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02 March 2018

Management Response on Internal Audit Report of WFP's Supply Chain Division IT-Based Applications (AR/18/01)

Background:

As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP's Supply Chain Division information technology (IT) environment and application controls. The focus of the audit was centred on the IT landscape currently in use by the Supply Chain Division, with consequent significant involvement of and interaction with the Information Technology Division. The audit covered the period from 1 January 2016 to 30 June 2017 and looked at prior and subsequent events as required. Fieldwork was performed from 4 September to 27 October 2017 at WFP headquarters in Rome.

On 23 January 2018, the Internal Audit Report of WFP's Supply Chain Division IT-Based Applications was issued internally to the Management of OSC to make its final comments and to submit these to internal auditors through OED.

The draft report lists 3 observations and 9 related recommendations/agreed actions.

Management Comments

Supply Chain Division (OSC) Management finds the internal auditor's observations adequately reflects areas for improvement of the OSC IT based applications. Management welcomes the findings of this internal audit and will use them to rationalize existing systems as a means to further facilitate the merger of the former Procurement and Logistics Divisions into the Supply Chain Division.

The scope of the internal audit was on the systems commissioned within OSC to support effective and efficient business processes for various Supply Chain functions. It is important to note that some of the potential risks in terms of application and IT controls were addressed immediately during the audit process and prior to the issuance of this report. For example, the identification and removal of all non-active accounts as well as the generic ones which were used by developers or more than one user, and requiring increased complexity for passwords. When necessary, OSC engaged system developers to implement the right solutions for identified gaps. We appreciate the acknowledgment of positive practices, such as the Division's effort to continuously research and innovate as well as the presence of diversified in-house IT skills and expertise.

Procurement and contracting processes are rigorously governed and managed through the corporate system (SAP / WINGS) and these systems were not within the scope of this audit. Therefore, issues of access control identified in some Supply Chain IT applications would not expose the organization to financial risk. OSC will work with the Information Technology Division (RMT) to ensure full implementation of adequate control parameters for all OSC IT based applications that also align with corporate standards.



OSC will work closely with RMT to systemically address the high risk-observation on the need to establish a coherent IT governance structure, strategy and oversight. OSC takes this opportunity to note that to successfully address these observations will require further prioritisation of WFP's resources to achieve sustainable optimization and management of OSC's IT applications.

We would like to thank the Office of Inspector General for their efforts, valuable comments and fruitful cooperation with the division's management and staff during this audit exercise.