-bearer on ethical issues and to act as a first point of contact to resolve ethical dilemmas.</p>	<p>Partially agreed.</p> <p>The Secretariat endorses the thrust of this recommendation that it should further promote ethical issues and their resolution.</p> <p>WFP was among the first to establish and deploy a robust ethics office. The United Nations, in line with other public institutions, retains the ethics point of decision in Headquarters. Therefore there may be practical and procedural issues that weigh against appointing country-level staff members to be the first point of contact on ethical dilemmas.</p> <p>However, the Director of Operations will work closely with the Ethics Office to find an appropriate means of addressing this issue in ways that do not detract from the effectiveness of the current arrangements or create confusion in reporting channels.</p> <p>The Secretariat will continue to encourage its managers to set high ethical standards for staff to follow, as evidenced by a corporate goal this year to advance staff education on ethical standards and process.</p> <p>After further review by the Deputy Executive Director of Operations, Regional Directors and the Ethics Office, it was decided to provide further training in ethical issues to each Country Director and office directors in Headquarters. An initial training of directors was held in Rome on 5 May 2011.</p>	<p>The Ethics Office report is in Annex IV of the 2011 Annual Performance Report (WFP/EB.A/2012/4). During 2011, the following steps were taken to reinforce compliance with WFP's ethical standards:</p> <p>i) reminders to all staff to complete United Nations ethics training; ii) collaboration with the Human Resources Division (HRM) to develop mandatory training for all staff on United Nations standards of conduct, anti-fraud training and ethics awareness;</p> <p>iii) following Board approval of an anti-fraud policy in 2010, training with the Operations Services Department (OS) on policies governing harassment, sexual harassment and abuse of authority; iv) senior managers were briefed separately on ethical issues; v) issue of <i>A Guide to Ethics in Procurement</i>, with the Procurement Division; vi) training in collaboration with the Ombudsman of Respectful Workplace Advisers as ethics</p>	Implemented	We recognise the actions taken by the management to enhance the ethical standards in the organisation.





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
	<p>The training of Country Directors is being planned for the Global Meeting in November 2011.</p> <p>The Ethics Office has reminded staff members that it is available at any time for them to raise concerns and request advice or guidance.</p> <p>Implementation of the recommendation is in progress.</p>	<p>ambassadors in the Asia region, and extension of the initiative to other regional bureaux; vii) person-to-person ethics-awareness training for country directors in the Southern Africa region; viii) continuation of the three-year collaboration with HRM to brief recruits on WFP's ethical standards.</p> <p>Country offices have used the internal control self-assessment checklist to assess understanding of WFP's ethical standards and anti-fraud policies and to evaluate the robustness of the controls (see response to recommendation 3).</p> <p>Specifically, the Somalia country office reported in its responses to the self-assessment checklists that staff are encouraged to discuss ethical issues during team meetings, and that new contracts contain an ethical clause.</p> <p>Recommendation 1 is deemed complete.</p>		



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>6. Recommendation 2</p> <p>The regional bureaux have an important role to play in the organization as they are closer to the country offices and are better placed to quickly respond to their needs. The regional bureaux should be provided necessary resources to enable them to discharge their work more effectively.</p>	<p>Based on the recommendations of the task force referred to in "Has Decentralisation Met the World Food Programme's Operational Needs?" (WFP/EB.2/2007/5-C/1), provisions were made to allocate additional resources to the regional bureaux in the Management Plan (2012–2014) approved by the Board in November 2011. These resources had provisions for the regional bureaux to fund core staff, and allowed them the flexibility to fund regional priorities.</p> <p>The needs of the regional bureaux are reviewed annually and the decisions to allocate additional resources are based on the availability of funds from the Programme Support and Administrative budget.</p> <p>The recommendation is deemed complete.</p>	<p>Recommendation 2 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the enhancement of resources for the regional bureaux for effective discharge of their responsibilities.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>7. Recommendation 3</p> <p>Internationally there is a growing recognition of the importance of self-monitoring vis-à-vis external monitoring. Our view is that the WFP Somalia country office could present an ideal setting for a pilot on self-assessment mechanism. Consistent with the OS inspection checklist, a self-assessment checklist of key controls must be developed for country offices on the basis of which they must assess themselves in the year-end in a report to the Country Director. We are of the opinion that this would encourage them to assume ownership of controls thus enhancing accountability.</p>	<p>Agreed.</p> <p>i) The compliance officer will work with the Resource Management and Accountability Department (RM) to develop and pilot a self-assessment checklist of key controls for an annual self-monitoring exercise.</p> <p>ii) At a corporate level, as recognized by the External Auditor, WFP has an initiative led by the Resource Management and Accountability Department to strengthen managerial control and accountability. The Strengthening Managerial Control and Accountability team will therefore monitor the results of the Somalia pilot and will develop and implement wider guidance on self-assessments of internal control.</p> <p>The Somalia country office has agreed to pilot the self-assessment monitoring mechanism.</p> <ul style="list-style-type: none"> ➤ With the assistance of a consultant, the compliance officer and RM have further refined the country office self-assessment checklist and included it in a manager's guide for internal control. ➤ The checklist has been piloted in Pakistan and is being planned for Afghanistan, Haiti and the Sudan. The guide is expected to be published by June 2011. <p>Part i) of recommendation 3 is deemed complete; see WFP/EB.A/2011/6-I.</p> <p>Implementation of part ii) of recommendation 3 is in progress.</p>	<p>Part ii)</p> <p>During 2011, WFP adopted a new internal control framework based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) best practice. The new framework was supported by a range of additional guidance and tools and aimed to help the assessment of the effectiveness of internal controls. The internal control self-assessment checklists formed part of the tools and were used in country offices and WFP units in preparing the statements of assurance on the effectiveness of internal controls; these in turn were used to prepare the Statement on Internal Control presented as part of WFP's Audited Annual Accounts beginning in 2011.</p> <p>Part ii) of recommendation 3 is deemed complete.</p>	<p>Implemented</p>	<p>We welcome the framing of the Internal Control Self-Assessment checklist by the Somalia country office and other country offices of WFP.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>8. Recommendation 4 (a) Risk appetite must be quantified separately for high-risk operations (like areas of Somalia with restricted access) and normal operations (like areas of Somalia where WFP staff have access).</p>	<p>Part (a) i) of recommendation 4 is deemed complete; see WFP/EB.A/2011/6-I.</p> <p>Part (a) ii): WFP briefs the Board on risk every quarter. Briefings were given throughout 2011 and will continue as a standard element of WFP's communication with the Board.</p> <p>In 2011 WFP led its humanitarian partners on risk-management issues with:</p> <ul style="list-style-type: none"> ➤ a risk seminar in Rome in May 2011 for humanitarian agencies to ensure a unified approach to managing risks in fragile and insecure contexts; and ➤ three seminars on humanitarian assistance and risks in Somalia were held in Nairobi in June; the conclusions were shared with the Board. WFP has a significant role in supporting the risk-management responsibility of the Regional Coordinator and the Humanitarian Coordinator in Somalia. <p>The quantification of risk appetite and the setting of risk tolerance will be part of WFP's operations, in consultation with other actors.</p> <p>The recommendation is deemed complete.</p>	<p>Part (a) of recommendation 4 is deemed complete.</p>	<p>Implemented</p>	<p>We welcome the framing of the Risk Appetite Statement by the organisation as a step towards determining the tolerance level of risk in each operation in future.</p>
<p>(b) In addition to the inherent risk register, a residual risk register must also be prepared so as to draw an assurance that the residual risk is within the risk appetite.</p>	<p>Part (b) i) of recommendation 4 is deemed complete; see WFP/EB.A/2011/6-I.</p> <p>Part (b) ii): a comprehensive corporate risk register has been established; it is regularly updated in consultation with the Executive Management Council (EMC).</p> <p>The register contains the mitigating actions for each risk; these are tracked and reported. The Performance and Accountability Management</p>	<p>Part (b) ii) of recommendation 4 is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the preparation of the Risk Register, which also depicts the Residual Risks.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>Division manages this process and serves as the Secretariat to the EMC on risk-management issues.</p> <p>As at December 2011, 67 percent of country, regional and Headquarters offices have formal risk registers; 74 percent of high-risk operations have updated risk registers in the past 12 months.</p>			
9.	<p>Recommendation 5</p> <p>We are of the view that reputational risks could have a more pervasive organisational impact as compared to operational risks, whose impact would generally be localized. Hence RM should be assigned the responsibility for collection and analysis of warning signals for significant reputational risks and for escalation of such signals to appropriate levels. RM should share its work with OS and the Audit Committee.</p>	<p>Agreed.</p> <p>Reputational risk will be implemented as part of the new risk management framework and systematically shared with WFP's oversight bodies.</p> <p>The Secretariat had already included reputation risk in the corporate risk register.</p> <p>The Secretariat will continue to review and update WFP's corporate risk profile, which visually communicates primary risks affecting delivery of its strategy and mandate, and presents the potential impact on WFP and likelihood of risks. A comprehensive corporate risk register is a companion to this profile that highlights processes at risk and allows the Secretariat to identify appropriate mitigation actions and assign responsibility for managing and mitigating risks.</p> <p>The risk management framework has a built-in risk escalation system that will trigger actions by senior managers and the Executive Management Committee. RM is entrusted with the responsibility to implement and fully embed risk management in 2011–2012 that would enable WFP to identify, record and enable follow-up of mitigation actions and maintain the</p>	Recommendation 5 is deemed complete.	Implemented	We acknowledge the steps like institution of the Corporate Risk Register, taken by RM, to implement the Risk-Management Framework in the organisation.



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	<p>risks below the enterprise risk appetite (tolerance). RM will also be able to review logged risks, scan mitigation action progress and identify warning signals related to risks that will significantly affect our reputation and follow the defined escalation process.</p> <p>RM will continue to communicate progress made in implementing risk management in WFP operations with the Board and the Audit Committee.</p> <p>(See comments also in the response to recommendation 4(b) for specific deliverables in the first half of 2011).</p> <p>RM has been assigned the responsibility for collecting and analysing warning signals for significant reputational risks. They have developed a comprehensive system for communicating and escalating these risks from the field, to regional structures, to the EMC. RM reports regularly to the Audit Committee and works closely with OS to make sure these risks are shared.</p> <p>By June 2012 the new risk management framework will be fully implemented globally.</p> <p>Recommendation 5 is deemed complete; see WFP/EB.A/2011/6-I.</p>			



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>10. Recommendation 6</p> <p>The management should develop and implement a strategy to respond swiftly, decisively and transparently to major external allegations.</p>	<p>Agreed.</p> <p>i) External allegations represent risks to WFP and are to be handled as part of the new risk-management arrangements outlined in response to recommendation 5. This will ensure that the responsibility for dealing with major allegations is clearly assigned.</p> <p>ii) In addition the Secretariat will prepare administrative guidance on the handling of specific cases.</p> <p>As discussed in response to recommendations 4 and 5, management now has in place mechanisms to respond and communicate allegations and risk-related issues to senior managers through the EMC and to the Board through quarterly operational briefings. As the risk management process matures, accompanying and supplementary administrative guidance will be produced, if needed, for the handling of specific cases.</p> <p>Implementation of the recommendation is in progress.</p>	<p>The Somalia country office developed the standard operating procedures (SOPs) for handling allegations of diversion or misuse of food assistance in September 2011; they were endorsed by HQ and took effect from October 2011. They were activated once, in November 2011, when the country office contracted a private company to undertake an investigation in Mogadishu. Results have been shared with the Office of Inspections and Investigations (OSI).</p> <p>Recommendation 6 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the framing of SOPs by the country office to handle allegations of diversion.</p>
<p>11. Recommendation 7</p> <p>WFP should validate the identification of beneficiaries on a test-check basis, before the stage of distribution monitoring, at least in areas where WFP staff have access.</p>	<p>Implementation of the recommendation includes the following:</p> <ul style="list-style-type: none"> ➤ The Secretariat introduced new SOPs that clarify what is expected of cooperating partners in terms of mitigating potential causes of misuse and enhancing implementation, for example by improved selection and targeting of beneficiaries. ➤ Cooperating partners that did not follow the new targeting guidelines received warning letters after the training. Implementation of the guidelines is followed up regularly 	<p>Recommendation 7 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the revision of SOPs by the country office for better beneficiary targeting.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>through field visits. Implementation monitoring checklists have been field tested to show how WFP verifies cooperating partners' targeting and other compliance issues.</p> <ul style="list-style-type: none"> ➤ After a distribution, cooperating partners must submit a narrative report and the signed beneficiary list by the 10th of the following month. WFP regularly audits all food distributions and the organizations involved. ➤ Positive evaluation will be a prerequisite for negotiating and signing new agreements. <p>The recommendation is deemed complete.</p>			
12.	<p>Recommendation 8</p> <p>The country office should reassess the risks involved in undertaking the food distribution operations at Afgoye in consultation with other stakeholders.</p>	<p>Agreed.</p> <p>The Chief Operating Officer, in consultation with the Somalia country office and external stakeholders, has reviewed the risks involved in this operation and has, as of the writing of this report, suspended WFP supplementary feeding and institutional feeding programmes in Afgoye. Further risk assessments will continue to be done to determine when, and if, work in Afgoye can resume.</p> <p>Based on risk assessments, operations in Afgoye remain on hold.</p> <p>Recommendation 8 is deemed complete; see WFP/EB.A/2011/6-I.</p>	Recommendation 8 is deemed complete.	Implemented	We recognise the action taken by the country office in putting the operations in Afgoye on hold, based on risk assessment.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>13. Recommendation 9 (a) The capacity assessment of cooperating partners should be supported by adequate documentation for greater objectivity.</p>	<p>Agreed. The country office considers it already maintains a significant level of documentation on the capacity assessments of cooperating partners. It has also developed a capacity assessment checklist to ensure that the documentation of the process of selecting cooperating partners is appropriate and its standards of documentation are uniformly applied across Somalia. The country office will continue to use the checklist to document the process of selecting cooperating partners. The Somalia country office has a capacity assessment checklist to ensure that selection of cooperating partners and documentation of their work is standardized throughout Somalia. Recommendation 9(a) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Part (a) of recommendation 9 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the issuing of SOPs for co-operating partner profiling, capacity assessment and evaluation guidelines by the country office.</p>
<p>(b) Due diligence must be exercised before selecting co-operating partners and once selected, the country office must strive to nurture long-term relationships at least in areas where activities remain the same from one season to the other.</p>	<p>Agreed. The Secretariat considers that due diligence is already being exercised in the selection of cooperating partners in Somalia. The Secretariat also recognizes and endorses the considerable benefits of nurturing long-term relationships with cooperating partners, and will continue to do this wherever possible – noting, however, that clan affiliations of Somali non-governmental organizations may limit their area of operations. There is clear corporate guidance in the Non-Governmental Organization Partnership Framework on how to build long-term relationships with cooperating partners. There is also a manual on “How to work with WFP”</p>	<p>Part (b) of recommendation 9 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the increased thrust on training of co-operating partners by the country office with a view to their capacity building and developing long-term relationships.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
		<p>available for cooperating partners.</p> <p>Where possible the Somalia country office works with cooperating partners for extended periods, but for the reasons noted above, this is not always feasible.</p> <p>The Somalia country office also invests significant time and effort in training of cooperating partners.</p> <p>The Somalia country office continues to build partnerships with cooperating partners, nurturing long-term relationships where possible. Training on WFP control mechanisms were held for cooperating partners working in Central Somalia and Puntland in September 2010, January 2011 and March 2011.</p> <p>Regular programme implementation training is also conducted. Capacity development of cooperating partners is an ongoing process included in the regular activities of the country office. In recent months, training has been conducted on the general food distribution SOPs, the therapeutic supplementary feeding programme, mother-and-child health and nutrition, school feeding and food for work, food for assets and food for training.</p> <p>Recommendation 9(b) is deemed complete; see WFP/EB.A/2011/6-I.</p>		



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>14. Recommendation 10 Further allocation/delivery should not be made to transporters/cooperating partners who do not submit their waybills/reports within three months from the date of arrival of food.</p>	<p>Partially agreed. The Secretariat fully agrees with this recommendation in so far as it relates to transporters. As the External Auditor recognizes, transport contracts already provide an explicit requirement to return waybills to the respective WFP office within 10 days from the completed delivery of the food. Action will be taken against any transporter that fails to deliver waybills within three months of the date of arrival of food. In the case of cooperating partners, the Secretariat agrees that it is important for country offices to insist on timely submission of distribution reports. However, a decision on whether to take action against a cooperating partner if reports are not provided within three months of the delivery date needs to reflect the specific circumstances involved – such as when food was pre-positioned before intended distribution, or whether distribution was halted because of escalating violence. Such circumstances could mean that it would not be appropriate to penalize cooperating partners for late submissions. Where food is planned to be delivered and distributed on the same day the requirement is for the cooperating partner to return the distribution report within a maximum of 45 days after distribution. WFP guidance specifies that action should be taken to follow up on all outstanding distribution reports. A decision on whether to take action against a cooperating partner if reports are not provided</p>	<p>Recommendation 10 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the actions taken by the management to strengthen co-operating partner reporting.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>within three months of delivery cannot be done as a blanket decision, but must take into account the specific circumstances involved.</p> <p>The country office has incorporated this issue into the updated SOPs.</p> <p>As part of the evaluation of transporters, the logistics unit will ensure appropriate action is taken against those transporters who fail to deliver documentation as required by their contracts.</p> <p>The SOP for the food release notes and land transport instructions (FRNs/LTIs) also highlights the requirement that cooperating partners submit reports within 3 months. Further dispatches will be discontinued if reports are not received within the deadline.</p> <p>The following directives, letters or SOPs are also in place:</p> <ul style="list-style-type: none"> ➤ A memorandum to all WFP cooperating partners in October 2009 on the sale and/or exchange of food aid; ➤ A letter sent to all cooperating partners informing them that they would be held financially accountable for any discovered misuse of WFP food; ➤ An April 2010 SOP on the response to diversions and/or misuse of food aid; and ➤ A June 2010 SOP on the response to sale and/or exchange of food aid, including financial responsibility of cooperating partners. <p>Recommendation 10 is deemed complete; see WFP/EB.A/2011/6-l.</p>			



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>15. Recommendation 11 The country office should work closely and transparently with external stakeholders.</p>	<p>Agreed. The Somalia country office is making every effort to work closely and transparently with external stakeholders. This effort was recognized in the External Auditor's report, which expressed appreciation for the cooperative approach of the current country office team.</p> <p>The specific further actions taken by the Country Director to work more closely with external stakeholders include:</p> <ul style="list-style-type: none"> ➤ Interaction with the United Nations Inter-Agency Risk Management Group and its newly appointed coordinator; ➤ One-on-one briefing sessions with individual donors; and ➤ donor group round-table briefings. <p>WFP attends inter-agency meetings including those of the Inter-Agency Standing Committee, the humanitarian country team and the heads of operational agencies at the senior management level.</p> <p>At an operational level, WFP leads the food assistance and logistics clusters and participates in other clusters as a member (e.g. nutrition).</p> <p>WFP helps plan, implement and analyse the seasonal Food Security and Nutrition Analysis Unit assessments and regularly leads or participates in other assessments. WFP participates in the United Nations Somali Assistance Strategy, Somalia Integrated Strategic Framework and the Consolidated Appeals Process.</p>	<p>Recommendation 11 is deemed complete.</p>	<p>Implemented</p>	<p>We accept the action taken by the management to work closely with the external stakeholders.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>Meetings with individual donors are held monthly. A donor round table was held in March 2011.</p> <p>These activities are part of the country office's regular daily operation.</p> <p>Recommendation 11 is deemed complete; see WFP/EB.A/2011/6-l.</p>			
16.	<p>Recommendation 12</p> <p>As the country office is planning heavy investments in monitoring activities, possible results of monitoring and the likely follow-up action for each result should be identified in advance. We are of the view that this exercise will guide the country office to take adequate follow-up action on the findings of monitoring and enable it to derive optimum benefits out of it.</p>	<p>Agreed.</p> <p>The country office has already created standard operating procedures determining how the results of monitoring should be actioned.</p> <p>In addition, as noted in paragraph 29 of the report, the country office will put in place a system to regularly monitor food sold in markets and cross-border movements of food.</p> <p>Taking into account possible actions required by its monitoring, the country office has made significant modifications with a view to building preventive controls into its programmes, making monitoring easier and less costly. For example, WFP cooperating partners are now required to scoop the exact rations for each beneficiary, helping ensure that fewer unopened bags are distributed. The SOP on the response on sale and/or exchange of food aid is an example of specific follow-up action (financial responsibility of cooperating partners for WFP food) to be taken for a specific monitoring result (identified misuse); see recommendation 10.</p> <p>Recommendation 12 is deemed complete; see WFP/EB.A/2011/6-l.</p>	Recommendation 12 is deemed complete.	Implemented	We recognise the actions taken by the country office to build preventive controls to improve monitoring.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>17. Recommendation 13 WFP should put in place systems to collect information and measure existing indicators of outcome and impact. Such findings should be included in the annual Standardized Project Reports.</p>	<p>Agreed.</p> <p>WFP already has a Strategic Results Framework that contains outcome indicators; these are reflected in the project logframe for each approved project.</p> <p>WFP is required to report against the specific output and outcome indicators included in the project logframes contained in the approved project document.</p> <p>The External Auditor's report notes that the project reports for 2009 focus heavily on outputs and that minimal information is available on outcomes.</p> <p>The Somalia country office seeks to measure the outcome-level indicators in the approved emergency operation's logframe. However, these efforts are at times constrained by the limited availability of reliable data from authorities and partners.</p> <p>In situations with emergency needs and considerable operational constraints, as in Somalia, the Secretariat agrees with the country office's prioritization of output indicators, which demonstrate that planned food distribution processes are being followed in terms of the number of people reached and the amount of food distributed, as compared to outcome indicators, which demonstrate that food is having its intended impact.</p> <p>The emergency operation (EMOP) and logical framework follow the WFP Strategic Plan and Strategic Results Framework.</p> <p>All outcomes of the EMOP were reported on in both the 2009 and 2010 Somalia Standard Project Reports (SPRs). The 2010 SPR shows</p>	<p>Recommendation 13 is deemed complete.</p>	<p>Implemented</p>	<p>Considering the difficulty in measuring impact/outcome in Somalia, we accept the various proxy indicators of outcome.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>significant outcomes were achieved as a result of WFP's interventions; for example, the 2010 nutrition situation showed an improvement compared to 2009. Reports from cooperating partners showed a reduced death rate, and improved recovery rate of children benefitting from the supplementary feeding programme.</p> <p>Field reports in 2010 indicated that the emergency school feeding programme improved attendance, reduced drop-out rates and increased parent and community involvement in education.</p> <p>Recommendation 13 is deemed complete; see WFP/EB.A/2011/6-I.</p>			
18.	<p>Recommendation 14</p> <p>(a) The country office should realign its control strategy in favour of preventive controls relating to selection and maintenance of relationship with cooperating partners; preparation of allocation and distribution plans; and identification and registration of beneficiaries.</p>	<p>Agreed.</p> <p>The Secretariat agrees that the country office should further strengthen preventive controls.</p> <p>For those related to selection and maintenance of cooperating partners, this is being done through capacity assessments of cooperating partners and better documentation of the process for selecting partners using a checklist that is now in full implementation (see response to recommendation 9).</p> <p>Allocation plans and distributions have a number of control mechanisms; allocation plans are developed through a consultative process. However the country office will ensure better documentation of changes to both the allocation and distribution plans, as recommended by the External Auditor.</p> <p>The Somalia country office has invested significant time in strengthening its standard operating procedures related to a number of</p>	Part (a) of recommendation 14 is deemed complete.	Implemented	We accept the action taken in the form of developing/strengthening various SOPs to build preventive controls in operational aspects.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>operational aspects, including the identification and registration of beneficiaries.</p> <p>The country office is focused on preventive controls in all of these areas. See Recommendations 9, 18, 19, 20, for updates of the preventive control strategy that has been put in place to address these areas of concern.</p> <p>Recommendation 14(a) is deemed complete; see WFP/EB.A/2011/6-I.</p>			
	<p>(b) The country office should conduct a gap analysis to identify the root cause of the problem before changing procedures and practices. Procedures should be changed only if the existing controls are identified as weak. Greater emphasis should be given on training, frequent reiteration of instructions and disciplinary action to enforce implementation of controls.</p>	<p>Agreed.</p> <p>The Secretariat recognizes the importance of not changing controls that are theoretically sound, simply because they are not being fully or properly implemented.</p> <p>Action will be taken as described in the response to Recommendation 3.</p> <p>The Somalia country office has done a careful analysis of procedures and practices and has increased training for staff and cooperating partners. Corrective actions taken against partners and transporters are clearly documented.</p> <p>Recommendation 14(b) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Part (b) of recommendation 14 is deemed complete.</p>	<p>Implemented</p>	<p>We accept the actions taken by Management to analyse and strengthen internal controls.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>(c) WFP should periodically work out the aggregate cost of all additional controls put in place or planned to be put in place to operate in high-risk areas where their staff have limited access. Such details should also be shared transparently with the donors so that a considered decision could be taken on whether or not to operate in such high-risk areas.</p>	<p>Agreed.</p> <p>As the External Auditor recognizes, this should be done periodically.</p> <p>Based on continuous risk assessment, the country office may propose additional costs of controls involved when they submit the budget revisions and/or new projects/operations for approval to the Board or the Executive Director and Director-General of the Food and Agriculture Organization of the United Nations. The EMOP and PRRO project and budget revision formats provide adequate guidance to the country office for presenting the justification and nature of budget increases and for pointing out the hazards and risks involved in operating in highly insecure environments.</p> <p>The Somalia country office is assessing the cost of additional controls and plans to present them in its next EMOP in the third quarter of 2011.</p> <p>Recommendation 14(c) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Part (c) of recommendation 14 is deemed complete.</p>	<p>Implemented</p>	<p>As the country office has taken action to assess the cost of additional controls and incorporated these in the EMOP, the reply is accepted.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>19. Recommendation 15 (a) Headquarters must prepare a standardized checklist for each functional area, based on OS's inspection checklist, and all future oversight missions of the Regional Bureaux must be undertaken according to the approved checklist.</p>	<p>Implementation of recommendation 15(a) is in progress.</p>	<p>WFP has opted to develop functional area checklists as part of its range of internal control self-assessment questionnaires. These questionnaires were issued to all staff in October 2011, and were available for use by the regional bureaux during compliance missions in 2012 as appropriate.</p> <p>Information is gathered on the use of the checklists for functional areas as part of the annual Statement on Internal Control process. The checklists are available to the regional bureaux and all staff through WFPgo.</p> <p>Implementation of recommendation 15(a) is in progress.</p>	<p>June 2014</p>	<p>Adherence to checklists by the regional bureaux needs to be ensured by HQ as we found some deviations in audit of the regional bureaux.</p>
<p>(b) All mission reports of the regional bureaux should be in writing so that the documentation of work undertaken by the mission and their findings are available for future reference.</p>	<p>Agreed.</p> <p>The Secretariat shall ensure that written mission reports are submitted, recommendations acted upon and reports filed for future reference.</p> <p>The need for written reports has been communicated to all regional bureaux, with further clarification that they and the country offices are accountable for follow-up on compliance issues.</p> <p>Recommendation 15 (b) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Implementation of recommendation 15(b) is in progress.</p>	<p>June 2014</p>	<p>The written mission reports need to be based on the HQ checklists.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>20. Recommendation 16 The terms of reference of the compliance officer must be reviewed once the systems and procedures are streamlined. Our opinion is that continued hand-holding by the compliance officer should not cause the dilution of accountability of the Country Director and other managers from assuming responsibility for controls.</p>	<p>Agreed. The External Auditor recognizes that the appointment of a compliance officer is a good initiative in the short term. The decision to designate a compliance officer was taken by the Executive Director in view of WFP's commitment to its donors as well as the complexity of WFP Somalia operations. Past practice has indeed been to review the continued need for a compliance officer as circumstances change: in the Sudan and Afghanistan, compliance officer posts have been established and redeployed as needed. Implementation of this recommendation will begin when conditions on the ground permit. Following the April 2011 visit of the Executive Director to Somalia, it was determined that the compliance officer was serving an important role and should remain. The compliance officer enables the functional managers to achieve their objectives and provides useful advice and guidance on controls. The next review will take place in September 2011, when the compliance officer will have completed one year. Recommendation 16 is deemed complete; see WFP/EB.A/2011/6-l.</p>	<p>Recommendation 16 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise that the review for the compliance officer terms of reference was done in September, and we would urge it to be done on a continuous basis in the future.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>21. Recommendation 17 Submission of evaluation forms of WFP staff must be monitored more closely at the Headquarters and the country office. Timely reminders must be sent for submission and the forms checked for completeness, with a follow-up to resubmit, if the forms are incomplete. Warnings and disciplinary action must be used as a last resort against persistent defaulters. The management assured us that it is currently working on a project to enhance the Performance and Competency Enhancement (PACE) forms, which will ensure completeness of entries and facilitate quality checks.</p>	<p>Agreed. The Secretariat will add additional controls to the on-line PACE form to ensure completeness of the relevant sections. However, the Secretariat notes that timely reminders on the deadlines in the annual performance appraisal cycle are already provided to managers and staff. Furthermore, managers receive compliance rates by organizational unit, along with information on the actual PACE status of individual staff members. From now on, managers at P5 level and above will also have included as one of their own PACE outcomes the completion of the PACE process for the staff members under their supervision. Lack of diligence in completing the PACE process does not constitute misconduct under WFP Rules, but may be addressed as a performance issue. The Secretariat continues to reinforce the importance of completing the PACE process. In 2011, the Human Resources Division issued a new set of policies on promotion and reassignment of international professional staff which provides for the use of PACE results in career-related decisions. The PACE is also a key tool used in contract extensions and annual within-grade salary increases. Recommendation 17 is deemed complete; see WFP/EB.A/2011/6-l.</p>	<p>Recommendation 17 is deemed complete.</p>	<p>Implemented</p>	<p>We accept the increased thrust given by HQ to monitor PACE completion.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
22.	<p>Recommendation 18</p> <p>To ensure greater transparency, complete documentation trail to justify the numbers in the final Allocation Plan should be ensured.</p>	<p>Agreed.</p> <p>The Somalia country office will make every effort to have a clear paper trail to substantiate changes to the allocation and distribution plan at all times.</p> <p>Procedures in the Somalia country office have been modified to facilitate a complete documentation trail. Once the allocation plan is finalized and approved, no modifications are made to the spreadsheet. A full documentation trail including notes for the record of every meeting and memoranda on any changes are compiled so that changes at any stage of the process are transparent. Any modifications must be cleared and endorsed by the Country Director.</p> <p>Recommendation 18 is deemed complete; see WFP/EB.A/2011/6-I.</p>	Recommendation 18 is deemed complete.	Implemented	We acknowledge the system improvements made to ensure a complete documentation trail of the Allocation Plan.
23.	<p>Recommendation 19</p> <p>The country office should exercise greater rigour in ensuring a paper trail to adequately reflect that the necessary ground changes to the distributions are well documented.</p>	<p>See response to Recommendation 18.</p> <p>Improvements have been made to ensure complete documentation of all changes to distribution plans and of the actual distributions. Country office staff have been trained in the enhanced procedures.</p> <p>Recommendation 19 is deemed complete; see WFP/EB.A/2011/6-I.</p>	Recommendation 19 is deemed complete.	Implemented	We acknowledge the improvement in documenting the changes in distribution plans.
24.	<p>Recommendation 20</p> <p>The provisions of the new standard operating procedure relating to issue of ration cards, display of beneficiary entitlements and obtaining</p>	<p>Agreed.</p> <p>Implementation of the new standard operating procedure is underway. A follow-up training with cooperating partners is planned for January 2011 after the first cycle of implementation to share lessons learned.</p>	Recommendation 20 is deemed complete.	Implemented	We recognise the steps taken by the management to implement the new SOPs regarding the beneficiary entitlements.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>acknowledgement of beneficiaries, should be implemented immediately. WFP should explore use of technology (like use of biometric ration cards) on a pilot basis in stable regions.</p>	<p>Regarding the use of Biometric ration cards, these have been used on a pilot basis by WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) in refugee camps. After addressing key beneficiary protection concerns with UNHCR, WFP received UNHCR's approval for their use. A review of the lessons learned from these experiences will determine whether this kind of technology can also be piloted in Somalia.</p> <p>Under the new SOPs the following control mechanisms are in place:</p> <ul style="list-style-type: none"> ➤ a complete ration is displayed at each distribution site; ➤ ration cards are used for all distribution programmes; ➤ monthly child screenings are held and registration books kept for each supplementary feeding centre; ➤ beneficiaries are required to sign against distribution lists upon receipt of their rations; ➤ beneficiary hotline cards are distributed and radio announcements made so that beneficiaries can report immediately if they do not receive a complete ration; and ➤ the programme has shifted from general food distribution to more targeted distributions. <p>A series of cooperating partner and WFP field staff trainings have taken place on these SOPs and there have been field verification missions by both area office and country office staff.</p> <p>Recommendation 20 is deemed complete; see WFP/EB.A/2011/6-l.</p>			



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
25.	<p>Recommendation 21</p> <p>(a) There should be strict adherence to the timeframe for completion of evaluation of cooperating partners supported with regular supervisory check.</p>	<p>Agreed.</p> <p>The country office will further develop standard operating procedures for the cooperating partner evaluation process.</p> <p>The country office is developing a SOP to better guide the area offices in issues related to cooperating partner evaluations. In the meantime, it is expected that cooperating partner evaluations be conducted regularly. The current practice is that if a project lasts less than one year, then an evaluation must be done at least once during the project life. If a project lasts more than one year then an evaluation is required every six months. New field-level agreements (FLAs) or extensions of existing FLAs are not processed if the evaluations are not up to date. This check is performed by the country office.</p> <p>Recommendation 21(a) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Recommendation 21(a) is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the new SOP for improvements in evaluation of the cooperating partners.</p>
	<p>(b) To enhance transparency, the evaluation criteria to be used should be shared with the cooperating partners upfront at the time of finalising the field-level agreements.</p>	<p>Agreed.</p> <p>The country office will comply with the recommendation.</p> <p>The cooperating partner assessment format is annexed to all FLAs.</p> <p>Assessment criteria include indicators related to distributions, reporting, fund management, logistics management, staffing, coordination, monitoring and proposal preparation.</p> <p>Recommendation 21(b) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Recommendation 21(b) is deemed complete.</p>	<p>Implemented</p>	<p>We accept the reply of the management.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>26. Recommendation 22</p> <p>The Implementing and Logistics Unit of the country office together should further analyse and reconcile the reasons for the difference in the pending reports from cooperating partners.</p>	<p>Agreed.</p> <p>Efforts in this regard are already underway (see response to recommendation 25).</p> <p>A monthly reconciliation meeting is now held involving the logistics and programme units to resolve the differences in reports from transporters and cooperating partners. Waybill entries in the Commodity Movement Processing and Analysis System (COMPAS) are compared with cooperating partner distribution data from dispatch reports.</p> <p>Monthly reviews of outstanding cooperating partner reports are conducted and results are communicated to staff for follow up with cooperating partners.</p> <p>Recommendation 22 is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Recommendation 22 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the action taken by the country office to improve co-operating partners reporting.</p>
<p>27. Recommendation 23</p> <p>(a) Until a new system is developed that addresses the weaknesses in the COMPAS system, standardised report-generating tools should be developed so as to prevent staff from accessing data through the back end.</p>	<p>Not agreed.</p> <p>A corporate project started under WFP's Information Network and Global System II (WINGS II), is underway to build a completely new logistics application – LESS – which includes commodity tracking capabilities fully compatible with the corporate platform. The new application is being further developed during 2011 and will be tested later this year. The new system should be progressively implemented from 2012.</p> <p>WFP already uses recognized software to generate reports accessing COMPAS data. Moreover, reporting access to this data is already controlled by limiting staff's access rights. In the circumstances the Secretariat sees no benefit in further investment in reporting tools</p>	<p>Not agreed.</p>		<p>In addition to the continuous improvements in COMPAS, the implementation of LESS needs to be closely monitored.</p>



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	<p>at this point in time.</p> <p>Testing of the new software to replace COMPAS is on track for this year. The design phase of the new system is nearly completed. Pilot countries have been identified and preparation work is underway.</p> <p>The Logistics Division continues to work with the ODI to improve COMPAS access controls and preserve data security and integrity until the new system is ready. Two features to be implemented in the near future are:</p> <ul style="list-style-type: none"> ➤ Database authentication, which enables access to the COMPAS database only through the WFP internal network with authorized access credentials – this requires that every COMPAS user have an operating system account; and ➤ control of access to the application to ensure that information is updated using only the COMPAS application. 			
<p>(b) Final distribution point-wise detail of food distributed should be captured in COMPAS for all dispatches to cooperating partners so as to facilitate reconciliation between the allocation plan and the actual distribution at the final distribution point.</p>	<p>Agreed.</p> <p>The final delivery point level information is now available. The COMPAS cooperating partner module includes five reporting levels for food distributions – country, sector, sub-sector, location and site – so offices can specify where distributions took place.</p> <p>See initial Secretariat's response.</p> <p>Recommendation 23 (b) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Recommendation 23(b) is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the action taken to capture food-distribution information in COMPAS.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>28. Recommendation 24 We recommend that the date of receipt of invoice from transporters and cooperating partners, being the more important control information, should be captured in WINGS II.</p>	<p>From 1 July 2011, a new field called "Invoice Receipt Date" is available in the WINGS II accounts payable module to capture the date of receipt of invoices from vendors with a view to improving invoice handling in line with WFP's standard payment terms.</p> <p>Country offices and Headquarters units were informed as to its use and an e-guide was published.</p> <p>The recommendation is deemed complete.</p>	<p>Recommendation 24 is deemed complete.</p>	<p>Implemented</p>	<p>We recognize the action taken by the management to capture the invoice date in WINGS II.</p>
<p>29. Recommendation 25 The staff should be trained on the risks associated with end-user computing and on ways to enhance quality of the data. A coordination unit should be set up to take charge of all reconciliation work and to act as a custodian of past data to eliminate chances of discrepancy in data.</p>	<p>Agreed.</p> <p>Significant levels of coordination take place between programme and logistics, although the country office agrees that a more formal process should be put in place and that a review be conducted of existing end-user data management tools to determine overlap.</p> <p>This may not require that a separate unit needs to be formed for this purpose. The focus should rather be on heightened coordination between existing units.</p> <p>A Pipeline Committee has been established in the country office, which is responsible for managing the data and reporting from the beginning to the end of the process. The committee is chaired by the deputy country director (Operations) and includes the head of programme, the head of logistics, the pipeline officer and others as needed. The Pipeline Committee meets every two months and ad hoc meetings are also arranged as required (e.g. when new contributions are received).</p> <p>Regular programme/logistics meetings and various reconciliation processes help to reduce</p>	<p>Recommendation 25 is deemed complete.</p>	<p>Implemented</p>	<p>We welcome the steps taken by the country office to enhance data quality.</p>

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>discrepancies. A single source for reporting has been established through the Report Officer.</p> <p>A monthly monitoring and evaluation (M&E) report tracks reconciliation and highlights areas requiring closer attention.</p> <p>Recommendation 25 is deemed complete; see WFP/EB.A/2011/6-I.</p>			
30.	<p>Recommendation 26</p> <p>(a) Several key parameters monitored during distribution monitoring should also be covered during post-distribution monitoring for validation of information and to provide greater assurance. Reasons for significant variations between the two findings should be analysed immediately.</p>	<p>Agreed.</p> <p>The Secretariat agrees that significant variations between distribution monitoring and post-distribution monitoring should be followed up. The Somalia office already does so; it has set up a database for tracking issues that require verification in the following month's monitoring missions, and will seek to improve its documentation.</p> <p>However, we note that post-distribution monitoring focuses primarily on beneficiary entitlements and on participation and satisfaction of beneficiaries with the services received as part of the programme. Since WFP cooperating partners handle most of the food distribution, the objective of post-distribution monitoring is to ensure that the right beneficiaries have been targeted and registered in the food assistance programme.</p> <p>Monthly area office reports and monthly M&E reports highlight issues and actions taken or to be taken. The country office maintains an M&E issues tracking matrix to follow up monitoring findings.</p> <p>The country office uses monitoring results to develop each month's monitoring plan and/or send missions. Any significant variations</p>	Recommendation 26(a) is deemed complete.	Implemented	We acknowledge the action taken to reconcile the differences between monitoring and post-distribution monitoring.





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>between distribution monitoring and post-distribution monitoring (PDM) are analysed at that time.</p> <p>Recommendation 26(a) is deemed complete; see WFP/EB.A/2011/6-I.</p>			
(b) In areas where WFP staff have access, normal monitoring should be increased. Alternate monitoring should be an exception in these areas.	<p>Agreed.</p> <p>The country office agrees that alternative monitoring should be focused on areas where WFP staff do not have access.</p> <p>Normal monitoring has been increased throughout Somalia. Alternative monitoring is used when regular monitoring is not feasible owing to insecurity.</p> <p>With the addition of third-party monitoring, monitoring coverage has increased from 36 percent in 2010 to 55 percent in January 2011.</p> <p>Monitoring findings are followed up based on an M&E issues tracking matrix.</p> <p>Recommendation 26(b) is deemed complete; see WFP/EB.A/2011/6-I.</p>	<p>Recommendation 26(b) is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the increase in normal monitoring in Somalia.</p>	
(c) A separate report should be prepared containing details of food distributed or such details incorporated in monthly reports of subsequent months.	<p>Agreed.</p> <p>Actual distribution data is dependent on cooperating partner distribution reports, which are often submitted late.</p> <p>The Secretariat agrees that continued efforts are needed to ensure more timely submission of cooperating partner distribution reports (CPDRs) by cooperating partners. It is working at the corporate level to institute electronic means of CPDR completion and submission.</p>	<p>Recommendation 26(c) is deemed complete.</p>	<p>Implemented</p>	<p>We accept the reply of the management and look forward to an electronic means of CPDR completion and submission in the future.</p>	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>The Secretariat also agrees that actual distribution data, while not available in time for the report of the current month, should be included in the report of the subsequent month. Such reports are prepared weekly. Summary information is communicated in situation reports and Office for the Coordination of Humanitarian Affairs updates.</p> <p>Recommendation 26(c) is deemed complete; see WFP/EB.A/2011/6-I.</p>			
<p>Report of the External Auditor on Procurement of Landside Transport, Storage and Handling Contracts (WFP/EB.2/2011/5-C/1)</p>					
31.	<p>Recommendation 1 The assumptions used in budget estimations, more particularly the landside transport, storage and handling (LTSH) matrix cost, should be reviewed to better reflect the variations in cost over the life cycle of the operation.</p>	<p>The Logistics Division (ODL) has developed and implemented a monitoring tool for making quarterly verifications of the validity of the LTSH cost matrix and subsequent cost revisions. A memorandum to regional bureaux and country office logistics officers emphasized the need to adhere to budgeting and fund management principles and provided guidelines on using the tool.</p> <p>The recommendation is deemed complete.</p>	Recommendation 1 is deemed complete.	Implemented	We recognise initiating the system of quarterly reviews of LTSH cost matrix for closer monitoring.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
32.	<p>Recommendation 2</p> <p>WFP must work out a threshold level that will help red flag significant variations in the LTSH rate over the threshold. These cases must be put through a separate review and closer monitoring to avoid accumulation of surplus.</p>	<p>Agreed.</p> <p>ODL recently initiated quarterly LTSH management reports analysing LTSH rate variances by project, including variances between utilization of funds and of commodities, and between planned and actual LTSH rates. The report also indicates LTSH matrices due for revision.</p> <p>Projects with the highest variances (about 10 percent of total) are reviewed more carefully: causes of potential surpluses and deficits are addressed and project LTSH budgets closely monitored.</p> <p>The recommendation is deemed complete; see WFP/EB.2/2011/5-C/Add.1.</p>	<p>Recommendation 2 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise setting up the threshold limits for monitoring significant variations in LTSH rates.</p>
33.	<p>Recommendation 3</p> <p>Performance rating of existing transporters should be based on relevant, complete data on the achievement of past contractual obligations.</p>	<p>Agreed.</p> <p>A detailed template for monitoring transporter performance was added to the Transport Manual and country office use of the template is tracked. Logistics training programmes will be amended to emphasize use of the template. Key performance indicators are being developed. Reports on transporter performance will be extracted from LESS on a <i>post-factum</i> basis once they have been issued.</p> <p>Implementation is in progress as outlined in the response provided at the previous reporting date.</p>	<p>A template for monitoring the performance of transporters (Annex 3.15) has been included under section 3.2.4 of the <i>Transport Manual</i> used by country offices. The template is also in the training package for surface transport contracting.</p> <p>Recommendation 3 is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the action taken to better monitor the performance of the transporters.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
34. Recommendation 4 Requests for quotations (RFQs) should be issued to all shortlisted contractors. Those contractors who repeatedly did not meet past contractual obligations should be removed from the shortlist.	In addition to the guidelines in section 3.2.4 of the <i>Transport Manual</i> , ODL issued the directive on transport contracting in March 2012 (ODL2012/001) stressing the obligation to issue RFQs to shortlisted transporters and to adhere to procedures with regard to transporters not fulfilling their contractual obligations. Regional logistics officers are responsible for ensuring compliance with the directive. The recommendation is deemed complete.	Recommendation 4 is deemed complete.	Implemented	We recognise the action taken to ensure compliance with the procedures of issue of RFQs and shortlisting of contractors.
35. Recommendation 5 A two-bid system provides for weeding out ineligible contractors on the basis of technical evaluation. The subsequent selection should be based only on the ratings on financial offers alone.	In addition to the procedures in section 3.2.5 of the <i>Transport Manual</i> , ODL issued the directive on transport contracting in March 2012 (ODL2012/001) emphasizing the procedures for awarding contracts and obtaining approval in exceptional cases. The recommendation is deemed complete.	Recommendation 5 is deemed complete.	Implemented	We acknowledge the action taken by the management in reiterating the procedures of selection of contractors.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>36. Recommendation 6 Criteria for evaluation of bid offers should be mentioned in the RFQ for greater transparency.</p>	<p>Agreed. The <i>Transport Manual</i> will be amended accordingly. Implementation is in progress as outlined in the response provided at the previous reporting date.</p>	<p>The Logistics Division has added text to the RFQ template to clarify the criteria for bid evaluation. The RFQ template now includes the following: "in addition to the cost, other factors will be taken into consideration in awarding this contract, such as but not limited to: uptake and/or service provision capacity, lead time, and previous performance (if applicable)". The RFQ template is included in the Transport Manual. Recommendation 6 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the action taken in terms of amendment of the <i>Transport Manual</i> to elaborate the criteria for bid evaluation.</p>
<p>37. Recommendation 7 Actionable points in the Compliance Mission Review Reports may be identified and monitored and the report submitted to the Committee on Commodities, Transport and Insurance (CCTI).</p>	<p>The Secretariat recognized the importance of the systematic approach to implementation of the recommendations of compliance missions and has established a structured process for reporting on points requiring action. Responsibility for monitoring has been established at two levels: controls by regional logistics officers are followed up by ODL. The role of CCTI will remain as it is in the committee's current mandate, and will deal with policy issues concerning transport and insurance contracts. The recommendation is deemed complete.</p>	<p>The Secretariat has taken the following steps to institute monitoring of compliance mission reports:</p> <ul style="list-style-type: none"> ➤ Regional logistics officers are requested to inform the Logistics and Transport Service (OSLT) of the compliance missions planned for a calendar year. ➤ Compliance mission reports will include a section listing all recommendations pertaining to critical findings of the compliance missions, action taken to 	<p>June 2013</p>	<p>We await putting up a system in place to monitor actionable points in the Compliance Mission Review Reports.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		implement such recommendations and a timeframe for implementation. <ul style="list-style-type: none"> ➤ Regional logistics officers will monitor implementation of the recommendations and follow up as necessary; OSLT will be kept informed. ➤ Every six months OSLT will prepare an overview of the oversight missions and the status of implementation of the recommendations. These steps will be reflected in the <i>Transport Manual</i> . Implementation of the recommendation is in progress.			
38.	Recommendation 8 Efforts must be taken to ensure regular meeting of CCTI.	Agreed. The 2010 backlog of contracts to be reviewed by the CCTI has been cleared. In 2011 three CCTIs have been held so far and one is planned for December. The recommendation is deemed complete; see WFP/EB.2/2011/5-C/Add.1.	Recommendation 8 is deemed complete.	Implemented	We appreciate regular conducting of meetings of CCTI.

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
Report of the External Auditor on Management of Projects (WFP/EB.2/2011/5-D/1)				
39.	<p>Recommendation 1</p> <p>Funds for baseline studies, needs assessment and evaluation, should be set aside and mandatorily utilized. Where felt necessary, corporate funding not linked to project funds, should be provided for these activities.</p>	<p>The Programme Division is establishing a monitoring unit, one of whose tasks will be to review options for financing improvements to monitoring systems at all levels. A vacancy announcement for the Chief was issued in January 2011.</p> <p>A comprehensive approach to funding M&E will be presented in the Management Plan (2013–2015) at EB.2/2012.</p> <p>Implementation of the recommendation is in progress.</p>	January 2014	<p>We recognise the steps underway to address the issue of corporate funding for baseline studies, needs assessment and evaluation of projects and will await further action on the matter.</p>





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>40. Recommendation 2 In view of the time and cost-intensive nature of baseline studies, we recommend an assessment of the extent to which they have informed the decisions on project designs.</p>	<p>Enhancement of country-level monitoring is part of the self-evaluation strategy to be reviewed by the Policy Council. Investments in monitoring already agreed include establishing a dedicated unit and recruiting its chief ,and allocating resources for COMET design. Implementation of the recommendation is in progress.</p>	<p>The Chief of Performance Monitoring started work in November 2012; additional M&E staff are being recruited by regional bureaux and Headquarters units. An outcome measurement strategy encompassing establishment of quality baseline values for outcome indicators is being developed. COMET will strengthen guidance and tools to measure baseline and validate WFP's food assistance for beneficiaries. As of January 2013, the Design Module (COMET basic) had been developed, tested and launched. Full COMET roll-out, with field guidance and improved reporting tools, will be completed by the end of 2014. Implementation of recommendation 2 is in progress.</p>	<p>December 2014</p>	<p>We await establishment of quality baseline values, as part of development of outcome measurement strategy.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>41. Recommendation 3 Needs assessment should be linked closely to the selection of project responses. It should also feed into defining clearly measurable project outcomes. WFP should segregate in the process, the internal and external factors, that can impact achievement of outcomes.</p>	<p>WFP projects are routinely based on assessment findings. As WFP moves from food aid to food assistance, assessment findings are becoming a major component in determining which programme options to implement in each situation, reinforcing the importance of the assessment process. The continued identification and honing of standard output and outcome indicators for activities, and of potential risks in project implementation, underpin WFP's Strategic Results Framework.</p> <p>The recommendation is deemed complete; see WFP/EB.2/2011/5-D/1/Add.1.</p>	<p>In February 2013, WFP finalized implementation of the "Strengthening Decision-Making in Relief and Recovery: Improved Response Analysis Capacity Project" to improve capacities to identify appropriate response options based on analysis of assessment data. WFP has developed an assessment tracking database to link completed and planned assessments to the project cycle in order to ensure that the most up-to-date assessment information is reviewed at Headquarters level to evaluate the project design. Under the newly established Policy, Programme and Innovation Division (OSZ), the Analysis and Nutrition Service integrates the capacity for analytical oversight and provides a centralized mechanism for reviewing project documentation. WFP has developed an approach to integrate food security monitoring and outcome monitoring at country office level through the regular collection of household-level indicators, such as the food consumption score and the</p>	<p>Implemented</p>	<p>We recognise the steps taken to further integrate needs assessment into project design and outcome monitoring. These needs assessment tools should be factored in the development of the outcome measurement strategy.</p>



External Auditor's recommendations		WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
			<p>coping strategies index.</p> <p>Recommendation 3 is deemed complete.</p>		
42.	<p>Recommendation 4</p> <p>The processes and the delegation of authority be reviewed to identify any bottlenecks that prevent timely project review and approvals.</p>	<p>Action will start when the review of delegations by the Budget and Programming Division and the Legal Division is complete.</p> <p>Implementation of the recommendation is in progress.</p>	<p>The review of the delegations of authority with the aim of reducing unnecessary bottlenecks is currently ongoing as part of the programme management cycle work within the organizational strengthening workstream Scoping Business Process Review.</p> <p>Implementation of recommendation 4 is in progress.</p>	December 2013	We await completion of review of delegations of authority to reduce unnecessary bottlenecks in project approvals.
43.	<p>Recommendation 5</p> <p>Once realistically set, the limits in the delegation of authority must be respected and a process established for early identification of potential non-compliance. While we recognize that in a dynamic situation project revisions may be inevitable, frequent revisions may signal a problem and should be reviewed in Headquarters.</p>	<p>Agreed.</p> <p>Proposed budget revisions are reviewed and discussed through the Programme Review Committee mechanism, which allows corporate scrutiny of their validity, and all budget revisions are reported to the Board. The Secretariat ascertains whether individual country offices are undertaking repeated budget revisions, and whether their reasons for doing so are sound. This monitoring is an important part of WFP's programme oversight system, which can be enhanced by taking into account the audit findings.</p> <p>The recommendation is deemed complete; see WFP/EB.2/2011/5-D/1/Add.1.</p>	<p>In line with the audit recommendation, the Policy, Programme and Innovation Division has established a newly restructured Project Review Unit as of 1 February 2013 that is dedicated to monitoring issues related to budget revisions, including those related to the delegation of authority. The unit will advise the Director, OSZ, and the relevant Regional Director of any concerns related to Budget Revisions. At the same time, the unit will work with relevant regional bureaux and countries to ensure project budgets remain in line with current and evolving needs.</p>	Implemented	We recognise the initiatives taken to review and monitor frequent project/budget revisions.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		Recommendation 5 is deemed complete.			
44.	<p>Recommendation 6</p> <p>We recommend that, in addition to efforts with Top 10 donors, WFP should focus on 11 to 30 countries, investing in new strategic partnerships, particularly with emerging economies. This may not only increase the quantum of contribution but also create a greater sense of ownership of the Programme across a wider base of countries.</p>	<p>Agreed.</p> <p>WFP's resourcing strategy described in "Resourcing for a Changing Environment" (WFP/EB.1/2010/5-B/Rev.1), submitted to the Board for consideration, outlines the focus on new strategic partnerships beyond Organisation for Economic Cooperation and Development/Development Assistance Committee donor countries, such as those involving Brazil, the Russian Federation, India, China and South Africa, Middle Eastern countries, emerging economies, United Nations funds and host countries.</p> <p>The recommendation is deemed complete; see WFP/EB.2/2011/5-D/1/Add.1.</p>	Recommendation 6 is deemed complete.	Implemented	We recognise the focus now being given to broaden the donor base, as per the new Resourcing Strategy, as seen in the changing trends of contributions.
45.	<p>Recommendation 7</p> <p>We recommend that WFP revisit the norms for the use of Emerging Donors Matching Fund (EDMF) to align it to the current levels of need.</p>	<p>Agreed.</p> <p>WFP is in the process of updating the norms for use of the EDMF.</p> <p>Implementation of the recommendation is in progress.</p>	<p>The use of the Emerging Donors Matching Fund (EDMF) is included in the corporate review by the Partnership and Governance Services Department (PG), Resource Management and Accountability Department (RM) and Operations Management Department (OM) of twinning arrangements. A concept note on twinning is being considered for submission to the Board in 2013.</p> <p>Implementation of recommendation 7 is in progress.</p>	December 2013	During current year accounts audit also, we found evidence of EDMF being used more than the existing caps, pointing to the need for its review on priority.



External Auditor's recommendations		WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
46.	<p>Recommendation 8</p> <p>We recommend that good practices be used as a starting point to prepare broad guidelines for multiple-scenario prioritization at the regional or Headquarters level, as found suitable.</p>	<p>Design and review of PRROs and development projects have been based on reasonable expectations of resources; several have included planning for multiple scenarios.</p> <p>Implementation of the recommendation is in progress.</p>	<p>Progress is as previously reported.</p> <p>Implementation of recommendation 8 is in progress.</p>	December 2015	We look forward for further action on preparation of guidelines for multiple-scenario project implementation.
47.	<p>Recommendation 9</p> <p>The method of beneficiary counting should also include measurement of beneficiary days or meal days, which together will provide a sounder basis for determining outcomes and achievements.</p>	<p>WFP will complete the design of COMET by December 2012, and will include ration days in addition to beneficiary numbers.</p> <p>Implementation of the recommendation is in progress.</p>	<p>COMET module B has been designed to include an assistance calendar to track meal days; roll-out should be complete by the end of 2014.</p> <p>Implementation of recommendation 9 is in progress.</p>	December 2014	We await tracking of beneficiary assistance in terms of meal days as a more realistic basis for determining project outcomes.
48.	<p>Recommendation 10</p> <p>The reasons for delays in project closures and transfer of resources from the old to the new projects should be analysed and guidance provided to make the process timely.</p>	<p>In 2011, project closure alerts were modified to clarify the tasks to be undertaken during closure. Project closure and resource transfers were agenda items at regional meetings in 2011 and will be recommended for 2012 regional meetings to improve understanding in the field of current policies and procedures.</p> <p>The working group has proposed policy and procedural changes to improve the timeliness of closures and transfers; they are being evaluated for compatibility with business process and system changes to be implemented in 2012 in the logistics execution system and the financial framework.</p> <p>Implementation should be complete by 31 December 2012.</p> <p>Implementation of the recommendation is in progress.</p>	<p>The joint directive by OM, OS and RM "Policy and Procedures for Project Closure and Resource Transfer", issued on 11 February 2013, guides country offices, regional bureaux and Headquarters units with regard to the timely closure of projects, procedures for operational and financial closure, and resource transfers.</p> <p>Recommendation 10 is deemed complete.</p>	Implemented	We acknowledge the guidance provided in the new directive on project closures and resource transfers.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>49. Recommendation 11 We recommend that the timeline for monitoring and evaluation of projects be closely integrated to the project implementation in order to provide an opportunity for mid-term corrections as well provide inputs at the design stage of future projects.</p>	<p>The Programme Division has used meetings of Regional Directors and Country Directors to remind them of their responsibilities for project cycle management, which include timely monitoring and the use of monitoring information in mid-term corrections and subsequent projects. Monitoring systems will be improved through the self-evaluation strategy to be reviewed by the Policy Council; ongoing actions include the establishment of a dedicated monitoring unit and recruitment of its chief (Senior Monitoring Specialist), and financing for the design of COMET.</p> <p>The evaluation policy has a target of 30 operational evaluations annually carried out by the Office of Evaluation and operational units. The Office of Evaluation, which focuses on strategic evaluations, does not have the resources or the structure to meet this target alone. The incoming Director of Evaluation will seek collaboration among divisions to ensure adequate coverage of operations and quality assurance.</p> <p>Implementation of the recommendation is in progress.</p>	<p>The Chief of Performance Monitoring started work in November 2012. The strategy being developed for outcome measurement will include timelines for the monitoring of indicators. Implementation of this strategy will be dovetailed with the roll-out of the new strategic plan and in accordance with the use and application of the updated Strategic Results Framework.</p> <p>The evaluation policy establishes that projects must be evaluated at least once during their duration. An approach has been developed by the Office of Evaluation (OEV) to enable the scaling up of operational evaluations, provided funding is available.</p> <p>Implementation of recommendation 11 is in progress.</p>	<p>January 2014</p>	<p>We await action to set timelines for monitoring and evaluation of projects, so that the inputs could be used for mid-term corrections and also design of future projects.</p>

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Audited Annual Accounts, 2011 (WFP/EB.A/2012/6-A/1)					
50.	<p>Recommendation 1</p> <p>A framework for cash forecasting, leveraging on the functionalities in WINGS II, should be developed to enhance the quality of decisions on cash management in WFP.</p>	<p>The Secretariat notes that WFP has low risk tolerance for the management of cash balances because its investment principles prioritize security of funds and liquidity. In view of current low interest rates, WFP can take only limited risks to avoid negative returns. The Secretariat therefore holds a portion of cash balances in bank accounts and money market instruments to contain risks and ensure liquidity in a difficult financial market. On the basis of information about receivables and payables and leveraging WINGS II functionalities, the Secretariat will enhance cash-flow forecasting to further improve decision-making on cash management.</p>	<p>A new cash-flow forecasting framework based on WINGS cash management and cash forecasting capabilities was introduced at the end of 2012. The new cash-flow forecast projects the Headquarters cash position, including the working capital portfolio, for up to 12 months. Cash-flow forecasts are included in the monthly treasury management reports to inform cash and investment management decisions.</p> <p>Recommendation 1 is deemed complete.</p>	Implemented	<p>We acknowledge that a new Cash-Flow Forecast Framework has been implemented in HQ in November 2012 and is being used for making cash and investment management decisions.</p>
51.	<p>Recommendation 2</p> <p>WFP should consider the integration of a resource plan into the planning processes, including Management Plan, and potentially project planning.</p>	<p>The current accounting policy defines WFP's budget as the operational requirements and Programme Support and Administrative proposals in the Management Plan for approval by the Board.</p> <p>Operational requirements – projects designed with government counterparts and partners on the basis of assessment findings – constitute a needs-based response plan and an appeal for resources to meet the identified needs. Actual operational activity depends on the level of contributions.</p> <p>The Secretariat recognizes the impact of resource availability on the assessment of project implementation. It will consider options for integrating resource planning into WFP's</p>	<p>RM is studying the feasibility of integrating a resource plan into the planning process and will submit a proposal to senior managers. Subject to approval, the Management Plan (2014–2016) will reflect the steps needed to fully integrate the resource plan into the various elements of the Management Plan, and the project planning process.</p> <p>Implementation of recommendation 2 is in progress.</p>	December 2014	<p>We would await further action on integration of a resource plan into the planning process.</p>





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>planning and reporting processes, taking into account the fully voluntary funding model and the requirements of IPSAS 24, Presentation of Budget Information in Financial Statements.</p>			
52.	<p>Recommendation 3 WFP needs to streamline the procedure for collection of timely distribution reports from the cooperating partners and enhance the quality of reconciliation of data on undistributed food lying with the partners.</p>	<p>Submission of monthly distribution reports is an obligation of cooperating partners in FLAs. The Secretariat agrees with this recommendation, and will seek to ensure that monthly distribution reports are submitted promptly and reconciled with WFP data.</p>	<p>The guidelines for country offices, regional bureaux and Headquarters units on project status reports explain the requirements for the registration of food commodity data in COMPAS with a view to accurate and timely accounting and reporting; the requirements for food commodity balance reconciliations, which include the timely updates of stock held by cooperating partners, are also defined.</p> <p>In addition, the following steps have been taken to improve on the procedures for collection of timely distribution reports from cooperating partners:</p> <p>i) In August 2012, the Chief Operating Officer enjoined country offices, regional bureaux and Headquarters units to adhere to OD2009/002 "Commodity Tracking and Reporting Procedures: Roles and Responsibilities, including Management of the COMPAS Application" with a view to ensuring that COMPAS data are accurate and available on a timely basis for food</p>	Implemented	<p>We recognize steps taken by the management to streamline procedure for collection of timely distribution reports from the partners and improve reconciliation of stocks held by them.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>commodity management and financial reporting.</p> <p>ii) As of August 2012, RM requests confirmation of the timeliness and accuracy of cooperating partners' data in COMPAS through its oversight of field office monthly reporting.</p> <p>Recommendation 3 is deemed complete.</p>			
53.	<p>Recommendation 4</p> <p>WFP should lay down a clearly articulated policy for accounting of undistributed food with government partners that also distribute food. This policy should be consistent with the policy on expensing of aid (food, cash and vouchers).</p>	<p>The treatment of undistributed food commodities held with government counterparts that also distribute food is due primarily to the high degree of influence or control WFP maintains over the commodity management once the food commodities have been handed over to the government counterpart. The Secretariat will review the rationale behind this different treatment in line with its existing inventory accounting policy.</p>	<p>In 2012, the Secretariat reviewed and documented a clearly articulated policy for accounting of undistributed food with those government partners that also distribute food. Pursuant to this review, a note for the record – “Application of Accounting Policy: Expense Recognition (Delivery of Food, Cash and Vouchers)” – was issued in August 2012.</p> <p>The Secretariat will review the expense policy for cash and vouchers when distributing to partners.</p> <p>Implementation of recommendation 4 is in progress.</p>	December 2013	<p>We acknowledge the action taken by WFP to clearly document its policy for accounting for undistributed food with government partners that also distribute food.</p> <p>We would look forward for necessary action by the management for a review of expense policy for C&V.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>54. Recommendation 5 We recommend a consolidation to capture and catalogue on one platform all the recommendations flowing from the different streams – internal audit, external audit and evaluation reports.</p>	<p>The Secretariat agrees with the recommendation and will review options to consolidate the tracking of internal and external audit recommendations and evaluation review recommendations, in consultation with the respective functions.</p>	<p>RM has developed a preliminary database of more than 1,200 oversight recommendations. The catalogue includes External Auditor and Joint Inspection Unit recommendations from reports dating back to 2005; evaluation recommendations dating back to 2008; and Internal Audit recommendations from reports posted on the WFP public website beginning in January 2013. RM and the web development team are currently considering how to enable users to search the catalogue from the WFP intranet site.</p> <p>Implementation of recommendation 5 is in progress.</p>	<p>December 2013</p>	<p>We recognize steps being taken by the management to develop a database to consolidate recommendations flowing from different streams and would await further action on the matter.</p>
<p>55. Recommendation 6 A six-monthly review of the action taken to implement the recommendations and consultations with the External Auditor may be institutionalised.</p>	<p>The Secretariat agrees with the recommendation and will, in consultation with the External Auditor, review every six months the actions taken by WFP to implement external audit recommendations. This will be in addition to annual progress reviews reporting at the Board's annual sessions.</p>	<p>The process for monitoring the implementation of recommendations of the External Auditor has been revised. It now provides for interim and annual reviews of progress on outstanding recommendations, which are updated by the Secretariat and shared with the External Auditor for comment.</p> <p>The aim is to ensure that monitoring controls are in place and to allow time for</p>	<p>Implemented</p>	<p>We acknowledge the adoption of a system of six-monthly review on the action taken on External Auditor's recommendations.</p>

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>consultations with the External Auditor before the report is submitted to the Board at its Annual Session.</p> <p>In the current reporting year, the interim review was carried out in July 2012 and the annual review in February 2013.</p> <p>Recommendation 6 is deemed complete.</p>			
Report of the External Auditor on Emergency Preparedness for IT Support in WFP (WFP/EB.A/2012/6-G/1)					
56.	<p>Recommendation 1</p> <p>Standard operating procedures should be approved at a level above the Chief, Fast Information Technology and Telecommunications Emergency Support Team (FITTEST).</p>	<p>Agreed.</p> <p>The FITTEST standard operating procedures (SOPs) will be: i) reviewed and changed in line with the recommendations; ii) reviewed annually to ensure alignment with the Information Technology Division (ODI) framework; and iii) approved by the Office of the Chief Information Officer.</p> <p>FITTEST will update current SOPs and present them to the Chief Information Officer for approval by July.</p>	<p>The SOPs have been updated and approved by the Deputy Director of the Information Technology Division (OST). They are now part of a framework that ensures regular updates under the work plan management process.</p> <p>Recommendation 1 is deemed complete.</p>	Implemented	<p>We recognise the action taken for approval of new SOPs by the Deputy Director, Information Technology Division.</p>
57.	<p>Recommendation 2</p> <p>In compliance with the SOPs, six-monthly strategic plans should be prepared and linked with the IT Emergency Coordination Branch (ODIF) work plan with clear linkages to planning and tracking tools.</p>	<p>Agreed.</p> <p>FITTEST planning, including of operational missions, will be fed into the ODIF work plan to ensure a match with ODI's overall strategic direction. Financial reporting will be carried out every six months.</p> <p>The new FITTEST work plan has been fed into the ODIF work plan for 2012. A mid-year financial report will be prepared by August.</p> <p>The recommendation is deemed completed.</p>	<p>In compliance with the updated SOPs, the 2013 plan for FITTEST was developed in conjunction with the IT Emergency Coordination Branch (OSTF) work plan, with links to planning and provision for quarterly monitoring and updates.</p> <p>Recommendation 2 is deemed complete.</p>	Implemented	<p>We recognize the integration of FITTEST with OSTF work plan.</p>





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>58. Recommendation 3 Measurable performance indicators and inclusion of self assessment by the consultant should support the performance evaluation of consultants.</p>	<p>Agreed. Consultants' performance is being managed by the Performance and Competency Enhancement (PACE) programme, as well as the standard WFP consultant's performance form. Key performance indicators (KPIs) for consultants will be added to PACE. Mission reports will be modified to facilitate the evaluation of outcomes against missions' terms of reference (TORs). KPIs will be added to consultancy performance documents. All new missions will include KPIs in their final reports.</p>	<p>The KPI developed with the Boston Consulting Group (BCG), including the self-assessments, was implemented as of 1 January 2013 and managed through PACE. The relevant SOPs have been updated to reflect the new processes. Recommendation 3 is deemed complete.</p>	<p>Implemented</p>	<p>We acknowledge the action taken by FITTEST to develop KPIs for performance evaluation of the consultants.</p>
<p>59. Recommendation 4 Risk register for the FITTEST should be prepared on priority.</p>	<p>Agreed. FITTEST capabilities will be examined against a risk register, to highlight shortfalls and compliance issues. The risk register will be drafted.</p>	<p>The risk register has been produced and is now part of the SOPs and of FITTEST standard management practices. Recommendation 4 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the preparation of Risk Register for FITTEST by the management.</p>
<p>60. Recommendation 5 Once the request for services is timed and the operations have clear KPIs, the efficiency of the services offered would be measurable and easy to monitor. Correspondingly, the FITTEST work plan, the project plan, KPIs for those deployed and closure report should have specific, transparent and documented linkages.</p>	<p>Agreed. FITTEST mission reports will incorporate KPIs based on the mission's TORs. The TORs will include a reasonable timeframe for the mission, which may be extended at the request of the country office or agency using the services. New templates for FITTEST reports will be used from April onwards.</p>	<p>Report templates are complete, having been modified to include ad hoc KPIs based on mission TORs. Recommendation 5 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise that now FITTEST mission reports have a template, which includes reporting on KPIs and also a timeframe to monitor the services.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>61. Recommendation 6 FITTEST should be equipped with an accounting system which generates statements of financial performance and cash flow that would facilitate planned and accurate compliance with the Cost Recovery Directive. These statements should replace the Budget tracking.</p>	<p>Agreed. FITTEST is identifying new software packages that provide more accurate financial figures. The software will be operational by 30 September 2012, depending also on other units supporting the change in software for common services.</p>	<p>An evaluation identified a system for managing cost recovery in FITTEST. Customization of WINGS to provide a solution would have been expensive, so a combination of WINGS and an upgraded version of Great Plains was adopted that supports project management as well as warehouse management. Implementation is now complete. WINGS is used for accounting and procurement, and Great Plains is used for FITTEST business processes that WINGS does not support – customer management, sales and inventory and warehouse management. A financial reporting and forecasting tool developed with BCG, which sources data from WINGS and Great Plains, has replaced the current budget tracking system. Implementation of recommendation 6 is in progress.</p>	<p>July 2013</p>	<p>We recognize the development of the financial forecasting and reporting tool, based on WINGS and Great Plains data. However, necessary action needs to be taken to make it compliant with the Cost Recovery Directive.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>62. Recommendation 7 We recommend a review of the cost benefit of the full cost-recovery model with respect to costing and pricing across different services offered by FITTEST.</p>	<p>Agreed. FITTEST is reviewing its structure for services and their costs. The new structure, with appropriate cost models, will be put into operation in July.</p>	<p>The BCG study confirmed that the cost-recovery model in FITTEST is sound and sustainable now that the recommendations for improving its robustness and the costing of services have been implemented. The new costing model was applied as of January 2013. Recommendation 7 is deemed complete.</p>	<p>Implemented</p>	<p>We recognise the adoption of a new costing model (service catalogue), including the revised rates of the consultants, as part of review of the cost-recovery model.</p>
<p>63. Recommendation 8 WFP should consider replacing lump sum rates to ad valorem rates for service level agreements (SLAs) with Dubai Support Offices across different services received by FITTEST keeping in mind optimum use of resources and delivery of standardized services.</p>	<p>Agreed FITTEST is reviewing the SLA with the WFP Dubai office. Ad valorem service charges are being considered for the new SLA. The review of the new SLA for the second half of 2012 is taking place in May.</p>	<p>SLAs with cost and quality indicators were finalized with: i) the United Nations Humanitarian Response Depot (UNHRD) in December 2012 for logistics and warehouse services; and ii) the Dubai support office in April 2013 for services in IT, finance, administration, human resources, customer relations and procurement. With these SLAs in place, stakeholders agreed that lump-sum rates can be maintained at the 2012 level: a change to <i>ad valorem</i> rates would increase the administrative burden on the Dubai support office and trigger an increase in costs. Stakeholders accept that the services adequately reflect the lump sum.</p>	<p>Implemented</p>	<p>We recognise the framing of SLAs with clear cost/service and service quality indicators with the UNHRD and Dubai support offices, to optimise use of resources and delivery of standardized services.</p>



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		Recommendation 8 is deemed complete.			
64.	<p>Recommendation 9</p> <p>The cost-effectiveness of country offices procuring ICT equipment through WFP Dubai, other than for FITTEST-related mission execution, should be assessed comprehensively.</p>	<p>Partially agreed.</p> <p>FITTEST focuses on ensuring the cost-effectiveness for clients of its own services, including by analysing direct shipments versus shipments through Dubai.</p> <p>Every time a country office initiates procurement – through FITTEST or another entity – the standard WFP procurement process is applied, which includes a cost-effectiveness analysis.</p> <p>FITTEST has implemented a process whereby clients have a choice between direct shipment from the supplier or transit shipment through Dubai, with content verification and consolidation of individual packages.</p> <p>The recommendation is deemed complete.</p>	<p>FITTEST has implemented a process whereby clients have a choice between direct shipment from the supplier, or transit shipment through Dubai with content verification and consolidation of individual packages.</p> <p>Each time the country offices initiate the procurement, the standard WFP procurement process is applied, including cost-effectiveness analysis.</p> <p>Recommendation 9 is deemed complete.</p>	Implemented	We recognize the transparency in costing, now built in the process through the service catalogue, to give choice to the country offices for procurement of ICT equipment.
65.	<p>Recommendation 10</p> <p>The migration process from Great Plains to WINGS II needs to be carefully managed. There should be a clear documented plan on how WINGS II would meet the reporting needs of FITTEST and transaction processing ease of the Dubai Support Office.</p>	<p>Agreed.</p> <p>Options for the migration, and related changes to the financial and warehousing system, are still being considered. The new system will incorporate new modules for better tracking of performance and contractual work. Selection is expected by the end of the second quarter.</p> <p>The migration will be implemented by 31 August, depending also on other units supporting the change in software for common services.</p>	<p>An evaluation identified a system for managing cost recovery in FITTEST.</p> <p>Customization of WINGS to provide a solution would have been expensive, so a combination of WINGS and an upgraded version of Great Plains was adopted that supports project management as well as warehouse management.</p> <p>Implementation is now complete. WINGS is used for accounting and procurement, and Great Plains is used for FITTEST business processes</p>	Implemented	We have no further comments as migration has not been opted by FITTEST.



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>that WINGS does not support – customer management, sales and inventory and warehouse management. A financial reporting and forecasting tool developed with BCG, which sources data from WINGS and Great Plains, has replaced the current budget tracking system.</p> <p>The SLAs developed with the Dubai support office and UNHRD include instructions for managing Great Plains.</p> <p>Recommendation 10 is deemed complete.</p>			
<p>Report of the External Auditor on Management of Human Resources (WFP/EB.A/2012/6-F/1)</p>					
<p>Workforce Planning</p>					
66.	<p>Recommendation 1</p> <p>The Structure and Staffing Review (SSR) must be integrated with the 5-year country strategy and with the staffing projections across individual project plans. Comprehensive SSRs encompassing non-staff requirements (including consultants) should guide the overall deployment in the field offices.</p>	<p>Agreed.</p> <p>The Secretariat is analysing staffing requirements during its review of the operational requirements presented in the three-year rolling WFP management plan. Staffing structures are also being reviewed in the Programme Review Committee, which consists of units from Headquarters, regional bureaux and country offices.</p> <p>The Secretariat will supplement the Programme Guidance Manual with additional guidance on staff-related issues related to the preparation of a project budget plan.</p> <p>The Secretariat will adapt the guidance provided in the SSR toolkit so that it informs the country strategy planning process.</p>	<p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new human resources (HR) strategy document.</p> <p>Implementation of recommendation 1 is in progress.</p>	June 2014	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>67. Recommendation 2</p> <p>The regional bureaux should be equipped with the knowledge and skills to support the country offices in the SSRs and to assist the HR Division in periodically feeding the outcomes of SSRs into corporate HR planning through a structured mechanism.</p>	<p>Agreed.</p> <p>The Secretariat will ensure that the results of SSRs are made available to HR and will establish a working group to explore mechanisms for incorporating SSR data into corporate human resources planning.</p>	<p>The Field Support Branch of the Human Resources Division (HRM) will ask regional HR officers to submit regular information regarding planned SSRs, and to report on the results of SSRs upon completion of the exercise.</p> <p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document.</p> <p>Implementation of recommendation 2 is in progress.</p>	<p>December 2013</p>	
<p>68. Recommendation 3</p> <p>Corporate workforce plan must be supported by an assessment on the benefits and risks of high dependence on short-term contracts in relation to funding trends in country offices over a multi-year period. The controls that mitigate the risks should also be identified.</p>	<p>Agreed.</p> <p>The Secretariat notes that the recent "Report on the Use of Consultants in WFP" (WFP/EB.A/2011/13-D) captures the benefits and risks of relying on short-term contracts.</p> <p>It is expected that greater integration of SSRs into project planning will enhance the identification of relevant risks.</p>	<p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document.</p> <p>Implementation of recommendation 3 is in progress.</p>	<p>As for recommendation 1. June 2014</p>	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>69. Recommendation 4 WFP should set in place oversight to provide an assurance that the position grades approved in each project conform to the standard classification and that the decisions are not driven by funding projections alone.</p>	<p>Agreed. The Human Resources Division will review generic job profiles and competency frameworks with a view to establishing a system that provides more robust controls for ensuring that positions are properly classified according to International Civil Service Commission grade classification standards.</p>	<p>The classification of senior-level positions was reviewed as part of the recent senior-level reassignments, which resulted in changes to the grade levels of several positions. The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document. Implementation of recommendation 4 is in progress.</p>	<p>June 2014</p>	
<p>70. Recommendation 5 Human Resources Division should establish key performance indicators on the health of HR management in the field offices and establish a threshold above which an on-site review would be conducted. A process to periodically inform the top management on the results thereon should also be put in place.</p>	<p>Agreed. As part of the annual process in which managers certify assurance statements on internal control, all country directors are required to submit information regarding the management of their office environments, including human resource issues such as ethical standards and the anti-fraud policy, clarity of roles and responsibilities, staff performance appraisal, setting of individual results-based objectives with staff, effective internal communication, and regular supervision activities to oversee the office. The Secretariat proposes to assess country offices where the manager's annual certification reveals significant weaknesses in human resources. Using agreed indicators, including those in the management results framework, Executive Management and Policy Group (EMG) will review the status of human</p>	<p>This issue will be considered by the EMG. The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document. Implementation of recommendation 5 is in progress.</p>	<p>June 2014</p>	

External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
		resource management every quarter to ensure that critical issues and gaps are identified and acted on.		
71.	<p>Recommendation 6 A time-bound plan for expeditious completion of the corporate workforce plan and its implementation must be prepared.</p>	<p>Agreed.</p> <p>The Secretariat is currently engaged in a corporate workforce planning project to identify the skills and capabilities needed by WFP's professional staff cadre in the future. The project is expected to be completed by December 2012 and will feed into the 2013 human resources strategy, which will be presented to the Executive Board.</p> <p>The Secretariat will report on progress on the workforce planning exercise in WFP's three-year rolling management plan with annual budgeting. The annual review will identify the staff population of WFP and will compare this with the planned requirements to ensure that the methodology is working.</p>	<p>June 2014</p> <p>The corporate workforce planning/skills audit project with PricewaterhouseCoopers to identify the skills needed by professional staff in the future is complete, and PricewaterhouseCoopers has reported on actions required to align skills with anticipated needs. HRM will consider the reported recommendations with the review of HR processes with a view to developing the next HR strategy, which will focus on capacity development, planning and human-capital management.</p> <p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document.</p> <p>Implementation of recommendation 6 is in progress.</p>	





External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Staffing decision					
72.	<p>Recommendation 7</p> <p>Clear documentation that provides a trail, including justification for deviations, must support HR decisions.</p>	<p>Agreed.</p> <p>As noted by the External Auditor, the revised career framework provides greater rigour and robust, standardized documentation to support staffing decisions. The Secretariat notes that the External Auditor's findings concerning the sufficiency of documentation relate to the mid-year regular Staffing Committee meeting of 2009. The External Auditor has acknowledged that the recently introduced reassignment matrix offers a "user-friendly tool to arrive at reassignment decisions". Use of the reassignment matrix is expected to address this recommendation.</p>	<p>Recommendation 7 is deemed complete.</p>	<p>Implemented</p>	
73.	<p>Recommendation 8</p> <p>WFP should recognize the risks of following a closed loop in recruitment and identify the controls to mitigate the risks.</p>	<p>Agreed.</p> <p>In the 2008 human resources strategy, the Secretariat highlighted the risks that might arise from a closed system of recruitment. By issuing the revised career framework, the Secretariat has introduced additional elements into the recruitment process, to widen the pool of candidates. Under the revised career framework, all vacancies are advertised externally and sourced from external as well as internal candidates. This measure is expected to mitigate the risks identified by the External Auditor.</p> <p>While recognizing the risks of using an internal pool of candidates, the Secretariat notes that recruitment of individuals with WFP experience may also provide a career path for national staff applying for international positions.</p>	<p>Recommendation 8 is deemed complete.</p>	<p>Implemented</p>	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>74. Recommendation 9 We recommend that the Performance and Competency Enhancement (PACE) reports form the primary basis for identifying the pool of staff that must be considered by the Professional Promotion Panel (PPP). This, in turn, will enhance the value of PACE, the quality of PACE evaluations and aid adherence to time schedules.</p>	<p>Partially agreed. The PPP already uses PACE reports as the basis for evaluating staff for promotion. An analysis of percentages of PACE completion found the highest completion among staff eligible for promotion. The PACE is now used in the reassignment as well as the promotion exercise. The PACE is used to measure performance at the staff member's current level during the past year. The Secretariat does not agree that the PACE should also be used for nominating staff for future promotions. Consideration for promotion needs to take into account the manager's consideration of ability to perform at a higher level. Using the PACE for this purpose may dilute the extent to which the PACE provides a useful assessment of past performance. The promotion portfolio of a staff member comprises previous performance reports, the staff member's curriculum vitae and self-assessment, and the nominations of the staff member's current line and functional managers, which indicate the staff member's potential for higher-level roles.</p>	<p>Recommendation 9 is deemed complete.</p>	<p>Implemented</p>	
<p>75. Recommendation 10 A structured framework for feedback to staff on HR decisions, will enhance the credibility of the process.</p>	<p>Agreed. As noted by the External Auditor, systematic feedback is part of the promotion exercise. For reassignment decisions, staffing coordinators provide feedback on request, but the nature of the information used to reach reassignment decisions – which may involve family/personal/medical considerations related to other staff members – limits the ability to provide a similar level of feedback for reassignment decisions.</p>	<p>Recommendation 10 is deemed complete.</p>	<p>Implemented</p>	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
Performance Evaluation					
76.	<p>Recommendation 11</p> <p>We re-iterate recommendation no. 17 of our Report on Somalia Operations on timeliness and quality of PACE evaluations.</p>	<p>Agreed.</p> <p>The Secretariat agrees that the timeliness and quality of PACE evaluations are important. The Human Resources Division has made efforts to promote use of the PACE tool and to encourage compliance. In connection with recommendation no. 17 of the External Auditor's report on Somalia operations, the Secretariat continues to enhance controls in the PACE system and encourage further compliance by supervisors and supervisees. The PACE form introduced in 2012 brings improvements to: i) the use of e-mail to provide updates and to prompt required actions through automated messages; and ii) the ability to monitor and report compliance rates by region/office, with division directors being able to review the compliance rates and status of individual PACE assessments for staff members within their division.</p> <p>As noted in response to recommendation 5, country directors are now required to provide assurance concerning PACE completion in their annual assurance statements.</p> <p>Introduction of the revised career framework, which emphasizes PACE reports as inputs in reassignment and promotion decisions, is expected to increase staff's awareness of the importance of timely, quality PACE evaluations.</p>	Recommendation 11 is deemed complete.	Implemented	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
<p>77. Recommendation 12 A 360-degree review which includes feedback from subordinates, should be included in the annual performance evaluation of executive level staff.</p>	<p>Partially agreed. The Secretariat agrees that a 360-degree review offers a useful input to the assessment of executive-level staff. As noted by the External Auditor, staff at the P-4 to D-1 levels already undergo a 360-degree assessment as part of the Management Assessment Centre process. The Secretariat notes the ongoing inter-agency initiative to harmonize elements of performance appraisal systems across United Nations organizations. An objective of this initiative is to identify a set of standard elements for participating organizations to include in their performance appraisal systems. WFP will follow the developments and conclusions reached at the inter-agency level, and will consider the External Auditor's recommendation in light of these. The Secretariat plans to incorporate a proposal on this issue into the next human resources strategy document.</p>	<p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document. Implementation of recommendation 12 is in progress.</p>	<p>June 2014</p>	
Capacity-Building				
<p>78. Recommendation 13 WFP must develop a learning policy for continuous capacity-building of staff and its integration with work processes.</p>	<p>Agreed. Under the ongoing workforce planning/skills survey project, capacity-building will be a core strategy for aligning staff skills to organizational requirements. A learning policy will be developed as part of the framework for bridging gaps identified in the skills survey.</p>	<p>As stated previously, capacity development is central to aligning skills with requirements under the workforce planning/skills audit project. HRM has developed an interactive analytical tool to map current capacities against anticipated requirements identified in the project. This analysis presents an overview of the workforce strengths and areas for skill development by functional areas; hence, will</p>	<p>December 2013</p>	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
		<p>facilitate business functions coordinating their capacity development priorities and integrate them with work processes.</p> <p>The issue will be reviewed in connection with the new HR strategy.</p> <p>Actions related to this recommendation will be considered by incoming HR leaders in line with the fit-for-purpose initiative.</p> <p>Implementation of recommendation 13 is in progress.</p>			
79.	<p>Recommendation 14</p> <p>A knowledge management system will help WFP harness the knowledge that resides in disparate reports and in different divisions of the organization. Handing over of hard and soft copy of files should form an important item in the checklist before an employee moves out on reassignment/retirement.</p>	<p>Agreed.</p> <p>The Secretariat will develop a system for ensuring that staff are requested to hand over files prior to reassignment/retirement.</p>	<p>An instruction on the hand-over of files has been included in standard communications related to reassignment and retirement.</p> <p>Implementation of the recommendation is in progress.</p>	June 2013	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments	
80.	<p>Recommendation 15</p> <p>Training Modules of all functional areas and offices should be linked to the Learning Management Systems (LMS).</p>	<p>Agreed.</p> <p>Management agrees that greater linkage between office training modules and LMS would enhance utilization. In line with the learning policy and framework – mentioned in response to recommendation 13 – the Secretariat plans to develop a process for coordinating learning events from across all functional areas and integrating them into the LMS.</p>	<p>A system agreed with the Goods and Services Procurement Branch (ODPG) and Food Safety and Quality Assurance Unit (OSPG) is in place to ensure that requests for training are cleared by the Learning and Performance Branch (HRMPL) before release to ensure that trainees are enrolled through LMS.</p> <p>Offices/units contacting HRMPL directly regarding training activities in their respective areas are also advised/reminded of the enrolment through LMS.</p> <p>The review of the plan for implementing the recommendation continues, in line with the fit-for-purpose initiative; the results will be reflected in a new HR strategy document.</p> <p>Implementation of recommendation 15 is in progress.</p>	December 2013	



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Audited Annual Accounts, 2012 (WFP/EB.A/2013/6-A/1)					
81.	<p>Recommendation 1</p> <p>As differences in inventory between WINGS and COMPAS continue and Logistics Execution Support System (LESS) is currently under review for full roll-out, it is essential that reasons for "Posting error logs", in particular, are examined critically and specific rectificatory steps (backed by training and close monitoring) at the country office/HQ level are taken. This would improve the quality of inventory reporting in Financial Statements.</p>		<p>The SAP-COMPAS interface for food commodity management was introduced in 2009 as an interim solution and significant resources have been allocated since then to address misalignments between the two systems. Capacity development through on-the-job training of field staff in country offices that handle high volumes of food commodities is a prioritized target for 2013.</p> <p>The LESS business plan is being reviewed with a view to gradual roll-out from mid-2013. LESS is expected to address the shortcomings of the interim solution.</p> <p>Implementation of recommendation 1 is in progress.</p>	December 2013	
82.	<p>Recommendation 2</p> <p>We recommend that a system may be put in place to ensure that Post-Delivery Losses are recorded in the year to which they pertain.</p>		<p>Agreed. The existing processes and procedures on the timely recording of transactions will be reviewed and strengthened.</p>	December 2013	



External Auditor's recommendations	WFP response/actions taken as at last reporting date	WFP response/actions taken as at present reporting period	Timeframe	External Auditor's comments
83. Recommendation 3 Efforts may be made to strengthen the existing system of recording receipt of food commodities on time by monitoring the timelines at appropriate levels, both in country offices/regional bureaux and WFP HQ.		Agreed. The existing processes and procedures on the timely recording of transactions will be reviewed and strengthened.	December 2013	
84. Recommendation 4 External Audit had made a recommendation during the financial audit 2011 for enhancing the quality of reconciliation of data on undistributed food lying with the partners. We would again recommend that there is need for further improvement in reconciliation of food stock lying with the cooperating partners for the purpose of disclosure. The matter may be reviewed by WFP HQ and responsibility centres identified for ensuring stricter monitoring of quality of reconciliation.		Agreed. The existing process will be improved and new procedures introduced with a view to enhancing the timeliness of cooperating partner reporting and data reconciliation.	December 2013	

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<p>85. Recommendation 5 We recommend that WFP review the status of all discrepancies/omissions between the Asset Management Database and WINGS-Asset Master Record through a "time bound action plan", and start with a "clean" database in Global Equipment Management System (GEMS) project, eliminating avoidable data migration issues.</p>		<p>A data cleansing exercise within the GEMS project has been implemented to ensure that the data is accurate and free of inconsistencies for the migration, in accordance with the GEMS project timeline. Implementation of recommendation 5 is deemed complete.</p>	Implemented	



ACRONYMS USED IN THE DOCUMENT

BCG	Boston Consulting Group
CCTI	Committee on Commodities, Transport and Insurance
COMET	Corporate Monitoring and Evaluation Tool
COMPAS	Commodity Movement Processing and Analysis System
CPDR	cooperating partner distribution report
EDMF	Emerging Donors Matching Fund
EMC	Executive Management Council
EMG	Executive Management and Policy Group
EMOP	emergency operation
FITTEST	Fast Information Technology and Telecommunications Emergency Support Team
FLA	field-level agreement
GEMS	Global Equipment Management System
HRM	Human Resources Division
HRMPL	Learning and Performance Branch
IPSAS	International Public Sector Accounting Standards
ISMS	Information Security Management System
KPI	key performance indicator
LESS	Logistics Execution Support System
LMS	Learning Management System
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
ODI	Information Technology Division (prior to 2013)
ODIF	IT Emergency Coordination Branch (prior to 2013)
ODL	Logistics Division (prior to 2013)
OS	Operations Services Department
OSLT	Logistics and Transport Service
OST	Information Technology Division
OSTF	IT Emergency Coordination Branch
PACE	Performance and Competency Enhancement (programme)
PPP	Professional Promotion Panel
PRRO	protracted relief and recovery operation
RFQ	request for quotation
RM	Resource Management and Accountability Department

SLA	service level agreement
SOP	standard operating procedure
SPR	Standard Project Report
SSR	Structure and Staffing Review
TOR	terms of reference
UNHCR	United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
WINGS	WFP Information Network and Global System