



10 August 2018

## **Management comments to the internal audit report of WFP Operations in South Sudan (AR/18/08)**

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### **Management Comments**

WFP management appreciates and welcomes the conclusions and observations made by the Office of the Inspector General (OIG) in its audit report (AR/18/08) of WFP Operations in South Sudan, for the period 1 January 2017 to 31 March 2018.

WFP established presence in South Sudan since the declaration of independence and has continued to scale up its response mechanisms to respond to a dynamic and volatile situation with the designation of the L3 emergency in December 2013. According to February 2018 Integrated Food Security Phase Classification (IPC), 7.1 million could be severely food insecure in the country during the peak of the lean season, between May to July, and it is estimated that 155,000 could be facing “Catastrophe” (IPC Phase 5) levels of food insecurity in the protracted absence of humanitarian assistance. The limited infrastructure and volatile security situation has continuously challenged WFP operations and hindered its ability to reach targeted populations. In this context, while designing and carrying out life-saving operations on a large scale, WFP simultaneously established air operations across the country, invested in office arrangements in 15 locations and in the security of its physical and human resources.

Recognizing the inherent risks, WFP deployed oversight support including a risk and compliance officer and senior regional and HQ technical staff, but also highly experienced leadership from the start to help establish a sound control environment.

WFP Management appreciates OIG’s recognition of the positive practices and initiatives pursued by the country office, which are benefiting the operation in South Sudan and could be expanded to other WFP operations as well. The positive practices noted include: (i) the implementation of robust risk management processes and strengthening of the internal oversight strategy and capabilities; (ii) development of a warehouse risk management tool and improving the Business Continuity Plan and Disaster Recovery Plans; (iii) development of SCOPE strategy and the scale-up of biometric registration; (iv) having a comprehensive monitoring strategy, enhanced monitoring coverage and streamlined monitoring process; (v) rolling out the staff wellness, talent acquisition and gender strategy; (vi) improved efficiency by opening of new transport corridors, increasing river transportation and enhanced prepositioning; (vii) definition of a Partnership Action Plan,



which acknowledges the systematic and strategic engagement with partners for the success of its 2018-2020 Interim Country Strategic Plan (ICSP); (viii) establishment of a dedicated unit at country office level with the main objective of negotiating programme access with various parties and ensuring uninterrupted humanitarian operations.

Management further appreciates the recognition of the positive funding trajectory and feedback from donors, the great recognition of the Country Office inter-agency collaboration and coordination with the UN humanitarian and country team (HCT and UNCT). Management also highlights WFP prominent role in the 2018 Humanitarian Action Plan, representing 48 percent of the needs for the year.

WFP Management acknowledges the audit's overall conclusion of partially satisfactory as well as the three issues noted as high priority, as follows: humanitarian commodities in the market; beneficiary management and data sharing, and supply chain and cost efficiency. Management further recognises the six medium priority observations.

Management will ensure the implementation of all agreed actions within the agreed dates and emphasise that the audit report recognised that most of the issues and mitigating actions were highlighted in the COs Risk Register. Additionally, many actions were already underway albeit at an early stage prior to the audit. For example:

- Observation 2 - Humanitarian Commodities in the Market: The Country Office commissioned a Supply Chain Review of Humanitarian Food Commodities for sale in the South Sudan Markets. The report of the review was produced in June 2017 and a summary of it was shared with the donors. The recommendation from the report are in the process of being implemented.

Observation 3 – Beneficiary Management and Data Sharing: One of the recommendations of the aforementioned report was accelerated biometric registration in SCOPE. In actioning the recommendation, the Country Office prepared an accelerated SCOPE implementation strategy which is recognised by the audit and is geared to have three million beneficiaries biometrically registered by the end of 2019. The CO has already secured resources to meet the 2018 needs for implementing the strategy.

- Observation 7 – Supply Chain Planning and Cost Efficiency: The audit recognised the Country Office management's drive to obtain efficiencies in its operations through enhanced prepositioning, opening new transport corridors, exploiting opportunities for river transport and keeping the roads truckable deeper



into the rainy season. As a result, the Country Office has decommissioned two air assets with an estimated saving of approximately US\$ 1.7 million per aircraft per month, and is in the process of evaluating further decommissioning.

Management will work closely with the country office efforts to ensure the timely implementation of the agreed actions and, in collaboration with OIG, will undertake quarterly reviews of outstanding agreed actions and provide updates through the WFP internal tracking system.

WFP Management would like to thank the Office of the Inspector General for the meaningful collaboration and support.