

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

05 July 2017

Internal Audit of the Operationalization of WFP's Enterprise Risk Management (AR/17/13)

Management comments

WFP Management appreciates and welcomes the audit observations made by the Office of the Inspector General (OIG) in its audit report of **the Operationalization of WFP's Enterprise Risk Management (AR/17/13)**, focused on the period 1 January 2016 to 31 March 2017.

Risk management is a day-to-day activity, actively embraced in WFP culture. Management therefore welcomes the positive practices and initiatives within WFP's existing Enterprise Risk Management (ERM) policy, which is aligned with latest industry standards. These include renowned expertise for contextual risks that lie at the core of WFP's business, the definition of the Risk Appetite Statement as well as the discussion on the Corporate Risk Register.

Management takes note of the agreed actions that will serve to further strengthen ERM and internal controls at all levels of the organization. Defining roles and responsibilities for risk management at every level, using risk indicators and alerts as well as defining the protocols for risk communication will allow the organization to continue operating in an accountable and transparent manner in the challenging context of today. It is noted that a system is required to support these processes.

Management has agreed to the audit observations. Implementation of agreed actions is underway, with the view of adding value at the level where risk decisions are taken. Management expects to address all audit observations by the end of July 2018.