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	For consideration

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

Management response to the recommendations in the report of the External Auditor on the scale-up and scale-down of resources in emergency operations

An external audit was conducted on the scale-up and scale-down of resources in emergencies and took place from the second half of 2017 to the beginning of 2018. As stated by the auditors, "…the aim of this audit was to examine the organization's ability to scale up its resources in an emergency, mainly at the start and end of level 2 and 3 emergency operations, between 1 January 2012 and 31 December 2017."

Management welcomes the external audit on the scale-up and scale-down of resources in emergency operations-2017 exercise given the unprecedented number of Level 3 emergencies that WFP had to contend with in 2016 and 2017. Management particularly appreciates the recommendations on improved staffing capacity for emergencies "to increase the flexibility of the teams in an emergency situation (incentives, mentoring, long-term training strategy for staff with high potential for emergencies, etc.)" and on improvements to the level 2 and level 3 activation protocols. WFP has been focused on enhancing its current deployment systems and procedures in order to meet the challenges of the increasing number of Level 2 and Level 3 operations.

While management has found that some of the audit findings and recommendations would support improving WFP's response to emergencies, others risk increasing processes without necessarily improving the effectiveness or efficiency of operations. We welcome continued dialogue on the next steps for the organization.

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MANEMENT RESPONSE TO THE RECOMMENDATIONS IN THE REPORT OF THE EXTERNAL AUDITOR ON THE SCALE-UP AND SCALE-DOWN OF RESOURCES IN EMERGENCY OPERATIONS			
External audit recommendations	**Action by**	**WFP management response**	**Timeframe**
Recommendation 1: The External Auditor recommends that WFP and IASC (United Nations Inter-Agency Standing Committee) emergencies be more clearly articulated: a) providing criteria in the revised protocol allowing WFP to define the emergency level independently from IASC decisions; and b) when its decision differs (for example, for an L3 activated by WFP alone), producing a specific memorandum for the attention of donors setting out the reasons for the difference in assessment.	Emergency Preparedness and Support Response Division (OSE)	Partially agreed. a) WFP will continue to align its criteria with those of the Inter-Agency Standing Committee (IASC) to ensure consistency. However, system-wide scale-up activation and agency-specific emergency level declarations will continue to serve separate purposes. While committing IASC members to a set of agreed procedures, the system-wide scale-up activation protocol recognizes the ability of IASC member organizations to decide on activation of their respective major emergency mechanisms and procedures. b) An internal memorandum from the Executive Director is issued following every activation decision. In addition, there are existing mechanisms through which WFP communicates these decisions and related operational implications such as regular operational briefings for the Executive Board and bilateral interaction with Member States at the country, regional and headquarters levels.	Already in place
Recommendation 2: The External Auditor recommends clarifying the terms of the activation protocol, in particular: a) by providing for a target duration – albeit indicative – for the start phase of a crisis; b) by detailing the objectives (external or internal) targeted by the organization; c) by simplifying the chain of command; d) by revising the format of mandatory reporting; e) by specifying the criteria and stages of deactivations.	OSE	Partially agreed. a) Agreed. Revised activation protocols are being drafted. These will reinforce that the standard initial duration of a Level 2 emergency response or Level 3 surge response is 90 days for a sudden onset emergency and up to 180 days for a complex emergency. When an extension is necessary, the extension memorandum states the expected duration based on a situational analysis. b) Agreed. Revised activation protocols are being drafted. They will include trigger actions that support an efficient and effective response. They will focus on the nomination or deployment of reinforced emergency leadership, but also include temporary changes in chain of command and delegation of authority, the activation of dedicated strategic and operational coordination mechanisms and the development of emergency operational	June 2018 June 2018

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		frameworks to guide and track the progress of an emergency response. c) Partially agreed. WFP does not see the value added in modifying the established chain of command. The revised activation protocols being drafted will provide a simplified explanation of the existing chain of command. d) Not agreed. It is unclear how the current format of mandatory reporting represents a challenge for the scaling up or down of emergencies and what specific amendments are needed, as there is no further elaboration in the report. e) Agreed. The revised activation protocols being drafted further specify the criteria for and stages of deactivations and outline related responsibility and actions.	June 2018
Recommendation 3: The External Auditor recommends strengthening the scope of the preparatory measures, in particular by: a) defining the responsibilities of the regional bureaux in supervising the establishment of the Emergency Preparedness and Response Package (EPRP) on site; b) systematizing, as provided for in the protocol, reference to the degree of completion of preparedness actions in country director assessments; c) integrating into the risk registers mitigation measures specific to the potential risks of fraud and losses in an emergency situation.	OSE a) and b) and Enterprise Risk Management Division (RMR) c)	Partially agreed. Responsibilities are defined for points a and b. Management, however, does not agree that additional action is necessary. a) The annual assurance statement, which is the foundation for the Executive Director's statement on internal controls, requires the country director to state whether or not the EPRP has been completed. As stated in para 104 of the EPRP guidelines the "Regional Bureaux EPROs provide the primary source of EPRP support to the Country Offices within their region and undertake any necessary EPRP action for oversight countries[,]" while at the headquarters level "OSE's Emergency Preparedness Branch (OSEP) provides technical support to EPROs in the region and maintains the content of the EPRP."	Already in place

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		b) The EPRP tracker enables regional emergency preparedness and response officers (EPROs), headquarters and management at the country office level to monitor EPRP implementation easily and to advise managers and colleagues on gaps in preparedness actions. The EPRP tracker also provides one of the six key corporate management performance indicators included in the WFP Management Plan (2018–2020) (percentage of WFP offices using the EPRP). The indicator reflects the organizational effort made through various areas of expertise to be ready to respond to emergencies without compromising the quality of operations or the safety of staff. Through the tracker OSE regularly provides the key performance indicator values for the country director accountability framework.

c) Agreed.

WFP agrees with the recommendation, but not in the context of the EPRP – the EPRP takes into consideration only political, economic, and environmental contextual risks, i.e., risks that are external to the organization. The risk of fraud is an institutional risk internal to the organization. RMR has already integrated mitigation measures related to specific potential risks of fraud and losses. This will be further strengthened with additional guidance on Anti-Fraud and Anti-Corruption from RMR. | December 2018 |

MANAGEMENT RESPONSE TO THE RECOMMENDATIONS IN THE REPORT OF THE EXTERNAL AUDITOR ON THE SCALE-UP AND SCALE-DOWN OF RESOURCES IN EMERGENCY OPERATIONS			
External audit recommendations	**Action by**	**WFP management response**	**Timeframe**
Recommendation 4: The External Auditor recommends setting up a financial tool for rendering accounts regarding the total actual consolidated cost of L2 and L3 emergency operations.	Resource Management Department (RM)	Partially agreed. WFP appreciates that using standard project reports to provide consolidated L2/L3 financial reporting is suboptimal, in part because activation and deactivation dates do not align with financial reporting periods or with donor grant availability periods. The new financial architecture under the Integrated Road Map will enhance consolidated financial reporting capability at the country level and will allow for further disaggregation by focus area (such as crisis response) and by activity within country operations, including those designated as L2/L3 operations. This enhanced reporting capability will support the provision of consolidated costs in L2 and L3 emergency operations for specific reporting periods. It should be noted, however, that such financial information would include an operation that was under way before an L2/L3 activation because in most cases emergency operations build on existing activities.	June 2019
Recommendation 5: The External Auditor recommends carrying out a series of financial analyses to: a) identify and quantify the additional budgetary effort allocated to L2 and L3 operations due to regional and headquarters intervention, and b) put in place unrestricted, more specific funding channels as appropriate.	RM	Partially agreed. a) While the standard project reports provide detailed visibility by project, this recommendation shows that there is room for improvement in consolidating and classifying expenditure. b) WFP appreciates that more specific financial information about L3 operations could be provided. However, it should be noted that the L3/L2 indicator, while critical, is just one of a number of determinants considered in the allocation of multilateral contributions for emergencies and the use of the advance financing facility or the Immediate Response Account (IRA). Decisions to draw from either funding instrument will therefore continue to be made on the basis of the specific circumstances of a given situation, with IRA-financed allocations meeting the life-saving criteria in emergencies.	June 2019

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Recommendation 6: The External Auditor recommends establishing a broadened and centralized monitoring tool for WFP employees who can be deployed in emergencies, and formalizing its employment doctrine.	Human Resources Division (HRM) and OSE	Agreed (subject to funding). Management would like to clarify the scope of the tool, which should be broad enough to include processes, mechanisms, information management and analysis to support deployment decision-making.	End 2019 (subject to funding)
Recommendation 7: The External Auditor recommends including in the performance assessment of country and regional directors an evaluation of their ability to contribute to the efforts to adapt the organization's human resources during the outbreak of crises.	HRM and OSE	Not agreed. The individual PACE of a director is not the appropriate platform for addressing this issue. WFP does recognize the need to increase the accountability of organizational units for contributing to global surge capacity. At the same time, WFP needs to provide a supportive corporate system in which organizational units that provide resources are recognized for their contributions and do not feel penalized.	
Recommendation 8: The External Auditor recommends rapidly translating into operational terms the discussions begun in 2017 on the support functions and the innovative plans to be put in place to increase the flexibility of the teams in an emergency situation (incentives, mentoring, long-term training strategy for staff with high potential for emergencies, etc.).	HRM and OSE	Agreed (subject to funding). Initial actions have begun, including the delegation of FASTER (Functional and Support Training for Emergency Response) to the field level and the establishment of a coordination team to improve surge support to the field.	Actions have been started with a three-year timeframe for putting in place proposed systems.

Acronyms used in the document

EPRO	emergency preparedness and response officer
EPRP	Emergency Preparedness and Response Package
HRM	Human Resources Division
IASC	Inter-Agency Standing Committee
IRA	Immediate Response Account
OSE	Emergency Preparedness and Support Response Division
RM	Resource Management Department
RMR	Enterprise Risk Management Division