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# WFP management response to the recommendations in the report of the External Auditor on findings from field audits

1. Management welcomes the Summary Field Report for 2023, the first such report to be issued for the Executive Board's consideration, and appreciates the External Auditor's continued commitment to transparency, accountability, and continuous improvement in the organization's processes as per its mandate set out in Article XIV of the WFP Financial Regulations and their Annex. The External Auditor's independent role and perspective are fundamental to help WFP in prioritizing issues of strategic importance aimed at improving the efficiency and effectiveness in the governance, administration and use of resources entrusted to it. Of particular importance are the Summary Field Report findings and recommendations of a cross-cutting nature and the insights provided by the External Auditor on recurring issues that may impede the efficiency of financial procedures, WFP's accounting system, internal controls and, in general, the administration and management of WFP at field level.

2. Management addressed the new recommendations outlined in the management letters issued to the relevant country offices and regional bureaux. The implementation status of these recommendations will be monitored and reported on until they are fully resolved, with updates to be included in the annex to the Summary Field Report starting in 2025. Consequently, this management response does not delve into individual recommendations but instead concentrates on the organization's overarching response to the following six cross-cutting issues identified in the Summary Field Report: management; cooperating partner management; asset management; delegation of financial authority; human resources; and disaster recovery planning.

3. **Management.** WFP is committed to enhance the use of procedural and strategic documents across the country offices, including standard operating procedures, implementation strategies, and hand-over documents, by reviewing current practices, identifying gaps, and developing an action plan to improve consistency and adherence. Additionally, the regional

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**Focal points:**

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bureaux high-level terms of reference (ToR) and rules of engagement are currently being developed and these will be translated into functional ToR to clarify the division of labour between headquarters and regional bureaux. Furthermore, in response to the External Auditor recommendation in its review of oversight by management (WFP/EB.A/2022/6-I/1, recommendation 10, paragraph 85), WFP's Risk Management Division is reviewing the existing follow-up mechanisms for management oversight recommendations to identify areas for improvement and standardization to ensure a robust monitoring process at regional level. Meanwhile, regional bureaux have internal follow-up mechanisms in place for the monitoring and reporting of management oversight recommendations and some have developed relevant standard operating procedures and guidance notes.

4. **Cooperating partner management.** WFP will take the necessary steps to provide guidance and ensure that country offices conduct the required spot checks[1] and adopt a risk-based, prioritized approach in determining these checks. Emphasis will be placed on strengthening the existing guidance to include linkages to the relevant sections of existing monitoring guidance to bolster overall controls on cooperating partner management, improving the timeliness and accuracy of partners' expense reporting, and enhancing the evaluation processes for partner activities. In June 2024, WFP issued through an Executive Director Circular the Global Assurance Framework (OED2024/004), which includes functional standards covering the entire programme cycle from needs assessment to post-distribution monitoring. All country offices are required to comply with this framework by the end of 2025.

5. **Asset management.** WFP will strive to improve the accuracy of asset registers and the disposal process. This includes conducting thorough reviews to update asset registers, ensuring all items are correctly documented and accounted. Physical count exercises will continue to be conducted regularly to promptly identify and reconcile any discrepancies. The Global Equipment Management System (GEMS) module in the WFP Information Network and Global Systems (WINGS) is the WFP corporate asset management tool to track all assets throughout their life cycle. Asset focal points are responsible to record assets in GEMS when received. The Enhanced Goods Receipt Transaction (MIGO) is the application that aims to streamline the equipment management process through automation. WFP will continue promoting the use of the MIGO application across the organization to benefit from the automated process of asset management.

6. **Delegation of financial authority.** WFP will establish clear guidance to optimize the usage of the delegation of financial authority dashboard. Additionally, improvements will be made to the existing dashboard to streamline and strengthen monitoring, which include incorporating eligibility criteria, introducing automated checks and exploring system integration solution. In addition and as part of the organizational realignment, WFP launched in May a review of all existing delegations of authority and the need to define monitoring and reporting processes and procedures.

7. **Human resources.** WFP confirms that the Staffing Framework is in a transition period until the end of 2025. During this time, there may be legacy contracting that differs from recently established parameters, particularly in light of budget reductions. Relevant departments, divisions, regional bureaux, country offices and global offices require time to make the necessary adjustments. Relative to the management of personnel files, guidance is being developed in conjunction with the rollout of the Human Capital Management Project's Workday platform launched on 1 July through which all offices are required to use to support personnel file management.

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[1] Country offices are required to perform spot checks based on their specific context and priorities. Spot checks are not mandatory in all cases.

8.  **Disaster recovery planning.** WFP will ensure that disaster recovery plans are comprehensive, approved, and effectively implemented. In April 2024, the Technology Division (TEC) has issued pre-filled templates of Business Continuity and Disaster Recovery Plans to all country offices with an emphasis on the importance of maintaining clear procedures around Business Continuity and Disaster Recovery. The communication also highlighted the inherent connection between Preparedness and Business Continuity, inviting the offices to leverage TEC guidance for a holistic approach to this entire risk management area. Furthermore, the information technology (IT) Oversight Checklist includes a section on "Back-up Services" dedicated to Business Continuity and Disaster Recovery controls which provides a list of controls to ensure minimum IT security standards in country offices. Efforts will be made to expand the scope of the disaster recovery plans to cover all potential disaster scenarios and relevant recovery procedures.

9.  To conclude, WFP appreciates the constructive approach taken by the External Auditor for continuous dialogue with management and is committed to implementing all recommendations timely, including follow-up on previous recommendations issued from 2018 to 2022 to the country offices and regional bureaux covered in this review provided in the annex of the Summary Field Report.