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# Internal Audit of WFP Operations in Tunisia

Office of the Inspector General  
Internal Audit Report AR/19/01



January 2019

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# Internal Audit of WFP's operations in Tunisia

## 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 Tunisia that focused on the period 1 October 2017 to 30 September 2018. The 2018-2022 Country Strategic Plan budgeted USD 1.049 million for 2018. The audit team conducted the fieldwork from 5 to 16 November 2018 at the Country Office premises in Tunis and visited one project site in the Zaghouan district. Implementation of the Country Strategic Plan began in April 2018. Some projects were at the initial stage at the time of the audit, hence limited testing could be carried out. The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

2. WFP is present in Tunisia since 2011. The Government recognizes school meals as a social safety net to enhance stability and social protection, increase access to education and nutrition and contribute to rural development. The 2018-2022 Country Strategic Plan is based on a 2017 Strategic Review of food security and nutrition in Tunisia, which was conducted through an inclusive process that brought together government ministries, national civil society, private-sector stakeholders and development partners. The Country Strategic Plan (2018-2022) focuses on Country Capacity Strengthening activities to enhance Tunisia's National School Meals Programme, with 250,000 children (120,000 girls and 130,000 boys aged between 6-11) attending 2,500 schools, with approximately 90 percent of the targeted schools in rural areas. The resource outlook for the Tunisia Country Strategic Plan activities is based on a three-year (2018-2020) contribution of EUR 2.5 million (USD 2.7 million) from the Italian Agency for Development Cooperation, which will cover 80 percent of the proposed activities.

3. The Country Office also monitors WFP's presence in Morocco. Discussions between WFP and the Government of Morocco are facilitated by an honorary Representative/Special Adviser (a retired former WFP Regional Director). Given the limited level of interventions in Morocco during the audited period, the focus of the audit was on the Tunisia operations.

4. During the period covered by the audit, the Country Office also provided support to the Libya operations that were run out of Tunisia. Results for our review of the human resources and finance-related support, carried out concurrently with that of the Tunisia audit, are reported in the audit report on WFP's operations in Libya<sup>1</sup>.

### Audit conclusions and key results

5. The Country Office defined a country strategy, positioning as a key partner in helping the Tunisian government to establish and strengthen the National School Meal Programme. The audit noted that the programme design was adequate and aligned with the Country Strategic Plan while consideration has been given to an exit strategy. This has also been acknowledged by the various stakeholders. The Programme was also supported by a detailed needs assessment and preparation work; as per feedback received from

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<sup>1</sup> AR/19/04.

stakeholders, government members and cooperating partners, WFP was recognized for the quality of its capacity strengthening services, its technical skills and the knowledge provided.

6. Weaknesses were identified with regard to budget management, the organizational structure and knowledge retention, resulting in one high priority and one medium priority action.

7. Budget management: Testing of unspent balances for activities in Morocco and Tunisia highlighted weaknesses in the monitoring of budgets and donor conditions, especially grants' expiry dates, leading to expenditure outside the period specified by a donor. Cost allocation for staff working on multiple projects was not clearly established. Further review at WFP headquarters also highlighted inadequate application of controls on the recording of grants expiry dates in corporate systems, and the need to reinforce guidance to Country Offices. In addition, donor funds were managed with an assumption of flexibility from the donor, without confirmation. The reputational and financial risks linked to the weaknesses noted in the budget management process are high, as activities are funded by a single donor. The Country Office initiated immediate remedial steps to address the audit observation.

8. The medium-priority observation relates to the organizational structure and knowledge retention of the Country Office. Due to its small size, the distribution of some roles and responsibilities was unclear; this could lead to ineffective knowledge sharing and retention, and could impact the continuity and sustainability of the operations.

9. 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 should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity. 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.

### **Actions agreed**

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

11. 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

### Tunisia

12. Tunisia has undergone significant changes following the Jasmine Revolution in January 2011. The strategic direction of the Government focuses on strengthening democracy, while laying the groundwork for economic recovery.

13. The 2016 United Nations Development Programme's Human Development Report ranked Tunisia 97 out of 188 countries. The unemployment rate, currently at 15.3 percent, shows considerable disparities among women and youth. It is estimated that the informal sector comprises half of the Tunisian economy. Lasting economic hardship aggravated by persistent disparities in living standards among the different regions of the country creates a risk of popular discontent and violent protests.

14. Although levels of hunger in Tunisia are generally low, regional disparities render the poorest people in certain areas vulnerable to food insecurity. Access to nutritious food is hindered by economic barriers, such as the low purchasing power of the most vulnerable people. Tunisia faces a double burden of malnutrition, including micronutrient deficiencies, combined with overweight and obesity. These represent a significant and growing challenge, with 34 percent of women and 20 percent of men being obese.

15. Despite some progress, gender inequality remains a significant impediment to social and economic development and causes disadvantages for and discrimination against women and girls. The World Economic Forum in its Global Gender Gap Report of 2017 ranked Tunisia 117 out of 144 countries. The national average unemployment rate among women was estimated at 22 percent in the first quarter of 2017 compared to 12 percent among men.

### WFP operations in Tunisia

16. The Country Office's (CO) Development Project 200493 was launched in December 2013. Its primary purpose was to strengthen government capacity to improve the quality and sustainability of the existing National School Meals Programme. During the first phase of the project (2014-15), WFP provided technical assistance and policy advice. The Government requested a second phase, until June 2018, to provide technical assistance and policy advice to operationalize and implement its Sustainable School Meals Strategy (SSMS).

17. The Country Strategic Plan (CSP) lays out the continuation of WFP's technical assistance and policy advice, leveraging WFP's partnerships with the Government and other national and international stakeholders to achieve the plan's strategic outcome – "National institutions in Tunisia have strengthened capacity to implement enhanced school meals and social protection programmes that advance food security and nutrition by 2022". Three key CSP components support the outcome:

- a. Strengthen regulatory framework and tools (nutrition and hygiene guidelines, management guidelines, school garden manual, staff training);
- b. Upgrade the decentralised model (refurbish selected schools and canteens, revitalise school garden, staff training); and
- c. Pilot innovative modalities (central kitchen model design and implementation, local procurement, support school upgrade, staff training, support replication).

18. The multi-dimensional approach to school meals currently implemented by WFP in Tunisia features significant efforts to mainstream gender and ensures that national programmes are gender-transformative, by promoting gender-balanced relations and roles. The approach fosters the creation of revenue-generating opportunities for smallholder farmer women in rural areas. Thanks to WFP's advocacy efforts, the Minister of Education designated a ministerial Gender Focal Point, who is in charge of advancing gender equality and women's empowerment within the framework of the Ministry of Education's governance, policies and programmes. WFP Tunisia is also one of 18 COs pioneering WFP's Gender Transformation Programme. The Gender Transformation Programme's plan (2017-2018) promotes engagement, accountability, and seeks to integrate gender equality and female empowerment into all WFP's work and activities.

19. The Tunisia Head of Office oversees WFP's operations in Morocco, where WFP is active since 2013. A School Meals project was financed with a Russian contribution of USD 1.5 million in 2012. At the request of the Government of Morocco, WFP supported the development of its school feeding policy, the design of an innovative school feeding pilot, and implementation guidelines for school feeding management. A strategic review of the Food and Nutrition Situation in Morocco was finalised by UN Economic Commission for Africa experts in December 2018. Findings from the review will inform the Morocco's CSP (2019-2021).

20. The Tunisia CO also provides support to the Libya Country Office based in Tunis, providing human resources and finance-related support functions.

## Objective and scope of the audit

21. The objective of the audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to WFP operations in Tunisia. 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.

22. 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.

23. The scope of the audit covered the period from 1 October 2017 to 30 September 2018. Where necessary, transactions and events pertaining to other periods were reviewed.

24. The audit team conducted the fieldwork from 5 to 16 November 2018 at the Country Office premises in Tunis and visited one project site in the Zaghouan district. Given the very limited level of interventions in Morocco, the focus of the audit was on the Tunisia operations. Testing results related to support provided to the Libya operations are reported in the audit report on WFP's operations in Libya<sup>2</sup>.

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<sup>2</sup> AR/19/04.

### III. Results of the Audit

#### Audit work and conclusions

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

26. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **Partially satisfactory / Some improvement needed**<sup>3</sup>. 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 should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity. 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.

27. 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*

28. The CO 2018 risk register had been updated at the time of the audit fieldwork, and mitigation actions were used by the audit as a basis to assess risk maturity. The CO would benefit from reviewing the risk register by including natural disasters and their potential impact on WFP operations, as well as risks related to knowledge management and retention which are particularly relevant in the context of Country Capacity Strengthening (CCS) activities in a small office environment.

29. During the audit period, the Regional Bureau in Cairo (RBC) performed oversight missions only for support tasks to the Libya CO. No observations were addressed to the Tunisia CO.

#### *Data quality*

30. The overall output and outcome indicators in relation to CCS activities have been developed and updated. Challenges relating to data quality identified during the audit are reported in observation 2, with regard to the budget management processes and lack of clear methodology for staff cost allocation.

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<sup>3</sup> See Annex B for definitions of audit terms.

## Observations and actions agreed

31. Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are classified according to the lines of enquiry established for the audit and 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**

<b>A: Governance</b>	
The CO operates with a small structure. The audit noted good practices, including strong communication among team members. However inherent risks pertaining to small structures were not adequately addressed, leading to concerns on the sustainability of the current structure and a heavy dependency on some key staff with the risk of losing knowledge in case of staff turnover.	
<i>1. Organizational structure and knowledge retention</i>	<i>Medium</i>
<b>B: Delivery</b>	
The audit reviewed programme management, monitoring and evaluation of the Tunisia CO in the context of Country Capacity Strengthening activities; this also included testing of selected Cooperating Partners and a review of the Emergency Preparedness and Response Guidance package. The CO would benefit from developing a detailed monitoring plan for Country Capacity Strengthening activities in order to ensure better knowledge management and retention, and thus reduce dependency on key people. The necessary action is reported under Observation 1 on Governance.	
<b>C: Resource Management</b>	
The audit noted gaps and challenges in implementing the necessary internal controls and mitigating operational risks associated with budget management and monitoring of unspent balances. The audit testing identified unclear allocation of staff costs and weaknesses in donor communication. This led to cross charging of projects that had to be reversed, resulting in a funding deficit. Review of the corporate system to record contributions highlighted erroneous entries of grant expiry dates; in addition, there was an assumption of donor flexibility without documented basis.	
<i>2. Budget management</i>	<i>High</i>
<b>D: Support Functions</b>	
The audit performed tests and reviews of issues related to transport & logistics, procurement and security. No observations have resulted from the work carried out.	
<b>E: External Relations, Partnerships &amp; Advocacy</b>	
The audit assessed the CO strategic partnership and engagement in the country, as well as internal and external communication. No observations have resulted from the work carried out.	



**F: ICT**

The audit reviewed the adequacy of the network coverage to support WFP systems and operations, and risk preparedness through preparation of a Business Continuity and Disaster Recovery Plan. No observations have resulted from the work carried out.

**G: Cross cutting**

The audit reviewed staff wellness and gender-related aspects of the Country Office activities. No observations have resulted from the work carried out.

32. The two observations of this audit are presented in detail below.

33. Management has agreed to take measures to address the reported observations<sup>4</sup>. 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.

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<sup>4</sup> Implementation will be verified through the Office of Internal Audit's standard system for monitoring agreed actions.

## A. Governance

The audit performed tests and reviewed the CO's organizational structure including mechanisms for decision making, delegations of authority, segregation of duties, management and supervision of operations, and processes for oversight and risk management. Operating under the CSP framework since April 2018, the CO structure has been stable since the inception of the Development Project (DEV200493) in 2012. The office's size is comparatively small, including in total 13 staff.

### Observation 1

### Proposed Agreed Actions [Medium priority]

#### Organizational structure and knowledge retention

Knowledge management and retention is key to capacity strengthening activities that usually span over several years and build upon existing relations and/or relations developed over time, and information that is context specific. Knowledge management was identified as a major risk due to the small size of the COs with operations that depend on a limited number of key staff. It has been reviewed across all audit areas. While staffing has remained stable over the last years, the CO had yet to produce a knowledge management strategy to ensure sustainability of the programme activities.

The CO faces a number of challenges that relate or result from its small size. It was noted that the CSP provides for an exit strategy and is founded on a multiyear confirmed budget. However, the requirements of a full-fledged CO in terms of processes and controls (some weaknesses are illustrated below) are high compared to the size of the operations and further thought has not yet been given on alternative structures and management of some processes with the aim to increase efficiency and sustainability of operations, for example by allocating them to the Regional Bureau.

The various roles, responsibilities, tasks and deadlines related to monitoring are not defined in detail. The CO has not established a detailed programme monitoring plan. It carries out monitoring on an ad hoc basis and follows at a high level the CSP monitoring strategy defined in 2017. A detailed monitoring plan would strengthen accountability and reduce dependency on individual staff. It would also enhance knowledge retention and sharing by providing an up to date picture of the programme implementation and its various components throughout the year.

The CO would benefit from reviewing the necessity and composition of its committees, by ensuring their respective memberships are in line with corporate requirements (gender balance, inclusion of independent members).

*Underlying causes:* Due to its small size, various tasks and activities are shared among the office staff. Formalization and documentation of tasks and activities had not been prioritized. The CO was at the inception phase of the CSP, therefore limited documentation had been created with regards to monitoring plans and knowledge retention. Corporate guidance in the area of CCS remains work in progress.

The CO will:

- (i) Review its existing committees; ensure that those which are needed have up to date terms of reference and adequate membership.
- (ii) Leverage from the newly created Country Capacity Strengthening Framework 'Entry points and process milestones' by documenting the Tunisia Country Capacity Strengthening activities.
- (iii) Define and implement a detailed monitoring plan, leveraging from the list of Country Capacity Strengthening Monitoring indicators tool that was defined by the Country Capacity Strengthening team.

## B. Resource Management

The audit performed tests and reviewed the financial and resource management, including the recording of financial transactions and the grants management process. A selection of human resources and payroll transactions was tested. The CO has made use of new resource mobilization/donor mapping tools as introduced with the Integrated Road Map.

### Observation 2

### Proposed Agreed Actions [High priority]

#### Budget management

The Russian Federation signed a Memorandum of Understanding with WFP for a contribution of USD 1.5 million to Tunisia and USD 1.5 million to Morocco, both valid until 31 December 2016. The audit noted the following weaknesses with regard to the management of the funds:

##### *Cross-charging*

- The CO charged expenses against projects after 31 December 2016, the Terminal Disbursement Dates (TDD) of grants. The CO explained that this was done based on the assumption that the donor had historically been flexible about TDDs and extensions were generally provided. No formal request for extension had been made to the donor.
- The donor eventually requested reversal of funds and the CO charged USD 75,191 expensed after 31 December 2016 to other non-related activities, resulting in cross-charging of projects, countries and time periods. Following the audit preliminary observation, the CO initiated immediate remedial steps.

##### *Inaccurate expiry dates of grants in the corporate system*

- Upon review of the information in the WFP's ERP (WINGS), the audit noted that the TDD of the Russian grant was not entered correctly in the corporate system as per the signed donor agreement. Consequently, the preventive systems' control that could have blocked expenditure against the funds beyond the TDD was rendered ineffective. The current Italian grant for the CO showed similarly incorrect data entry, with no TDD in WINGS, while the donor agreement specifically outlines a three-year timeframe for the project.

##### *Lack of formalised cost allocation mechanism for projects*

- The CO did not have formalised criteria to allocate staff expenses to projects. The allocation of consultant's costs, working in parallel on projects in Tunisia and Morocco, did not have a clear rationale.

*Underlying causes:* assumption of donor flexibility without documented basis; unclear methodology for staff cost allocation; insufficient communication with donors; insufficient attention to prudent budget management; unclear definition of TDDs in corporate guidelines; weaknesses in the implementation of four-eye checks during the data entry.

The CO will:

- Fully clarify and resolve the cross-charging of projects; provide a full audit trail of the expired funds consumptions, for Morocco and Tunisia, and clarify reversal strategies.
- With support from PGG, raise awareness on grants management by organising training and knowledge sharing sessions for the CO staff. Ensure corporate guidance is well received, understood and applied by staff.
- In coordination with PGG, verify the current grant deadlines in WINGS to ensure that they are in line with the signed agreements, and conditions are fully reflected in the system. Liaise with donors for clarification of expected deadlines, if needed.
- Implement criteria and procedures on cost allocation, by using task/activity-specific elements and/or timesheets.

The Government Partnerships Division (PGG) will:

- Update the corporate definition of grants' Terminal Disbursement Dates to include further details on agreements' expiry dates, hereby describing the potential various cases (grant expiry date is written in the agreement and/or annex; grant expiry date could lead to interpretations; grant expiry date is not mentioned in the agreement); and include these definitions in operating procedures.
- Communicate changes to all staff and emphasise the need to review the legal agreement in detail, and seek guidance from PGG in cases of less straightforward interpretation.



## Annex A – Summary of observations

The following table 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
1 Budget management	Control Environment	Governance and oversight	Contributions & donor funding management	CO PGG	31 July 2019 31 July 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
2 Organizational structure & knowledge retention	Control Environment	Contextual	Management oversight	CO	31 January 2020

## 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 objective 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 serve 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.
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.

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.<sup>5</sup>
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 ICF 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."<sup>6</sup> WFP recognizes 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	Ensures 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 being piloted in a selection of COs during 2018 to test for the roll-out of a database/system in 2019. As a means to facilitate the testing and roll-out, audit observations are mapped to the new risk taxonomy.

<sup>5</sup> 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.

<sup>6</sup> 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 Employee 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 universe<sup>7</sup> 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 and process areas)**

A Governance	Change, reform and innovation; Governance; Integrity and ethics; Legal support and advice; Management oversight; Performance management; Risk management; Strategic management and objective setting.
B Delivery	(Agricultural) Market support; Analysis, assessment and monitoring activities; Asset creation and 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 and country capacity strengthening services.
C 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.
D Support Functions	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.
E External Relations, Partnerships and Advocacy	Board and external relations management; Cluster management; Communications and advocacy; Host government relations; Inter-agency coordination; NGO partnerships; Private sector (donor) relations; Public sector (donor) relations.
F 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

<sup>7</sup> A separate universe exists for information technology with 60 entities, processes and applications.

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	infrastructures; Non-expendable ICT assets; IT support services; IT disaster recovery; Support for Business Continuity Management.
G Cross-cutting	Activity/project management; Knowledge and information management; M&E framework; Gender, Protection, Environmental management.

**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

CCS	Country Capacity Strengthening
CO	Country Office
CSP	Country Strategic Plan
PGG	Government Partnerships Division
RBC	Regional Bureau in Cairo
TDD	Terminal Disbursement Date
WFP	World Food Programme