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Internal Audit of WFP Operations in Burundi

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World Food
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Internal Audit of WFP Operations in Burundi

I. Executive Summary

Introduction and context

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP's operations in Burundi that focused on the period 1 January 2017 to 31 March 2018. Expenditures in Burundi totalled USD 35 million in 2017, representing 0.6 percent of WFP's total direct expenses for that year. The audit team conducted the fieldwork from 25 June to 6 July 2018 at the country office premises in Bujumbura and through onsite visits to the Ngozi and Gitega field offices. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

2. During the audit period, there were some changes in senior management staffing as well as on the strategy, with the preparation of the interim country strategy plan (2018-2020). The country office began the implementation of its interim country strategy plan in April 2018 and is transitioning to the integrated roadmap model, driving substantial organizational changes from the process and people perspectives, including a comprehensive skills-gap analysis, followed by a staffing review exercise informed by the interim country strategy plan objectives.

3. The country office is engaged in a variety of interventions under its resilience activities for which specific funding was earmarked. The supply chain design includes various delivery modalities and mechanisms (including the use of country office's own fleet for 80 percent of inland transport and the introduction of cash transfers and electronic commodity vouchers).

Audit conclusions

4. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **Partially satisfactory / Some improvement needed**. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is required to ensure that identified risks are adequately mitigated. In its assessment the audit noted and took into consideration some of the changes and management actions already underway at the time of the field work to address some of the weaknesses identified.

5. **Cash based transfers:** Most notably, mitigation of the operational risks associated with cash transfers is the one high priority of the report. The existence of various cash-based transfer delivery models (including commodity vouchers and cash transfers) and modalities (including SCOPECARD closed-loop system; cash transfers through non-governmental organizations and mobile money services through financial service providers) increased the complexity and operational and financial risks of the supply chain. The audit noted gaps and challenges in implementing the necessary preventive internal controls and mitigating operational risks. Controls such as segregation of duties and access rights were not implemented robustly. Reconciliation is one of the main detective control for clearing, settlement and custody services associated with cash transfers. The audit noted that key reconciliations had not been performed for cash transfers through a financial service provider. Conscious of various operational risks, the country office had put on



hold cash-based operations at the beginning of 2018. It agreed to initiate a comprehensive review of operating processes for all selected service providers before the award of the next contract.

6. Eight medium priority observations were also raised.

7. The audit did not note any major issues in programme design and implementation. Overall, beneficiary inclusion/exclusion error risks were assessed low since mature processes for geographical targeting are in place. Process monitoring was assessed as robust, with significant coverage and leverage on regional monitoring tools. The audit found that supply chain processes for delivering food were generally carried out appropriately and did not identify any major pipeline break or notable delay due to poor planning of delivery activities. However, the country office's resilience activities comprise a variety of interventions; the supply chain design also includes various delivery modalities and mechanisms. This results in some programmatic and supply chain complexity, with additional earmarking constraints, as well as very diverse processes to attend to, the sustainability of which the skills-gap analysis and staffing review would help reassess.

8. Analyses at country office-level leading to choices of transport modes and contracting modalities were generally found to have been carried out. However, transport market assessments could be more comprehensively documented. The audit noted a need for formalizing a strategy and procedures for enhanced distribution planning, taking into account results of the assessment of the cooperating partners' capacity for pre-positioning; and a need for comprehensive standard operating procedures for food safety and quality process, defining roles and responsibilities within each unit, in line with corporate requirements.

9. The audit observed that since late 2017 management dedicated significant attention towards the review of the country office's internal guidance and oversight, also with support from the regional bureau in Nairobi. The audit found further areas of improvement in the governance arrangements, risks assessments and controls, although issues identified were unlikely to significantly affect the achievement of the office's objectives. The country office strategy to scale-up the number of beneficiaries in SCOPE from 200,000 to 1.7 million by 2020 may be too ambitious in view of existing challenges, and a thorough risk analysis for implementation had not yet been formalized. The audit also noted that some newly developed internal guidance was not fully applicable, and the country office should consider further development and/or amendments for a realistic expectation of their implementation. The audit further noted that a new hotline for beneficiaries in refugee camps (launched in April 2018) required further awareness raising with beneficiaries and needed to be extended to other activities.

10. The audit globally acknowledged the efforts made by the country office to improve its financial management since the last audit in 2013. Further involvement of non-finance staff in fund management would ensure more consistent IPSAS compliance.

Actions agreed

11. Management has agreed to address the reported observations and work to implement the agreed actions by their respective due dates.

The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.

Kiko Harvey
Inspector General



II. Context and Scope

Burundi

12. Burundi is a resource-poor, low-income, food deficient and densely populated country. The 2015 United Nations Development Programme's Human Development Report ranked Burundi 184 out of 188 countries. Poverty is widespread, with 90-95 percent of the population living on less than USD 2 per day, and two thirds of the population live below the national poverty line, particularly in rural areas. Agriculture is the backbone of the economy, accounting for more than 40 percent of the gross domestic product (GDP) and employing 90 percent of the population.

13. With a population estimated at 11.7 million in 2017, Burundi has the second highest population density in Sub-Saharan Africa with more than 400 inhabitants per square kilometre. Over 45 percent of Burundians are children under the age of 15 years. Because of the growing population and corresponding increased demand for land, the poorest and most vulnerable populations, who are mainly women, generally depend on marginal lands. Rapid environmental degradation has negatively impacted livelihoods and natural resources.

14. Insecurity has resulted in both internal and external displacements, and more than 420,000 Burundians have sought refuge in neighbouring countries. Tanzania has the highest number of Burundian refugees, recording more than 238,000 as of 31 December 2017. The International Organization for Migration (IOM) has also recorded high numbers of internal displaced persons (IDPs), estimated at 179,900 (as of December 2017). Around 80 percent of IDPs are women and youth under 18 years old; 30 percent of IDPs are children under 5 years old. Following the tripartite agreement in August 2017 between the governments of Burundi and Tanzania and the United Nations High Commissioner for Refugees (UNHCR) to facilitate the voluntary return of refugees, a total of 23,890 Burundian refugees have returned to Burundi as of 30 April 2018 with the support of the humanitarian community. The movement is expected to continue. An action plan has been adopted in March 2018 for the voluntary repatriation of 72,000 Burundian refugees from Tanzania by December 2018.

15. Burundi is the most affected country in the world by chronic malnutrition. According to the Demographic and Health Survey (DHS 2016/2017), stunting prevalence is of an average of 56 percent throughout the country, except in the provinces of Bujumbura, Bururi and Rutana where it is slightly lower. To ensure long-term solutions to food and nutrition insecurity challenges in the country, national policies include the Poverty Reduction Strategy II (2012-2016), Burundi's Vision 2025, and the National Agricultural Investment Plan (2012-2017). The Government of Burundi also adhered to international initiatives, including the Scale Up Nutrition (SUN) movement.

WFP Operations in Burundi

16. During the audit period, the country office (CO) implemented its strategy through a protracted relief and recovery operation (PRRO) and a country programme (CP):

- a. PRRO 200655 (2014-2017), with an approved budget of USD 109.1 million, catered for: 1) poor and food-insecure households affected by shocks (through targeted food distributions); 2) vulnerable food-insecure populations during lean seasons (through food assistance for assets); 3) Congolese refugees in camps and transit centres; 4) Burundian returnees from neighbouring countries; 5) children aged 6-



59 months and pregnant and lactating women and girls for treatment of moderate acute malnutrition; 6) pregnant and lactating women and girls, and children aged 6-23 months for prevention of acute malnutrition; and 7) vulnerable people hosted in social and charity institutions.

b. CP 200119 (2011-2017), with an approved budget of USD 130.6 million, supported: pre-and primary schoolchildren in the most food insecure provinces; smallholder farmers through purchase-for-progress (P4P); pregnant and lactating women and girls; and children aged 6-23 months for prevention of stunting. Under the CP, WFP managed the supply chain, procuring and delivering of food to delivery points identified by the Red Cross as sub-recipient of the Global Fund.

17. The CO developed an Interim Country Strategic Plan (ICSP) for the period 1 April 2018 to 31 December 2020, with a budget of USD 164 million, and presented in February 2018 for approval by the WFP Executive Board. The ICSP aims to address the challenges and gaps hindering the elimination of hunger that have been identified through a consultative process with the Government and stakeholders. WFP will expand innovative activities in its life-saving interventions, support to smallholder farmers and food markets, resilience building and work to address undernutrition. WFP will work on integrating safety nets into the social protection system, contributing to sustainable progress in achieving zero hunger, including supporting national policies and strengthening systems and institutions. The ICSP will emphasize women's economic empowerment and gender-transformative approaches that promote gender equity and challenge gender-based norms and assumptions.

18. This ICSP will support achievement of the country's objectives in addressing poverty and undernutrition and ending hunger through five strategic outcomes:

- a. Strategic outcome 1: Crisis-affected populations, including refugees in camps, IDPs and returnees in targeted areas are able to meet their basic food needs all year round.
- b. Strategic outcome 2: Food-insecure households in targeted areas have safe access to adequate and nutritious food all year round.
- c. Strategic outcome 3: Children aged 6-59 months, adolescent girls and pregnant and lactating women and girls in the targeted provinces and communes have improved nutrition status all year round.
- d. Strategic outcome 4: Food-insecure smallholders and communities in targeted areas have enhanced livelihoods that better support food security and nutrition needs by 2020.
- e. Strategic outcome 5: Government, humanitarian and development partners have access to effective supply chain management and logistics all year round.



Objective and scope of the audit

19. The objective of the audit was to evaluate and test the adequacy and effectiveness of the processes associated with the internal control components of WFP's operations in Burundi. Such audits are part of the process of providing an annual and overall assurance statement to the Executive Director on governance, risk-management and internal control processes.

20. The audit was carried out in conformance with the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*. It was completed according to an approved engagement plan and took into consideration the risk assessment exercise carried out prior to the audit.

21. The audit covered the period from 1 January 2017 to 31 March 2018. Where necessary, transactions and events pertaining to other periods were reviewed.

22. The audit team conducted the fieldwork from 25 June to 6 July 2018 at the CO premises in Bujumbura and through onsite visits to the Ngozi and Gitega field offices.



III. Results of the Audit

Audit work and conclusions

23. Taking into account the CO's risk register (RR), findings of WFP's second line of defence functions, as well as an independent audit risk assessment, the audit work was tailored to the country context and to the objectives set by the CO.

24. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **Partially satisfactory / Some improvement needed**. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is required to ensure that identified risks are adequately mitigated. In its assessment the audit noted and took into consideration some of the changes and management actions already underway at the time of the field work to address some of the weaknesses identified.

25. The Office of Internal Audit, in supporting WFP's management's efforts in the areas of risk management and data quality, separately reports its assessments or gaps identified in both areas.

Risk management maturity

26. The CO 2018 RR had been finalized at the time of the audit fieldwork, and the 2017 and 2018 RR and respective mitigation actions, as well as other inputs into risk management, were used as a basis to assess risk maturity. The CO would benefit from reviewing the RR to include operational and financial risks associated with the implementation of non-core resilience activities and the introduction of new cash-based transfer (CBT) delivery modalities and mechanisms.

27. The regional bureau in Nairobi (RBN) performed oversight missions during the audit period. It identified gaps and most of the agreed action plans were being addressed or implemented at the time of the audit fieldwork. The risks identified by these missions could also be rolled into the Risk Register to ensure their visibility and follow up of their mitigation.

Data quality

28. Challenges relating to data quality identified during the audit are reported in observations 2 and 3, regarding beneficiary management and data sharing, monitoring and complaints and feedback mechanisms (CFMs).



Observations and actions agreed

29. Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are rated as medium or high priority; observations that resulted in low priority actions are not included in this report.

Table 1: Overview of areas in scope, observations and priority of agreed actions

**Priority of
issues/agreed
actions**

A: Governance and structure	
<p>Since the end of 2017, the CO has significantly strengthened its internal guidance and oversight, engaging as well as support from RBN. The audit noted however that some recent standard operating procedures (SOPs) are not fully applicable by staff yet and the CO should consider further development and/or amendments for a realistic expectation of their implementation.</p> <p>The CO developed a variety of interventions under its resilience activities for which specific funding was earmarked. The supply chain design includes various delivery modalities and mechanisms. This results in programmatic and supply chain complexity, with additional earmarking constraints, as well as very diverse processes to attend to, the sustainability of which the skills-gap analysis and staffing review would help reassess.</p>	
<i>1 Governance and risk assessment</i>	<i>Medium</i>
B: Delivery	
<p>Beneficiary identities (refugees) must be uploaded in SCOPE in two ways. The CO uses existing identity sources from UNHCR, which have beneficiary data stored digitally in another database. The CO would benefit from automation of the data transfers from UNHCR's beneficiary management system into SCOPE, which WFP is working on at the corporate level. For the new registrations, the CO will use the SCOPE mobile registration solution to acquire identity information in the field. The CO's strategy includes the need to scale-up the number of beneficiaries in SCOPE from 200,000 to 1.7 million by 2020. A thorough risk analysis for implementation had not yet been formalized; existing challenges may jeopardize the achievement of these scale-up objectives.</p> <p>A hotline had just been launched for beneficiaries in camps to complement existing CFMs and was still being rolled out. The audit noted that limited awareness of the beneficiaries of the CFMs available to them. A review of the roles and access to the web-based hotline tool would ensure appropriate segregation of duties.</p>	
<i>2 Beneficiary management</i>	<i>Medium</i>
<i>3 Complaints and feedback mechanism</i>	<i>Medium</i>
C: Resource management	
<p>The audit globally acknowledged the efforts made by the CO to improve its financial management since the last audit in 2013. At the same time, non-finance staff were not always active in fund management, and they were sometimes lacking proactiveness in IPSAS compliance. The CO would benefit from further sensitizing/training all staff in WINGS, funds management and IPSAS.</p> <p>The audit paid special attention to the existence of adequate controls over the management of fuel, noting positively that the CO had followed-up on previously reported inconsistencies.</p>	
<i>4 Financial management</i>	<i>Medium</i>
<i>5 Fuel management</i>	<i>Medium</i>



D: Support functions

The audit noted gaps and challenges in implementing the necessary internal controls and mitigating operational risks associated with cash transfers. Preventive controls including segregation of duties and access rights were not implemented robustly and key CBT reconciliations had not been performed for cash transfers through a financial service provider (FSP).

Analyses at CO-level leading to choices of transport modes and contracting modalities were generally found to have been carried out. However, the CO would benefit from more comprehensively documented transport market assessments to allow for a holistic review of all relevant information.

The CO recently gave more visibility to downstream logistics activities. However, the audit noted that the CO would benefit from formalizing a strategy and procedures for enhanced distribution planning, taking into account results of the assessment of non-governmental organizations' (NGOs) capacity for pre-positioning. The audit also noted a need for an improvement of quality controls on retailers' commodities and a need for a comprehensive SOP for the food safety and quality process, defining roles and responsibilities within each unit in line with corporate requirements.

<i>6 Cash-based transfers</i>	<i>High</i>
<i>7 Informed decision-making on transport mode and contracting modalities</i>	<i>Medium</i>
<i>8 Distribution planning</i>	<i>Medium</i>
<i>9 Food safety and quality</i>	<i>Medium</i>

30. The nine observations of this audit are presented in detail below.

31. Management has agreed to take measures to address the reported observations¹. An overview of the actions to be tracked by internal audit for implementation, their due dates and their categorization by WFP's risk and control frameworks can be found in Annex A.

¹ Implementation will be verified through the Office of Internal Audit's standard system for monitoring agreed actions.



A: Governance and structure

The audit performed tests and reviews of the CO's organizational structure including mechanisms for decision making, delegations of authority, segregation of duties and management and supervision of field operations; and mechanism for management oversight and risk management.

During the audit period there were key changes in senior management staffing and competing work pressures in preparation for the ICSP formulation. The CO began implementing its ICSP in April 2018 and was transitioning to the Integrated Road Map (IRM) model. This was driving substantial organizational changes from process and people perspectives, including a comprehensive skills-gap analysis, followed by a staffing review exercise informed by the ICSP objectives. Since the end of 2017, the CO had significantly strengthened its internal guidance and oversight, engaging the support from RBN. Some SOPs were not yet fully applicable by staff.

Observation 1

Agreed Actions [Medium priority]

Governance and risk assessment

The CO extended the PRRO and CP operations in Burundi from January to December 2017, and then from January to March 2018. The CO started implementing an ICSP covering the period 1 April 2018 to 31 December 2020 and they were to fully perform the Integrated Road Map (IRM) transition, with a comprehensive skills-gap analysis starting July 2018, followed by a staffing review exercise informed by the ICSP objectives.

The CO developed a variety of interventions under its resilience activities for which specific funding was earmarked. These activities included a diversified school meals menu with the introduction of UHT milk, smallholder farmers' support, asset creation and livelihoods, and a Safe Access to Fuel and Energy (SAFE) initiative. The supply chain design included various delivery modalities and mechanisms (including the introduction of cash transfers and electronic commodity vouchers through WFP internal closed-loop system or external CBT platforms managed either by FSP or NGO partners). This resulted in programmatic and supply chain complexity, with additional earmarking constraints, as well as very diverse processes to attend to, the sustainability of which needed to be reassessed in and following a skills-gap analysis and staffing review.

Internal guidance – From March to June 2018 key SOPs have been either issued or updated and approved by the CO senior management for the following processes: beneficiary management in SCOPE, food procurement, CBT, logistics, fuel service provision, monitoring and evaluation, and CFM. It was too early to assess their implementation, however, the audit noted that some SOPs were not fully applicable by staff (for example, logistics and CBT) and the CO should consider further development and/or amendments for a realistic expectation of their implementation.

Interagency coordination – Donors interviewed asked for better UN coordination, particularly with regards to interagency leadership and clarity of mandates. The CO should revive some existing committees (including logistics and CBT committees). Several audit observations in this report indicate that information sharing with other agencies/NGO partners could be enhanced, for example for streamlining the sectorial or vendor assessments (including transport market assessments and results of due diligences processes for FSPs).

Risk assessment – The CO self-risk assessment (including the CO year-end assurance statement and the RR) was not fully aligned with the results and conclusions of the audit. Audit observations and discussions with relevant

The CO will:

- (i) After completion of the workforce planning and skills gap analysis, reconsider the sustainability of the various initiatives based on the skills gap analysis, structure and funding prospects to ensure the CO, in size and skills, can cater to diverse processes and delivering modality;
- (ii) Work on the clarification, completion and vulgarization of SOPs identified as benefitting from an improvement;
- (iii) Revive existing committees; streamline the carrying out of sectorial or vendor assessments in enhancing information sharing with other UN agencies/NGO partners; and
- (iv) Review the RR to include operational and financial risks associated with the implementation of non-core resilience activities and the introduction of new CBT delivery modalities and mechanisms for the CO.



staff highlighted some operational and financial risks, such as food safety and quality and CBT, which were not reported in the RR.

Underlying causes: Key changes in senior management staffing; competing work pressures in preparation for the ICSP formulation and implementation; limited staffing capacity in some areas to ensure engagement/collaboration with other UN agencies/NGO partners.



B: Delivery

The audit performed tests and reviews of programme management and in-country monitoring and evaluation (including CFM) in accordance with the preliminary risk assessment and audit engagement plan. Targeting, identification and validation of beneficiaries were considered as cross-cutting topics during field visits and desk reviews.

Overall inclusion/exclusion error risks were assessed low since mature processes for geographical targeting were in place. Process monitoring was assessed as robust, with significant coverage and leverage on regional monitoring tool.

SCOPE is the central repository for WFP beneficiary identity information. Beneficiary identities was on-boarded to SCOPE in two ways. The CO used existing identity sources from UNHCR, which had beneficiary data stored digitally in another database. For the new registration, the CO will use the SCOPE mobile registration solution to acquire identity information in the field. The CO's strategy foresees scaling up the number of beneficiaries in SCOPE from 200,000 to 1.7 million by 2020.

The existing CFM set up by the CO relies primarily on a complaints table or anonymous boxes available on site, depending on activities, and on a newly-introduced beneficiary hotline, which required further awareness raising with beneficiaries and appropriate segregation of duties for the tool.

Observation 2

Agreed Actions [Medium priority]

Beneficiary management

The CO introduced SCOPE in 2016 for operations in refugee camps. Data upload from UNHCR lists was done by RBN.

Beneficiary management in SCOPE for refugee camps – Distribution in the camps was based on the list UNCHR sent as updated from the previous distribution. It did not include new refugees admitted in the camps after the end of the last distribution. Consequently, 18 percent of beneficiaries entitled to food assistance in May, and 15 percent in June, were processed manually outside of SCOPE. In addition, monitoring reports highlighted frequent issues with PIN codes, mostly being lost by beneficiaries.

The CO signed a data sharing agreement on 26 August 2015 with UNHCR and the CO initiated an amendment to the Memorandum of Understanding (MoU), with the aim of implementing biometric controls by WFP, and interfacing SCOPE and the proGres software application (UNHCR's registration, population and case management system). Despite the various attempts of the CO to have it signed throughout 2018, UNHCR had not yet signed it at the time of the audit report, and responsibilities pertaining to beneficiary data privacy were yet to be assigned within the CO. At the corporate level, WFP was working on automating data transfers through a secure portal.

SCOPE scale-up strategy – CO's strategy foresees scaling up the number of beneficiaries in SCOPE from 200,000 to 1.7 million by 2020. The strategy may reveal too ambitious in view of the aforementioned challenges, and a thorough risk analysis for implementation had not yet been formalized. Practically, the audit could not identify specific criteria for the registration of beneficiaries in SCOPE. For instance, only beneficiaries of nutrition programmes in Gitega province were considered for registration.

The CO will:

- (i) Finalize the data sharing agreement with UNHCR;
- (ii) Appoint a data protection focal point to carry out privacy impact assessments;
- (iii) Formalize a detailed risk analysis, mitigating actions and alternatives for the scale-up of SCOPE to other activities; and
- (iv) In liaison with HQ and RBN, review and adapt the timeline for implementation of activities based on risk analysis.

The rollout strategy for nutrition and resilience activities focused on beneficiary management but also on modalities and delivery mechanism, creating confusion between the steps for registration and enrolment of beneficiaries, and the implementation of SCOPE as a delivery tool.

Underlying causes: Recent introduction of SCOPE; delays in receiving the monthly beneficiaries list from UNHCR; lack of sufficient skills and capacities in the CO to expand the use of SCOPE to other programmatic activities and/or to use SCOPE as a delivery tool.

Observation 3

Complaints and feedback mechanisms

The existing CFM set up by the CO relied primarily on complaints tables or anonymous boxes available on site, depending on activities. In April 2018, the CO introduced a beneficiary hotline as an integral part of its CFM, first available to refugees only. The audit noted that there was in general limited awareness of the CFM with the beneficiaries. The CO indicated it was working on a set of measures to make beneficiaries familiar with the new tool.

Although the SOPs provided clear guidance on categorization, prioritization and referral of issues, the audit noted gaps and inconsistencies in data structure and quality in some cases. In addition, the processes for closing complaints did not guarantee that issues had been satisfactorily addressed by the responsible party.

Calls to the hotline were registered on a web-based tool, Sugar (with some exceptions noted). Most users in the system were created to be notified of a complaint addressed to them for analysis and action. A review of roles and profiles revealed that all internal users could create/edit/delete complaints, posing a threat to segregation of duties. As CPs' hotline focal points are identified and created in Sugar, the risk of unauthorized change or deletion of complaints may increase in the future.

The exact scope of complaints accepted was unclear, especially for sexual exploitation and abuse (SEA) and gender-based violence (GBV). Operators interviewed had not received training on these topics.

Underlying causes: Recent introduction of hotline; Limited awareness material at distribution points; lack of training; lack of comprehensive SOPs.

Agreed Actions [Medium priority]

The CO will:

- (i) Implement visibility and awareness actions to increase beneficiaries' awareness of CFM, including the hotline;
- (ii) Extend the formalization of plans to expand the hotline from refugees to other beneficiaries;
- (iii) Review the SOPs to clarify inclusion of SEA and GBV in accepted complaints and provide training to operators on how to respond to these types of complaints;
- (iv) Improve prioritization and categorization criteria for complaints; and
- (v) Review roles and access for each user in the web-based hotline tool, to ensure appropriate segregation of duties.



Resource management

The audit performed tests and reviews of financial and resource management. This included the review of the recording of financial transactions, facility management and asset management.

The audit globally acknowledged the significant efforts made by the CO to improve its financial management since the last audit in 2013. However, non-finance staff were not always active in fund management, and they were sometimes lacking proactiveness to ensure IPSAS compliance. The CO would benefit from further sensitizing/training all staff in WINGS, funds management and IPSAS.

The CO in Bujumbura maintains a stock of fuel in tanks to address shortages at the commercial stations during periods of crisis. Since 2017, the CO had also provided emergency fuel to other UN organizations in the event of a national shortage. The audit paid special attention to the existence of adequate controls over the management of fuel, noting positively that the CO had effectively followed up on previously reported inconsistencies. However, the CO still need to complete the review of fuel transactions to identify any material losses.

Observation 4 **Agreed Actions** [Medium priority]

Financial management

The audit acknowledged the significant efforts made by the CO to improve its financial management since the last audit in 2013, in particular during the financial month before the audit mission.

The finance unit at RBN carried-out an oversight mission to the Burundi CO in March 2018. Nineteen of its 28 recommendations were already implemented in June of the same year. The remaining five were scheduled for implementation between July and September.

The audit noted some anomalies in some areas/processes that required further improvement, including clearing of outstanding items on accounts payables and/or receivables for staff and non-staff vendors, and for customers, and open purchase orders distribution agreements (PODAs); clearing of operational advances, timely signing field level agreements (FLAs) and creation of related PODAs and purchase orders for services (POS), and in posting service entry sheets (SES) and good receipt notes (GRN) for services and goods actually delivered which resulted in delays in the settlement of vendors' invoices. Delays in the processing of these items also led to non-compliance with the matching principle of IPSAS.

The absence of delegation of authority to sub-offices generated delays, some impacting the programmatic objectives of the CO as, for example, delayed payments to small cooperatives who did not have the necessary cash balance to await payments. The CO confirmed further authority would be delegated to the sub-offices.

Underlying causes: Prioritization of work related to migration to ICSP and to the closure of the CP and PRRO projects; non-finance staff not active in fund management, and lacking proactiveness; staff lacking interest in or lacking awareness of WINGS; limited delegation of authority to sub-offices.

The CO will take steps to:

- (1) Sensitize all staff on the need to clear open items, including operational advances, in a timely fashion;
- (2) Clear open items and settle operational advances on time and make sure they appear on the CO budget; and
- (3) Organize training or refresher training in WINGS, funds management and IPSAS for all staff as appropriate.

**Observation 5****Fuel management**

The CO in Bujumbura maintains a stock of fuel in tanks to alleviate shortages at the commercial stations during periods of crisis. A cumulative quantity of 4,177 litres, worth USD 5,000, was reported lost by the CO within the period from March 2015 to September 2017. Because the period spanned two years and included significant staff turnover, no clear accountability was determined for this. The case was closed in 27 June 2018. Further inconsistencies were noted for the stocks in the sub-offices (SOs) in Ngozi and Gitega. During the physical stock inventory of fuel, surplus and/or missing stock were recorded for the CO and the SOs.

The CO had initiated an in-depth review of fuel transactions for SOs for a period of three years and was planning to review the calibration of the tanks for a more accurate measurement of the physical stocks. SOPs were also developed in May 2018, providing clear directives/guidance for strict controls over the management of fuel; and surveillance cameras were installed to control movements around the tanks.

Since 2017, the CO also provides emergency fuel to other UN organizations in the event of a national shortage. The audit noted the service is also used when there is no shortage, meaning staff in the warehouses need to attend to the fuel delivery on top of their other functions. The service is provided with a very low cost-recovery for the service provision.

Underlying causes: Lack of adequate controls over the management of fuel including failure to follow-up on identified anomalies in reports. Absence of adequate tools for an accurate/reliable measurement of physical stocks, and/or staff lacking knowledge in properly performing stock measurements, and/or weather conditions impacting measurements on different times in the day, as eventually experienced by the CO Supply Chain unit in charge of the management of fuel.

Agreed Actions [Medium priority]

The CO will:

- (i) Complete the review of SOs' fuel transactions for the period prior to calibration to identify any material losses;
- (ii) Have the tanks verified by the company that did the calibration for adjustment;
- (iii) Finalize its plan to purchase an electronic gauge for increased reliability on stock measurements;
- (iv) Finalize its plan to deploy a support mission to SOs to provide refresher training to staff in conducting stock measurements and in reporting on fuel movements;
- (v) Ensure that the developed SOPs are clearly understood and adhered to by all staff involved in the management of fuel; and
- (vi) Clarify to its partners the conditions of fuel delivery (triggers of the use of the strategic fuel) and consider recovering costs attached to the service with the price of the fuel.



Support functions

The audit reviewed the steps that the CO must undertake to establish the framework for setting up appropriate transfer modalities. It tested the CO's management of support functions for food and cash deliveries to beneficiaries. The audit reviewed key decisions in the CO's supply chain management including procurement of food and non-food items, selection of transportation modes, contracting modalities and transporters to move cargo, distribution planning and commodity management. The audit reviewed the CO's management of financial services associated with CBT interventions including payments, cash management and custody to support day-to-day operations.

Supply chain units in COs undertake local transport market assessments in their respective geographical areas of coverage. The results of these assessments enable a CO's management to make informed decisions regarding appropriate transport modalities, whether to use WFP's fleet or external transporters, and the appropriate contracting mechanisms. Analyses at CO-level leading to choices of transport modes and contracting modalities were generally found to have been carried out, yet not comprehensively documented.

The CO recently gave more visibility to downstream logistics activities. For example, it introduced a three-month distribution cycle, a monthly coordination meeting between the programme unit and the supply chain unit and it strengthened existing food quality controls and capacity of national food inspection authorities. However, the audit noted that the elaboration and implementation of transport plans varied significantly between SOs and the CO would benefit from formalizing a strategy and procedures for enhanced distribution planning, taking into account results of the assessment of NGO partners' capacity for pre-positioning. The audit noted a need for improved quality controls on retailers' commodities and for a comprehensive SOP for food safety and quality process, defining roles and responsibilities within each unit in line with corporate requirements.

The existence of various CBT delivery models (including commodity vouchers and cash transfers) and modalities (including SCOPECARD closed-loop system; cash transfers through NGO partners and mobile money services through FSPs) were increasing complexity, operational and financial risks in the supply chain. The audit noted gaps and challenges in implementing the necessary internal controls and mitigating operational risks. Conscious of various operational risks, the country office had put on hold cash-based operations in need of a financial service provider at the beginning of 2018.

Observation 6

Agreed Actions [High priority]

Cash based transfers

Distributions were made through cash transfer and commodity voucher modalities for approximately 20 percent of beneficiary assistance, with a plan to scale up to 30 percent. The CBT modalities would be expanded either alone or in combination with food transfers as market conditions and retail supply chains permitted. CBT transfer modalities followed a couple of distribution models: immediate cash through a bank account for cash transfer and electronic payment instruments including a SCOPECARD for value voucher. From September 2016 to February 2018, the CO transferred USD 3.2 million to beneficiaries' bank accounts. At the time of the fieldwork, the audit noted gaps and challenges in implementing the necessary internal controls and mitigating operational risks.

Preventive controls - Preventive controls are designed to keep errors or irregularities from occurring in the first place and they are generally built into internal control systems at the initial design phase.

The audit noted that necessary segregation of duties to reduce errors or fraud pre-transaction were not in place. Letters of authorization (LOA) signed by the CO management were not issued along with the payment instructions sent to the bank. Bulk payment instructions were not sent to the bank by the Finance Officer but by two National Programme Officers for cash transfers for emergency response (including cash transfers up to 8,000 beneficiary accounts) and cash transfers for resilience activities (including cash transfers up to 13,000 beneficiary accounts).

The SCOPE system was not used as a technical system to support automated payment processes (for example, to issue bulk payment instructions and corresponding payment advice files) and to enforce segregation of duties and record actions taken. Instead, the payment instructions files generated by the two National Programme

The CO will:

- (i) Ensure that preventive controls for cash transfers such as segregation of duties and access rights are deployed robustly, with proper documentation, review and testing of their effectiveness;
- (ii) Improve protocols for sending payment instructions as recommended by the corporate guidelines; use SCOPE system to issue bulk payment instructions to the FSPs and to enforce segregation of duties and record actions taken; initiate the review of report templates in collaboration with the IT Beneficiary Service (RMTB) and agree with the FSP on the protocol to access their proprietary system;
- (iii) Ensure that the FSPs provide periodic reports to carry out the reconciliation process at the aggregate and individual account level;
- (iv) Implement a reconciliation process, including by considering WFP-wide best practices; establish, in liaison with RBN, a clear plan to work on reconciliation of transactions prior to June 2018; and,



Officers and based on the beneficiary payment list approved by the programme unit, were issued in unprotected spreadsheets sent to the bank via regular email, posing a data integrity and security risk. Such files should be sent using a Secure File Transfer Platform (SFTP).

Detective controls - Detective controls are designed to find errors or irregularities after they have occurred. Reconciliation is the most important detective control for clearing and settlement services associated with CBT operations.

At the time of the audit fieldwork, key reconciliations had not been performed to ensure that bulk payments made by WFP to the FSP, and uploaded into individual beneficiary accounts, were effective and redeemed by the intended beneficiaries. These include reconciliations of: bulk payments with detailed uploads in beneficiary accounts; funds returned to WFP with beneficiary unredeemed balances; cash-out agents' transactions with WFP beneficiary transactions; and dormant beneficiary accounts identified by the FSP as per contract requirement with those maintained by WFP.

FSP's agreement - The agreement signed by the CO and the FSP in September 2016 did not clearly identify roles and responsibilities related to the clearing and settlement of operations, custody of funds, and internal controls in place for both the bank proprietary system and the mobile money platform, also impairing the provision to WFP of key transactional data from the FSP. Further, the FSP was not able to complete a secure account opening process for beneficiary accounts through the collection of all beneficiary biometrics for identification purposes, transforming the cash account mechanism to a de facto immediate cash programme. The CO had put on hold the operations requiring an FSP intermediation. In agreement with the audit observations, the CO initiated a comprehensive assessment of operating processes for all selected service providers before the award of the new contract.

Underlying causes: WFP cash assistance implemented in a country where digital financial infrastructure is nascent. CBT programmes are designed and implemented by CO staff with varying levels of experience and expertise in engaging with FSPs. Some staff lacking skills and understanding of FSPs' processes, related operational risks and key reconciliations requirements. Gaps in the monitoring of the FSPs' adherence to contract requirements. Integration of FSP proprietary systems not prioritized for transmission of data.

develop a monthly dashboard for the tracking and monitoring of outstanding items; and

- (v) Conduct a comprehensive review of operating processes for all selected service providers before the award of the next contract. Clearly analyze roles and responsibilities related to the management of a mobile banking and/or mobile money system in Burundi and incorporate the results in the contracts prepared in coordination with the Legal Office (LEG).

**Observation 7****Informed decision-making on transport mode and contracting modalities**

Supply chain assumptions for the ICSP are that 13 percent of the total tonnage will be sourced from the local market, 66 percent from the Global Commodity Management Facility (GCMF) in the region and the rest (21 percent) from overseas. Under the global MOU between Burundi CO and neighboring countries' COs, the overland countries are mandated to provide transport services to manage the corridor operations on behalf of Burundi CO, under the cost sharing arrangement for international and regional purchases. The CO requires transport services to move the food between in-country transshipment points located in Bujumbura, Ngozi, Gitega and Citiboke and deliver the food to more than 1,500 final distribution points (FDPs).

The audit noted that analyses at CO-level leading to choices of transport modes and contracting modalities were not systematically documented.

Analyses should be based on in-depth knowledge of the transport infrastructure, existing transporters and capacity, market segmentation (including segmentation by regional transport between transshipment points and local transport from transshipment points to FDPs, as relevant) and competition pressures. Reviews indicated that the CO relied upon various assessments (including detailed lists of transporters, information on their respective capacities and transport market prices). However, the way results of these assessments were documented did not allow for a comprehensive review of all relevant information. If these consolidated assessments served for informed decision-making on transport mode and contracting modalities for transport between transshipment points, they did not provide enough information to set-up a more agile transport mode to deliver the food to the numerous FDPs (last mile as opposed to grand transport).

At the time of the audit fieldwork, the CO was using its own fleet to provide transport services for 80 percent of inland transport. The CO increased its fleet capacity in 2018 through the purchase of four new trucks (with capacity up to five metric tons) to address local transport challenges. While the utilization rate was acceptable, the trucks were not fully loaded. LTSH surpluses from closed projects funded the purchase.

In 2017, while the CO had signed tariff systems agreements with commercial transporters, none responded positively to the CO's requests to uplift the cargo. Private transport companies saw limited incentive to work with WFP in transporting small quantities. The existing Tariff System Agreement (TSA) had not been reported to the CCTI yet. The CO indicated that it was not using the tariff system anymore and was moving to the traditional method (award to lowest bidders).

Underlying causes: Absence of a consolidated transport market assessment document. Reliance on various other ways of documenting the results of the assessments including LTC minutes. Absence of a corporate document that will define the main objectives for a CO to maintain its own fleet and the way it will be managed including capital investment.

Agreed Actions [Medium priority]

The CO will:

- (i) Identify minimum standard requirements for transport market assessments in Burundi, including sound analysis covering local transport to FDPs;
- (ii) Update related SOPs accordingly;
- (iii) Conduct a comprehensive review/benchmark exercise of its contracting modalities for transport services with other UN agencies, partners or commercial vendors before the award of the next agreements to commercial transporters; and
- (iv) Report post facto the use of tariff system agreements for the relevant period to the CCTI.

Agreed actions related to the management of CO-owned fleet were addressed in the internal audit report of landside transport (AR/18/09).

**Observation 8****Distribution planning**

In 2017, overall the CO dispatched 23,359 MT of food to beneficiaries in 1,522 sites under its two projects (PRRO and CP). Average tonnage for each distribution site was relatively small.

Distribution planning – Over the audit period however, an average dispatch time of 16 days, and average delay of 5 days at delivery point, often led CPs to rely on previous months' remaining stocks to ensure distribution to beneficiaries. Process monitoring highlighted that, in some months, up to 50 percent of schools recorded some days without meals served; and 30 percent of health centres had not yet received the current month's rations when visited by WFP field monitors.

In 2018 the CO introduced a three-month distribution cycle (including three-month food release notes). The elaboration and implementation of transport plans varied significantly between SOs. Practices for pre-positioning of commodities were not consistent, and the CO monitoring was insufficient. The CO assessed schools' storage capacities and conditions in three provinces. This exercise was to be extended to the other provinces where WFP was implementing school meals programmes to inform the CO decisions on food prepositioning.

As a positive practice, the CO initiated a monthly coordination meeting between the programme unit and supply chain unit in May 2018. Nevertheless, the audit noted that Heads of Units in one instance, and one sub-office in another, did not participate in the meetings. Focus of the meetings was mostly on operational issues, without looking to address root causes.

Underlying causes: Lack of a thorough analysis of warehousing capacity at final distribution points; relatively new SOs with learning curve.

Agreed Actions [Medium priority]

The CO will:

- (i) Conduct an assessment of CP warehousing and stock management capacities;
- (ii) Formalize a strategy and procedures for enhanced distribution planning taking into account results of CPs' assessments; and
- (iii) Ensure sufficient senior representation to programme and supply chain coordination meetings.

**Observation 9****Food safety and quality**

In 2017, Burundi CO purchased 3,500 MT of food commodities locally, mostly from cooperatives in the context of P4P programme implementation. This supply represented just under 20 percent of total food requirements for the operations.

Food losses during the audit period, even though consistent with corporate figures at 2 percent, regarded mostly beans. Interviews with beneficiaries, CPs, and WFP staff confirmed regular quality issues with locally purchased beans.

Programme and supply chain units had shared roles and responsibilities for food safety and quality, but these were not clearly defined. Best practice would require that reporting lines ensure independence from operations and programme.

The CO had implemented control activities along the supply chain, notably safety and quality inspections performed by an international company. Capacity strengthening of national authorities took place by transferring equipment and providing training.

The audit noted that controls on commodities sold by retailers in refugee camps – three months per year – were limited to organoleptic checks (visual, odour, taste) performed by refugee representatives. The CO did not formalize a defined methodology for these controls, including sampling requirements and documentation of results. Also, the involvement of national authorities in the FSQ process in camps was under renewal at the time of the audit.

There was no structured process in place to ensure regular and prompt capture of food quality and safety incidents, and compliance with corporate requirements for reporting could not be evidenced. Inability to monitor incidents limits lessons learned and revision of processes to remedy the gaps identified.

Underlying causes: Fragmented guidance on the food quality and safety process; Food quality and safety not identified as a risk by the CO in its annual risk register.

Agreed Actions [Medium priority]

The CO will:

- (i) Develop SOPs for food safety and quality process, defining roles and responsibilities within each unit in line with corporate requirements;
- (ii) Improve quality controls on retailers' commodities, leveraging where possible local authorities' expertise;
- (iii) Implement an incident log;
- (iv) Consider including food safety and quality related risk(s) in the RR, and formulate appropriate mitigating actions; and
- (v) Involve the RBN food quality specialist in strengthening staff/partners' capacity and the current food quality SOP.



Annex A – Summary of observations

The following tables shows the categorization, ownership and due date agreed with the auditee for all the audit observations raised during the audit. This data is used for macro analysis of audit findings and monitoring the implementation of agreed actions.

Categories for aggregation and analysis					
High priority observations	WFP's Internal Control Framework	WFP's Enterprise Risk Management Framework	WFP's Internal Audit Universe	Owner	Due date
6 Cash-based transfers	Control Activities	Business process	CBT	CO	31 December 2019
Categories for aggregation and analysis					
Medium priority observations	WFP's Internal Control Framework	WFP's Enterprise Risk Management Framework	WFP's Internal Audit Universe	Owner	Due date
1 Governance and risk assessment	Control Enviroment	Governance and oversight	Governance	CO	(i) 31 March 2019 (ii) 31 December 2018 (iii) 31 December 2018 (iv) 31 October 2018
2 Beneficiary management	Control Activities	Business process	Beneficiary management	CO	31 March 2019
3 Complaints and feedback mechanism	Monitoring Activities	Business process	Monitoring & evaluation	CO	31 December 2018
4 Financial management	Control Activities	Business process	Financial management	CO	31 March 2019



Categories for aggregation and analysis					
Medium priority observations	WFP's Internal Control Framework	WFP's Enterprise Risk Management Framework	WFP's Internal Audit Universe	Owner	Due date
5 Fuel management	Control Activities	Business process	Facilities management & services	CO	31 March 2019
7 Informed decision-making on transport mode and contracting modalities	Control Activities	Business process	Overseas & landside transport	CO	(i) 31 December 2018 (ii) 31 December 2018 (iii) 31 December 2018 (iv) 31 August 2018
8 Distribution planning	Control Activities	Business process	Activity/project management	CO	31 December 2018
9 Food safety and quality	Control Activities	Business process	Food quality and safety	CO	31 December 2018

Annex B – Definitions of audit terms: ratings & priority

1 Rating system

1. The internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below:

Table B.1: Rating system

Rating	Definition
Effective / Satisfactory	The assessed governance arrangements, risk management and controls were adequately established and functioning well to provide reasonable assurance that issues identified by the audit were unlikely to affect the achievement of the objectives of the audited entity/area.
Partially satisfactory / Some improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
Partially satisfactory / Major improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.
Ineffective / Unsatisfactory	The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. Urgent management action is required to ensure that the identified risks are adequately mitigated.

2 Categorization of audit observations and priority of agreed actions

2.1 Priority

2. Audit observations are categorized according to the priority of the agreed actions, which serves as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

Table B.2: Priority of agreed actions

High	Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity/area.
Medium	Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity.



Low	Action is recommended and should result in more effective governance arrangements, risk management or controls, including better value for money.
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3. Low priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low priority actions are not included in this report.
4. Typically audit observations can be viewed on two levels: (1) observations that are specific to an office, unit or division; and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.²
5. To facilitate analysis and aggregation, observations are mapped to different categories:

2.2 Categorization by WFP’s Internal Control Framework (ICF)

6. WFP’s Internal Control Framework follows principles from the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO) Integrated Internal Control Framework, adapted to meet WFP’s operational environment and structure. WFP defines internal control as: “a process, effected by WFP’s Executive Board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, compliance.”³ WFP recognises five interrelated components (ICF components) of internal control, all of which need to be in place and integrated for them to be effective across the above three areas of internal control objectives.

Table B.3: Interrelated Components of Internal Control recognized by WFP

1	Control Environment	The control environment sets the tone of the organization and shapes personnel's understanding of internal control
2	Risk Assessment	Identifies and analyses risks to the achievement of WFP's objectives through a dynamic and iterative process.
3	Control Activities	Ensure that necessary actions are taken to address risks to the achievement of WFP's objectives.
4	Information and Communication	Allows pertinent information on WFP's activities to be identified, captured and communicated in a form and timeframe that enables people to carry out their internal control responsibilities.
5	Monitoring Activities	Enable internal control systems to be monitored to assess the systems' performance over time and to ensure that internal control continues to operate effectively.

2.3 Categorization by WFP’s Enterprise Risk Management Framework (ERM)

7. WFP is further developing its ERM tools and is in the process of introducing a new risk taxonomy to facilitate aggregation and analysis of risk information. The new taxonomy is piloted in a selection of COs during 2018 to test for the roll-out of a database/system foreseen in 2019. To facilitate the testing and roll-out, audit observations are mapped to the new risk taxonomy.

² An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.

³ OED 2015/016 para.7

Table B.4: WFP’s new Risk Taxonomy recognizes 4 risk categories and 15 types of risk

1	Strategic	1.1 Programme risks, 1.2 External relationship risks, 1.3 Contextual risks, 1.4 Failure to innovate/adjust business model
2	Operational	2.1 Beneficiary health, safety & security risks, 2.2 Staff health, safety & security risks, 2.3 Partner & vendor risks, 2.4 Asset risks, 2.5 ICT failure/disruption/attack, 2.6 Business process risks, 2.7 Governance & oversight breakdown
3	Fiduciary	3.1 Breach of obligations, 3.2 Fraud & corruption
4	Financial	4.1 Adverse price/cost change, 4.2 Adverse asset outcome

2.4 Categorization by WFP’s Audit Universe

8. WFP’s audit universe⁴ covers organizational entities and processes. Mapping audit observations to themes and process areas of WFP’s audit universe helps prioritize thematic audits.

Table B.5: WFP’s 2018 Audit Universe (themes & process areas)

1	Governance	Change, reform and innovation; Governance; Integrity and ethics; Legal support and advice; Management oversight; Performance management; Risk management; Strategic management and objective setting.
2	Programme	(Agricultural) Market support; Analysis, assessment and monitoring activities; Asset creation & livelihood support; Climate and disaster risk reduction; Emergencies and transitions; Emergency preparedness and support response; Malnutrition prevention; Nutrition treatment; School meals; Service provision and platform activities; Social protection and safety nets; South-south and triangular cooperation; Technical assistance & country capacity strengthening services.
3	Resource Management	Asset management; Budget management; Contributions and donor funding management; Facilities management and services; Financial management; Fundraising strategy; Human resources management; Payroll management; Protocol management; Resources allocation and financing; Staff wellness; Travel management; Treasury management.
4	Operations	Beneficiary management; CBT; Commodity management; Common services; Constructions; Food quality and standards management; Insurance; Operational risk; Overseas and landside transport; Procurement - Food; Procurement - Goods and services; Security and continuation of operations; Shipping - sea transport; Warehouse management.
5	External Relations, Partnerships & Advocacy	Board and external relations management; Cluster management; Communications & advocacy; Host government relations; Inter-agency coordination; Non-governmental organization (NGO) partnerships; Private sector (donor) relations; Public sector (donor) relations.
6	ICT	Information technology governance and strategic planning; IT enterprise architecture; Selection/development and implementation of IT projects; Cybersecurity; Security administration/controls over core application systems; Network and communication infrastructures; Non-expendable ICT assets; IT support services; IT disaster recovery; Support for business continuity management.
7	Cross-cutting	Activity/project management; Knowledge and information management; M&E framework; Gender; Protection; Environmental management.

⁴ A separate universe exists for information technology with 60 entities, processes and applications.



5. Monitoring the implementation of agreed actions

9. The Office of Internal Audit tracks all medium and high-risk observations. Implementation of agreed actions is verified through the Office of Internal Audit's system for the monitoring of the implementation of agreed actions. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe to manage and mitigate the associated risks identified, thereby contributing to the improvement of WFP's operations.



Annex C – Acronyms

APP	Annual Performance Plan
BIF	Burundian franc(s)
CBT	Cash-based transfer
CCTI	Committee on Commodities, Transport and Insurance
CFM	Complaints and Feedback Mechanism
CO	Country office
COSO	Committee of Sponsoring Organizations of the Treadway Commission
EMOP	Emergency Operation
ERM	Enterprise Risk Management Framework
FDP	Final Distribution Point
FLA	Field Level Agreement
FSP	Financial Service Provider
FSQ	Food Safety and Quality
GBV	Gender-based violence
GCMF	Global Commodity Management Facility
GDP	Gross Domestic Product
GRN	Good Receipt Note
ICSP	Interim Country Strategic Plan
IDP	Internal Displaced Person
LOA	Letter of Authorization
ICF	Internal Control Framework
IPSAS	International Public Sector Accounting Standards
LEG	Legal Office
M&E	Monitoring and evaluation
NGO	Non-Governmental Organizations
OIG	Office of Inspector General
MOU	Memorandum of Understanding
P4P	Purchase for Progress
PIN	Personal Identification Number
PO	Purchase Order
PODA	Purchase Order Distribution Agreement
ProGres	United Nations High Commissioner for Refugees registration, population & case management system



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RB	Regional Bureau
RMTB	IT Beneficiary Service
RR	Country Office Risk Register
SAFE	Safe access to Fuel and Energy
SCOPE	WFP's beneficiary and transfer management platform
SEA	Sexual Exploitation and Abuse
SES	Service Entry Sheet
SFTP	Secure File Transfer Platform
SO	Sub-Office
SOP	Standard Operating Procedure
SUN	Scale Up Nutrition movement
TSA	Tariff System Agreement
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USD	United States Dollar
WFP	World Food Programme
WINGS	WFP Information Network and Global System