



19 December 2017

Internal Audit of WFP Operations in Bangladesh (AR/17/19)

Management Comments

WFP Management appreciates and welcomes the findings and observations made by the Inspector General (OIG) in its audit report (AR/17/19). The audit focused on WFP Operations in Bangladesh from 01 January 2016 to 30 June 2017. WFP Management is taking action to implement all agreed actions.

Following the corporate and Regional Bureau guidance, in 2016 WFP Bangladesh embarked on its Integrated Road Map (“IRM”) journey. The Bangladesh Country Strategic Plan (CSP) 2017 – 2020, which was approved by WFP Executive Board in February 2017, was informed by an excellent independent strategic review commissioned by WFP and undertaken by national experts. WFP Bangladesh was part of the first wave of WFP country offices implementing a CSP. In the seven months following the CSP launch, the country office was confronted with an unprecedented scale of operational challenges. Since 01 April 2017, WFP operations in Bangladesh consisted of the following:

- 1) Emergency assistance in response to two natural disasters - Cyclone Mora and floods in the North-West of Bangladesh - and a significant man-made humanitarian crisis, which resulted in a massive influx of over 700,000 refugees from the Rakhine State of Myanmar into Cox’s Bazar, causing the activation of an L3 emergency response on 22 September 2017;
- 2) A CSP budget revision approved in early October 2017, which increased the country office’s provision of food assistance for the refugee crisis, and added a fifth Strategic Outcome for crisis response - ‘Humanitarian and development partners in Bangladesh have access to reliable services in the areas of supply chain and emergency telecommunications during crises’ - with two additional activities, 12 and 13, for the provision of common logistics and emergency telecommunications services to the humanitarian community;
- 3) A significant organizational restructuring to align the country office workforce to CSP’s requirements, especially in the face of the emergency response; and
- 4) Timely adjustments to operational and business processes based on lessons learned, whilst successfully implementing the CSP.

The Bangladesh CSP envisioned an enhanced involvement in development activities, whereby WFP provides capacity strengthening support to the Government of Bangladesh in terms of policy advice, programme planning, implementation and evaluation. At the same time, WFP ensured its operational humanitarian foot print through emergency preparedness and response activities. Accordingly, WFP Bangladesh demonstrated its operational agility under the CSP by striking an appropriate balance between facilitation and implementation under both its development and humanitarian portfolios. Challenges faced during the 2017 CSP transition year suggest that a scale down in humanitarian assistance in the short-term is unlikely.



WFP Bangladesh successfully developed several new business processes and non-standard financial analysis and reporting templates that link the CSP financial performance with projected results, a precondition for ultimately measuring value for money. WFP operations in Bangladesh also saw the scaled use of cash based transfers through e-vouchers and mobile phone cash transfers. These innovations are now recommended best practices in other WFP countries offices implementing the Integrated Road Map (IRM). As acknowledged by the internal audit, the agility of WFP Bangladesh staff in responding successfully to operational changes is a clear strength. WFP Bangladesh is recognised globally for its expertise in conceptualizing and implementing a successful CSP, including innovative approaches, as well as acting as a change leader to successfully respond to contextual challenges.

WFP Management acknowledges the overall conclusion of the audit, which notes 13 medium risk observations and provides a summary of risks by internal control component. Whilst the operating environment in Bangladesh is very fluid and challenging with WFP's dual role in capacity support to the Government and relatively complex humanitarian assistance at scale, WFP Management confirms that the implementation of agreed actions are receiving the appropriate priority and are ongoing. These actions are closely monitored by the Corporate Response Director, the Regional Bureau and Country Office; and all actions will be implemented on, or before, the agreed due dates. WFP Management will provide updates on the implementation status of agreed actions to the Office of the Inspector General (OIG).

WFP Management is committed to the continuous improvement and strengthening of its internal controls, business processes and risk management practices in the Bangladesh Country Office. WFP Management thanks the OIG for its collaboration and support.