Internal Audit of WFP Operations in Libya

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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 Libya that focused on the period 1 October 2017 to 30 September 2018. Expenditures in Libya totalled USD 8.7 million in 2018. The audit team conducted the fieldwork from 5 to 16 November 2018, at the Country Office premises in Tunis. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

2. WFP resumed operations in Libya in September 2014, providing relief assistance to internally displaced people. In November 2014, WFP declared a level 2 emergency which remains active to this date. Through the current emergency operation, WFP assists internally displaced people, refugees/asylum seekers and other vulnerable non-displaced populations. The 2018 Humanitarian Response Plan aims to attend to the basic needs of 940,000 people in need of life-saving humanitarian assistance and protection across the country, out of an estimated 1.1 million. In the food security sector, WFP is targeting 200,000 out of 637,000 people in need. In September 2018, WFP began providing support to the humanitarian community by operating flights from Tunis into Libya.

Audit conclusions and key results

3. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **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 would 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. The audit report contains seven high priority and five medium priority observations. Activities initiated by a new Country Director in the second half of 2018, and onwards, were noted in the report where relevant and in so far as they contribute in their design to address some of the issues identified. At the time of issuance of the report their operating effectiveness could not be tested and confirmed to be considered in the audit rating.

4. The ongoing civil unrest and presence of terrorist organizations in Libya have severely restricted access to beneficiary populations by the humanitarian sector, including WFP. Lack of access together with the absence of strong government counterparts, cooperating partners, and structural weaknesses in the country office's organizational capacity resulted in internal control gaps and deficiencies that compromised WFP's ability to ascertain whether assistance is correctly targeted, prioritized, and reaching intended beneficiaries. WFP has not yet provided assistance to migrants, representing 19 percent of the population requiring food assistance in Libya, due to a lack of clarity on their exact needs, WFP's role vis-à-vis other actors and appropriate type of interventions. The country office is actively leading efforts at the regional level and coordinating with the UN Country Team to define how to best assist migrants in Libya.

5. Understaffing and access limitations resulted in control gaps in the management, planning and monitoring of partners and distribution activities, and the visibility of commodities in the custody of

cooperating partners, compromising WFP's line-of-sight in the delivery of the programme and increasing the risk to the integrity of its operations in country.

6.   The audit noted that beneficiary caseloads remained unchanged from 2017 into 2018, without a robust evidence-base of needs, while an additional 10,000 households were registered in 2018 without adequate verification processes or consideration of existing social safety net programmes. Furthermore, the location of food distribution points limited the access by beneficiaries to their entitlements and/or increased the likelihood that entitlements would be sold on the market.

7.   Monitoring processes, while progressing over the audit period, required major improvements including robust planning, coordination and report quality controls, as well as processes to systematically identify performance issues, escalate risks, and follow-up on remediation actions. Processes were also needed to triangulate the information provided by third-party monitors to ascertain its accuracy and validity.

8.   On the management of resources, the audit observed that invoices submitted for payment by cooperating partners were not adequately supported, hindering the verification of expenses by the office. There were gaps in the coverage and frequency of physical inventory counts at extended and final delivery points, and inadequate handling of commodities by cooperating partners resulting in losses and discrepancies between reported and physical inventories. Furthermore, processes to track the best before dates of commodities in the custody of cooperating partners had not been established. The country office is in the process of implementing recommendations from a 'Concept of Operations' review completed in 2018, which are expected to address these issues and improve the cost-efficiency and effectiveness of logistics operations in the country.

9.   For most of the audit period fundraising and advocacy efforts were impaired by a general lack of reliable data on humanitarian needs in Libya, absence of dedicated donor relations staff, and the lack of a strategy and plan to prioritize resource mobilization efforts. These conditions resulted in low levels of funding and key positions being vacant or understaffed for extended periods of time. The structural organizational weaknesses at the onset of operations brought about deficiencies in risk management and internal controls in programme management, monitoring, supply chain, security, and partnerships.

10.   The audit recognizes the positive steps of the incumbent country office management in addressing the risks identified herein and re-establishing the confidence of partners and donors. During the second half of 2018 the country office made considerable progress starting with the establishment of a stronger presence in Libya and the activation of the Logistics and Emergency Telecommunications cluster and Humanitarian Air Service, raising donor support to strengthen the response capacity of the humanitarian sector in the country. Moreover, a process is underway to recruit and on-board key personnel to strengthen the country office's capacity to respond to the high demands of a L2 emergency.

Actions agreed

11.   The report contains 7 high priority and 5 medium priority observations. 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

Libya

12. After the fall of the Muammar Gaddafi's regime in 2011, violent clashes and civil unrest broke out throughout Libya. Since then fighting has continued across the country, leading to civilian casualties, damage to civilian infrastructure and displacement of populations. Once a prosperous middle-income country, Libya now ranks 108 out of 189 in the UNDP Human Development Index of 2018. Between 2017 and 2018, an estimated 1.62 million people have been directly affected by violence and civil unrest. According to the latest estimates, 1.1 million people require life-saving humanitarian assistance and protection. In addition, the 2018 United Nations Humanitarian Response Plan (HRP) for Libya estimates there are 343,000 migrants in Libya, many of which are being held in detention centres in poor conditions, who may also be victims of human rights violations.

13. Due to the ongoing civil unrest in Libya and presence of insurgent and terrorist organizations, as well as bureaucratic procedures imposed on the movement of humanitarian personnel, access to beneficiary populations by the humanitarian sector has been severely restricted. Recent reports identify that UN organizations are a target and have a high-risk exposure to terrorist attacks inside the country.

WFP operations in Libya

14. WFP resumed operations in Libya in September 2014, providing relief assistance to internally displaced people (IDPs). In November 2014, WFP declared a level 2 emergency which remains active to this date. During the period under review, the country office (CO) implemented Emergency Operation (EMOP) 200925 *Assistance to people affected by the crisis in Libya*, starting 1 June 2016 and running until 31 December 2018. Through the EMOP, WFP assists IDPs, refugees/asylum seekers and other vulnerable non-displaced populations. In addition, WFP started operating humanitarian air service (UNHAS) flights in September 2018, under project SO 201123.

15. WFP provides in-kind food assistance through food parcels, implementing its activities through two national non-governmental organizations and relies on third party monitors (TPM) and service providers based in Libya to gain assurance over the delivery of the programme and logistics services. In-land logistics support for the movement, storage and distribution of commodities is provided by cooperating partners (CPs), with the Regional Bureau in Cairo (RBC) providing logistics and supply chain support for the procurement of food commodities and logistics services up to the ports of entry in Tunisia. The CO arranges transportation from Tunisia to CPs' warehouses in Libya. Other functions including finance, administration, procurement and human resources are supported by a mix of resources from the Libya and Tunisia CO, and the RBC.

16. Due to the security situation, the presence of WFP personnel inside Libya has been severely restricted, requiring WFP to run operations for Libya remotely from Tunis. Security improvement at UN premises in Tripoli and the establishment of facilities in Benghazi will augment WFP's presence in Libya starting in 2019.

17. In January 2019, RBC submitted an Interim Country Strategic Plan (ICSP) 2019-2020 for approval by the Executive Board. The ICSP foresees the following objectives:

- Strategic Outcome 1: Crisis-affected vulnerable populations in Libya, including school children, have access to sufficient and nutritious food during and in the aftermath of crises.

- Strategic Outcome 2: Vulnerable populations in Libya have strengthened livelihoods and restored access to basic services all year.

- Strategic Outcome 3: The humanitarian community in Libya has strengthened capacity to assist vulnerable populations during and in the aftermath of crises.

The ICSP plans the gradual introduction of new activities and augmentation of resilience programming and cash-based transfer modalities, as well as services in support of the humanitarian community in Libya.

Objective and scope of the audit

18. 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 Libya. 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.

19. 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.

20. 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.

21. The audit did not cover UNHAS operations as these commenced in September 2018, and an internal oversight mission covering these activities was planned for the first quarter of 2019.

22. The audit field work took place from 5 to 16 November 2018 at the CO premises in Tunis.

III. Results of the Audit

Audit work and conclusions

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

24. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **Ineffective / Unsatisfactory**[1]. 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 would 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.

25. The Office of Internal Audit, in supporting 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 did not complete the 2017 and 2018 Annual Performance Plan and RR in line with corporate requirements. At the time of the audit, the draft 2018 Annual Performance Plan and RR had been shared with RBC. A risk management group was appointed to take on the responsibility of completing these documents going forward.

27. Support and oversight missions from RBC and headquarters were conducted during the audit period. These provided inputs, expertise and guidance where the CO lacked its own capacities. Recommendations provided by RBC were either implemented or in the process of design and implementation at the time of the audit.

Data quality

28. Challenges relating to availability and quality of data were identified during the audit and have been reported in observations 2, 3, 4, 5, 6 and 9, including issues regarding data quality and availability of data for targeting, beneficiary management and data sharing, planning data in the COMET system, monitoring, and operational line-of-sight and best before dates of commodities with CPs.

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.

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[1] See Annex B for definitions of audit terms.

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

	Priority of issues/agreed actions
A: Governance and structure	
The CO was severely underfunded for the duration of EMOP 200924, leaving key positions under-staffed or vacant for extended periods of time. The CO partially and temporarily alleviated understaffing through various means, including RBC and headquarters-funded missions, reassignments and temporary assignments. Management has proposed a new and more robust structure to decrease its dependency on temporary staff, by filling key positions and augmenting the technical skills and capacity of the office. These high priority changes are expected to strengthen overall governance, risk management and internal control practices.	
1 Organizational structure and workforce planning	*High*
B: Delivery	
Access to beneficiary populations is strongly restricted in Libya, hindering the collection of needs data, and establishment of a physical presence in the country to directly manage and monitor activities. Robust and reliable processes were not present to identify the status and needs of IDPs and non-displaced persons. Information on government-run social safety net programmes had not been gathered, potentially requiring a reassessment of the design of WFP interventions. Whilst the targeting and vulnerability criteria for IDPs was established following the Rapid Food Security Assessment in 2016, the same was not reviewed in the period 2017-2018, due to lack of reliable, representative and comparable data. The CO was reassessing the design of its intervention, responding to requests for support from the Libyan Government in activities such as school feeding and launching an assessment of bakeries in 2018. Internal control processes were not adequately detecting and mitigating significant risks and delivery issues noted during the audit. Due to various factors, WFP has not yet been able to provide assistance to migrants, representing 19 percent of Libya's potential caseload in need of food assistance. The prevailing conditions seriously compromise WFP's ability to ascertain that assistance is being correctly targeted, prioritized and delivered to the most vulnerable.	
2 Gaps in beneficiary targeting and prioritization	*High*
3 WFP's Approach to migrants	*High*
4 Beneficiary management	*High*
5 Programme delivery and coordination	*High*
6 In-country programme monitoring	*High*
C: Resource management	
Donors' understanding and perception of the need for humanitarian assistance to Libya constrains the mobilization of resources by WFP. Whilst a resource mobilization strategy had been formulated and a work plan was being developed, ambitious funding targets to meet the needs and resource mobilization efforts are challenged, putting at risk the implementation of the upcoming 2019-2020 ICSP. The CO is in the process of strengthening its treasury management capabilities and establishing robust controls over payments. Observations on the resourcing side of staffing, workforce planning and talent acquisition are reported under *1 Organizational structure and workforce planning.*	
7 Resource mobilization workplan and information management	*Medium*

D: Support functions	
WFP operates in Libya with extremely restricted access. Thus, there was limited line-of-sight of commodities under the custody of CPs, including in-land movements and best before dates. This resulted in significant discrepancies between reported and actual physical inventories, commodity handling issues and losses; recommendations from the 2018 concept of operations note (CONOPS) were being implemented at the time of the audit. On access and security, the audit noted that the CO lacked the staff capacity and processes needed to negotiate access and mitigate risks.	
8 Transport and logistics	*Medium*
9 Commodity management	*High*
10 Access and security management	*Medium*

E: External relations, partnership and advocacy	
During the audit period the CO worked with four CPs, two of which were suspended due to performance issues. The CO was in the process of strengthening relations with current CPs, building new partnerships, and was planning to conduct a capacity strengthening workshop. The use of a for-profit service provider enabled greater access in Libya and improved the CO's line-of-sight in the delivery of the programme. WFP played a lead role in strengthening the response capacity of the humanitarian sector through the activation of the Logistics and Emergency Telecommunications clusters and UNHAS.	
11 Partnerships and coordination	*Medium*

F: Information and communication technology	
Information and communication technology was assessed as low risk and was not included in the scope of the audit. However, the audit noted that adequate access to information and telecommunications technology plays a pivotal role, especially as the CO moves forward with the implementation of SCOPE[2] and LESS last-mile solutions.	

G: Cross-cutting	
Inherent risks with regards to protection were noted in the context of Libya, for which the CO needs to strengthen its processes and technical capacity to detect risks, including sexual exploitation and abuse (SEA), and ensure risks are adequately assessed and mitigated.	
12 Protection roles, responsibilities and response capacity	*Medium*

30.   The 12 observations of this audit are presented in detail below.

31.   Management has agreed to take measures to address the reported observations[3]. An overview of the actions to be tracked by internal audit for implementation, their due dates and their categorisation by WFP's risk and control frameworks can be found in Annex A.

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[2] WFP's beneficiary and transfer management system
[3] Implementation will be verified through the Office of Internal Audit's standard system for monitoring agreed actions.

A: Governance and structure

The audit examined the CO's capacity to support current levels of activity and sustain the implementation of the upcoming 2019-2020 ICSP. At the time of the audit EMOP 200924 was funded at 32 percent, leaving key positions under-staffed or vacant for extended periods of time. The CO was able to bridge some of these gaps with the support of RBC and by sharing resources with the Tunisia CO. However, despite these efforts, staffing levels and capacity were not adequate to respond to the needs of a L2 emergency. Chronic understaffing was the root cause of many of the internal control gaps identified, which contributed to the CO's inability to gather the evidence required to advocate for funding.

The CO needed to strengthen its strategic planning, performance and enterprise risk management practices, including compliance requirements to complete and submit annual performance plans and risk registers as required by corporate policies.

The CO was in the process of recruiting and on-boarding staff for key positions. Management's organizational structure, proposed in November 2018, is expected to lessen the CO's dependency on temporary staff and augments the technical skills and capacity of the office. These high priority actions are expected to strengthen risk management and internal control practices, although at the time of the audit their operating effectiveness could not be tested and confirmed.

Observation 1	Agreed Actions [High priority]
Organizational structure and workforce planning At the time of the audit 81 percent of the positions in the CO were vacant, filled by consultants, temporary staff, or outsourced to service providers. The CO partially and temporarily alleviated understaffing through various modalities, including RBC and headquarter-funded missions, reassignments and temporary assignments. However, several key positions in VAM, programme, monitoring, and security were vacant or were under-staffed, having a detrimental effect on the establishment of robust processes of internal control. At the organizational level, little consideration was given to the level of controls one could reasonably establish and maintain over the operation given the staffing, skills and experience made available to the emergency. A formal staffing structure review had not been carried out during the audit period. Wide-ranging changes to the organizational structure proposed by management had not undergone a formal assessment process to identify their financial sustainability, operational and continuity risks, and strategic alignment to the 2019-2020 ICSP. Further consideration needed to be given to source an effective and sustainable way for functions and responsibilities currently supported by RBC or shared with the Tunisia CO to be performed by the Libya CO. Increased Human Resources (HR) capacity is needed to support the recruitment and on-boarding of personnel and development of a workforce plan and talent acquisition strategy. There is a high risk that the CO may not be able to address risk management and internal control related issues noted in this report without first strengthening its staffing and capacity. Underlying causes: lack of funding leading to gaps and weaknesses in the organisational structure; evolving nature of the emergency, creating uncertainty on the level of support to relief operations, appropriate level of staffing and contract types; absence of HR support to guide management and lead workforce planning and talent acquisition efforts.	The CO will: (i) Conduct a structure and staffing review ensuring staff capacity and capabilities support the implementation of the ICSP 2019-2020; (ii) Decide on the continuing role of HR resources currently shared with the Tunisia CO; and, (iii) Establish workforce planning and talent acquisition strategies to support the ongoing recruitment processes and implementation of the recommendations from the staffing and structure review.

B: Delivery

The audit examined the CO's ability to target, plan and monitor the delivery of assistance in the country by CPs, with a special focus on the risks that would prevent the application of a needs-based approach to assistance, acquisition of data, and engagement and monitoring of partners, taking into consideration the remote implementation of the programme.

The audit acknowledges the inherent difficulties of operating in Libya, including access restrictions and remote management, lack of reliable needs-data, absence of strong government counterparts and the limited number of partners. The audit also noted that WFP is taking a prudent and coordinated approach with the UNCT to ensure no-harm comes to migrants in detention camps as a result of humanitarian interventions; the CO's ability to assist migrants is hampered due to possible human rights violations and poor treatment of detainees in the country.

Going forward, the audit noted improvements of needs-data quality in 2018, providing the basis for a more accurate geographical targeting and programme design in 2019. The CO also plans to implement SCOPE which will help integrate and digitalize beneficiary data, close verification gaps and duplication of records. Corrections to the food basket took place in 2018 to limit rejection of commodities by beneficiaries. Efforts are under way to increase coordination and data sharing with other humanitarian organizations active in Libya, and to strengthen WFP and CPs' staff technical skills, thereby enhancing programme planning, delivery and reporting. WFP is supporting a World Bank study on social safety nets in Libya planned for 2019-2020, which will further inform programme design.

Observation 2	Agreed Actions [High priority]
Gaps in beneficiary targeting and prioritization *Identification of needs and targeting* – The operations planned by the CO in 2018 could not effectively use the results of the 2017 multisectoral needs assessment due to poor quality and gaps in the survey's data. In addition, information on existing social safety net programmes had not been collected to inform the design of WFP's interventions in the country. As a consequence, in 2018 the CO was unable to target areas of intervention based on needs evidence. The caseload and interventions were carried over unchanged from 2017, despite downward trends in overall needs reported in the 2017 and 2018 Humanitarian Response Plans. *Household targeting criteria and prioritization* – Current processes for targeting households do not provide assurance that the criteria are consistently applied by CPs and that assistance is prioritized to the most vulnerable. Verifications of new beneficiaries were not statistically representative or evidenced. Half of the beneficiary lists were compiled by CPs without community involvement, decreasing the checks and balances that should be present during the selection of households for assistance, and increasing the risk of fraud and corruption; community-based targeting exercises were also noted to be prone to governance and internal control weaknesses that compromised the accuracy and integrity of the households targeting process; data markers of vulnerability were not comprehensively captured to allow prioritization of assistance; These conditions seriously compromised the integrity of the programme and WFP's ability to ascertain whether assistance is correctly targeted and prioritized to the most vulnerable populations in Libya. <u>Underlying causes</u>: VAM and programme understaffing, creating skill and capacity gaps; absence of robust quality assurance and oversight checks on technical data and targeting processes; highly volatile environment limiting WFP and partners' access to beneficiaries; absence of strong government and civil society counterparts; lack of clear households targeting, selection and prioritization guidelines.	The CO will: (i) Perform a quick assessment of social safety nets and integrate results into its targeting strategy and programme design; (ii) Clarify the roles and responsibilities of implementing partners, local authorities and civil society organizations regarding households-level targeting and develop procedures and internal controls to increase the accuracy of beneficiary targeting, registration and prioritization; (iii) Strengthen coordination mechanisms and establish agreements with other humanitarian actors on beneficiary data sharing; and, (iv) Strengthen the processes and increase the resources dedicated to the verifications of households.

Observation 3	Agreed Actions [High priority]
WFP's approach to migrants	

Migrants represent an estimated 343,000 people, over 19 percent of the potential population requiring food assistance in Libya. A limited scope intervention to assist migrants was carried out through another UN agency in 2018. However, the scale-up of assistance has not been possible due to the lack of precise needs data, a lack of clarity regarding WFP's role vis-à-vis other actors, and appropriate type(s) of interventions.

The CO made a provision in the 2019-2020 ICSP to assist migrants and conducted a migrant protection analysis in June 2018, as the first step in assessing the needs and potential protection implications of assisting migrants in detention centres. At the time of the audit, the CO was in the initial stages of developing a strategy at country and regional levels to guide its role and future response in assisting migrant populations.

Underlying causes: Complex protection issues and lack of CO's capacity to comprehensively address the regional dimension of the migrant crisis. Late development of a cohesive response approach at the inter-agency and WFP-levels.

Agreed Actions [High priority]

The CO will, in coordination with RBC, define a strategy and principles for assisting migrants in Libya, including the roles and parameters of the humanitarian intervention, and develop a workplan and priority actions for its implementation.

Observation 4	Agreed Actions [High priority]
Beneficiary management	

Beneficiary identification and registration – Beneficiary management processes do not provide assurance that benefits are only accessed by individuals registered and entitled to receive assistance. Signed distributions lists selected by the audit were not provided as requested. Processes to identify beneficiaries during distributions relied on the verification of national IDs and/or family booklets. These documents were not always issued by authorities, consistently captured in WFP's beneficiary registers or requested during distributions. Thus, these documents could not be considered as reliable means to positively identify beneficiaries. The audit detected an average 15 percent duplication rate in the list of beneficiaries.

Data management – Beneficiary lists and private information were managed in spreadsheets without robust access and data protection controls; lists were not consolidated to allow for the de-duplication of records and detection of anomalies across the data sets. The CO had not reached agreement with other UN agencies to mitigate the risk of duplication of effort and investment in the collection of beneficiary data and duplication of assistance.

Underlying causes: Internal control gaps in the design of standard operating procedures and supervision of implementing partners by the CO; access constraints and limitations; insufficient level of staffing and capacity to guide and supervise CPs' management of beneficiaries; limited resources to implement robust beneficiary management systems such as SCOPE.

Agreed Actions [High priority]

The CO will:

(i) Establish minimum acceptable identification requirements, processes and internal controls to verify beneficiaries' identities during registration and distributions activities;

(ii) Develop a plan and timetable to deploy SCOPE in Libya;

(iii) Update standard operating procedures and Field Level Agreements (FLAs) to include quality assurance reviews of targeting and beneficiary data, including beneficiary de-duplication procedures, integrating verifications and compliance checking as part of the CO's monitoring plan; and,

(iv) Develop objectives, strategy and/or workplans for data sharing and activity planning with other UN agencies and humanitarian actors present and active in Libya.

Observation 5	Agreed Actions [High priority]

Programme delivery and coordination

Distribution planning – Monthly distribution plan figures were based on estimated rather than actual beneficiary data. Moreover, food distribution points were not selected with due consideration of the maximum radius recommended by corporate guidelines for beneficiaries to reach distribution sites, increasing the risk of commodities not reaching beneficiaries or ending up in the market. Distribution sites were not identified in COMET to allow for precise and streamlined planning and reporting. The CO had recently established a resource management working group to increase accuracy of distribution forecasts, effective management of resources, and transparent and accountable performance management.

Distribution reports – CPs did not provide narrative reports of distribution including explanations for variances between planned and actual beneficiaries assisted, commodity management, and incidents at distribution points (for example security, protection, delays, etc.). As noted under observation four, for a sample of distributions, CPs were not able to provide signed distribution lists to evidence acknowledgment of receipt of entitlements by beneficiaries.

Verification and monitoring of CP invoiced costs – The invoices submitted by CPs for payment of services and reimbursement of costs were not adequately supported by valid documentation, limiting WFP's ability to determine the eligibility of claims for payment and reimbursement. Purchases of services from CPs represented ten percent of the overall purchases by the CO during the audit period.

Underlying causes: Lack of staff capacity during the audit period limiting data management, WFP access, presence and supervision of CP food distributions and verification of CPs reports; WFP did not specify to CPs the documentation required to support invoices.

The CO will:

(i) Build the capacity of CPs by conducting training on WFP policies and guidelines for distribution planning and reporting, also clarifying and formalizing the minimum requirements and processes to justify the reimbursement of costs; and,

(ii) Review and revise the CO and CP processes for planning, tracking, and analysing distribution activities and robustly address CPs' performance and programme design issues.

Observation 6	Agreed Actions [High priority]
In-country programme monitoring	The CO will:

In-country programme monitoring

Strategy and coverage – There was no strategy or plan to coordinate, prioritize and target monitoring activities. In addition, coverage of remote post distribution monitoring calls did not provide adequate sampling coverage per district to support conclusions on the outcomes of interventions.

Categorization, prioritization and integration of information – Processes in place to record, categorize and prioritize issues arising from monitoring activities were not comprehensive or consistent. The audit observed inconsistencies in the prioritization and treatment of findings in the monitoring matrix, as well as gaps in the assigned responsibilities and identification of mitigating actions and follow-up when issues were identified.

Triangulation and verification data – processes and technology had not been adopted to triangulate the data and information provided by the TPM and service providers. Therefore, systems were not robust enough to ensure that the information provided by third parties was accurate, reliable and documented.

Complaints and feedback mechanisms (CFM) – A hotline was operational; however, the number of calls, their typology, as well as observations in monitoring reports indicated limited beneficiary awareness of the hotline. The number of calls increased over the audit period yet remained low.

Handling of serious incidents – The CO had not clarified with CPs its expectations, protocols and processes for recording, reporting and handling serious incidents. This resulted in CPs conducting their own investigations, with no or little information and visibility for WFP.

Underlying causes: Lack of skills and staff managing and coordinating monitoring activities; absence of comprehensive monitoring strategy in line with programme objectives; lack of criteria for categorizing, classifying and following-up monitoring observations collected through the CFM, TPM reports, qualitative calls and/or hotline; low capacity and limited presence of TPM service providers in Libya.

The CO will:

(i) Prepare a monitoring strategy and plan that considers the ICSP activities, minimum monitoring coverage targets, information sources and resources;

(ii) Gather, align and integrate monitoring data coming from different modalities for analysis and follow-up;

(iii) Establish processes to review the quality and triangulate TPM reports and provide feedback to service providers;

(iv) Establish a plan to increase beneficiary awareness of the hotline; and

(v) Establish a process for effective prioritization, categorization, follow-up and closure of issues detected through monitoring, including procedures to identify and escalate serious incidents.

C: Resource management

The audit focused on the mobilization of resources, treasury management, and the adequacy of the HR function to support organizational changes. Tests of finance and accounting procedures were also conducted in coordination with the Tunisia CO audit, which was carried out concurrently with this assignment.

Despite the deteriorating conditions in the country, donors' limited awareness of the need for humanitarian assistance to Libya constrains the mobilization of resources by WFP. Thus, at the time of the audit the CO was funded only at 37 percent, having a pervasive negative effect on resources available, including financial and staff resources, for the establishment and implementation of robust systems of internal control, as noted throughout the report. In 2018, confirmed contributions for the CO's core relief activities came entirely from the Central Emergency Response Fund.

Going forward, the ICSP's ambitious funding targets of USD 60 million for the period 2019-2020 may be at risk given the CO's high dependency on multilateral funding sources, low historical funding trends, and limited donor information and contact. The audit acknowledges the new management team's efforts to reach out to potential donors and strengthen the CO's donor information and communication.

Observation 7	Agreed Actions [Medium priority]
Resource mobilization workplan and information management	The CO will:
Strategy and plan - A resource mobilization strategy was developed by the CO as part of the ICSP package but is yet to be supported by a work plan to define the targets, priorities and actions for its effective implementation.	(i) Finalize the donor relations strategy and related work plan;
Preparation of proposals – For five months, between October 2017 and April 2018, no proposals were sent to donors. The number of proposals increased from five in 2017 to 11 in 2018. However, eight out of the 11 proposals for 2018 were only sent in October 2018 and were not directed to donors with the highest likelihood of funding operations in Libya, as assessed by the Government Partnership's Division.	(ii) Complete the input of donor and funding opportunity information into Sales Force and establish written procedures and guidelines to provide consistency and continuity to donor relations and the resource mobilization function and information management going forward.
Resource mobilization information management – Responsibilities for resource mobilization were transferred among staff or had significant gaps during the audit period, weakening knowledge management and the CO's institutional memory regarding resource mobilization actions. At the time of the audit, donor information and funding opportunities were only partially recorded in Sales Force, WFP's corporate tool for managing donor contact and managing revenue forecasting.	
Underlying cause: misalignment between activities and donor priorities; lack of an evidence base for advocacy with donors; absence of dedicated staff to provide continuity to resource mobilization efforts, identifying funding opportunities and preparing proposals; lack of knowledge and information management systems to process, preserve and leverage information.	

D: Support functions

The audit focused on WFP's reliance on CPs to provide in-land transportation and commodity management services, the monitoring of commodities in the custody of CPs, and food quality and safety. The audit also evaluated the CO's capacity to assess and address access constraints and the secure distribution of commodities at food distribution points. The audit also evaluated the implementation of measures to prevent and detect fraudulent and corrupt practices.

Beyond the limitations imposed by access restrictions, the audit observed that the supply chain function was understaffed for extended periods of time, having a pervasive negative effect on the CO's ability to monitor in-land transport and commodity management activities contracted to CPs. At the time of the audit, the CO had filled key supply chain positions with qualified, yet temporary, personnel. A process of recruitment was underway for a Head of Supply Chain.

The utilization of food parcels containing long-lasting/non-perishable items lessened the risk of food quality and safety concerns. The implementation of the 2018 CONOPS is expected to strengthen WFP's ability to manage and monitor commodities until their final destination, and to significantly improve the efficiency and effectiveness of the supply chain and strengthen internal controls. In addition, the CO plans to implement a 'First Expired First Out' inventory management mechanism to lessen the likelihood of commodities expiring.

Observation 8	**Agreed Actions** [Medium priority]
Transport and logistics	The CO will:

Transport and logistics

Cost efficiency - The CO with support from RBC, conducted a CONOPS mission in June 2018, identifying monthly cost saving opportunities of USD 516,000 through the supply chain. At the time of the audit, the CO had already achieved 63 percent of its target savings and was in the process of gathering data to operationalize the remaining cost-saving measures.

In-land transportation – The lack of visibility on the movement of commodities under the custody of CPs from the extended delivery points to the final delivery points limited WFP's oversight and control; there was no documented evidence that CP-procured logistics services were vetted by WFP to ensure value for money and integrity of the operators. Due to funding and operational constraints, there were long lead times and no prepositioning of commodities in potentially hard to reach areas in southern Libya to minimize disruptions in the delivery of the assistance to beneficiaries.

Verification of CP logistics costs – CP claims for reimbursement of logistics expenses were not supported by invoices from third-party providers (transporters, warehouse facility rentals, etc.), limiting the CO's ability to certify the validity of these claims. For the sample period, the LTSH (USD/metric tonne) rate in the transactions reviewed were between 30 to 200 percent above the approved landside transport, shipping and handling (LTSH) rates, without clear rationale. This resulted in an increased and undue consumption of these funds. Whilst some processes of follow-up were in place, these needed to be consistent and evidenced to ensure remediation.

Underlying cause: Funding constraints resulting in supply chain positions remaining vacant or filled by temporary and under-qualified staff; access restrictions and limited presence in the field to establish logistics operations in the country; lack of information to identify and contract logistic service providers.

The CO will:

(i) Fill the position of Head of Supply Chain promptly, with the assistance of the staffing coordinator, ensuring sufficient skills and experience;

(ii) Finalize the logistics capacity assessment currently in draft and, in consultation with the Supply Chain Division in headquarters and the RBC logistics function, identify solutions to track commodities in the last-mile;

(iii) Enhance verification controls over the claims for reimbursement for logistics costs submitted by CPs and monitoring controls over the utilization of LTSH budgets by CPs; and,

(iv) Fully implement the recommendations of the 2018 CONOPS.

Observation 9	Agreed Actions [High priority]

Commodity management

CP managed commodities - For commodities in the custody of CPs, there were gaps in the coverage and frequency of physical inventory counts, inadequate handling, infestation and commodity losses at the CPs warehouses, and inadequate monitoring coverage and reporting by WFP of CP warehouse facilities. In one instance, the audit noted discrepancies of nearly 40 percent between CP-reported against physical inventory, with no adequate explanation of the variances. The CO had recently instituted inventory control procedures led by third party monitors. FLAs and standard operating procedures did not specify inventory dispatching procedures and prioritization based on best before dates.

Confiscation of commodities – In one instance, commodities slated for disposal were confiscated from WFP's contracted CP by local authorities without WFP's consent or knowledge. Remediation measures were taken to withdraw and destroy these commodities and suspend the CP in question, due to failure to inform and engage WFP in a timely manner.

Food quality and safety - Mechanisms and tools to track best before dates of commodities in the food parcels have not been implemented. The best before dates of stocks with CPs are not monitored by CPs or WFP; FLAs and standard operating procedures do not specify any requirements by the CP to track or monitor best before dates.

Underlying cause: System limitations preventing more than one best before date per parcel; no implementation of alternative solutions to close system functionality gaps for the last-mile tracking of commodities; lack of funding and supply chain functional capacity to directly manage commodities; access constraints limiting WFP's ability to monitor and exercise control over commodities in the custody of CPs.

Agreed action (Observation 9): The CO will implement the recommendation of the CONOPS report, promptly implement tracking of best before dates and continue to conduct regular stock counts of commodities in the custody of CPs.

Observation 10	Agreed Actions [Medium priority]

Access and security management

Access information institutionalization and resources – The effectiveness of access efforts depends on the ability of the CO to collect, maintain and analyse information on possible access risks, including security incidents, locations, and key informants. The CO does not have the staff capacity and skills to manage, coordinate and negotiate access. Access information had not been gathered, posing risks to the availability of relevant information and continuity of access during staff changes. The CO was in the process of institutionalizing its information by mapping actors and capturing incident information but had not developed guidelines and processes to coordinate access across functional units and with key stakeholders.

Security at food distribution points – information on serious security matters raised by TPM and partners were not passed onto the security function by the monitoring function. Security risk assessments of food distribution points had not been conducted at the time of the audit visit.

Underlying causes: Absence of inter-agency coordination and support mechanisms on access; lack of staff capacity at the CO to gather data, perform situational analysis and advocate for greater access where feasible and appropriate.

Agreed action (Observation 10): The CO will:

(i) Review the level of resources allocated to support the security function in Libya in consultation with the Security Division in headquarters, considering the complex security situation in the country;

(ii) Review and update the access and protection evaluation, last conducted in May 2018, with the assistance of the Security and the Programme and Policy Divisions, set deadlines and assign responsibilities for the implementation of actions identified therein;

(iii) Establish coordination and information sharing mechanisms between programme, monitoring and security to ensure relevant access and security information reaches the security function and carry out a security risk assessment based on a preliminary assessment.

E: External relations, partnerships and advocacy

During the planning phase, the audit identified risks associated with the lack of qualified partners in the country. The audit focused on the CO efforts to broaden its partnerships, increase coordination and coherence of activities and data sharing with stakeholders. The audit also examined the appropriate utilization and risks associated with reliance on service providers.

During the audit period, the CO worked with four partners, suspending two of them due to performance issues. The use of a for-profit service provider to augment the CO's programme and supply chain capacity in Libya provided WFP with an improved line-of-sight in the delivery of the programme. By making use of WFP's newly developed mutual-recognition policy, WFP saved time and effort to engage support services already assessed and vetted by other UN agencies.

The audit would like to highlight WFP's lead role in the UNCT to gain support for the activation of the Logistics and Emergency Telecommunications sectors and the entry into operations of UNHAS services in September 2018. These activities strengthen the response capacity across the humanitarian sector. The CO engaged effectively with new partners and/or strengthened its relationship with current CPs. WFP led efforts to establish relationships with the authorities in Eastern Libya, thereby facilitating access to all humanitarian actors. WFP was also building the capacity of the Food and Drug Control Centers in Libya through a joint workshop with Food and Agricultural Organization of the United Nations and has leveraged south-south collaboration mechanisms to reach a Memorandum of Understanding (MoU) with Libya's Ministry of Social Affairs in support of school feeding and livelihood activities.

Observation 11	Agreed Actions [Medium priority]
Partnerships and coordination *Implementing partners* – WFP relies on two partners only for the implementation of its programmes in Libya with high exposure to the CPs performance and capacity issues. Despite this, the CO did not launch a call for proposal during 2017 and 2018 and has not finalized its Partnership Action Plan. In addition, in the east of Libya, WFP had to work with one CP, whose capacity was weak and its performance poor. This resulted in the suspension of activities in the east to prevent damage to the integrity and reputation of the programme. At the time of the audit an MoU had not yet been signed with the Ministry of Education for the implementation of school feeding activities which were expected to start in the first half of 2019. *Partners capacity* – The audit detected significant differences in the CPs' capacity to deliver the programme, including wide differences in the ratios of dedicated staff to beneficiary caseloads, mix of full and part-time staff, use of volunteers, as well as degrees of personnel training and capacity. <u>Underlying causes:</u> Lack of a Partner Action Plan (in draft at the time of the audit); limited presence of humanitarian actors and CPs in Libya; limited capacity to supervise CP activities and conduct rigorous assessments; security restrictions limiting the presence of international non-governmental organizations in the country; local political constraints; expectations and FLA-related obligations not necessarily understood by CPs.	CO will: (i) Launch a call for proposal at the earliest opportunity to identify and select new implementing partners in Libya and sign an MoU with the Ministry of Education for the implementation of school feeding activities; (ii) Finalize the Partnership Action Plan and strengthen the assessment and selection of partners; and (iii) Perform a robust evaluation of the CP's internal controls and WFP's risk exposure to determine whether they are within WFP's and the CO's risk appetite; then identify opportunities to strengthen systems of internal control and oversight as relevant.

G: Cross-cutting

The audit did not identify major risks associated with the implementation of gender objectives in the design of the programme or with the organizational structure of the office. During the audit period the CO had conducted a comprehensive *Gender Transformation Programme* self-assessment, identifying areas of improvement, and appointing staff to track progress against the items identified therein.

The audit focused on protection, given the serious concerns linked to ongoing conflicts in Libya, potential physical security hazards, gender-based violence, and beneficiaries' vulnerability and exposure to fraudulent and corrupt practices. The audit also examined the CO's ability to prevent and respond to alleged cases of sexual exploitation and abuse.

Observation 12	Agreed Actions [Medium priority]
Protection roles, responsibilities and response capacity	The CO will:
Protection risks – Whilst the CO conducted an evaluation of protection risks focusing on highly vulnerable migrant populations, similar risk assessments had not been conducted for IDPs and non-displaced populations at the time of the audit. The audit noted that in certain locations there were purported reports of denial of access to programmes and extortion of beneficiaries by local authorities, combined with a lack of awareness by beneficiaries of Complaints Feedback Mechanisms, including WFP's hotline.	(i) Assess protection risks for all of WFP targeted populations with the technical support of RBC and headquarters;
SEA response capacity – WFP was a member, and was actively providing inputs, to the inter-agency protection from SEA working group. Yet the CO did not have the capacity or protocols to report and respond to allegations of SEA, either internally, with partners or at the inter-agency level.	(ii) Establish protocols to report and respond to allegations of SEA, in coordination with partners and other agencies, and provide training to the appointed protection focal point on protection from SEA;
<u>Underlying causes:</u> Insufficient WFP-internal capacity to assess risks, establish expectations and raise awareness of employees, service providers and partners regarding SEA protection; lack of presence in the field and direct supervision of distribution activities; absence of staff and expertise in SEA protection, and technical training of the locally appointed protection focal point on SEA protection matters.	(iii) Improve oversight and continuous monitoring mechanisms to increase adherence to corporate policies on protection from SEA; and,
	(iv) Provide training and materials to CPs, TPM and Local Crisis Committees on protection from SEA policies.

Annex A – Summary of observations

The following tables shows the categorisation, 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.

| High priority observations | Categories for aggregation and analysis | | | Owner | Due date |
	WFP's Internal Control Framework	WFP's Enterprise Risk Management Framework	WFP's Internal Audit Universe		
1 Organizational structure and workforce planning	Control Enviroment	Governance and oversight	Governance	CO	30 June 2019
2 Gaps in beneficiary targeting and prioritization	Control Activities	Programme	Activity/project management	CO	31 July 2019
3 WFP's approach to migrants	Control Enviroment	Programme	Strategic management & objective setting	CO	31 March 2019
4 Beneficiary management	Control Activities	Programme	Beneficiary management	CO	30 April 2019
5 Programme delivery and coordination	Control Enviroment	Partners and vendors	Activity/project management	CO	31 July 2019
6 In-country programme monitoring	Monitoring Activities	Contextual	Monitoring & evaluation	CO	30 April 2019
9 Commodity management	Control Activities	Contextual	Commodity management	CO	30 June 2019

| Medium priority observations | Categories for aggregation and analysis | | | Owner | Due date |
	WFP's Internal Control Framework	WFP's Enterprise Risk Management Framework	WFP's Internal Audit Universe		
7 Resource mobilization workplan and information plan	Control Activities	Contextual	Public sector (donor) relations	CO	31 March 2019
8 Transport and logistics	Control Activities	Governance and oversight	Overseas & landside transport	CO	31 May 2019
10 Access and security management	Control Enviroment	Beneficiary health, safety and security	Security & continuation of operations	CO	30 June 2019
11 Partnerships and coordination	Control Activities	Partners and vendors	NGO partnerships	CO	31 March 2019
12 Protection roles, responsibilities and response capacity	Control Enviroment	Beneficiary health, safety and security	Protection	CO	30 June 2019

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   Categorisation 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, incl. 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.[4]

5.   To facilitate analysis and aggregation, observations are mapped to different categories.

2.2   Categorisation 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."[5] 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 analysis 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   Categorisation by WFP's Enterprise Risk Management Framework (ERM)

7.   WFP has developed a risk categorization framework to assist management at all levels as well as to improve risk analysis. The framework enables offices and operations to identify risks using a common language across WFP. Risks are classified into four primary categories: strategic, operational, fiduciary and financial. Reputational risk is defined as a consequential risk whereby risks occurring in any category could have a negative impact on WFP's reputation. Within these four categories, 15 risk areas covering the scope of WFP's enterprise risk management have been defined.

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[4] 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.
[5] OED 2015/016 para.7

Table B.4: WFP's new Risk Categorization 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   Categorisation by WFP's Audit Universe

8.   OIGA's audit universe covers organizational entities and processes. Mapping audit observations to themes and process areas of WFP's audit universe helps prioritise thematic audits.

Table B.5: WFP's 2018 Audit Universe (themes & 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 & 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.
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 & Advocacy	Board and external relations management, Cluster management, Communications & advocacy, Host government relations, Inter-agency coordination, Non-Governmental Organization (NGO) partner-ships, 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 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, Monitoring & Evaluation (M&E) framework, Gender, Protection, Environmental management.

3. 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

CFM	Complaints and Feedback Mechanism
CO	Country Office
COMET	Country Office Tool for Managing (programme operations) Effectively
CONOPS	Concept of Operations
CP	Cooperating Partner
EMOP	Emergency Operation
FLA	Field Level Agreement
HR	Human Resources
HRP	Humanitarian Response Plan
ICSP	Interim Country Strategic Plan
IDP	Internally Displaced Person
LESS	Logistics Execution Support System
LIBAID	Libyan Humanitarian Relief Agency
LTSH	Logistics Transport Handling and Storage
MoU	Memorandum of Understanding
RBC	Regional Bureau Cairo
RR	Country Office Risk Register
SEA	Sexual Exploitation and Abuse
TPM	Third Party Monitors
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNHAS	United Nations Humanitarian Air Service
USD	United States Dollar
VAM	Vulnerability Analysis and Mapping
WFP	World Food Programme