
PRO-ACTIVE INTEGRITY REVIEWS

EB Oversight Update
8 September 2017

Structure

Status of Action Points

Key Action Areas

- CBT Lebanon
- CBT Jordan
- Syria Food Procurement
- OIG Investigations

Completion Status of 133 Action Points

	Yet to commence	Commenced	Completed	Total	Completion rate
CBT Lebanon	-	2	14	16	87%
CBT Jordan	-	1	13	14	93%
Syria Food Procurement	-	4	30	34	88%
Republic of Congo	-	-	18	18	100%
CAR	-	-	33	33	100%
Djibouti	-	-	18	18	100%
TOTAL	-	7	126	133	95%

Overall Completion Rate:

- 53% at 15 March 2017
- 75% at 25 May 2017
- 95% at 8 Sep 2017

Key Area: Cash-Based Transfers - Lebanon

Measures taken include (14 of 16 PIR Actions completed):

- Beneficiary validation exercise conducted twice a year with established SOPs part of the common card system.
- New common card distribution introduced biometric verification through facial recognition.
- Unused funds automatically refunded to WFP each month and deactivated after 3 months.
- New monitoring tools include Sales Data Dashboard and the Automated Real Time Information Feed.
- Developed a Shop Management Risk mitigation matrix and a OIG referral matrix that finalize protocols for referral to OIGI when exceptions highlight potential fraud.
- Lebanon One Unified Inter-Agency System for E-Cards (LOUISE) actors are managing the first pilot phase of the Integrated Card System (ICS) work stream under UNICEF's lead.
- The first parallel run of SCOPE was conducted in August 2017. The aim is to run two full cycles of SCOPE in parallel with the DSMS system and complete transition if successful.
- The two ongoing actions are on course to be completed by October 2017.

Key Area: Cash-Based Transfers - Jordan

Measures taken include (13 of 14 PIR Actions completed):

- Streamlined procedure to compile the beneficiary list, including introduction of SCOPE as distribution list management tool replacing spreadsheet.
- Validation exercise recently completed and process enhancements under discussion with UNHCR.
- Iris-scan payments active in all camps (about 25% of e-cards on beneficiary payment list).
- Joint WFP/UNHCR contract negotiations with the iris scanning provider for the Syria+5 completed and iris scanning to be rolled out in communities by the end of the year.
- Enhanced e-card distribution and shop selection processes with updated SOPs.
- CO data analysis capacity and use of the triangulation database expanded enabling oversight of all steps of the CBT process and monthly reconciliation.
- A CO oversight committee was set up as second line of defense. It reviews monthly a dashboard of potential anomalies generated from specifically-designed reports from the triangulation database.
- The one ongoing PIR Action relates to the roll-out of iris-scanning for refugees in communities - targeted for completion by December 2017.

Key Area: Vendor Management – Syria Food Procurement

Measures taken include (30 of 34 PIR Actions completed):

Vendor Registration and Management

- Continuous improvement of due diligence and vendor pre-selection process.
- Requirements previously applicable to new vendors only, e.g. registration at level 2 in the UNGM, are now extended to all vendors on the rosters for International Food Procurement.

Key Area: Vendor Management – Syria Food Procurement

Potentially Related Bidders Competing in WFP Tenders (2 pending)

- A clause on Conflict of Interest (Col) was included in all tenders for international food procurement since mid-June 2017. A refined version of the Col package has been approved and is being rolled out across all RFPs/RFQs/ITBs/Contracts. It covers all forms of perceived or real Col, regardless of type of affiliation.
- The issues arising in the first months of the roll-out will feed into the guidelines on how to manage Col, which are currently under development. In the meantime any arising issues will be managed through tailor-made guidance and support from HQ.

Key Area: Vendor Management – Syria Food Procurement

Overall Improvements in Vendor Management (2 pending)

- A new clause prohibiting WFP vendors to **sub-contract**/use entities on the UN Consolidated Sanctions List and/or those serving sanctions from WFP is being rolled out in contracts. The clause is already included in all contracts with the international food suppliers.
- The software routine for daily cross-checks between the consolidated UN sanctions list and the WFP vendor master database is under further development, so to ensure a system-supported reliable and auditable daily verification.
- The overall review of the vendor management cycle (from pre-selection, through contract award, to performance management) is underway. Already developed SoW includes, inter alia, a review of existing and recommendations towards strengthened WFP management of vendors' performance.

Key Area: Vendor Management – Syria Food Procurement

Falsification of Commodity Certificates by Suppliers

- OIGI finalised investigation reports in May 2017 which concluded that certain vendors effectively submitted forged certificates.
- OIGI submitted the reports to the WFP Sanctions Committee for determination of appropriate sanctions.
- WFP Sanctions Committee is pursuing the cases as per the provisions of WFP framework for vendor sanctions.
- The sanctions process, including vendor response and sur-reply, is expected to be completed within next 2 months.

PIR Mainstreaming

- PIR recommendations are now tracked in the existing monitoring system for Internal Audit recommendations (TeamCentral).
- The Internal Control Effectiveness unit (now part of the newly-established RMR office), follows-up on the implementation status of PIR recommendations as part of its broader monitoring and follow-up of oversight findings across oversight bodies (including Internal Audit, External Audit, and Joint Inspection Unit).
- Reporting on PIR findings is now included in the annual IG report to the EB.
- As approved at the last EB Annual Session, EB Members may request access to PIR reports in line with the provisions of the Policy for Disclosure of Oversight Reports.