



World Food
Programme

Office of the Inspector General

2020 Annual Session of the Executive Board

Annual Report of the Inspector General

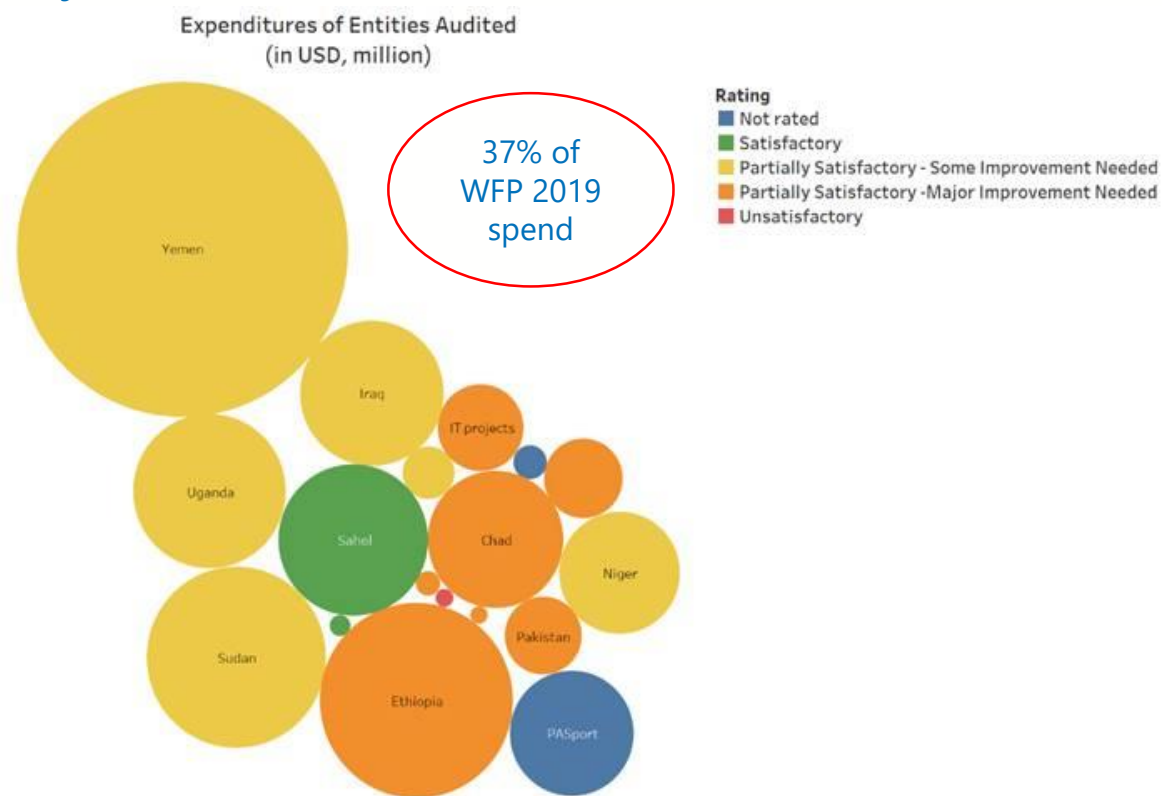
SAVING
LIVES
CHANGING
LIVES

June 2020

Factors Supporting the 2019 Assurance Opinion and Annual Report

Audit Opinion: Based on the risk-based oversight activities performed and reported in 2019, no material weaknesses were identified in the governance, risk management or control processes in place across WFP that would seriously compromise the overall achievement of WFP's strategic and operational objectives. [...]

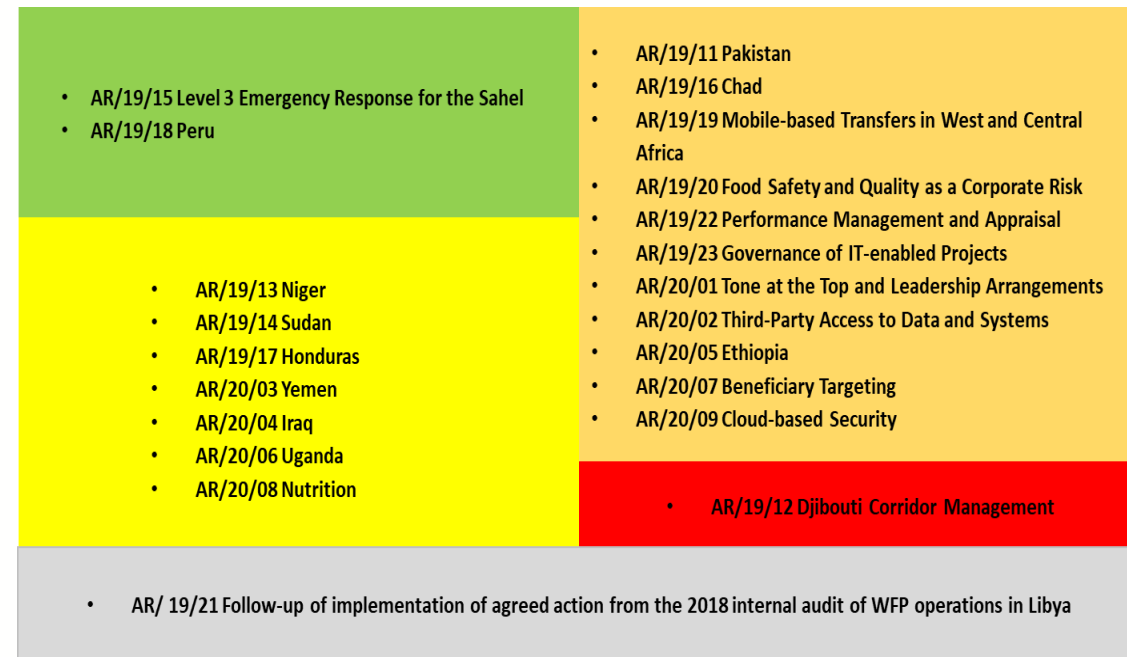
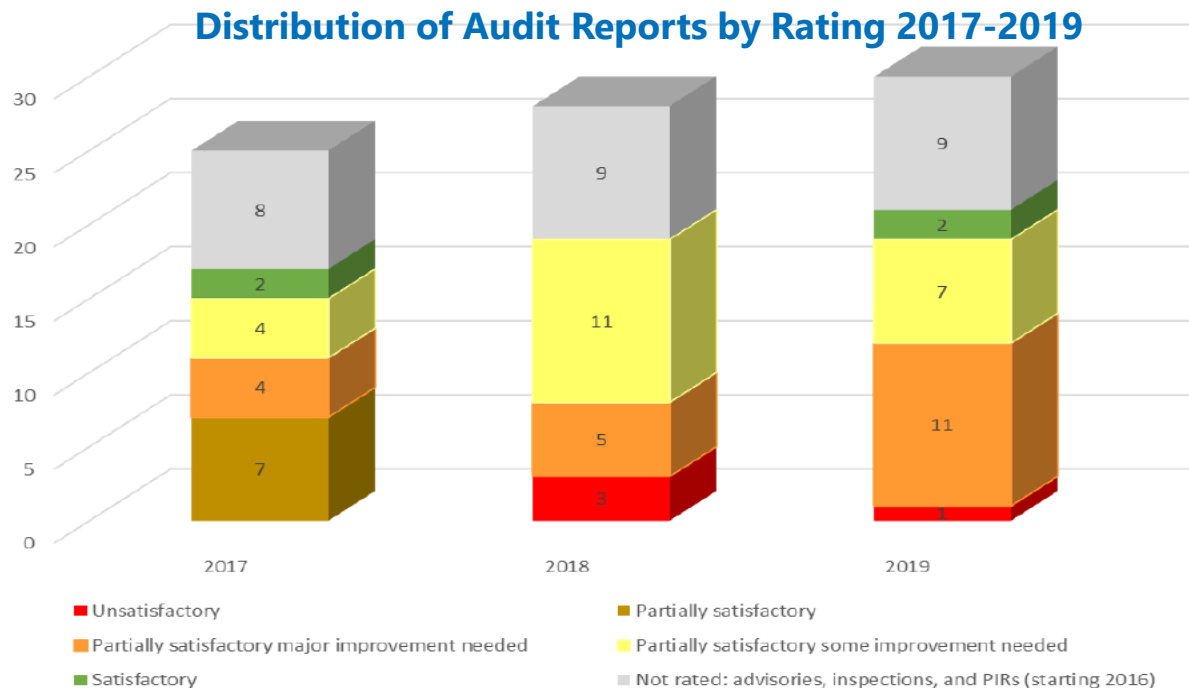
Materiality of audited entities



- Audit assignments in 2019 covered entities and processes representing 37 percent of the organization's spend.
- Some audit assignments are not represented in the graph as it is difficult to attribute a monetary value to some processes: Tone-at-the-Top or Performance management and Appraisal for example.
- Unsatisfactory controls or those requiring major improvements represented 9 percent of the organization spend.

Factors Supporting the 2019 Assurance Opinion and Annual Report

Audit Ratings: The distribution of audit ratings in 2019 is balanced, with a decrease in the unsatisfactory audits compared to 2018, yet an increase in the ones requiring “major improvements – partially satisfactory”.



- 2 presented well-established and functioning governance.
- 18 required some (7) or major improvements (11) to ensure the adequate functioning of controls and delivery of objectives.
- 1 could not provide assurance that objectives will be achieved, and controls were adequately designed or functioning.

Key Areas of Emphasis in the 2019 Annual Report

[...] This assurance opinion does, however, identify governance, risk management and control practices in individual assurance engagements that require improvement. The practices requiring improvement do not rise to a level of institutional significance that would seriously compromise WFP's achievement of its overall objectives.

Areas requiring improvement include:

- Management's prioritization of actions to resolve control deficiencies and implement control improvements.
- Consideration for the significant share of the field work transactional, and priorities often headquarters-driven without visible outcomes and clear benefits to field operations.
- Field capacity constraints with limited direction from Headquarters on required or desired controls, or absent corporate risk tolerance thresholds.
- Impact of decentralized decision making and accountability on internal controls at the field level.
- Over-customization at the country level of core tasks with systems and processes leading to a sense of "optional controls".

Key Areas of Emphasis in the 2019 Annual Report

Additional areas requiring improvement include:

- Accountability and performance monitoring at the Leadership Group level and beyond.
- Agility of human resources processes and workforce planning.
- Performance assessment's limited use and usefulness in decision-making (promotion and reassignment).
- Organizational oversight over programme implementation by government and NGO partners.
- Oversight and risk management of vendors and inspection companies in the area of food quality and safety.
- Data protection and privacy, including direction and establishing the corporate posture from senior management.
- Beneficiary targeting and management, which includes inheriting local partners and stakeholders' level of assurance and risks over those processes.

Status of Agreed Actions in the 2019 Annual Report

Status of outstanding actions 2018 and 2019

	High risk ^a		Medium risk ^b		Total	
	2018	2019	2018	2019	2018	2019
Open at beginning of year	34	44	168	134	202	178
Added during the year	32	85	115	118	147	203
Total	66	129	283	252	349	381
Closed during the year	22	50	149	123	171	173
Outstanding at year-end	44	79	134	129	178	208
Overdue (beyond agreed implementation date)	16	38	64	76	80	111

➤ There has been an increase in the number of management agreed actions from 147 in 2018 to 203 in 2019.

➤ Most of the increase related to high priority agreed actions - from 32 in 2018 to 85 in 2019.

➤ The number of total agreed actions has not varied significantly across the years, however, the distribution of high and medium priority actions has changed.

Actions issued and closed 2014-2019

	2014	2015	2016	2017	2018	2019
Actions Issued	192	137	182	184	147	203
Actions Closed	260	191	199	177	171	173

➤ A decrease in the number of closed issues has had the most significant impact on the net increase in outstanding agreed actions from 2017 through 2019. Management is currently working to address this issue.

Audit Agreed Actions – Update through June 2020

Actions overdue against original date of issuance:

- Increased from 80 at the end of 2018 to 111 at the end of 2019.
- As of 23 June 2020, 4 from 2016 audits; 4 from 2017 audits; 22 from 2018 audits/PIRs; 73 from 2019 audits/PIRs and 8 from 2020 audits.

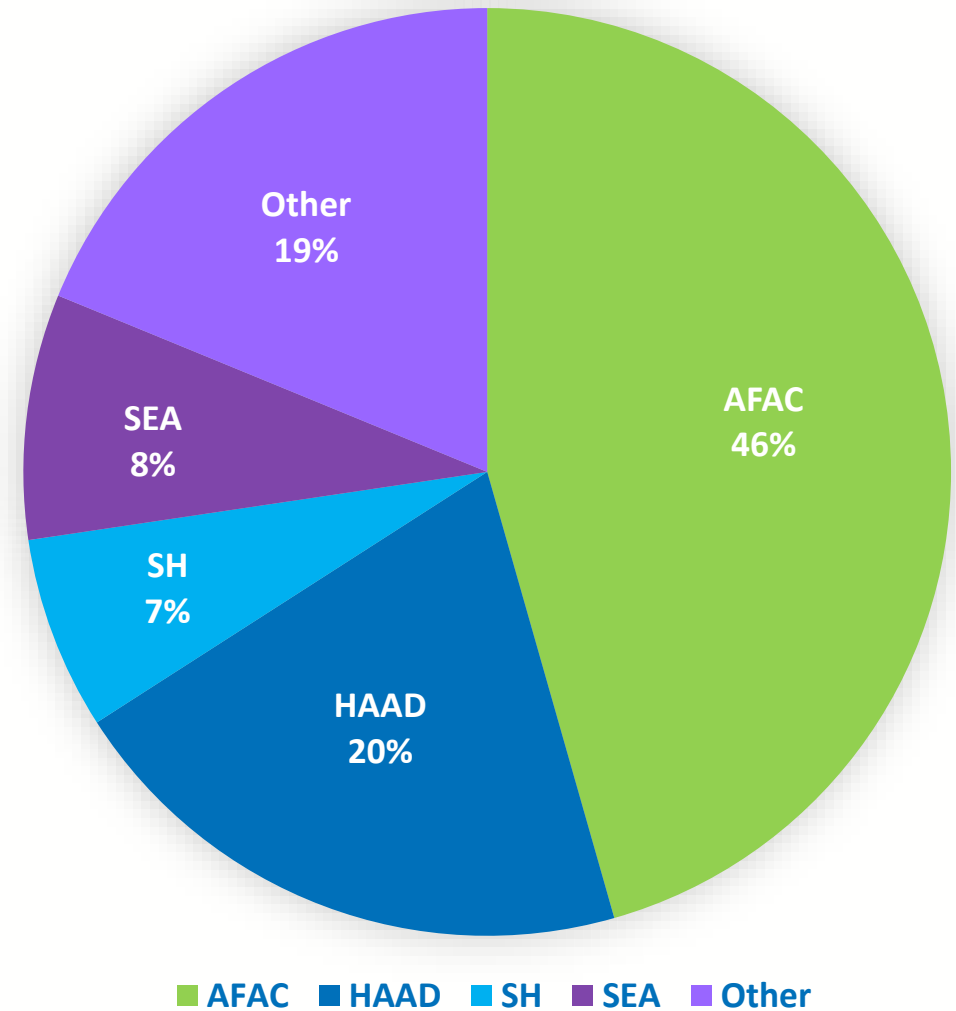
Actions overdue against revised date:

- Management re-prioritization exercise in April 2020 supported the organization's ability to react to the COVID-19 pandemic.
- Resulted in the revision of implementation dates previously committed to in a pre-COVID 19 environment.
- As a result of this exercise, management revised 108 (38%) of the agreed actions implementation dates, including overdue actions based on the original dates. As of today there are no overdue actions based on the revised dates.
- To ensure progress against these new dates, the Office of Internal Audit began measuring management progress against both the original due dates provided by management as well as the revised dates resulting from the COVID-19 re-prioritization exercise.

Investigation Activities – Comparison by Complaint Category

- OIGI manages the WFP Hotline for formal reporting of fraud and misconduct complaints.
- Anti-Fraud and Anti-Corruption complaints (AFAC) continue to represent a high proportion of OIGI complaints and investigations in 2019.
- Harassment, abuse of authority, and discrimination (HAAD) also represent a sizeable volume of complaints, but fewer are converted into investigations as many are referred to other departments to address (Country Directors, Human Resources, or Ombudsman).
- Sexual harassment (SH) investigations are performed by OIGI and are generally opened as investigations.
- Sexual exploitation and abuse (SEA) investigations may be referred to Cooperating Partners if involving their staff, but are investigated by OIGI when complaints involve WFP.
- Complaints classified as 'Other' include conflicts of interest, recruitment irregularities, and misuse of assets.

Total Complaints Managed by Type in 2019



Investigation Activities – Comparison by Activity by Year

Case activity increases have resulted in an increase in the carryover of unfinished cases each year, from 47 in 2018 to 94 in 2020. However, the most pronounced increase has been in the cases remaining in intake for assessment at year end.

- Total cases managed in 2019 increased by 77% over 2018.
- To address the growing backlog of complaints, the case prioritization approach was improved to more effectively document the rationale for case selection and prioritization.
- To meet its staffing needs in 2019, OIGI added more short-term consultants and established a proxy investigation process that utilizes field personnel, under OIGI supervision, to support relatively low-priority investigations.
- Additional investigators were approved in 2019, and the intake backlog is being addressed in 2020 with the help of these resources.

