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11 June 2018

Management comments to the internal audit report of the Integrated Road Map Pilot Phase in WFP (AR/18/05)

Management Comments

WFP Management appreciates and welcomes the observations made by the Office of the Inspector General (OIG) in its audit report (AR/18/15) on the Integrated Road Map (IRM) pilot phase with fieldwork conducted from 23 October 2017 to 31 January 2018. WFP Management has already started to take action to implement the agreed actions.

WFP Management considers the piloting of the IRM during 2017 to have been a success, with pilot countries making a significant contribution to corporate learning and allowing guidance to be adjusted based on lessons learned. The pilot approach also allowed additional tools and processes to be put in place to support the transition for the remaining country offices, including managing the risks related to the resource migration.

WFP Management recognizes that the initial decision made in 2016 to complete the IRM transition within a very tight timeframe posed some risks, and allowed only limited time to learn from the pilots and adapt before starting the wider rollout. However, the timeframe also helped to generate significant momentum for the change during 2017 and has allowed the organization to quickly transition to the “new way of working” with 67 country offices now operating under the IRM framework. WFP Management also notes that the introduction of the flexible timeline in April 2017 allowed most of WFP’s most complex operations to transition at a later stage, and as a result substantially reduced the risk, complexity and workload of the January 2018 transition.

WFP Management supports the overall conclusion that major effort continues to be needed during 2018 to ensure that the IRM delivers on its objectives. The IRM Steering Committee has committed to remain in place until at least the first quarter of 2020 to continue to oversee the transformation, and will ensure that sufficient resources are available to maintain the IRM implementation team until at least the first quarter of 2019. Resources have also been allocated to the Human Resources Division (HRM) to allow it to complete a comprehensive organizational alignment exercise, providing support and expert advice to country offices, guiding principles and a systematic approach to align organisational structures to Country Strategic Plans (CSPs).

WFP Management welcomes the OIG highlighting many of the positive feedback and lessons learned from the pilot country offices, including improved visibility and transparency, better engagement with national counterparts, and the opportunity for greater collaboration with sister agencies and other partners at country office level.



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More importantly, WFP Management also welcomes the OIG echoing some of the issues raised by pilot countries for consideration, including instances where the complexity of processes related to the country portfolio budget structure has made fund management cumbersome or where responsibilities for internal controls and oversight and the related reports were less clear.

WFP Management is reviewing internal refinements to processes relating to cost management in close consultation with country offices and analysing options for improving and simplifying budget planning processes. WFP Management expects that the increased transparency through the activity-level budget structure will increase donors' confidence encouraging them to reduce earmarking and move towards more outcome-based or flexible funding over time. It is also further clarifying and strengthening corporate standards for the governance, internal controls and oversight, and continuing to strengthen and communicate key reports.

To support full implementation of the agreed audit actions, WFP Management will closely monitor implementation before the target implementation dates. WFP Management, in close collaboration with OIG, will undertake regular reviews of outstanding agreed actions and ensure that implementation status updates are provided.

WFP Management would like to thank OIG for the meaningful collaboration and support.