



World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

Executive Board
Annual session
Rome, 21–25 June 2021

Distribution: General

Agenda Item 6

Date: 12 May 2021

WFP/EB.A/2021/6-G/1

Original: French

Resource, financial and budgetary matters

For consideration

Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

Report of the External Auditor on the management of information on beneficiaries

Draft decision*

The Board takes note of the report of the External Auditor on the management of information on beneficiaries (WFP/EB.A/2021/6-G/1) and management's response (WFP/EB.A/2021/6-G/1/Add.1) and encourages further action on the External Auditor's recommendations, taking into account the considerations raised by the Board during its discussion.

* 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.

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Cour des comptes
FRANCE



EXTERNAL AUDIT OF THE WORLD FOOD PROGRAMME

AUDIT REPORT ON THE MANAGEMENT OF INFORMATION ON BENEFICIARIES

Financial year 2020

COUR DES COMPTES REFERENCE: PAM-2020-3



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EXECUTIVE SUMMARY

WFP needs to have reliable and transparent data available for its work to support its beneficiaries and to render accounts, as well as to ensure the trust of donors and other stakeholders. This report makes five main observations.

1 - The number of WFP beneficiaries must be considered an estimate. While not incorrect, the figure of 114 million beneficiaries in 2020, which is central to WFP's communications, is only partly the result of an arithmetical calculation. WFP should make clear in its public reports that this information is subject to a degree of approximation and mention the methodological limitations to the figures it reports.

2 - Beneficiary information is subject to multiple approximations, making it impossible to envisage total control over the data. Security constraints, emergency situations or dependence on governmental partners are among the reasons for approximations. The rules and the tools used for counting beneficiaries vary from country to country and by type of transfer. The methods for correcting raw data, which should make it possible to avoid counting the same beneficiaries more than once, suffer from gaps. The quality of beneficiary data also depends on the quality of the cooperating partners, which varies widely.

3 - WFP has leeway to enhance the usefulness of the data. The estimate of the overall number of indirect beneficiaries remains imperfect in view of the disparities in the approach, and it seems more appropriate to use this information on an ad hoc basis as a measure of results in a given country. Moreover, in the absence of adequate indicators, the extent to which the most vulnerable populations are reached is measured sketchily. Likewise, there is no quantitative data able to capture the intensity of support given, as WFP aggregates beneficiaries who have received a single emergency ration with those benefiting from a nutrition programme throughout the year. Progress needs to be made on sharing data with the main partners, for example by enabling them to access COMET. Fewer than two thirds of country offices have mechanisms for beneficiary feedback, although such feedback can be of value in making data more reliable.

4 – The integration of information systems and their coordinated deployment are two priority objectives. Two of WFP's four main information systems – SCOPE and COMET – are closely associated with beneficiary management but in practice are complemented by numerous local systems, which are sometimes rudimentary. The robustness, distribution in the field, and integration of these tools should be an important dimension of the next multi-year information systems strategy.

5 – Beneficiary information governance should be strengthened. WFP does not treat the quality of beneficiary information and potential inclusion errors as a fully-fledged strategic risk. Information risks are taken into consideration sector-wise, for example from the perspective of data protection. Ultimately, the flow of beneficiary information is handled by various headquarters divisions, jointly or not. The anticipated overall progress in terms of beneficiary information cannot be achieved without proper leadership and stronger coordination of action.

I. OBJECTIVE, SCOPE AND APPROACH OF THE AUDIT

1. In accordance with our notification letters of 27 May 2020 and 6 January 2021, a team of five auditors conducted an audit at WFP headquarters in Rome in two stages, from 20 to 24 July 2020 and from 11 to 22 January 2021. This was supplemented by two interim remote audits on 2, 15 and 16 October 2020. Moreover, field audits of eight field offices¹ conducted remotely in autumn 2020 helped in the drafting of this report, the aim of which was to examine the management of information on the beneficiaries of WFP actions. The team also interviewed representatives of five WFP partner organizations² and conducted a survey of regional and country directors in December 2020, with an 85 percent response rate.

2. Pursuant to an Executive Board decision of 10 November 2015, the external auditing of WFP was entrusted to the First President of the Cour des comptes of France for the period from 1 July 2016 to 30 June 2022, in accordance with Financial Regulation 14.1 of the WFP Financial Regulations.

3. The External Auditor's mandate is defined in article XIV of the WFP financial regulations and the annex thereto, as well as in the call for applications for the position of External Auditor. The call for applications and the offer of services of the Cour des Comptes, particularly its detailed technical offer, which was approved by the Board, constitute the terms of reference of the mandate.

4. The responsibilities of the External Auditor consist of auditing the accounts of WFP (financial regulation 14.1) and making observations, as it sees fit, with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of WFP (financial regulation 14.4).

5. Pursuant to Financial Regulation 3.1, the Executive Director is responsible, and accountable to the Board, for the financial management of the activities of WFP.

6. A letter of engagement was drawn up with WFP Secretariat in order to ensure that, in accordance with international auditing standards, the respective obligations of management and the External Auditor are clearly understood. Furthermore, before each audit, the External Auditor informs the Secretariat of the scope of the audit activities to be undertaken.

7. This report is included in the annual work plan of the External Auditor submitted to the WFP Executive Board during its 2020 second regular session, in November, which details the audits to be carried out between July 2020 and June 2021. Pursuant to the terms of reference, each year the External Auditor must produce an audit report on WFP's financial statements (submitted for approval by the Board), accompanied by an opinion on the accounts, two reports on the performance and regularity of the management of WFP, also called "performance audit reports" (submitted to the Board for consideration) and eight management letters drafted following visits to field offices (regional bureaux and country offices). The External Auditor also validates the draft annual report on the implementation of its previous recommendations, submitted by the Secretariat to the Board for consideration.

8. The audit of the management of WFP beneficiary information was carried out in accordance with the International Standards of Supreme Audit Institutions on performance and compliance audits, the WFP Financial Regulations and the additional terms of reference

¹ WFP country offices in Benin, Egypt, Ecuador, Madagascar, Nicaragua, Rwanda, the Sudan and Zambia.

² UNHCR (Office of the United Nations High Commissioner for Refugees), IOM (International Organization for Migration), UNICEF (United Nations Children's Fund), ECHO (Directorate-General for European Civil Protection and Humanitarian Aid Operations of the European Commission) and World Vision International.

annexed thereto. These standards require the External Auditor to conform to the relevant ethical rules in respect of the audit, to exercise professional judgement and to demonstrate critical thinking throughout the audit.

9. The primary aim of the audit was to:

- clarify the notion of beneficiary and the rules for counting beneficiaries, according to the type of assistance provided and the populations of interest;
- analyse, from the point of view of the reliability of the methods used, the management of beneficiary data over the whole cycle, from needs assessment to data collection, processing and monitoring, and analysis;
- understand how these data are collected, measured and evaluated to help guide WFP officials' management decisions;
- analyse the quality of reporting on beneficiaries at the country office and headquarters levels.

10. Broadly speaking, the question posed was whether the information given to the Executive Board, donors and management (headquarters) is accurate, complete, timely, useful, suited to its recipients and secure, as required by WFP's data quality guidelines.³

11. Taking into consideration the existence of recent work by the Office of Internal Audit and management on the beneficiary information systems (primarily the digital beneficiary information and transfer management platform [SCOPE]) and on the protection of beneficiary personal data, the External Auditor has not looked at these areas in depth.

12. Each observation and each recommendation has been discussed with the staff concerned, in particular those in the Programme – Humanitarian and Development Division (PRO), the Research, Assessment and Monitoring Division (RAM), the Corporate Planning and Performance Division (CPP) and the Technology Division (TEC). The audit closing meeting was held at the Rome headquarters on 22 January 2021 in the presence of the directors of the above-mentioned divisions. The Secretariat confirmed the validity of the facts set out in the provisional report, which was sent on 4 February 2021. This report fully takes into account the Secretariat's comments and responses provided in writing on 4 March 2021, together with those received from the Office of Internal Audit on 3 March 2021.

13. During an audit conducted in accordance with international standards, performance and compliance are examined based on appropriate criteria and the causes of any deviations from these criteria are analysed. The goal is to answer the main audit questions and to recommend improvements. The first step in the audit is to define the scope of the subject matter in question, that is, the information or activity to be assessed. This can take many forms and have different characteristics depending on the audit objective. To be appropriate the subject matter considered should be identifiable and capable of being coherently measured against the selected criteria and subjected to procedures for gathering sufficient and appropriate audit evidence to support the audit conclusion.⁴

14. To carry out its examination, the External Auditor prepared a logical classification of the stages relating to the objectives pursued by WFP in relation to the management of beneficiary information, classifying them as immediate, operational, and strategic objectives. To achieve each type of objective, a programme aims for different types of effects: immediate objectives

³ Guidance on Data Quality. Research, Assessment and Monitoring Division. December 2020.

⁴ ISSAI 100, paragraphs 22 and 26.

translate into factual outputs; operational objectives assume results that require a more qualitative assessment; strategic objectives manifest themselves through expected long-term expected impacts, the analysis of which is more a matter of evaluation. The expected outputs, outcomes and impacts listed in the logical framework constitute the basic criteria for assessing operational performance. The degree of complexity of achieving the objectives varies depending on their status and in some cases, particularly with regard to expected impacts, it often exceeds the limits of a performance audit and tends towards an evaluation.

Logical framework for the management of WFP beneficiary information

Immediate objectives	Operational objectives	Strategic objectives
<ul style="list-style-type: none"> • Have clear concepts on the notion of beneficiaries. • Have specific and uniform procedures for the processing of beneficiary information. • Deploy and implement information systems tailored to the processing of beneficiary information. • Schedule work on verification and checks on beneficiary data. • Leverage and share the beneficiary information available within WFP. • Ensure consistent steering of the effort to improve the quality of beneficiary data at headquarters and in the field. 	<ul style="list-style-type: none"> • Produce accurate and reliable data on beneficiaries. • Produce timely beneficiary data. • Carry out reliable monitoring of operations. • Master the variety of conditions under which beneficiary information is collected. • Ensure the protection of the personal data communicated to WFP by beneficiaries. • Enable WFP to take a more qualitative approach. 	<ul style="list-style-type: none"> • Have reliable data to support WFP's advocacy. • Guide WFP efforts in the right direction, particularly in the direction of the most vulnerable. • Be a trusted partner in the international community. • Report on efforts to donors and other stakeholders transparently. • Enable an impact assessment of WFP's intervention in the countries concerned.
Outputs	Outcomes	Impacts

Source: External Auditor.

15. Travel restrictions imposed by the health situation have resulted in external audit teams carrying out the entirety of their interim verifications of field offices remotely. Bearing in mind the longer timescales due to work being carried out in part remotely, it has not been possible to cover certain themes, such as the cost of managing beneficiary information or protection of personal data. Moreover, the audit evidence gathered is not supported by visual observations, notably as regards the monitoring of distributions in the field. While regretting their negative impact on the quality of the information gathered and the dialogue with the audit team, the External Auditor believes that these constraints have not prevented the collection of evidence on the basis of which it is appropriate to form an opinion.

II. LIST OF RECOMMENDATIONS

16. The recommendations are classified in order of priority:

- **Priority 1**, an essential point requiring the immediate attention of management;
- **Priority 2**, a less urgent control issue, requiring management attention;
- **Priority 3**, an issue brought to the attention of management, pertaining to which controls could be improved.

Field	Priority	Recommendations
Reliability	1	1. The External Auditor recommends that methodological annexes specifying the conditions and limitations of the beneficiary count, be produced as support for the beneficiary data presented in annual country reports and the annual performance report.
Reliability	1	2. The External Auditor recommends that a country office rating based on the ten information quality criteria listed be established and included in the information provided to the Executive Board.
Reliability	2	3. The External Auditor recommends that the performance assessments of cooperating partners be strengthened in order to have a measure with which to gauge the quality of the data that they collect.
Usefulness	3	4. The External Auditor recommends that indirect beneficiaries, where this is possible and relevant, be estimated in the quarterly and six-monthly country office activity reports and during programme evaluations.
Usefulness	1	5. The External Auditor recommends that the duration of assistance to beneficiaries be reported, by activity and by country.
Usefulness	2	6. The External Auditor recommends that a directive enabling better account to be taken of qualitative beneficiary targeting criteria in the registration and reporting phases be adopted.
Usefulness	2	7. The External Auditor recommends that the production of outcome monitoring reports at the regional and central levels be reported on systematically and that steps be taken to ensure that they are published regularly.
Usefulness	3	8. The External Auditor recommends that WFP partners and donors be given access to the data analytics of the COMET dashboard.
Information systems	1	9. The External Auditor recommends that a central plan for deployment and harmonization of beneficiary information management systems in target countries be established and that, in particular, a timetable for the deployment of SCOPE be set.
Information systems	1	10. The External Auditor recommends that SCOPE and COMET be linked in 2021.

Field	Priority	Recommendations
Governance	2	11. The External Auditor recommends that, during the next annual risk analysis exercise, a strategic risk concerning beneficiary inclusion and exclusion errors be added.
Governance	1	12. The External Auditor recommends that a permanent coordination mechanism for the various entities responsible for beneficiary information be set up at headquarters under the authority of the Programme and Policy Development Department.

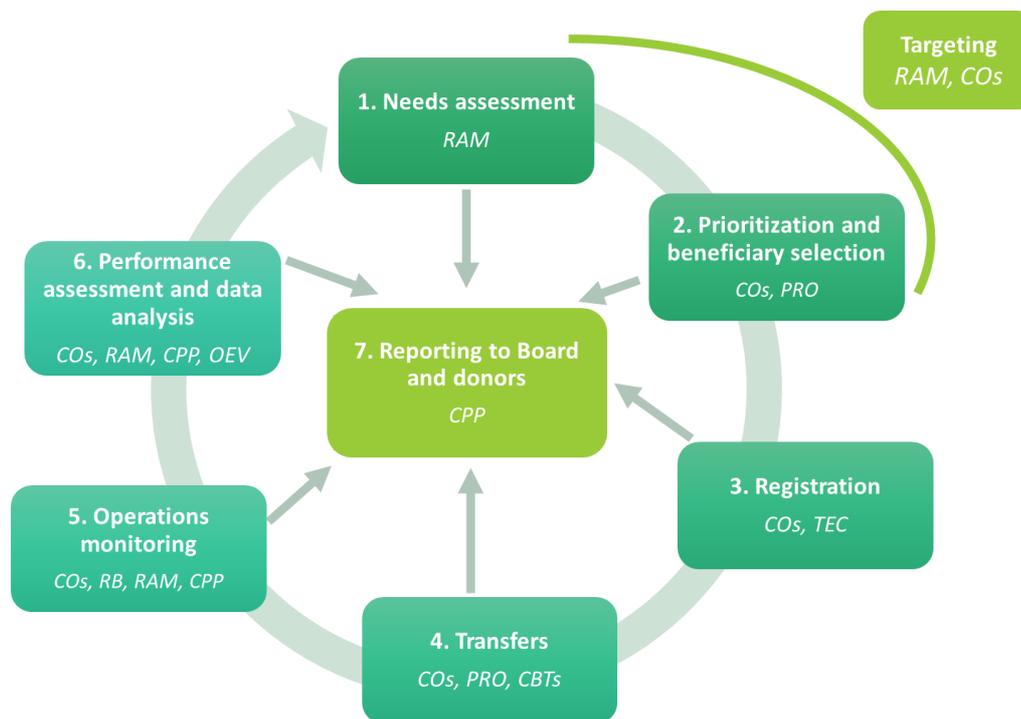
III. OBSERVATIONS AND RECOMMENDATIONS

17. The attention paid to beneficiaries of WFP’s activity, and notably the quality of the information about them, is a core element of the perception of the Programme’s effectiveness. Direct aid to people facing food insecurity corresponds to the first three of the five Strategic Objectives adopted by WFP in its Strategic Plan (2017–2021):⁵ ending hunger, improving nutrition, and ensuring food security. As the February 2019 terms of reference of WFP headquarters and regional bureaux point out, “beneficiaries remain at the centre of WFP’s work.”

18. Given that beneficiaries are in the field, the responsibility for collecting, processing and analysing this information lies primarily with the country offices as part of the implementation of their country strategic plans (CSPs). The associated tasks are described in the 2016 Programme Guidance Manual. The regional bureaux provide the country offices with technical support and oversee their work in relation to beneficiaries.

19. The management of beneficiary information is based on a seven-stage cycle involving various WFP components in the field and at headquarters.

Figure 1: The beneficiary information management cycle⁶



Source: External Auditor

⁵ WFP/EB.2/2016/4-A/1/Rev 2.

⁶ 1-Needs assessment: quantitative assessment by a country office of operational requirements to fulfil WFP's mandate in the territory covered by a country office. 2-Prioritization and beneficiary selection: definition of socio-demographic criteria for targeting priority populations in a territory. 3-Registration: the data concerning programme beneficiaries are recorded in WFP's information systems in order to enable their monitoring. 4-Transfers: delivery to beneficiaries of a good or service in line with WFP's mandate. 5-Operations monitoring: in the light of programmes' operational settings, the relevance of the beneficiary population targeting process is evaluated to identify possible improvements. 6-Performance assessment and data analysis: the data collected on beneficiaries are analysed with a view to optimizing the action undertaken. 7-Reporting to the Executive Board and donors: information addressed to donors and the Executive Board on the results of funded activities.

20. The broad scope of beneficiary information has not led WFP to assign sole responsibility to headquarters. Several divisions in various departments are entrusted with the task: PRO, which supports offices in the running of operations, beneficiary assistance and accountability to beneficiaries; RAM, which analyses the data collected on beneficiaries to facilitate optimization of the organization's activities; CPP, which is responsible for reporting to the Executive Board and, in particular, the preparation of the annual performance report; TEC, which ensures the smooth operation of the internal WFP beneficiary information systems (through the Beneficiary Services Branch, specifically the SCOPE beneficiary registration system).

21. In its recent field work, the Office of Internal Audit (OIGA) has frequently highlighted shortcomings in beneficiary information: 15 of 17 field office audits⁷ it carried out between 2018 and 2020 reported observations of this kind, concerning targeting (in 7 of the 15 reports), beneficiary registration (11 reports), monitoring (8 reports) and reporting (11 reports).

22. The very nature of WFP, which is called upon to intervene in emergency situations or in particularly difficult places, makes total control over beneficiary information illusory. This fact is acknowledged in the guidance note on the estimation and counting of beneficiaries: "Although country offices should always strive to estimate and count beneficiaries with the highest rigour and accuracy, WFP operates in contexts that do not always allow for total accuracy."⁸

23. Understanding the constraints it faces in this domain is, however, essential to enabling WFP to ameliorate them, improve its performance and accountability, and more generally, gain in maturity in order to remain the benchmark organization in activities to promote food security. As the Multilateral Organisation Performance Assessment Network (MOPAN) observes in its latest evaluation of WFP (April 2019),⁹ operations regarding beneficiary information remain one of the main areas for improvement of its performance.

24. WFP is paying increasing attention to the subject of beneficiary information. Over the past 18 months it has issued a series of guidelines that have provided useful clarification of ideas and requirements or advised on methods.¹⁰ It seems to be very much aware of the balance that needs to be struck between the need to better collect and process the ever increasing and more precise beneficiary data, on the one hand, and the growing concern for personal data protection, on the other.

25. At the time of this audit, these general guidelines had not yet been translated into action. As a regional director commented to the External Auditor, "there is a lack of accountability on data quality." Another regional director said: "Improvements to any aspect of information management is likely to have a significant impact on how effective we are in delivery."

⁷ Bangladesh, Nigeria, Somalia and South Sudan in 2018; Chad, Honduras, Liberia, the Niger, the Sudan, Tunisia, Pakistan and Peru in 2019; the Democratic Republic of the Congo, Ethiopia, Myanmar, Uganda, and Yemen in 2020.

⁸ Guidance Note on Estimating and Counting Beneficiaries. September 2019.

⁹ MOPAN 2017-18 Assessments (April 2019): "Processes and controls relating to beneficiary verification, profiling and prioritization, identity management, and data management."

¹⁰ These refer to targeting (May and December 2020), managing beneficiary identities (May 2019), estimating and counting beneficiaries (September 2019) and, more generally, data quality (October 2020). See below.

1. **Reliability of information**

1.1 **An unavoidable margin of approximation**

26. WFP focuses its communications to the Executive Board, donors and the general public on the number of beneficiaries of its work. In its 2019 annual performance report, presented in July 2020, it reported reaching 97.1 million beneficiaries.¹¹ In November 2020 it stated that, against the background of the COVID-19 epidemic, it had provided direct food assistance to 96.6 million people in the first nine months of 2020,¹² including cash-based transfers. This figure was raised to 114 million beneficiaries over the course of the year in the Executive Director's statement prefacing the December 2020 financial statements.

27. In the field, WFP communications reflect the number of beneficiaries reported in the country briefs, accessible on country office websites, but these figures are in reality no more than estimates.

28. WFP also relies on quantitative data to guide its work:

Table 1: Direct beneficiary targets (*millions of persons*)

Indicators	2019 target value	2020 target value	Proposed revised 2020 target value
Total number of beneficiaries targeted through WFP food and cash-based transfers	78.8	81	87.8
Number of schoolchildren targeted through school feeding interventions	17.7	17.7	22.2
Number of persons targeted through nutrition-specific interventions	22.4	23.5	18.8
Number of persons targeted through food assistance for assets	10.9	11.7	14.7

Source: WFP Management Plan (2020–2022) (WFP/EB.2/2019/5-A/1), table V.1. p.76.

29. In the survey¹³ of country office directors conducted by the External Auditor, 25 percent of offices¹⁴ that responded consider the beneficiary count information to be approximate, i.e. to have a margin of error of 10 percent or more.

30. The reasons put forward to explain these assumed margins of error vary from country to country: difficulties identifying overlaps between beneficiaries of different activities (Democratic Republic of the Congo, Burundi); late submission of partners' distribution reports (the Sudan); real household size relative to the multiplier of five advised in the institutional guidelines (Haiti, Madagascar, Mali, Turkey); non-deployment of SCOPE (Myanmar, South Sudan).

¹¹ See annex 1 for the detailed presentation of the beneficiary data in the annual performance reports.

¹² WFP Global Update on COVID-19: November 2020 – Growing Needs, Response to Date and What's to Come in 2021. <https://reliefweb.int/sites/reliefweb.int/files/resources/WFP-0000121038.pdf>.

¹³ See annex 2.

¹⁴ Bhutan, Burkina Faso, Colombia, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ethiopia, Islamic Republic of Iran, Liberia, Malawi, Nepal, Nicaragua, the Niger, Rwanda, South Sudan, Sri Lanka, Tunisia and Zambia.

31. The COVID-19 epidemic, which was classed as a global Level 3 emergency from March to November 2020,¹² has sometimes led to an easing of field monitoring normally conducted by country offices,¹⁵ which may have reduced the level of confidence in the data produced and could affect the quality of the data presented in the 2020 annual performance report.

32. Although, according to the survey, fewer than 10 percent of country office directors considered their data processing capacity to have been seriously affected by the COVID-19 crisis, it has introduced new uncertainties in beneficiary information as a result of changes to the way food rations were distributed, such as the doubling of portions to reduce the frequency of interactions with beneficiaries (Madagascar and the Sudan). It is also necessary to take into account changes in certain forms of assistance (the switch from school feeding to take-home rations in the Sudan after March 2020, for example) and, more generally, the reduction in on-site verifications by country offices (outsourcing of oversight to third parties in Afghanistan or Ethiopia) or to local offices (Madagascar, Rwanda and the Sudan).

33. As later sections¹⁶ of this report will show, limitations at each stage of data feedback introduce a risk of approximation or even errors in data before their entry into the country office tool for managing effectively (COMET). This is particularly the case when a country office does not carry out a systematic analysis of beneficiary lists. For example, the recent internal audit of the Ethiopia country office¹⁷ found that insufficient checks had been carried out to determine whether the consolidation process for beneficiary numbers provided by government cooperating partners at the regional level ensured accuracy and completeness.

34. This situation makes it necessary to acknowledge that the information on beneficiaries registered and assisted presents technical limitations as to its reliability, which varies according to context and which should be reported at the country office and central levels.

Recommendation no. 1. The External Auditor recommends that methodological annexes specifying the conditions and limitations of the beneficiary count, be produced as support for the beneficiary data presented in annual country reports and the annual performance report.

1.2 Factors underlying approximations

35. The margin of error applicable to beneficiary data is a result of various factors. The quality of the data collected varies by country, activity and partner.

36. In some countries, the security situation does not allow regular direct access to beneficiaries, which has an impact on the quality of reporting. In Pakistan,¹⁸ the country office reports that some beneficiary data is collected manually on paper for security reasons. In the Syrian Arab Republic, the country office acknowledges that stabilization of the conflict after

¹⁵ The note “ED COVID-19 Controls Inquiry” (September 2020) drafted following an inquiry into headquarters divisions and country offices, states that “beneficiary targeting, registration and verification have become challenging due to movement restrictions and distancing measures.”

¹⁶ Chapters 2.2 and 2.3.

¹⁷ Internal Audit of WFP Operations in Ethiopia, report AR/20/05.

¹⁸ Results of the survey of country office directors on beneficiary data. External Auditor. January 2021, question 6, annex 2.

18 months has enabled progress on the transparency of its activities and better accountability.¹⁸

37. For several years WFP has been called upon to operate increasingly often in urgent contexts¹⁹ that make it necessary to make estimates. Although this situation is taken into account in the note on the estimation and counting of beneficiaries,⁸ this affects the reliability of the information gathered by country offices when they are faced with major influxes of beneficiaries, leading them to rely on estimates as permitted by the guidance note. In Bangladesh, for example, the Office of Internal Audit in 2018²⁰ revealed a failure to update the beneficiary database (births and deaths) following the arrival of Rohingya refugees, which had justified the declaration of a Level 3 emergency. However, the number of beneficiaries estimated rather than counted is not specified.

38. Beneficiary data are generally the product of an estimate of the number of members of each household, although this is not systematic. According to the abovementioned guidance note, when the number of members per household is unknown and the whole family is being supported, a multiplying factor, such as five, is recommended. However, this figure does not always correspond to the average situation observed: in Haiti the country office director considers household sizes to be highly variable, and this rule affects the accuracy of the data.²¹

39. WFP may have to work with external data from international partners (Office of the United Nations High Commissioner for Refugees (UNHCR), via its ProGres database) or governmental partners (Turkey, the Democratic Republic of Korea, etc.), in particular when it is assisting refugees (21.2 percent of beneficiaries in 2019). The level of assurance regarding the data varies according to the categories of beneficiaries considered (displaced, refugees, residents, etc.). The Ethiopia country director considers, for example, that the country office's dependence on government reporting creates the possibility of imprecise data insofar as the data are not entirely under WFP's control.²² The quality of the data from these third parties is not necessarily worse, but WFP cannot give the same level of assurance as it could if it had full control over it. For example, in the Sudan the External Auditor has found significant deviations in the estimates of the number of refugees by WFP and by UNHCR resulting from a failure to update the lists sent to WFP and the impossibility of determining the whereabouts of refugees in the country.

40. The degree of certainty regarding the quality of information on beneficiaries is not the same for all activities. School feeding (17.7 million beneficiaries in 2019), in particular, takes place in most cases without country offices being in control of the drawing up of lists, which falls to local authorities, who do not always have lists of beneficiaries' names. In such cases, WFP provides an amount of assistance that is not based on individualized distributions. A proactive integrity review of school feeding by the Office of the Inspector General (2020) highlighted the fact that there was limited assurance of the number of children actually served.

¹⁹ In 2019, 59 percent of beneficiaries were from countries with a Level 2 or 3 emergency.

²⁰ Internal Audit of WFP Operations in Bangladesh. OIGA. Report AR/18/19. December 2017.

²¹ External Auditor's survey. See annex 2.

²² Results of the survey of country office directors on beneficiary data, External Auditor, January 2021. The Sri Lanka country office director reached the same conclusion: "The ideal situation is when WFP is fully responsible for all steps of assistance provision (from targeting to transfer, with information flowing through integrated digital systems). In the development context, where WFP often works through government institutions, which are responsible for the data management and data privacy of their own citizens, the ability of WFP to control the entire chain of information might be hampered, as WFP is not in a position to formally bind the government to adhere to certain formats/standards, which must be negotiated (unlike the situation with NGOs, for which such matters are handled through field-level agreements); nor does WFP have corporate tools with which to address this situation."

41. When WFP conducts several different activities addressing the same group of people, the process of correcting beneficiary overlaps to reach unique beneficiaries is complex (see below, chapter 1.3). The Malawi country office acknowledges that “as WFP shifts to a more integrated approach whereby vulnerable households receive a comprehensive package (i.e., malnutrition prevention, school meals and a host of resilience-based interventions), there is a need to better understand beneficiary overlap.”²³ The accumulation of activities could also represent a challenge such as that in Sri Lanka, where the country office hopes to increase the synergies among its various activities, while admitting that “as a result there is a risk of a drop in the accuracy of the number of unique beneficiaries.”²³

42. When biometric data are utilized many country offices consider the SCOPE application to offer a higher level of reliability than other tools for tracking beneficiary data (e.g. the MoDA operational data acquisition tool or Excel tables).²⁴ However, this assurance depends on the completeness, accuracy and reliability of the data on each beneficiary, enabling their identification as a unique beneficiary. Indeed, the External Auditor, as well as internal audit reports, has noted the shortcomings of some of these data.

43. In 2020, just 21.4 percent of identities registered through SCOPE were associated with a digital fingerprint; biometric data ensure the best guarantee of a beneficiary’s identity.²⁵ This situation varies by country. By way of example, the Somalia country office²⁶ review found that just 49 percent of local beneficiary registrations included biometric data.

44. Of the 63.7 million identities listed in SCOPE as at 31 December 2020, WFP inventoried 16.2 million standardized profiles – 25 percent of the total – with no data for family name, age or given name. Country offices resort to these anonymous accounts in emergencies, when recording personal details may put a beneficiary in danger, or because only the head of a household is registered but the rest of its members are counted.

45. In the six countries from which we have extracted the list of beneficiaries registered up until 2020 (Benin, Ecuador, Egypt, Madagascar, Rwanda and Turkey), 85 percent of dates of birth were incorrect or not recorded.

46. There is no certainty that all annual beneficiaries registered in SCOPE, are active and effectively receiving assistance in the year in question. The 2020 internal audit of the country office in the Democratic Republic of the Congo showed that fewer than 50 percent of the identities recorded in SCOPE in the Democratic Republic of the Congo could be linked to active beneficiaries.²⁷

47. The final quality of the data depends on the existence and effectiveness of the internal controls functioning at each stage of the cycle. In South Sudan an internal audit in 2018 found that “registration and positive verification of beneficiaries in South Sudan lack robust and secure systems [...] to guarantee internal controls are present and operating effectively over

²³ External Auditor’s survey, question 11, annex II.

²⁴ In Iraq, the country office considers beneficiary information to be 99 percent reliable owing to the use of SCOPE for its activities across the board.

²⁵ According to the internal auditor’s 2019 report on the Niger country office, “taking fingerprints would make it possible to de-duplicate beneficiaries and ensure that the right people receive aid.”

²⁶ OIGA. Lessons-Learned Report, Limited Scope Review of the Somalia Country Office’s Delivery Process Internal Controls. January 2021.

²⁷ Internal Audit of WFP Operations in the Democratic Republic of the Congo. Internal Audit Report AR/20/12. June 2020.

beneficiary management processes and data” and recommends that it should “define processes and carry out quality tests on data collected by third parties.”²⁸

48. In summary, the External Auditor considers that ten conditions need to be met for a country office to produce optimal quality data.

1. Data is supplied by a country office or, failing that, is checked by it.
2. Cooperating partners implement a robust selection, recording and reporting process.
3. A registration system (in principle, SCOPE) is implemented and used rigorously.
4. Beneficiary de-duplication and correction of overlaps in SCOPE and COMET are carried out rigorously and transparently.
5. Information on the beneficiary list mentions the date of the most recent verification.
6. The share of the data resulting from estimates is reduced to the extent possible and, where applicable, mentioned.
7. There is internal control at each stage of the beneficiary information management cycle, including in the field.
8. Accountability mechanisms, such as the complaint feedback mechanism, are deployed and used to understand beneficiaries better.
9. Needs are assessed through joint evaluations with other United Nations entities and local authorities.
10. Country office monitoring and evaluation teams are adequately staffed and trained.

49. It would be desirable for these conditions to be measured to assess the quality of the information provided by a country office and the confidence that can be placed in it.

Recommendation no. 2. The External Auditor recommends that a country office rating based on the ten information quality criteria listed be established and included in the information provided to the Executive Board.

1.3 Correction methods

50. The data on beneficiaries are based either on individual records in SCOPE, which allows for the registration of beneficiaries and the verification of their identities at the moment of distribution, including through biometric data, or on a collective approach through COMET, which collects data on the number of beneficiaries per activity and per programme component. Corrections need to be made to these raw data, however. Indeed, half of the country office directors surveyed acknowledged that correction processes, which are neither explicit, uniform nor monitored, could be improved.

²⁸ Internal Audit of WFP Operations in South Sudan. Office of the Inspector General. Internal Audit Report AR/18/08. July 2018.

51. The SCOPE platform provides a single register of beneficiaries that gives an overview of what a given household receives and the benefits to which it is entitled. Cooperating partners can use it to verify identities during distributions and for reporting.

52. The main corrections made in SCOPE comprise the elimination of duplications in the biometric identity register: there is a risk that certain beneficiaries are registered several times either with the same or a different identity and so are counted several times in the aggregate total of SCOPE beneficiaries.

53. The creation of two similar or identical identities is possible in the SCOPE system, even when they are based on biometric data. To identify them, users must launch a deduplication operation. In the case of profiles with biometric data, this is done using the “Mega Matcher Automated Biometric Identification System” (MM ABIS) application. This operation identifies profiles that have the same fingerprint associated with them.

54. This functionality suffers from a number of limitations affecting the reliability of the number of beneficiaries listed in SCOPE. According to the November 2018 guidelines on the beneficiary deduplication procedure in SCOPE,²⁹ automatic identification of duplicates is only available for profiles with biometric data, so can only be carried out on 21 percent of beneficiaries. Deduplication is also performed using other elements of identification (identification document number, telephone number) but they are less reliable. Furthermore, deduplication can be a tedious and time-consuming process, as in Somalia, where it was necessary to contact 26,000 households.³⁰

55. Various internal audit reports have underlined the persistence of duplicates: the overall duplication rate at the end of 2020 was 16.37 percent.³¹ According to the 2018 internal audit report on SCOPE³² the checks carried out when importing data were insufficient to prevent the recording of duplicates. Thus in Kenya, before the deduplication exercise as many as 20 percent of beneficiaries were duplicated. In Somalia,³⁰ a deduplication exercise carried out in 2019 identified a duplication rate of 68 percent, of which 5.7 percent were judged to pose a “high risk” for fraud. In the Democratic Republic of the Congo³³ “[t]he review of SCOPE data showed duplicate households (11,000), voting cards (1,949), individuals (2,050) and fingerprints (25,000).”

56. Given the magnitude of the risk of duplicated identities, there is no guarantee as to the number of 29 million beneficiaries reached by distributions recorded in SCOPE in 2019. There is a risk that the real number is lower.

57. Following distributions, the data on the number of beneficiaries are entered manually on the COMET system, where they are aggregated by activity and programme component. These data are gathered by country offices based on monthly distribution reports by cooperating partners.

²⁹ Process for detecting duplicate biometric identity data in a biometric database. The search can be based on fingerprints or using iris or face recognition technology and a photograph. In SCOPE, initially only identities with fingerprints will be searched.

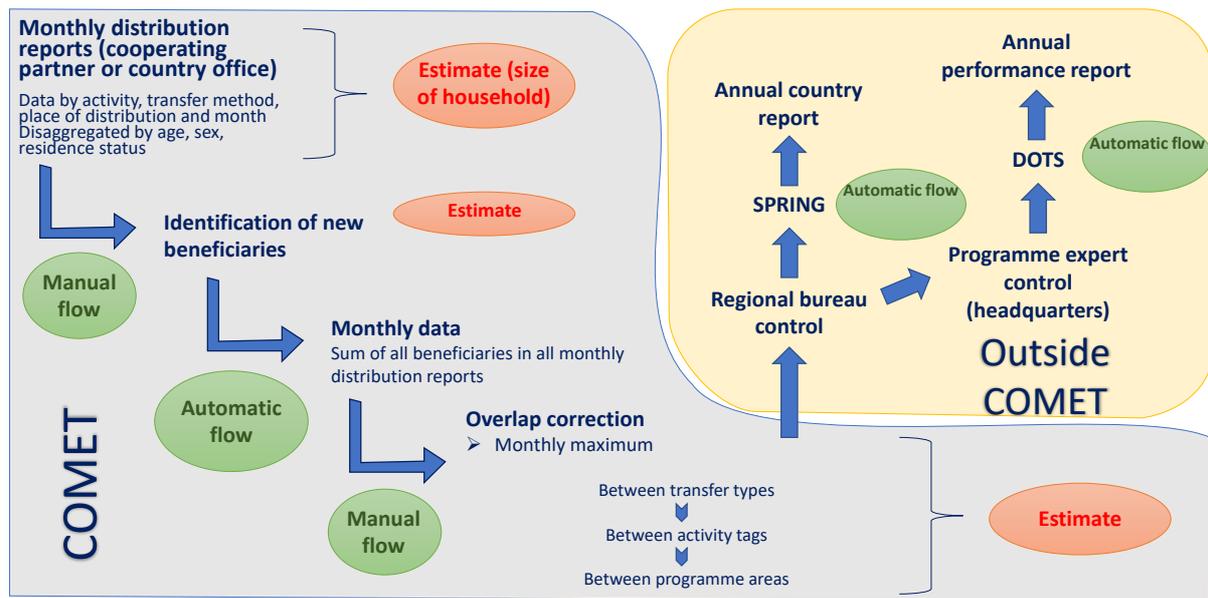
³⁰ OIGA. Lessons-Learned Report. Limited Scope Review of the Somalia Country Office’s Delivery Process Internal Controls. January 2021.

³¹ This means that 16.37 percent of the identities in SCOPE are duplicates (source: Deduplication Panel, SCOPE).

³² OIGA. Internal Audit of SCOPE IT, General and Application Controls. Internal Audit Report (AR/17/18). 2017.

³³ OIGA. Internal Audit of WFP Operations in the Democratic Republic of the Congo. Internal Audit Report (AR/20/12).

Figure 2: Progression of beneficiary data from monthly distribution reports to the annual performance report



Source: External Auditor

58. In accordance with the 2019 guidelines on estimating and counting beneficiaries, distributions are classified in various categories for each objective of the programme under consideration: activity tag, mode of transfer and place of distribution. Data are broken down by beneficiary age, sex and residence status (resident, refugee, displaced person). Country offices must identify new beneficiaries who were not included in previous distributions. These data rely on an estimate based on country office staff and their partners' knowledge of the programme, which may vary.³⁴

59. COMET automatically calculates monthly data by aggregating the beneficiary numbers from all the distribution reports each month. The process of adjustment, performed at the start of the year with data from year n-1, is applied at this stage. This adjustment consists of eliminating overlaps that lead to the same beneficiary being counted multiple times, for example when the beneficiary receives distributions over several days under the same programme during a given period (temporal overlap), or when the beneficiary is simultaneously included in more than one programme and category of activity (spatial overlap).

60. This set of operations relies on external data that are not tracked in COMET, where only the calculations (raw data and adjusted data) are shown. In the absence of nominative data, adjusted data are likely to be estimates so cannot be considered strictly accurate. At the very least they are of variable quality, depending on how rigorous the processes at the country offices are. This assumption is shared by several country office directors: "More exact figures are impossible to get due to a variety of assumptions that flow into beneficiary calculations (such as average household size, household composition, overlap between activities)," (Nigeria); "The system to estimate overlap, particularly between different activities, is not so easy to undertake" (Republic of the Congo).³⁵

³⁴ According to the country office director for Colombia: "In the case of school feeding programmes, the absence of detailed lists of children does not allow for a thorough tracking of new beneficiaries every month, which therefore means that unique numbers rely on assumptions." Results of survey of country office directors on beneficiary data. External Auditor. January 2021. 2021.

³⁵ External Auditor's survey. See annex 2.

61. Despite the rigour with which the overlap adjustment process may be carried out locally, correction mechanisms leading to the final data on each beneficiary do not make it possible to guarantee the accuracy of the data.

62. These mechanisms lack transparency: few country offices have adopted local procedures formalizing the process or identifying external data necessary for adjustments; the explanation fields in COMET are rarely completed; there are cases in which COMET is not used properly (adjustments are made manually, with the adjusted total being added to COMET at the end of the process). The adjustment mechanisms can be a source of errors: the analysis by country of adjusted figures in 2019 showed that in some cases (Haiti, Tajikistan), the adjusted figures were higher than the non-adjusted figures, which should not be the case. Finally, the adjustments remain superficial, because for activities spanning several months the internal practice of country offices is to count the number of beneficiaries in the month with the most beneficiaries and not the monthly average.

63. Once the adjustment process has been completed, the regional bureaux (which are the COMET focal points) can perform checks on the data before final validation and then their transfer to Standard Project Report Intelligent Next Generation, or SPRING,³⁶ and finally being used as input for the annual country reports. For the preparation of the annual performance report, the adjusted data are verified by experts on each of the programmes at headquarters, then extracted and aggregated to obtain the total number of beneficiaries for each programme and for all programmes.³⁷

1.4 Execution partners

64. The aid delivered to beneficiaries is usually donated by public or private partners who may be local (governmental) or international. These partners play a decisive role in beneficiary information as, with the exception of final reporting, which nevertheless depends on their activities, they are associated with all phases of the cycle, from needs evaluation through to distribution and monitoring. Some of them take a very rigorous approach to beneficiary information.³⁸

65. In principle, the activity of cooperating partners is governed by field-level agreements (FLAs). The transfers in question (food, cash-based transfers, capacity strengthening) are envisaged in the operational plans and tracked in the regular distribution reports³⁹ produced by cooperating partners and sent to the country office, which validates them.

66. The production of distribution reports is not automated. The data in the reports partly depends on the objectives set for partners in the operations plans annexed to the FLAs. Based on the verifications by the External Auditor, in the Sudan in particular, they appeared to be of varying precision. Whereas the quantitative objectives from the implementation plan are

³⁶ SPRING is used to create country office annual reports by combining data from COMET, the Logistics Execution Support System (LESS)/Commodity Movement Processing and Analysis System (COMPAS) and the WFP Information Network and Global System (WINGS).

³⁷ The figures from COMET and those from the annual performance report were reconciled by the External Auditor, who did not find any deviations.

³⁸ For example, World Vision International, one of WFP's main cooperating partners, has its own detailed intervention model (17 phases for general food distribution).

³⁹ Usually monthly, except during crises, when the frequency may be weekly or even daily.

systematically included in these documents, the same is not true of the geographic or gender distribution, even if it is particularly taken into account in targeting.

67. As noted by the country directors surveyed, as well as the specific audits by the External Auditor, the monthly distribution reports are sometimes sent later than required,⁴⁰ which prevents the data from being uploaded to COMET on time and leads to country offices making estimates that are, in principle, corrected later. Some of these distribution reports are never sent, such that a margin of estimation remains in the annual data reported.

68. The quality of beneficiary data therefore depends on the quality of the cooperating partners, which, as country directors⁴¹ and internal audit reports⁴² acknowledge, is highly variable. Country offices are well informed about the good or poor quality of partners, but this information is not passed on to the regional level and/or headquarters, nor is it mentioned when it affects data quality. Communications between the External Auditor and the regional bureaux confirm that they do not have a consolidated view of the quality of cooperating partners in their region.

69. At headquarters no one is responsible for monitoring the implementation of cooperating partners' commitments in the field.⁴³

Recommendation no. 3. The External Auditor recommends that the performance assessments of cooperating partners be strengthened in order to have a measure with which to gauge the quality of the data they collect.

2. Usefulness of information

2.1 Direct and indirect beneficiaries

70. In its 2021–2023 management plan adopted in November 2020,⁴⁴ WFP defined beneficiaries as “individuals who benefit directly (tier 1 beneficiaries) or indirectly (tier 2, tier 3 beneficiaries) from WFP interventions at any time during a given reporting period.”

71. The definition of tier 1 beneficiaries was updated in September 2019⁴⁵ to improve their counting. The new definition added to persons who benefit from food transfers or cash-based transfers from WFP or cooperating partners, those who benefit directly from capacity strengthening activities and all transfers aimed at improving their food security or nutritional status. It also clarifies that tier 1 direct beneficiaries should be identified and registered unless

⁴⁰ This is the case, in particular, in the Central African Republic, Democratic Republic of the Congo, Ethiopia, Liberia, Madagascar, Mauritania, Nigeria and the Syrian Arab Republic even though the FLAs require that distribution reports be sent no later than the end of the month following the operation.

⁴¹ Specifically, the country directors for Lao People's Democratic Republic, Mozambique, the Syrian Arab Republic and Zimbabwe.

⁴² The internal audit of WFP operations in Ethiopia in 2020, for example, revealed the weakness of cooperating partners and the office's dependence on them for the collection and processing of beneficiary data. Office of Internal Audit. Internal Audit of WFP Operations in Ethiopia. OIGA Internal Audit Report (AR/20/05). February 2020.

⁴³ Within the Programme and Policy Development Department, the Programme – Humanitarian and Development Division steers the contractual arrangements for relations with partners through FLAs, while the NGO Partnerships Unit handles the political relationship with all WFP's non-governmental partners.

⁴⁴ WFP/EB.2/2020/5-A/1, annex VI.

⁴⁵ In September 2019, WFP updated its written rules on counting beneficiaries (WFP Guidance Note on Estimating and Counting Beneficiaries), which dated from 2002.

they are members of a household of an identified and registered individual included in a programme targeting households.

72. Direct tier 1 beneficiaries are, according to the corporate results framework, defined as “identifiable individuals who receive direct assistance (from WFP or through its cooperating partners) in the form of food, CBTs, non-food items and individual capacity strengthening activities (training, counselling or awareness-raising provided to benefit individuals in need or their household members).”⁴⁶

73. The “identifiable individual” criterion is not entirely correct, as in the case of school feeding, for example, not all the participants (pupils) are registered and identifiable. Moreover, beneficiaries of food-for-assets activities are evaluated as a household associated with a single participant.

74. The notion of participant is therefore more restricted than that of “beneficiary”. According to the guidelines on estimating and counting beneficiaries, a participant is a person who participates physically in an activity benefiting from WFP assistance and who receives food, cash-based transfers or capacity strengthening aid directly from WFP. All participants (registered and identifiable) are tier 1 beneficiaries. In the case of rations intended for a household, all the members of the household are beneficiaries, but only the individual who physically attended the WFP activity and received the aid directly is a participant. In 2019, 59 percent of WFP’s direct beneficiaries were participants, potentially identified by name. The remaining 41 percent were therefore estimated, and their names are not known.

75. The guidelines on estimating and counting beneficiaries does not cover indirect beneficiaries (tiers 2 and 3), although it acknowledges the interest in quantifying them. It has only been since a recommendation by the Inspector General following the internal audit on beneficiary targeting published in February 2020,⁴⁷ which in turn was preceded by an observation addressed to the Corporate Planning and Performance Division in 2016,⁴⁸ which noted confusion regarding registration in COMET, that indirect beneficiaries were covered by a provisional directive in July 2020 linked to the COVID-19 pandemic.⁴⁹

76. Tier 2 beneficiaries are therefore those who benefit from the assets created by WFP interventions without directly receiving food, vouchers or cash transfers, and tier 3 beneficiaries are those who benefit only from the impacts of WFP programmes (such as capacity building and technical assistance or food fortification).

77. WFP is not currently in a position to estimate overall indirect beneficiaries, particularly those in tier 3. At the time of this audit, WFP’s main tools (SCOPE, COMET) did not allow for counting indirect beneficiaries, although the 2017⁵⁰ guidelines on beneficiary counting in COMET, which remain in force, was to be improved with regard to the counting of tier 2 beneficiaries.

78. Field audits conducted remotely in December 2020 by the External Auditor reveal that, although the notion of a direct beneficiary is relatively clear to country offices, that of an indirect

⁴⁶ Revised Corporate Results Framework 2017–2021 – Part II: 2021 targets for the programmatic outputs and performance indicators(WFP/EB.A/2019/5-A). June 2019. page 4, note 7.

⁴⁷ OIGA (AR/20/07). Internal Audit of Beneficiary Targeting. February 2020.

⁴⁸ Internal Audit Report on WFP’s Country Capacity Strengthening (AR/16/14). Agreed action number 1.

⁴⁹ Interim Guidance on Tier 2 and Tier 3 Beneficiaries in the context of the COVID-19 Pandemic. PRO/RAM. July 2020.

⁵⁰ *Beneficiary Counting in COMET*. Performance Management and Monitoring Division. 2017.

beneficiary remains abstract⁵¹ and is viewed varyingly. In most of the countries audited,⁵² indirect beneficiaries are not counted or traced in the annual country report. In those cases where they are, the dividing line between the categories is debatable or even illogical (Madagascar) or the estimates are not made explicit (Egypt). As the Nicaragua office underlined, there is as yet no obligation to report these categories and in any case it is not possible to do so in COMET.

79. Just eight⁵³ of the 71 country directors responding to the External Auditor's survey referred to the subject of indirect beneficiaries. Offices such as those in India, Bhutan and Timor-Leste, which do not have direct beneficiaries, would like to be able to strengthen the means of communicating the impacts of WFP interventions on this category of beneficiary, particularly through capacity building activities.

80. Other organizations consulted (UNHCR, and the United Nations Children's Fund (UNICEF)) estimate direct and indirect beneficiaries by modelling, without undertaking a precise count.

81. Although the notion of indirect beneficiary is of considerable interest to WFP as it allows it to measure the systemic impact of its interventions better and broaden the beneficiary number it highlights in its communications policy, in the External Auditor's view, the quest for precise and comprehensive accounting is unattainable and could lead to error. It can only be a matter of estimates and these can only be made locally, in social and demographic circumstances that vary from office to office. It seems illusory to pursue a consolidated approach to determining the number of indirect beneficiaries. Only the country office monitoring and evaluation units can turn the spotlight on the indirect beneficiaries when measuring results and outcomes in the country. This could just as well be done in the context of the centralized or decentralized programme evaluations periodically conducted by WFP.

Recommendation no. 4. The External Auditor recommends that indirect beneficiaries, where this is possible and relevant, be estimated in the quarterly and six-monthly country office activity reports and during programme evaluations.

2.2 Strength of support

82. WFP reports on its worldwide activity through its annual performance report, which, in addition to its narrative, includes performance indicators.⁵⁴

83. In this document, WFP reports the number of unique beneficiaries and the value of the transfers made. There is however no information about the duration of the support provided, as WFP acknowledged in its Management Plan (2021–2023), adopted in November 2020: "It is important to note that while beneficiary figures provide an overall picture of WFP's volume of work, they neither reflect the duration of the support provided nor indicate how beneficiaries benefit from several simultaneous WFP programmes in ways that achieve long-term outcomes".

⁵¹ See annex 3 for a summary of field audits conducted by the External Auditor.

⁵² Benin, Ecuador, Nicaragua, Rwanda, the Sudan and Zambia.

⁵³ Burkina Faso, Guatemala, India, Timor-Leste, Tunisia, Uganda, Zambia and the Caribbean.

⁵⁴ WFP/EB.A/2020/4-A. July 2020.

84. The management plan limits itself to very general targeting objectives. The 2019 guidelines on estimating and counting beneficiaries do not require the transmission of any sub-annual or multi-annual information on the duration of support.⁵⁵ Quantifying the impact of WFP's work on beneficiaries is a complex exercise because part of the expected benefits, particularly in regard to capacity strengthening, can only be measured in the medium or long term. The External Auditor has not been able to calculate an average duration of WFP support for its beneficiaries over the year. In fact, beneficiaries of a single food distribution are counted in the same ways as a child fed over the course of a year. For the 17.7 million unique beneficiaries of school feeding programmes counted by WFP, the average duration of support was 180 days but varied widely from one country to another.⁵⁶ The raw data for the number of beneficiaries is thus of limited relevance in reflecting WFP's actual work.

85. As the country office audits performed by the External Auditor in 2020 have shown, a certain number of donors emphasize that new beneficiaries should be better distinguished from those who have been receiving WFP support for several years (Rohingya refugees in Bangladesh or displaced persons in Darfur). Data on new beneficiaries, key to measuring WFP's leverage, are currently recorded in COMET but are neither aggregated nor leveraged (see above).

86. The External Auditor considers it useful and therefore desirable to report the impact of WFP's work by itemizing the number of beneficiaries followed over several years.⁵⁷ The survey of country directors conducted by the External Auditor confirms this interest,⁵⁸ as did the written report by a WFP working group recently set up to examine how to measure cost per beneficiary.⁵⁹

87. All in all, therefore, except in short-lived crises it seems necessary to measure: i) the average duration and extent of support for a single beneficiary; ii) the average duration and extent of support for a completed intervention; and iii) beneficiary turnover (inflow/outflow).

88. These are all complementary dimensions, but the External Auditor recommends that priority be given to reporting the duration of assistance. Indeed, these data appear to be the simplest to obtain.

Recommendation no. 5. The External Auditor recommends that the duration of assistance to beneficiaries be reported, by activity and by country.

2.3 Targeting of the most vulnerable

89. WFP is not able to measure the effectiveness of targeting the most vulnerable categories of beneficiaries.

⁵⁵ "The counting of beneficiaries is not dependent upon the amount or duration of assistance."

⁵⁶ The "2019 WFP School Feeding Infographic" published in October 2020 makes no mention of the duration of support.

⁵⁷ Note on this point the interest of the annual Global Trends report published by UNHCR, which contains considerable data on "persons of concern": distribution by age, sex, type and location. In its 2019 edition, published in the Spring of 2020, there are also analyses of the progress over the course of the past decade of the income level of transnational displaced persons or children applying for asylum.

⁵⁸ Sri Lanka: "At times, impact of development activities might require timeframes longer than 1 year to see results, or changes might be affected by factors that are not in full control."

⁵⁹ At its meeting on 16 December 2020, this group noted the importance of the duration of assistance and considered that it should be related to the number of transfers made or the number of feeding days.

90. Beneficiary targeting is a delicate activity that depends both on the cooperation of host country governments and on the level of financing provisions for means of assistance (with prioritization if necessary).

91. In July 2020 WFP reported that the number of people facing hunger came to 270.2 million at the end of 2020 in 79 countries where it operated, representing an increase of 82 percent in a year as a result of the COVID-19 pandemic.⁶⁰ This estimate was raised to 271.8 million people in November 2020.⁶¹ Faced with such a situation, an organization like WFP might be tempted, as highlighted by the Independent Commission for Aid Impact, “to maximize beneficiary numbers rather than reaching the poorest.”⁶²

92. This situation reinforces the need for WFP interventions to be targeted at the most vulnerable, as recalled by the Executive Director before the United Nations Security Council on 21 April 2020.⁶³ At the same time, the health crisis makes it more necessary than ever to have reliable beneficiary data. As underlined by the Secretary-General of the United Nations in a note of June 2020, “[t]he need to invest in enhanced monitoring systems and predictive analysis has become apparent in the context of COVID-19. The data community needs to adapt and integrate its tools to provide timely, reliable measurement of the impact of COVID-19 on food security and to make the data easy to access, interpret and use by policymakers to enable them to make evidence-based decisions.”⁶⁴

93. WFP has defined its objectives to respond to the crisis in a document of May 2020, which is aimed at better identifying the most vulnerable in the context of the pandemic.⁶⁵ The document indicates that there is a need for individual details (health status), family status (single parent, for example) and socioeconomic situation (informal settlement or slum) to reach the most vulnerable. Indeed, the conditions under which WFP targeting has been carried out are judged to be somewhat unsatisfactory in an internal audit report of February 2020.⁶⁶

94. Following that audit, WFP issued a new operational guidance note in December 2020,⁶⁷ giving more guidance to officials in the field and enabling a more uniform approach. This directive noted the existence of a series of 26 qualitative indicators gathered during household surveys that would describe a beneficiary’s situation and invited field offices to estimate

⁶⁰ WFP. Needs analysis informing WFP’s Global Response Plan to COVID-19 – June 2020. Methods and key findings – 6 July 2020.

⁶¹ WFP Global Update on COVID-19: November 2020. Growing Needs, Response to Date and What’s to Come in 2021..

⁶² Independent Commission for Aid Impact. “DFID’s approach to value for money in programme and portfolio management: a performance review. February 2018.

⁶³ “Now we have to live up to our pledge to protect the most vulnerable and act immediately to save lives.”

⁶⁴ United Nations Secretary-General. Policy Brief: The Impact of COVID-19 on Food Security and Nutrition. June 2020.

⁶⁵ Targeting and prioritization of impoverished and food-insecure populations affected by COVID-19, Safeguarding and scaling up assistance for people most at risk. RAM. May 2020.

⁶⁶ Office of the Inspector General. Internal Audit of Beneficiary Targeting in WFP. AR/20/07. February 2020. In particular “there was a lack of minimum reporting mechanisms and data analyses on targeted and registered beneficiaries to inform programme design and implementation. Overall, review and management functions to ensure that internal controls over targeting activities were properly designed, in place, and operating as intended were weak”.

⁶⁷ WFP. Operational guidance note – Targeting and prioritization. RAM. December 2020.

possible inclusion and exclusion errors⁶⁸ committed during the targeting phase and to verify them during the monitoring phase.

95. However, WFP's current information systems do not record certain qualitative parameters relating to beneficiaries, which are mainly captured during registration and reporting. The SCOPE application is able to integrate only a limited number of variables. In practice, this information is recorded very unevenly: a test by the External Auditor on the cumulative records in SCOPE from six country offices shows that maternal situation (pregnancy, breastfeeding) or disability (physical or mental) were only recorded in one country (Madagascar) while they were missing in five others (Benin, Egypt, Ecuador, Rwanda and Turkey).

96. Meanwhile, the COMET application only tracks a set of parameters required by the CSP policy for reporting purposes:⁶⁹ linkage to the strategic objectives of a CSP, status (resident, displaced person, refugee), activity and sub-activity concerned, gender and age group,⁷⁰ form of transfer. It does not give a comprehensive overview of the effort dedicated to gender⁷¹ or, according to some country offices,⁷² to combat disability⁷³ or support vulnerable persons,⁷⁴ despite the increased attention devoted to these issues.⁷⁵

97. According to the Emergency Transitions Unit, the applications do not allow most of the qualitative indicators relating to beneficiaries' situations to be measured to ensure that the most vulnerable people are being reached successfully. Data enabling a more inclusive approach to beneficiaries are not yet collected or aggregated and do not allow achievement of this objective to be measured, even though it is key for certain donors.

Recommendation no. 6. The External Auditor recommends that a directive enabling better account to be taken of qualitative beneficiary targeting criteria in the registration and reporting phases be adopted.

2.4 Data sharing

98. WFP has a wealth of information on beneficiaries, which could be better presented and shared.

⁶⁸ An inclusion error results in assistance being provided to beneficiaries who are not targeted, for whatever reason (inability to discriminate, shortcomings in registration or transfer mechanisms, fraud, etc.). An exclusion error leads to targeted beneficiaries not receiving assistance for various reasons (difficultly reaching beneficiaries, bias introduced by systems or partners, shortcomings in registration or transfer mechanisms, etc.).

⁶⁹ WFP/EB.2/2016/4-C/1/Rev.1.

⁷⁰ The WFP Senegal country office regrets that these age groups do not enable it to distinguish adolescents.

⁷¹ Even though the Evaluation of the Gender Policy (2015–2020) (OEV/2019/015) published in May 2020 recommends ensuring better recording of gender data in country strategic plan assessments.

⁷² Survey by the External Auditor (Bhutan, Colombia, Jordan, Lao People's Democratic Republic Pakistan and Rwanda considered better recording of gender to be desirable), annex 2.

⁷³ The COMET heading for disability is unevenly completed depending on the country, even though the "number of women, men, boys and girls with a disability" who receive WFP assistance is one of the corporate results framework (CRF) output indicators.

⁷⁴ The importance of which was recently reaffirmed in the recent protection and accountability policy approved by the Executive Board in November 2020.

⁷⁵ The European Union, a major WFP donor, stressed to the External Auditor the importance of considering disabilities in the programmes it finances (see European Civil Protection and Humanitarian Aid Operations (ECHO), The Inclusion of Persons with Disabilities in EU-funded Humanitarian Aid Operations. DG ECHO Operational Guidance. January 2019).

99. According to the review conducted by the Enterprise Risk Management Division and the serious verification problems (*Management review of significant risk and control issues*) presented to the Executive Board in July 2020, there is room for improvement in WFP's capacity to analyse data in the service of its operations.⁷⁶

100. The Research, Assessment and Monitoring Division issued internal guidance on data quality in December 2020.³ Its aim is to ensure that WFP's monitoring systems produce quality data for measuring outputs, outcomes, cross-cutting priorities and processes of WFP programmes worldwide, and to provide country offices with accurate data to support decisions on programme design and implementation and to help mobilize more resources to meet beneficiary needs. This document responds to internal audit observations on data quality⁷⁷ and to the expectations of some donors (including the United States Agency for International Development) reported to the External Auditor.

101. In this regard, the production of adjusted data from COMET on a quarterly basis since the beginning of 2020 represents progress worth highlighting.

102. Under the corporate results framework, country offices report a series of indicators to monitor and report on the implementation of their activities; these indicators are then aggregated in annex III of the annual performance report. Most information comes from post-distribution monitoring. Some of these performance indicators may lead to confusion. For example, the formulation of two indicators, 1.1.19 "Proportion of eligible population that participates in programme (coverage)" and 1.1.20 "Proportion of target population that participates in an adequate number of distributions (adherence)," could be interpreted as measuring the extent to which potential beneficiaries and those actually targeted were reached by WFP. However, according to the corporate results framework they only relate to the nutrition area of WFP's work, which is not explicitly mentioned. Moreover, they only refer to a small group of countries that have reported them (20 and 26 in 2019, fewer than a quarter of the countries in which the organization operates, and an undefined number of beneficiaries). Some indicators are recorded by just one country (1.1.31) whereas others are reported by 56 countries (1.1.1). Similarly, 19 of the 34 indicators pertaining to achievement of Strategic Result 2 (*No one suffers from malnutrition*) apply only to one or two countries, greatly reducing the scope of the aggregated result.

103. The methodology used to measure the achievement of strategic objectives takes the average of the strategic results⁷⁸ indicators, resulting in a mathematical bias affecting their correct interpretation: the achievement rate for a strategic objective may be the average of one indicator concerning 50 countries with 30 million beneficiaries and another concerning two countries including 1,000 beneficiaries. Similarly, the rate of achievement of an overall indicator based on data reported by several countries is clearly not weighted by the number of beneficiaries concerned in each case.⁷⁹ The result is a simple arithmetic mean that may not fully reflect the impact of WFP's work on its beneficiaries.

⁷⁶ "One area for improvement identified by management [...] relates to limited data analysis capabilities, which in their view has led to a degree of under-utilization of monitoring findings in operational decision making and affected the organization's ability to demonstrate the value and results of its activities to donors and stakeholders."

⁷⁷ Internal Audit of Monitoring in WFP. (AR/18/11). October 2018.

⁷⁸ 2019 annual performance report: "The final rating by strategic objective is the average of the strategic results' performance rating."

⁷⁹ 2019 annual performance report: "The methodology applied to assess cross-cutting results follow the same steps as for outcome results. Step 1 consists in assessing the cross-cutting indicator performance by country for each cross-cutting result using the same rules as for outcome indicators. In Step 2, an average of cross-cutting indicator percentage achievements for countries with sufficient measurement is calculated to determine WFP-wide performance at cross-cutting indicator level."

104. Bearing in mind that WFP's work is set in the context of Sustainable Development Goal 17 on partnerships, the sharing of beneficiary data is essential. It has already translated into joint work with UNHCR,⁸⁰ for example, or more broadly the creation of a *United Nations Digital Solutions Centre*, which is intended to foster digital transformation and the use of cutting-edge technology across the system.⁸¹

105. Progress is possible in consolidating relations with key WFP partners with regard to the exchange of data on common beneficiaries:

- Collaboration with UNHCR⁸² on support for refugees and displaced persons is already happening in many countries. Indeed, in 2018 the two organizations issued joint guidance on beneficiary targeting.⁸³ This work has been extended by the creation in 2020 of the Joint WFP-UNHCR Programme Excellence and Targeting Hub. Consequently, with UNICEF, UNHCR is the only organization with which WFP has signed a data sharing agreement. Signed in 2018, it distinguishes between personal and non-personal data, with an emphasis on data protection.
- The International Organization for Migration (IOM), an important WFP partner with regard to displaced persons, has local cooperation arrangements with it, for example in Nigeria and South Sudan; an overall agreement with WFP on data sharing is being considered.
- UNICEF, another WFP partner, highlights its concern to limit⁸⁴ the collection of personal data to the minimum necessary and, above all, aims to help national governments improve their capacity to collect and store these data. To this end it emphasizes the reporting of anonymized data.⁸⁵
- The NGO World Vision International, a major cooperating partner of WFP, uses its own system for registering beneficiaries, *Biometrics' Registration and Verification System* (BraVE), which is interoperable with SCOPE. It has for two years sought to conclude a data sharing agreement with WFP with the aim of institutionalizing disparate informal local practices.

106. WFP is making an effort to open its data up to the humanitarian community to facilitate the fight against hunger. WFP makes its non-personal data on its work accessible online via its DataViz⁸⁶ and VAM Resource Centre⁸⁷ platforms. Initiatives on certain activities, such as

⁸⁰ UNHCR-WFP Joint Inspection of the Biometrics Identification System for Food Distribution in Kenya. August 2015.

⁸¹ <https://www.un-dsc.org/>

⁸² UNHCR pays particularly close attention to the quality of its data. In 2019, it carried out an internal evaluation on this subject (Evaluation of UNHCR's data use and information management approaches. Evaluation Report.) and adopted a transformation strategy (Data Transformation Strategy 2020–2025. Supporting protection and solutions.).

⁸³ Joint Guidance. Targeting of Assistance to Meet Basic Needs. January 2018. <https://docs.wfp.org/api/documents/WFP-0000113729/download/>.

⁸⁴ Prudent approach whereby, in order to protect privacy, only the data strictly necessary to the effective delivery of a service is collected.

⁸⁵ UNICEF Policy on Personal Data Protection. July 2020. <https://www.unicef.org/supply/media/5356/file/Policy-on-personal-data-protection-July2020.pdf>.

⁸⁶ <https://dataviz.vam.wfp.org/>.

⁸⁷ <https://resources.vam.wfp.org/>.

SABER (Systems Approach for Better Education Results)⁸⁸ with regard to school feeding, are intended to improve performance through information sharing with governments. This is the object of an indicator in the corporate results framework.

107. WFP is demonstrating its transparency by making its activity reports open source and available online,⁸⁹ including indicators.⁹⁰ However, this is driven more by the logic of communication and visibility than that of enhancing operational performance. Country offices do not always produce the outcome monitoring reports required under the WFP Corporate Monitoring Strategy (2018-2021)⁹¹ at the stipulated six-monthly intervals. This is particularly the case in the Central African Republic, Jordan, Kenya, Lao People's Democratic Republic, Peru and Tunisia. These shortcomings are not monitored systematically by either the regional bureaux or headquarters.

108. Once the data have been supplied appropriately, COMET makes it possible to undertake specific country, activity or global studies. If headquarters divisions make full use of this tool, it could prove useful in giving direct access to WFP partners or donors for purposes of consultation.

Recommendation no. 7. The External Auditor recommends that the production of outcome monitoring reports at the regional and central levels be reported on systematically and that steps be taken to ensure that they are published regularly.

Recommendation no. 8. The External Auditor recommends that WFP partners and donors be given access to the data analytics of the COMET dashboard.

3. Information management systems

3.1 Information and accountability

109. Since 2012, WFP has implemented a series of accountability processes and mechanisms (the Complaints and Feedback Mechanism, which was recently renamed the Community Feedback Mechanism, CFM), enabling beneficiaries to demand that the organization account for its actions. The principles of personal data protection and transparency with regard to beneficiaries are spelled out in the Guide to Personal Data Protection and Privacy.⁹² Feedback mechanisms are not sufficiently widespread or utilized to contribute to the quality of beneficiary information.

110. Since 2018, WFP has organized the standardization of feedback practices, particularly through the deployment of the SugarCRM platform from 2019 to 2021.

111. For WFP, the primary objectives of the 2019–2021 accountability to affected populations strategy and the community feedback mechanism are to raise beneficiaries' awareness of

⁸⁸https://documents.wfp.org/stellent/groups/public/documents/research/wfp273495.pdf?_ga=2.114934343.1161174255.1610988517-1870777222.1588584484&_gac=1.246760112.1607361304.EAlalQobChMI3ZuHuK-87QIVRbLVCh1BZAh-EAAYASAAEgIUzPD_BwE.

⁸⁹ <https://www.wfp.org/operations> for example, for the database on annual performance reports and the targeted reports.

⁹⁰ <https://cspdata.wfp.org/>.

⁹¹ <https://docs.wfp.org/api/documents/WFP-0000074366/download/>.

⁹² WFP Guide to Personal Data Protection and Privacy. June 2016.

feedback mechanisms, build users' trust and introduce a set of standardized complaint management tools. These mechanisms can contribute to making information on beneficiaries assisted more reliable and to the correction of inclusion and exclusion errors.

112. CFM is deployed on the initiative of country offices. According to the 2019 annual performance report, it had been rolled out in 66 percent of countries, but the scope was not specified: the list and number of supports used were not detailed and there was no indication of whether it was part of a comprehensive system of protection and accountability to affected populations. Deployment is effective in better financed countries but not yet in key countries such as the Sudan or the Syrian Arab Republic.

113. At the time of this audit, 31 countries had deployed and used SugarCRM. This customer relationship management (CRM) application has been selected as the enterprise CFM tool, enabling storage, precise management and detailed analysis of comments from users. SugarCRM is integrated with SCOPE and MoDa (Mobile Operational Data Acquisition).

114. The weaknesses identified by the 2017 internal audit on beneficiary management (AR/17/17) included the fact that the data deriving from CFMs are not analysed centrally. The creation of a global dashboard at the headquarters level using SugarCRM data from 31 countries is planned for 2021.

115. The Revised Corporate Results Framework (2017–2021) includes four indicators of protection and two regarding the application of the accountability to affected populations policy. In the 2019 annual performance report these indicators are not reported as a percentage of the population. The data reported refer to the number of countries declaring data for each indicator.⁹³

116. Although reliability of beneficiary information is not the primary objective of the accountability to affected populations policy, it can offer assurances and complementary information that justify its deployment in all country offices.

3.2 Disparity of information systems

117. WFP has implemented four key information systems (WINGS, LESS, COMET and SCOPE). Of these, COMET and SCOPE are wholly or partly devoted to managing beneficiary information. Just 17 percent of country directors surveyed by the External Auditor reported being completely satisfied with the beneficiary information systems made available to them.

118. SCOPE was originally launched in September 2015⁹⁴ for cash transfers only but has become the benchmark platform for the registration of beneficiary identities. Since 2016 COMET has reported the largest quantity of beneficiary data: individual quantitative and qualitative data in SCOPE and, after distributions, overall quantitative data in COMET.⁹⁵ A number of other important systems are also used. Since the deployment of MoDa (*Mobile Operational Data Acquisition*) in 2020 to replace previous systems, it has been used to collect data, despite not being specifically designed to do so and lacking an automatic

⁹³ For example, 37 country offices reported that they ensured that they adopted behaviours and approaches that protect the dignity of beneficiaries in the design and implementation of programmes.

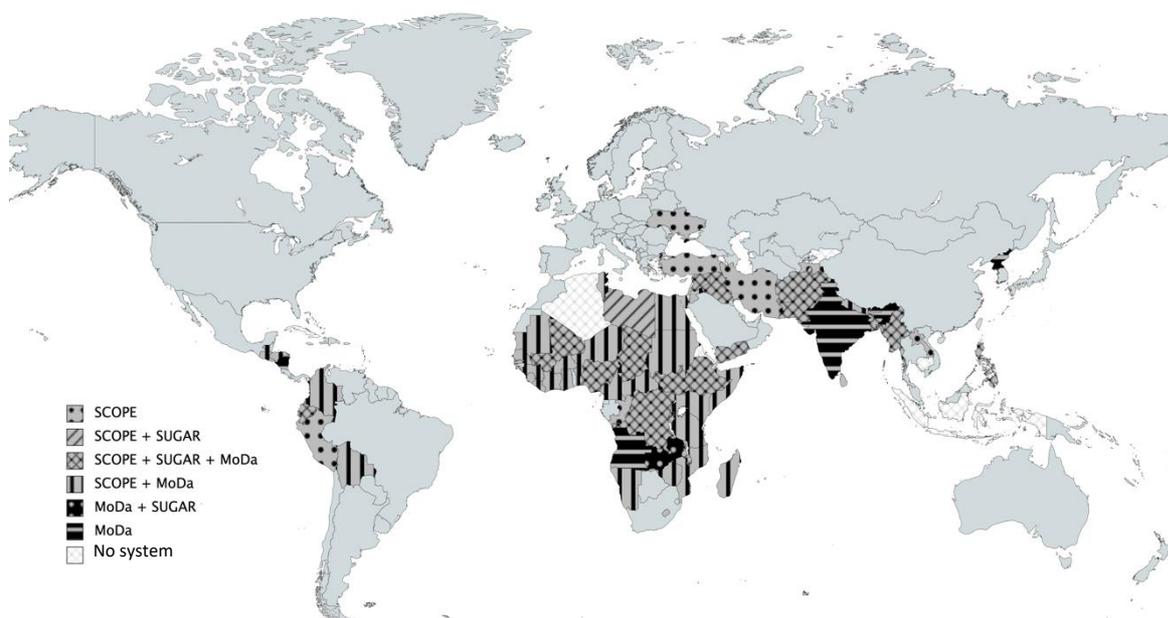
⁹⁴ Executive Director circular OED 2015/015.

⁹⁵ The internal audit had shown in January 2019 that WFP was not making full use of COMET's potential. See OIGA. Internal Audit of the Development and Delivery of COMET. Internal Audit Report AR/19/02. January 2019.

interface with SCOPE. MoDa was being used by 68 country offices in 2020, i.e. as many as were using SCOPE. SugarCRM enables secure storage, good management and detailed analysis of feedback received from beneficiaries through feedback mechanisms (see above) and is integrated with SCOPE. SPRING is intended for creation, visualization and validation of country office performance reports and project reporting through the integration of data from the COMET, LESS/COMPAS and WINGS applications.

119. Progress on harmonization has been registered over the last few years thanks to the deployment of SCOPE and the sharing with country offices of standard operating procedures, guidelines and good practices in the use of the tools. However, as the map below shows, the implementation of these information systems has not been guided by a central deployment plan and is uneven from country to country. This shows the difficulty both of establishing a uniform process for consolidating beneficiary data and of ensuring its reliability.

Figure 3: Deployment of main systems at country offices



Source: External Auditor based on WFP data.

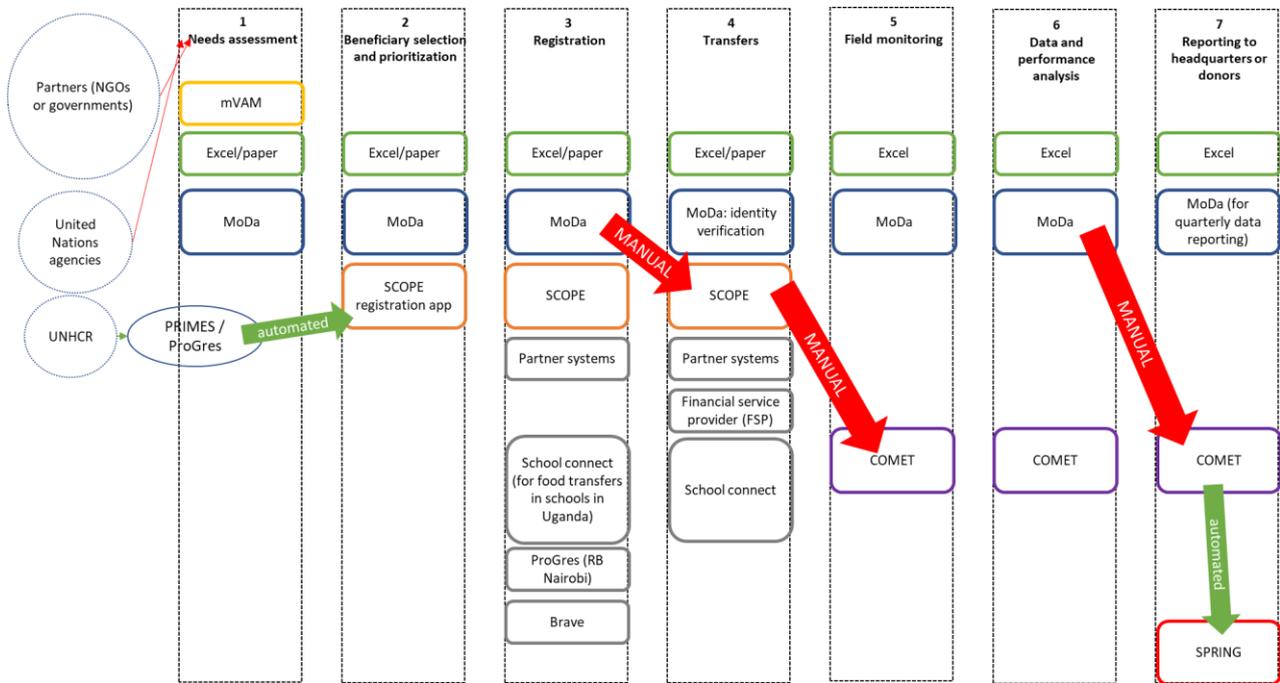
120. The availability of a robust direct beneficiary registration system is all the more important given that only a quarter of country office directors surveyed by the External Auditor considered this crucial stage of data collection to be entirely reliable in their countries. This observation was also made in internal audit reports on information systems. In the case of SCOPE, which only recorded 30 percent of beneficiary identities in 2017,⁹⁶ progress has been significant. However, in its recent field audits, the External Auditor noted that SCOPE was deployed but possibly not used (Egypt), still in the process of deployment at year-end 2020 (Ecuador, Mozambique, Rwanda, the Sudan), still pending extension to certain activities (Madagascar) or not deployed at all, with no timetable for deployment set (Nicaragua, Zambia).

121. Several field offices have developed or acquired their own applications, such as VerifAID in Uganda for the reconciliation of cash distributions; while responding to the need for flexibility and decentralization inherent in the organization's operations, this approach could compete with the overall WFP strategy.

⁹⁶ OIGA. Internal Audit of SCOPE IT General and Application Controls. (AR/17/18). November 2017.

122. These systems are numerous and the transfer of data between them is often manual, which is a source of errors as well as additional work for the field offices.

Figure 4: The various systems that may be used to collect data during the beneficiary management cycle (non-exhaustive)



Source: External Auditor, based on documentation sent.

Abbreviations: MoDa: Mobile Operational Data Acquisition; mVAM: mobile vulnerability analysis and mapping; SPRING: Standard Project Report Intelligent Next Generation.

123. The management of beneficiary information systems falls to several divisions, although, as the 2020 internal audit noted,⁹⁷ the PRO division is the “data owner” of beneficiary information. Divisions and units, such as RAM, CPP and TEC, participate, and TEC is in practice the owner of SCOPE.

124. WFP has issued a considerable number of guidelines on beneficiary management, emanating from various divisions, demonstrating a strong commitment to guidance. Nevertheless, a recent survey⁹⁸ of SCOPE users by the Beneficiary Services Branch found that 22.4 percent of them have never used the instructions or guidance written by headquarters.

125. The two main risks identified in the 2016-2020 strategy for information systems⁹⁹ in terms of impact and probability are the deployment of SCOPE and the ongoing integration of associated processes and solutions. The significant volume of recent internal audit work on

⁹⁷ OIGA. Advisory Assurance – Beneficiary data mapping: Lessons learned from remote assessments (AA/PRO/20/01). July 2020: “PRO, as the data owner for beneficiary data, should define the Master Data Repository records”.

⁹⁸ SCOPE Service Desk: User Satisfaction Survey. Key findings and analysis. Draft. January 2021.

⁹⁹ WFP Corporate Information Technology Strategy 2016–2020. June 2016.

SCOPE¹⁰⁰ shows that this central issue remains a concern and that the digitalization of registration is a necessary but not sufficient condition for reducing the risk of fraud.¹⁰¹

126. The External Auditor has not been able to obtain a clear picture of the state of play as regards implementation of the geographic deployment strategy for SCOPE, which, except in the case of 22 priority countries, it seems to be left largely to the initiative of the country offices. The survey of country office directors has revealed several points that may lead to difficulties in the process of making beneficiary data more reliable: weaknesses in managing access to applications and in the separation of roles; technical issues noted regarding SCOPE; difficulties obtaining agreements with countries concerning the use of SCOPE and the collection of beneficiary data (personal data protection); systems not integrated, with multiple manual data flows.¹⁰²

127. MoDa is as widely deployed as SCOPE but the External Auditor was unable to examine all its features. Although its purpose is not to manage transfers, in particular financial transfers, according to feedback from the country offices it is very flexible and user-friendly. Although in some cases it is used to collect beneficiary census information, this is not its primary purpose as it is structured to collect data on individuals rather than households.

128. SCOPE and COMET do not interface with one another,¹⁰³ which weakens the quality of the flow of data and results in an additional workload, as mentioned by various country directors (e.g. Guatemala, Sri Lanka, Tunisia) both during the External Auditor's survey and also during internal audits. This absence of an interface represents an important area for improvement identified by WFP. A project was launched in 2020 to establish interfaces between COMET, SCOPE and DOTS (centralized data management, integration and operations platform), the final phase of which should be in December 2021 following a trial in Iraq in March 2021. Connecting these systems will make it possible to track beneficiary data better and respond to country offices that report this need.

Recommendation no. 9. The External Auditor recommends that a central plan for deployment and harmonization of beneficiary information management systems in target countries be established and that, in particular, a timetable for the deployment of SCOPE be set.

Recommendation no. 10. The External Auditor recommends that SCOPE and COMET be linked in 2021.

4. Information governance

4.1 Identification of risks

129. The Technology Division evaluated the risk relating to the SCOPE application as the highest in its risk mapping for the WFP Corporate Information Technology Strategy 2016–2020. This risk comprises two components:

¹⁰⁰ Including the headquarters body in the best position to manage SCOPE.

¹⁰¹ OIGA. Cash-Based Transfers Fraud Scheme and Gap Analysis. Proactive Integrity Review Report (PIR/02/20). February 2020.

¹⁰² According to the Office of Internal Audit, SCOPE control functionalities are satisfactory but can be disabled by country offices.

¹⁰³ Data is transferred between MoDa and SCOPE semi-manually.

- Inability to register entire beneficiary population due to issues of scalability and system capacity;
- leaks of beneficiary personal data and inconsistent and unreliable data due to poor data governance.

130. The Office of Internal Audit modified the risk associated with beneficiary management from “average” in 2019 to “high” in 2020 (OIGA Assurance Workplan 2020) in the light of the findings of field audits. This risk rating was maintained in its 2021 workplan, drawn up in November 2020, which states that field audits will systematically include an examination of beneficiary management.

131. WFP does not identify the various risks presented by beneficiary information directly. In the enterprise risk management policy adopted in October 2018, the risk associated with beneficiaries is only identified as an operational risk from the perspective of beneficiaries’ physical protection (2.1 Beneficiary Health, Safety and Security). In the most recent edition of the corporate risk register (November 2020) the risk associated with beneficiary information quality is only touched upon indirectly. It is mentioned under:

- strategic risk 5, (failure to adapt tools and approaches to changing operational contexts to provide value to beneficiaries and host governments), attributed to the Assistant Executive Director of the Programme and Policy Development Department (AED, PD) and evaluated as moderate and stable”;
- strategic risk 6, (weak corporate data governance and data protection), attributed to the Chief of Staff and evaluated as high and stable;
- strategic risk 7, (insufficient/inadequate beneficiary safety, security and PSEA), attributed to the AED, PD and evaluated as high and growing;
- fiduciary risk 13, (failure to prevent, detect and respond to fraud exposure across the Programme) attributed to the Assistant Executive Director of the Resource Management Department (AED, RM) and evaluated as very high and growing.

132. This situation justifies closer attention to risk relating to beneficiary information. Indeed, as revealed by the list of key risk indicators maintained by the head of the Enterprise Risk Management Division at the time of the audit:

- Only one of the three indicators directly associated with beneficiaries (percentage of WFP cash beneficiaries supported digitally) was in effect – the other two (percentage of CBT beneficiaries verified over the last 12 months and percentage of duplicated beneficiary identities) were “defined, but not yet in effect”;
- several of the various indicators indirectly associated with beneficiaries (percentage of active cooperating partners with a WFP performance evaluation conducted in the last 12 months and percentage of country offices using the WFP performance evaluation for partners within the last 12 months), in particular regarding interventions of cooperating partners, were also “defined, but not yet in effect.”

133. Nor do the country offices audited by the External Auditor directly report on the risk associated with the quality of beneficiary information. Several of them, however, identified risks in this area during the survey.

134. It is highly appropriate to take account of this risk, which could be classed as strategic, because it encompasses all the categories of risk associated with beneficiary information, whether technical, procedural, voluntary or involuntary.

Recommendation no. 11. The External Auditor recommends that, during the next annual risk analysis exercise, a strategic risk concerning beneficiary inclusion and exclusion errors be added.

4.2 Coordination mechanisms

135. WFP does not have coordination mechanisms at headquarters to guarantee the quality of beneficiary information. The most recent terms of reference on the role of headquarters¹⁰⁴ state that “Headquarters’ core responsibilities include the development of corporate standards, tools, systems and services for managing and disseminating information.”

136. From the point of view of beneficiary information, responsibilities at headquarters are shared among several entities, in particular two divisions under the authority of the Assistant Executive Director, Programme and Policy Development Department:¹⁰⁵

- the Programme – Humanitarian and Development Division, so renamed in 2019, designs programmes and, in particular, ensures the protection of beneficiary data;
- The Research, Assessment and Monitoring Division, also created in late 2019, supervises the monitoring of beneficiaries and policies implemented in the field.

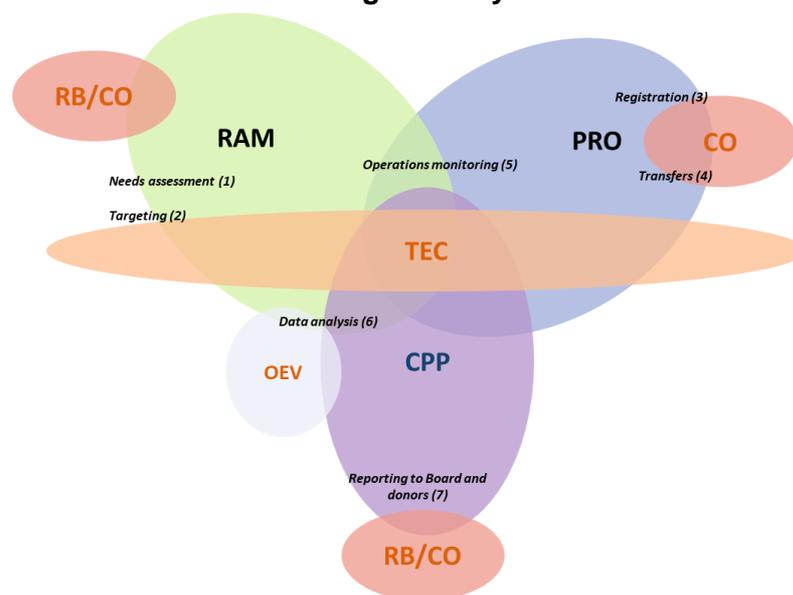
137. However, the management of beneficiary information also relies on two other divisions: the Technology Division (in particular the Beneficiary Services Branch), which is responsible for managing the SCOPE application, and the Corporate Planning and Performance Division, created in 2020,¹⁰⁶ which is in charge of beneficiary counting through COMET and annual reporting (annual performance reports, annual country reports, etc.).

¹⁰⁴ Terms of reference of WFP headquarters and regional bureaux. February 2019.

¹⁰⁵ For several months the Programme and Policy Development Department has been undergoing a reorganization on the initiative of the Executive Director as part of a bottom-up strategic budgeting exercise that should be concluded in 2021.

¹⁰⁶ The Corporate Planning and Performance Division is the result of the merger of the Budget and Programming Division and the Performance Management and Reporting Division of the Resource Management Department.

Figure 5: Headquarters components involved in the beneficiary information management cycle



Source: External Auditor.

138. Although these divisions were created or restructured less than eighteen months ago, there is no real leadership on beneficiary support. Some regional bureaux expressed their misgivings about this situation to the External Auditor (those for the Middle East and Northern Africa and Latin America and the Caribbean in particular). The option of centralizing the various areas of responsibility does not seem viable. By contrast, putting in place regular functional coordination under the authority of the Assistant Executive Director of the Programme and Policy Development Department and associating all competent headquarters entities seems conducive to progress on beneficiary information quality, which is essential.

Recommendation no. 12. The External Auditor recommends that a permanent coordination mechanism for the various entities responsible for beneficiary information be set up at headquarters under the authority of the Programme and Policy Development Department.

139. The most recent guidelines on the role of regional bureaux¹⁰⁷ specifies their three main responsibilities:

- strategic direction and guidance;
- technical support;
- management oversight.

140. These major functions are the object of an internal study at WFP with a view to optimizing the division of responsibilities between headquarters and the country offices as part of the functional review under way since 2019 by the Chief of Staff.

141. Under WFP's enterprise risk management policy,¹⁰⁸ "in their second line role, regional directors strengthen the accountability mechanisms within the region, ensuring strategic and technical support are provided, as well as oversight to country offices".

¹⁰⁷ Terms of reference of WFP headquarters and regional bureaux. February 2019.

¹⁰⁸ 2018 enterprise risk management policy (WFP/EB.2/2018/5-C). October 2018.

142. In this connection, the directors of the six regional bureaux should:

- validate the regular risk analyses by country offices within their purview;
- supervise the deployment of the main information systems;
- ensure that WFP partners and agents are correctly trained in the use of these systems;
- verify the quality of beneficiary targeting, registration and monitoring practices and, in particular, the general quality of cooperating partners' activities in this area;
- guarantee the validity of beneficiary data sent by country offices and the rigour of the correction methods applied to them;
- ensure the accuracy and quality of country offices' annual reports.

143. Regional directors surveyed by the External Auditor considered beneficiary information management to be a matter of concern for them: functioning of data collection mechanisms in the context of COVID-19 (Regional Bureau for Latin America and the Caribbean), quality of registrations in SCOPE and level of verification of transfers (Regional Bureau for Eastern Africa), cooperating partners' reporting delays (Regional Bureau for Southern Africa), lack of control over data and delay in updating of information systems (Regional Bureau for Western Africa) and lack of integration of tools.

144. It is essential that the work of the regional directors on the quality of beneficiary information be more visible and better tracked. Regional bureaux could for example send annual reports to headquarters (Programme and Policy Development Department) on the action they have taken to improve the quality of beneficiary information. However, as regional bureaux already have accountability obligations and in order not to add to this burden, the External Auditor leaves the question of how to address this need to WFP.

IV. ACKNOWLEDGEMENTS

145. The audit team thanks the divisions responsible for beneficiary information (Programme – Humanitarian and Development Division, Research, Assessment and Monitoring Division, Corporate Planning and Performance Division and the Technology Division), which in particular contributed to this report, as well as the country offices audited by the auditors, whose directors agreed to share their views and experiences.

End of audit observations.

ANNEXES

Annex 1: Presentation of beneficiaries according to data from annual performance reports

	2017	2018	2019
Number of direct beneficiaries (<i>million</i>)	88.9	84.9	97.1
Women	18.7	17.4	23
Men	15.5	15.3	15.7
Girls	27.6	26.8	29.5
Boys	27.1	25.4	28.9
<i>Persons reached by trust funds (million)</i>	2.5	1.8	
<i>Breakdown by age bracket (million)</i>	-	-	97
0–23 months	-	-	9.4
24–59 months	-	-	11.4
5–11 years	-	-	23.8
12–17 years	-	-	13.8
18–59 years	-	-	34.8
over 60 years	-	-	3.8
<i>Breakdown by status (million)</i>	88.9	84.9	97.1
Refugees	9.3	14.7	10.6
Returnees	2.5	3.4	2.9
Displaced persons	15.8	13.1	15.5
Residents	61.3	53.7	68.1
<i>Breakdown by activity category (million)</i>	72.1	62.2	106.31
Unconditional resource transfers to support access to food	62.2	52.2	60.8
<i>CBT vouchers</i>	19.2	24.5	27.9
Asset creation and livelihood support	9.9	10	9.6
School meals			17.9
<i>schoolchildren</i>	18.3	16.4	17.3
<i>% girls</i>	51%	51%	50%
Support for agricultural markets for the benefit of smallholder farmers			0.12
Nutrition treatment			9.4
Malnutrition prevention			8.1
Emergency preparedness			0.02
Climate change adaptation and risk management	.		0.37
<i>Nutrition (million)</i>			
Children having benefited from special nutritional support	11	9.7	10.8
Women having benefited from supplementary nutritional support	5.3	6.1	6.4
Persons living with HIV or AIDS who have received food assistance	0.4	0.3	0.4
<i>Digitalization</i>			
Digital identities registered via SCOPE (<i>million</i>)			47
Number of countries involved	.		61
<i>Other useful data</i>			
Food distributed (<i>millions of tonnes</i>)	3.8	3.9	4.2
CBTs and vouchers distributed (<i>USD billion</i>)	1.4	1.76	2.1
NGOs having worked with WFP	869	837	850

Source: External Auditor.

Annex 2: Survey conducted by the External Auditor

This survey was sent by WFP (Operations Management Support Office) to country offices and regional bureaux on behalf of the External Auditor on 22 December 2020. **Seventy-one country responses (84.5 percent)** were received and processed. The countries responding to the questionnaire represent, across the whole range of activities, **90.9 percent of WFP beneficiaries** counted in COMET.

1/ Would you say the needs assessment used for your annual country budget is ...

Unreliable	Acceptable	Fairly reliable	Very reliable	N/A
1%	13%	55%	28%	3%

2/ Would you say that beneficiary selection and prioritization in your country management plan is ...

In need of improvement	Transparent/in need of improvement	Comprehensible	Fully transparent	N/A
3%	1%	40%	53%	3%

3/ Would you say the beneficiary registration process in your country is ...

Unreliable	Not very reliable	Fairly reliable	Very reliable	N/A
1%	3%	67%	22%	7%

4/ Would you say transfer information collected in your country is ...

Unreliable	Not very reliable	Fairly reliable	Very reliable	N/A
0%	0%	56%	37%	7%

5/ Would you say the data adjustment process (deduplication, overlaps) for beneficiary counting in your country is ...

Country directors				
Neither transparent nor clear	Fairly transparent and clear	Transparent and clear	N/A	
1%	47%	45%	7%	
Regional bureau directors				
Neither transparent nor clear	Fairly transparent and clear	Transparent and clear	N/A	
0%	67%	33%	0%	

6/ Would you say that the information systems used for beneficiaries in your country (SCOPE, MoDa, COMET) are ...

Somewhat ineffective	Between ineffective and somewhat effective	Fairly effective	Effective	N/A
7%	1%	72%	17%	3%

7/ Would you say performance reporting concerning beneficiaries in your country is ...

Country directors			
In need of improvement	Fairly exhaustive	Exhaustive	N/A
11%	35%	50%	4%
Regional bureau directors			
In need of improvement	Fairly exhaustive	Exhaustive	N/A
0%	0%	67%	33%

8/ To what extent has the COVID-19 crisis affected your ability to collect and process beneficiary data in your country?

Country directors			
To a negligible degree	Fairly significantly	Very significantly	N/A
43%	47%	10%	0%
Regional bureau directors			
To a negligible degree	Fairly significantly	Very significantly	N/A
33%	67%	0%	0%

9/ Would you say WFP pays sufficient attention to beneficiary information as regards responsibility and transparency?

Yes	Yes and no	No	N/A
93%	2%	1%	4%

10/ Question for regional bureaux: is the quality of beneficiary information a matter of concern for you?

Some of the time	Continuously
67%	33%

11/ Question for regional bureaux: would you say beneficiary information quality shortcomings represent a risk for WFP ... (multiple choice)

Reputational	Fiduciary	Operational	Strategic
19%	25%	38%	19%

12/ Question for regional bureaux: would you say that the weaknesses in the beneficiary information in the countries of your region concern ... (multiple choice)

Reporting to stakeholders	Steering and performance assessment	Transfers	Registration	Prioritization and selection	Needs assessment
16%	26%	16%	21%	11%	11%

Annex 3: Questions that a donor or member of the Executive Board might ask

The External Auditor has established a list of 12 possible questions that a member of the Executive Board or a donor might ask of WFP to evaluate the extent of its knowledge of beneficiaries.

Implementing the recommendations put forward by the External Auditor should make it possible to answer some of these questions better:

Question	Recommendation
1. How vigorously did you support beneficiaries in country X last year?	See recommendation 5
2. To what extent did you achieve your expected results in country X for the two last years?	See recommendation 7
3. How many disabled people do you currently support worldwide?	See recommendation 6
4. How many pregnant women have you supported in country X?	See recommendation 6
5. What was the impact on beneficiaries of your last L3 emergency response ?	See recommendation 7
6. What is the profile of new beneficiaries targeted and reached last year in country X?	See recommendation 6
7. What is the share of adult beneficiaries in country X that in the past benefitted from a WFP school feeding programme?	See recommendation 6
8. How do you explain the evolution of the cost per ration worldwide since 2017?	See recommendation 7
9. How many Venezuelan refugees have you assisted since 2018?	See recommendation 6
10. What is the share of WFP supported children (school feeding, etc.) in country X that have previously benefitted from the support of other United Nations agencies (IOM, UNICEF, UNHCR, etc.) in the past year?	See recommendation 6
11. To what extent did the capacity strengthening intervention in country X improve the situation of WFP beneficiaries?	See recommendation 7
12. How has the cost per beneficiary in African countries evolved since 2017?	See recommendation 12

Source: External Auditor

Acronyms

AED	Assistant Executive Director
CBT	cash-based transfer
CFM	Community Feedback Mechanism
COMET	country office tool for managing effectively
COMPAS	Commodity Movement Processing and Analysis System
CPP	Corporate Planning and Performance Division
CRF	corporate results framework
CSP	country strategic plan
DOTS	WFP's centralized data management, integration and operations platform
ECHO	European Civil Protection and Humanitarian Aid Operations
FLA	field-level agreement
IOM	International Organization for Migration
LESS	Logistics Execution Support System
MOPAN	Multilateral Organisation Performance Assessment Network
NGO	non-governmental organization
OIGA	Office of Internal Audit
PD	Programme and Policy Development Department
PRO	Programme – Humanitarian and Development Division
RAM	Research, Assessment and Monitoring Division
RM	Resource Management Department
SABER	Systems Approach for Better Education Results
SCOPE	digital beneficiary information and transfer management platform
TEC	Technology Division
TECB	Beneficiary Services Branch
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WINGS	WFP Information Network and Global System