Internal Audit of
WFP Operations in Pakistan

Office of the Inspector General
Internal Audit Report AR/19/11

June 2019

Contents

Internal Audit of WFP's operations in Pakistan

I. Executive Summary

WFP Pakistan Country Office

1.   As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP operations in Pakistan that focused on the period 1 January 2018 to 28 February 2019. The audit team conducted the fieldwork from 11 to 29 March 2019 at the Country Office premises in Islamabad and through onsite visits to provincial offices in Karachi and Peshawar. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

2.   WFP's objectives in Pakistan per its Country Strategic Plan 2018-2022 are: timely access to food by natural disaster and shock-affected populations; improved nutrition; and strengthened national and federal social protection systems, disaster risk management and capabilities to provide food security and essential services. In 2018, expenditure in Pakistan totalled USD 46 million, representing almost one percent of WFP's total direct expenses.

3.   During the audit period the CO started the implementation of its Country Strategic Plan, working with the Government to position itself to fill development gaps whilst still maintaining emergency and humanitarian response support.

Audit conclusions and key results

4.   Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of 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.

5.   The audit report contains three high and six medium priority observations, two of which have agreed actions directed at a corporate level.

6.   WFP in Pakistan is recognised as a leading actor in the humanitarian sector and has developed effective relationships and partnerships with various governmental entities, particularly in relation to nutrition. In a context of reducing emergency needs and funding, the country office is conscious of the need to shift to a more development-focused role. Accordingly it has built upon established partnerships, for example leveraging the national safety nets programme, to start operationalizing this transition. Other tangible actions have been taken to effect this strategic change; for example several project reviews were carried out in 2018 and 2019 to identify achievements and shortcomings in project implementation and to inform programmatic strategic decisions; and organizational and structural changes were recently put in place to strengthen the functioning and independence of operational units, particularly in relation to monitoring and partnerships. Donors consulted during the audit expressed appreciation for the country office's positive collaboration and recent trajectory with respect to information sharing.

7.   Despite these efforts WFP is not yet positioned as a partner of choice for development activities within Pakistan, and some key programmatic decisions are yet to be finalized. The most recent of several organisational realignment exercises was geared towards ensuring adequate capacity for implementation of the Country Strategic Plan considering funding shortfalls, however no formalized assessment of skills needs and gaps was conducted. Coupled with a recent corporate decision to reassign most managerial positions, these factors raise concerns regarding the capacity and continuity of the country office to effectively implement strategic decisions and organizational changes.

8.   At an operational level, the audit identified weaknesses in targeting and beneficiary management. The country office was not sufficiently involved in targeting and registration processes to obtain assurance over their completeness, accuracy and integrity, mostly placing reliance upon partners in these areas. WFP's corporate system for beneficiary management was under implementation, and the two beneficiary management systems developed by the country office did not have the necessary capabilities to manage the end-to-end process, nor adequate internal controls to ensure confidentiality and integrity of beneficiary data in line with corporate standards.

9.   Shortcomings were also observed in the area of cooperating partner management. Inconsistencies and limitations in partner shortlisting, selection and management processes restricted the provision of assurance that partners were best aligned to achieve WFP's objectives.

Actions agreed

10.   Management has agreed to address the reported observations and to work to implement 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.

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Kiko Harvey
Inspector General

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II. Context and Scope

Pakistan

12.   Pakistan is making significant investments to accelerate progress towards achieving the Sustainable Development Goals and its national development programme, Vision 2025. However, high levels of malnutrition, frequent natural disasters, and a volatile security climate in parts of the country are challenges that continue to obstruct socio-economic progress.

13.   The latest national nutrition survey in 2011 found that 15 percent of children under five suffer from acute malnutrition, the second highest rate in the region. Close to 44 percent of children in the same age group are stunted, 32 percent are underweight and the majority of children under two consume less than half of their daily energy requirements, with low levels of vitamins and minerals.

14.   As a result of social and cultural norms and practices, women and girls face difficulties accessing humanitarian assistance and services. Girls' access to education, especially in areas such as the erstwhile Federally Administered Tribal Areas (FATA), the Frontier Regions and Balochistan, remains a challenge, and there is a strong correlation between their level of education and all forms of undernutrition. Nationwide, 7.3 million children of primary school age are not enrolled, 57 percent of whom are girls[1].

15.   The security situation has improved significantly since 2015 and, under a Government-led process, approximately 95 percent of the two million people (70 percent of them women and children) previously displaced in the FATA have returned, and recovery and rehabilitation efforts are underway to ensure that this outcome is sustainable.

WFP operations in Pakistan

16.   WFP Pakistan's Country Strategic Plan (CSP) 2018 – 2022 seeks to support the country's socio-economic progress. Alongside the provision of relief and nutrition support to vulnerable population groups, WFP assistance in the country aims to complement the Government's efforts in enhancing food and nutrition security among vulnerable populations, and to provide technical support in developing relevant national strategies. WFP Pakistan's work encompasses community resilience building, disaster risk management and preparedness elements for sustainability and national ownership.

17.   The CSP pursues five strategic outcome (SOs): 1) access of vulnerable and affected populations to food; 2) improved nutrition; and strengthening of 3) social protection systems; 4) disaster risk management; and 5) service provision capacity. The main transfer modalities in the audit period are food (USD 93 million representing 43 percent of the implementation plan), capacity strengthening (USD 32.6 million, 16 percent) and cash-based transfers (CBT) (USD 27.5 million, 14 percent).

18.   The country office (CO) has faced significant funding reductions over recent years, particularly in the first year of the CSP, and at the time of the audit the CSP was only 23.5 percent funded. This has resulted in a need to prioritize resources, notably through staff reductions and organizational realignment. The gradual shift towards technical assistance and development activities has also represented a challenge, particularly in terms of lack of required skills and the need to realign internal processes to successfully undertake the change. These processes include those to identify and select suitable partners, and to design and implement CSP activities such as relief, CBT, and capacity strengthening.

19.   Since July 2018 very low precipitation and persistent dry conditions have aggravated the recurring drought phenomenon in the South-East and Western districts of Sindh, with many areas under 'moderate to severe' drought conditions, and in Balochistan. WFP collaborated with the Benazir Income Support Programme[2] (BISP) to support the expansion of their unconditional CBT programme in one district in Sindh. At the time of the audit discussions were ongoing with donors to scale-up this initiative to other drought affected districts in Sindh and Balochistan.

Objective and scope of the audit

20.   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 Pakistan. 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.

21.   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.

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[1] https://www1.wfp.org/countries/pakistan
[2] Benazir Income Support Programme[2] is the Government social protection mechanism.

22.   The scope of the audit covered the period from 1 January 2018 to 28 February 2019. Where necessary, transactions and events pertaining to other periods were reviewed. The audit did not review property and equipment management and information and communication technology, as the Pakistan CO was included in the samples for recent thematic audits in these areas3.

23.   The audit field work took place from 11 to 29 March 2019 at the CO premises in Islamabad and through onsite visits to the provincial offices in Karachi and Peshawar.

III. Results of the Audit

Audit work and conclusions

24.   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.

25.   Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of partially satisfactory / major improvement needed[4]. 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.

Gender maturity

26.   The Office of Internal Audit, in supporting WFP's management's efforts in the areas of gender, separately reports its assessments or gaps identified in both areas.

27.   From a gender perspective the cultural context in which the CO operates is complex, and limitations have an impact on achievement of the CO's objectives and targets. At an organizational level the low overall representation of women is partly counter-balanced by the occupation of several managerial roles by (mostly international) female staff. However, there is a need to develop and implement further tailored recruitment initiatives and approaches to reach a wider national female audience. At a programmatic level, implementation of activities did not allow for the achievement of gender targets, and the CO had not monitored nor reported on gender markers.

28.   Issues noted by the audit relating to gender are detailed in observation 9. The audit noted that, whilst initiatives to structure corporate systems to track gender-related actual expenditures were under implementation, corporate accounting and reporting system settings at the time of the audit did not facilitate extraction and consolidation of all gender-sensitive expenses.

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[3] Report number AR/18/12 "Internal Audit of Asset Management in WFP"; report number AR/19/10 "ICT in Country Offices".
[4] See Annex B for definitions of audit terms.

Observations and actions agreed

29.   Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are classified according to the areas in scope 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
A: Governance and structure	
1 Alignment of the organizational structure	*High*
2 Enterprise risk management and emergency preparedness	*Medium*
B: Delivery	
3 Targeting and registration, including beneficiary management systems	*High*
4 Cooperating partnership management	*High*
5 Project implementation	*Medium*
6 Monitoring and reporting	*Medium*
C: Resource Management	
7 Resource mobilization and communication	*Medium*
D: Support functions	
8 Cash-based transfers	*Medium*
E: Cross-cutting	
9 Gender – progress towards equality	*Medium*

30.   The 9 observations of this audit are presented in detail below.

31.   Management has agreed to take measures to address the reported observations[5]. 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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[5] Implementation will be verified through the Office of Internal Audit's standard system for monitoring agreed actions.

A: Governance

32.   The audit performed tests and reviews of strategic planning and performance including: the effectiveness of mechanisms in place for defining and monitoring CO objectives; preparedness to achieve defined objectives and implement in accordance with the CSP; organizational set-up for effective delivery; internal coordination and relationships with external stakeholders; and mechanisms for management monitoring and oversight and risk management, including fraud prevention and ethical considerations.

33.   WFP is recognised as a partner of choice in the area of humanitarian response and has developed an effective operational relationship with governmental entities, as evidenced by stakeholders met during the audit. Several years of investment in developing a role providing recognised technical support for strengthening the nutrition capacity of government and multi-stakeholder networks (such as Scaling Up Nutrition – SUN - a multi sectoral platform owned by the highest government institutions) has contributed to an increasing government policy focus on nutrition and food security.

Observation 1 : Alignment of the organizational structure

34.   The CO carried out corporate realignments and internal reorganizations during 2018-19. These exercises were initially funding-driven, and the most recent was based on a macro-alignment of skills to the CO's new strategy and evolution towards a development role as articulated by the CSP. The need for such a shift had been highlighted by multiple stakeholders met during the audit and was confirmed by audit work.

35.   Documentation and records available in the CO provided an overall view of the basic principles followed and the steps carried out in the organizational realignment processes, and clearly outlined the final products and results (in the form of draft organizational charts). However, there were no formalised and detailed references to assessments of skills needs for CSP implementation, and of the gaps within the CO which might potentially affect the achievement of CSP objectives.

36.   In addition to the risks identified above, reassignment of the Country Director, Deputy Country Director, and various key managers is scheduled for mid-2019. These reassignments will result in a simultaneous loss of key skills and historical knowledge. This may pose a threat to the successful implementation of the organizational realignment and to the achievement of CSP objectives, as well as maintaining relationship with the government in the development approach envisaged in the CSP. At the time of the audit new senior managers were yet to be appointed.

Underlying cause(s): Corporate tools for skills gap analysis not utilized. Demand driven corporate monitoring of and support to COs undergoing significant structural realignment, in particular for realignment to CSPs. Corporate reassignment timelines and objectives diverging from CO needs, or not staggered to allow continuity.

Agreed Actions [High priority]

(a)   The CO, utilising the recently-defined office structure as a starting point, will formalize a detailed skills gap analysis using corporate tools, and implement the decisions needed to ensure the organizational structure contains the required skills to fully implement the CSP.

(b)   The Regional Bureau Bangkok (RBB), in coordination with the HR Division as relevant, will reconsider the staffing needs and timeline of upcoming changes of the Pakistan CO and identify solutions to ensure retention and handover of knowledge, and presence of adequate/required skills to finalize the implementation of the reorganization and achievement of CSP objectives.

(c)   The HR Division will:

(i)   Develop mechanisms to ensure that reassignment decisions and proper handover allow continuity of operations, avoiding simultaneous loss of key experience and knowledge.

(ii)   Establish a procedure to provide adequate monitoring of and support for COs undergoing structural organizational changes.

Timelines for implementation

(a)   31 December 2019

(b)   31 December 2019

(c)   31 December 2019

Observation 2 : Enterprise risk management and emergency preparedness

37.   There were gaps in the utilization of corporate tools for risk and performance management. In particular:

- The 2018 CO risk register (RR), although established, lacked an assessment and profiling of emerging risks related to the transition to the CSP, including staffing.

- Mid-term and end-of-year reviews of the RR and of the Annual Performance Plan (APP) had not been carried out.

- Review of the RR highlighted several actions that had not been implemented.

- The 2019 RR and APP had not been prepared at the time of the audit fieldwork in March 2019.

38.   The CO reported that review of the 2018 RR and APP, and preparation of those for 2019, were finalized after the audit fieldwork.

39.   The audit also noted gaps in periodic assessments of risks for key functions. For example, risk assessments were not carried out for cash/food assistance for assets (CFA and FFA) projects and for procurement transactions, while the risk register for CBT was outdated.

40.   The CO received oversight missions during the audit period from RBB covering the areas of partnerships, supply chain and finance, and a joint RBB/HQ mission covering CBT. However, the audit noted limited support and/or oversight in other core areas such as programmes and human resources (*refer also to observation 1*) that had either gone through several changes (such as the staffing structure reviews) or which required additional support due to staffing and/or skills gaps.

41.   The CO business continuity plan (BCP) and disaster recovery plan (DRP) were noted to be up-to-date, however they had not been tested during the period under review.

Underlying cause(s): Lack of prioritization of ERM and emergency preparedness processes. Vacant compliance officer position. Use of Enterprise Risk Management corporate tools for compliance purposes. Diverging operational requirements for oversight missions between CO and RB. Unclear role of the Regional Bureau in the review of the RR.

Agreed Actions [Medium priority]

The CO will:

(i)   Following the appointment of a new compliance officer, redefine the role, responsibilities and working methodologies for the position, leveraging corporate guidance as necessary.

(ii)   Following the finalization of the 2019 RR and APP, reassess the RR for completeness, clear action definition and ownership.

(iii)   Establish periodic specific operational risk assessments and risk registers for relevant functional areas (for example FFA, procurement transactions, CBT) to guide efforts and prioritization of internal controls.

(iv)   Carry out testing of the BCP and DRP in accordance with corporate guidelines.

(v)   In coordination with RBB, establish mechanisms to access and leverage RBB functional areas for support and oversight in line with the CO's priorities and needs.

Timeline for implementation

31 December 2019

B: Delivery

42. The audit performed tests and reviews of programme implementation for relief, nutrition and institutional capacity strengthening including: prioritization of activities; management of partnerships with government and cooperating partners (CPs); targeting and registration of beneficiaries/institutional capacity strengthening activity participants; project delivery, including the effectiveness of beneficiary verification and validation; capacity building of CPs; coordination with government counterparts; and identification and reporting of the impact of WFP operations. Other areas of audit focus were monitoring processes and the implementation of monitoring plans, and management of beneficiary feedback mechanisms.

43. The CO had established a trusted relationship with governmental entities, particularly in the field of nutrition that allowed it to work through national safety nets to provide conditional transfers to beneficiaries. Such partnership entailed aspects of capacity building and strengthening of government systems and provided an indication of the CO's initial move to a role beyond the provision of relief and emergency food assistance.

44. The CO had recently implemented some structural changes aiming at strengthening the functioning and independence of its monitoring unit. At the end of 2018 project reviews for major programmatic activities were carried out, which highlighted achievements and shortcomings, the information from which is intended to inform decisions on future programme design in line with CSP objectives.

45. Donors met during the audit were positive about the timeliness and relevance of information received through WFP vulnerability analysis reporting and the constructive interaction with the CO that allowed for technical exchanges and joint learning, considered essential for multi-year funding.

Observation 3: Targeting and registration, including beneficiary management systems

46. There were significant shortcomings in the design and operationalization of targeting, registration and beneficiary management processes and procedures.

Targeting and registration

47. There was no comprehensive targeting and registration guidance in place. The CO was reliant upon partners/counterparts and was not sufficiently involved in targeting and registration processes to obtain assurance over their completeness, accuracy and integrity:

- General food distribution (GFD) beneficiaries were identified and communicated to the CO by the FATA Disaster Management Authority (FDMA). Despite no new displacements in recent years there were no mechanisms in place to reassess the persisting vulnerability status of current temporarily dislocated person beneficiaries. There was no closed loop with FDMA on beneficiaries reached to facilitate reconciliation; this was highlighted by FDMA as a limitation on their internal reporting on achievements.

- CFA/FFA targeting and registration were delegated to the CPs in coordination with local authorities;

- The CO had not carried out an assessment of, nor did it have visibility over, the targeting process and list of beneficiaries identified by the governmental partner (BISP) for the safety nets activity (drought response top-up).

- Involvement in the selection of schools for safety interventions and training of government staff was limited.

48. There was a lack of structured documentation supporting the targeting process from local administrative areas (Tehsils) to households, which was delegated to CPs. This inhibited clear understanding of decisions taken, including articulation of high-level criteria, selection of areas and modality and prioritization.

49. Triangulation of data with the National Database and Registration Authority was delegated to counterparts, including the financial service provider (FSP) for CBT without proper formalization in the FSP agreement. Registration of beneficiaries, based upon national ID cards, did not allow for verification of duplications among different programmatic activities, as family codes on cards are not unique; this also impacted validation of alternates.

50. Beneficiary lists were maintained and exchanged in Excel files, with associated risks of data integrity and protection.

51. For all activities, the CO utilized post distribution monitoring as the main source of targeting verification; however available data was not sufficient for adequate verification.

Beneficiary Management System

52. The CO had developed two in-house beneficiary management systems for GFD and CFA/FFA activities; neither had been reviewed by the WFP Technology Division (TEC) to ensure that they met required corporate standards[6]. The implementation of WFP's corporate system for beneficiary management (SCOPE) commenced in 2018 and was ongoing at the time of audit fieldwork, although as yet the system had not been used to record beneficiary data for ongoing operations.

53. The CFA/FFA solution was essentially a data repository where Excel beneficiary lists were uploaded, with no capabilities to manage the registration and verification of beneficiaries, and inadequate internal controls to ensure confidentiality, integrity and safeguarding of

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[6] This issue and a corresponding action were raised in the Internal Audit of ICT Management in Country Offices AR/19/10, observation number 3.

beneficiary data. Transmission of confidential beneficiary data from partners and within WFP Offices and units was via unsecured channels, prone to interception from third parties and carrying a risk of compromised data protection.

54.   The system used for GFD did not support the management of the beneficiary registration process.

Underlying cause(s): The CO had not assessed the need for direct involvement in targeting and registration processes and had not established proper visibility mechanisms nor check points to validate the operating effectiveness and correctness of counterparts. Access limitations. Local systems developed before corporate solutions and lack of understanding of limitations of the existing systems, resulting in delays in implementing corporate solutions. Limited corporate guidance.

Agreed Actions [High priority]

The CO will:

(i)   Reassess and amend targeting processes, including roles, responsibilities, and operational modalities. This will take into account the need for appropriate WFP staff field presence, checks and validation of targeting processes, including closed loop triangulation of data and mechanisms for detecting duplication of beneficiaries (i.e. registration of all household members).

(ii)   Based on the above, finalize and implement standard operating procedures (SOPs) for the end-to-end process for all activities, including targeting criteria, establishment of an adequate audit trail and monitoring.

(iii)   Finalise the implementation of SCOPE to replace current applications.

Timeline for implementation

31 December 2019

Observation 4: Cooperating partnership management

55.   The audit highlighted non-compliance and inconsistencies in the governance and implementation of CP selection and management processes. These gaps are particularly important to address in the context of the shift in the strategic direction of the CO, which requires renewed partnerships with non-governmental organizations (NGOs) that can provide technical expertise and support in delivering on the CSP. When implementing through partners, including government structures, the CO also needs to set a clear position on standards acceptable for WFP.

56.   Weaknesses were observed in several process areas: identification of available NGOs; completion of due diligence and capacity assessments using consistent criteria; shortlisting; preparation of calls for proposals to allow all shortlisted NGOs to participate; signing of field level agreements (FLAs) based on the terms outlined in the calls for proposals; and recording of related commitments in WINGS. Issues concerning selection of CPs often related to the approval (or rejection) of Non-Objection Certificates (NOCs) issued by the Government, a process over which the CO has no control and limited visibility.

57.   Lack of regular follow-up on recommendations arising from capacity assessments, health checks and/or performance assessments of NGOs resulted in weaknesses not being addressed for a long time, and in instances where weaknesses materialized in both losses to WFP and underperformance. There were instances of additional caseload allocations to an NGO whose performance assessment was not complete as it did not reflect issues identified during the implementation of previous activities.

58.   The narrow range of CP selection did not provide assurance that partners were selected to best align to the achievement of CSP objectives. Repeated use of the same partners without competitive reselection and/or rotation also increases potential risks of fraud, collusion and nepotism.

59.   The CO had recently developed an updated draft SOP on CP and FLA management, aimed at addressing some of the identified weaknesses, including a repositioning of the FLA management unit as a cross-cutting function supporting all SOs.

Underlying cause(s): CP selection process not yet finalized to align to the CO's evolving needs. Inconsistent application of criteria and corporate guidelines on selection of CPs. Limited supervision of country-based NGO partnership management from RBB as required in WFP circular OED 2018-004.

Agreed Actions [High priority]

(a)   The CO will:

     (i)   Redefine the profiles of CPs required to achieve CSP objectives, based upon expected activities, and implement consistent selection criteria based upon these required profiles.

     (ii)   Develop systems and processes to support/advise government partners in their CP selection wherever WFP choses to operate through national systems.

     (iii)   Institute a coherent approach to capacity assessments: define timing, types, levels of assurance required, profiling of CPs, clearance of assessments (including approvals), and follow-up on identified weaknesses; and leverage the results to define and implement capacity-strengthening initiatives.

     (iv)   Finalize and implement both repositioning of the FLA management unit and the CP management SOP, using the audit findings to inform the redesign of specific procedures as appropriate.

     (v)   Implement the mitigation action outlined in the CO risk register to address the risk of uncertainty of obtaining project NOCs.

(b)   RBB will support the CO in the implementation of the revised CP and FLA management SOP and provide support for compliance with OED 2018-004.

Timeline for implementation

(a)   31 December 2019

(b)   31 December 2019

Observation 5: Project implementation

60.   WFP is recognised as a key actor in the humanitarian space in Pakistan with the need to reposition itself fully as a development partner, although the shift has already started. This is reflected in relatively low funding for development activities, with contributions received mainly for humanitarian activities and nutrition, increasing the risk of non-achievement of some of the CSP objectives.

61.   The audit identified the following issues in the implementation of selected activities:

- FFA/CFA activities in Pakistan were still following a food/cash for work approach, focused on short-term benefits while the transition to longer-term activities was yet to be made. Selection of projects was delegated to CPs, and technical expertise was not always leveraged in the implementation of projects. Non-implementation of SCOPE limited the ability of the CO to evolve from the current model towards a more comprehensive solution.

- For relief activities the CO relied heavily on CPs for monthly distribution planning with minimal input by the provincial offices. Beneficiary figures in the monthly distribution plans and project reports from CPs were based upon estimates rather than actual data.

- The school feeding activity was suspended in 2018 due to changes in project design and is now planned to be implemented as a cash top-up to BISP beneficiaries. However, a decision on the way forward had not been finalized and a memorandum agreement with BISP had not yet been signed. There was no documented assessment to support the intended modality, definition of the expected outcomes and related monitoring and evaluation implications. (Refer to observation 8 for further details on the activities with BISP).

- Achievements under SO4 were limited to specific disaster risk management interventions and delivery of trainings and supplies to schools under the school safety programme. Challenges were also noted in climate risk and food security analyses, a potential area of engagement for WFP, where limited consultations with stakeholders and internal capacity constraints resulted in poor quality outputs. This might affect the CO's efforts to position itself beyond emergency operations as these activities require further strategic alignment, based on comprehensive capacity gaps and needs assessments. The CO confirmed that a lessons-learned exercise was in progress at the time of the audit, which is expected to inform the design of the activity going forward.

62.   The Resource Management Committee (RMC) was not fully functional, and there was limited evidence of it making allocation decisions to ensure transparent, evidenced and communicated processes for allocation of non-earmarked funds between SOs.

Underlying cause(s): Insufficient technical skills and expertise for the gradual shift of activities. Limited knowledge and implementation of corporate programmatic rules and guidance. Limited coordination between units, and overdependence on personal skills. Limited corporate support for COs engaging in institutional capacity strengthening and development activities.

Agreed Actions [Medium priority]

The CO will:

(i)   Finalize decisions on the consolidation and strategic direction of the SOs in the CSP, including related implementation plans, coordination mechanisms, and future direction of school feeding activities.

(ii)   In consultation with RBB and HQ, determine which assessments are required to proceed with the planned scale-up of BISP activities, including a definition of whether these are CBT projects or qualify as capacity strengthening, and document the conclusions reached to compile an adequate audit trail and to inform future decisions.

(iii)   Reassess FFA/CFA methodology and programme design and implement processes to ensure implementation in line with corporate guidance and requirements.

(iv)   Reassess relief operational steps and tools and ensure implementation in line with corporate requirements. This will include definition of tasks to be carried out by WFP staff (for example distribution planning) and tools for reporting of actual data.

(v)   Institute regular RMC meetings, and document and communicate rationale for fund allocation decisions.

Timeline for implementation

31 December 2019

Observation 6: Monitoring and reporting

Monitoring planning and execution

63.   The CO was strengthening its monitoring, particularly by implementing organizational changes to provide independence from relief programme activities. It had also carried out several project reviews to inform programme decisions. However, the design and operationalization of monitoring and reporting processes needed further improvement.

64.   The monitoring strategy, prepared at the inception of the CSP transition process, had not been updated to reflect all activities nor was it aligned to corporate guidance; for example in the definition of minimum required monitoring frequencies. A Monitoring, Review and Evaluation Plan had been developed but was not costed and not supported by an analysis to drive the design of monitoring activities and the collection and analysis of data, including calculation of indicators. The procedure for management of the monitoring findings through a locally developed application (RIRS) was in draft.

65.   Monitoring plans were prepared based upon staff availability at provincial office level. Associated travel budgets were approved by SO managers, generating a risk of conflict of interest or diverging priorities. Plans were focused on post-distribution monitoring and did not allow for achievement of targets and minimum monitoring requirements as per corporate guidance. There was no consolidation at CO level, including for planned versus actual achievements to inform future planning.

66.   The CO had signed a third-party monitoring agreement with the University of Peshawar to complement its in-house monitoring capacity, including for the new in-depth needs assessments in FATA, however a structured capacity assessment of this partner had not been formalized to support outsourcing of activities.

67.   The CO had locally developed a tool for logging monitoring findings identified during field monitoring visits, without corporate involvement or consultation on its configuration and security parameters. The system did not provide any visibility of actions taken and results, a consolidated/centralized analysis of findings was not carried out to identify trends and to inform project design and CP capacity strengthening and performance assessments, and there was no process for structured reporting to management of major cases. An analysis of a sample of reports indicated that findings were not consistently logged in the system.

68.   Monitoring reporting was focused on implementation progress and reporting of major/traditional outcome indicators (such as food consumption scores). It was not prepared in quarter three of 2018 due to staffing constraints.

Beneficiary Feedback Mechanisms

69.   During the audit period 170 cases were received and logged through the beneficiary feedback mechanism (BFM), 60 percent of which were from two districts (from a total of 23); 37 cases were open at the time of the audit. The CO, aware of the issue, reported cultural aspects and connection availability as limiting feedback, impacting particularly access from women. The hotline was not toll free. CPs were also requested to implement grievance desks at project sites and to have their own feedback/information mechanisms; the CO did not have visibility of these. The CO's BFM system in place was not implemented in coordination with TEC, however it allowed for tracking actions taken and supporting evidence.

Reporting

70.   Performance indicators were mainly output based and not adequate to demonstrate achievements, particularly for institutional capacity strengthening and nutrition activities. Outcome indicators were not defined for certain activities (for example SO2 safety nets and SO5), or in the case of SO4 were not calculated and reported in the Annual Country Report. Some cross-cutting indicators (for example relating to environmental risks) were also not calculated. Several performance indicators targets, for example for nutrition, were lower

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than the baseline, affecting messages on WFP achievements. At the same time, the limitations in WFP's corporate results framework[7] and standard reports do not provide a platform for the evidence the CO generated, especially for nutrition, through operational research and studies (refer to observation 7 on communicating results).

Underlying cause(s): Budget informing the monitoring efforts. Budget structure requiring SO managers to approve monitoring travels. Recent reorganization of the unit. Security and access constraints. Limited system functionalities and corporate systems. Uncoordinated BFM efforts with CPs.

Agreed Actions [Medium priority]

The CO will

(i)   Update its monitoring strategy to align with the corporate strategy and guidance, and the CO's CSP.

(ii)   Reassess the monitoring planning process in line with corporate guidance and ensure consolidation and analysis of plans and actual at CO level.

(iii)   Establish a process for consolidated analysis/review, reporting and escalation to management of monitoring findings from every source.

(iv)   Formalize a capacity assessment of the third-party monitor to ensure management of the relationship in line with corporate guidance.

(v)   In coordination with TEC, reassess the RIRS monitoring system functionality to ensure compliance with corporate requirements, and visibility of actions, ownership, deadlines and results.

(vi)   Coordinate, reassess and clarify the need for CPs to have BFMs in place, or opportunities to integrate. In coordination with RBB as necessary, identify ways for encouraging the use of CO's BFM by beneficiaries and establish mechanisms for effective utilization of BFM to inform programmatic decisions in line with CSP objectives.

(vii)   In coordination with RB and HQ units, reassess and define relevant outcome indicators and targets for all activities.

Timeline for implementation

31 December 2019

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[7] This issue and corresponding action were raised in the Internal Audit of Monitoring in WFP AR/18/11.

C: Resource management

71.   The audit performed tests and reviews of financial and resource management including; allocation of costs in the context of funding constraints; resource mobilisation strategy and donor relations, specifically in the context of transition to the CSP priorities; and human resources management, including recruitment and training.

72.   During the audit period, RBB carried out an oversight and support mission on partnerships, communications and reporting which identified the need for structural changes; at the time of the audit the CO was finalizing implementation of the mission's recommendations. Donors met during the audit were positive about collaboration with WFP and highlighted positive coordination and an improving recent trajectory with respect to information sharing and reporting.

<table>
<tr><td>**Observation 7: Resource mobilization and communication**</td></tr>
</table>

73.   The CO's funding levels have significantly reduced over recent years, in line with emergency needs, and at the time of the audit the funding outlook was insufficient to ensure implementation of the CSP, particularly with regard to capacity strengthening and development activities. Funding was mainly from traditional donors and although effort was being put into the relationship with the Government, audit discussions with Government partners highlighted a lack of seed funding as an impediment; other development partners in the country had reportedly used seed funding to demonstrate the effectiveness of scalable solutions[8].

74.   Donor development initiatives had been put in place but were not carried out in a structured manner. The CO did not have a formalized resource mobilization strategy, nor had it carried out a donor mapping exercise or prepared a resourcing plan to structure resource mobilization efforts. A partnership SOP, to clarify roles and responsibilities after the recent CO reorganization, was not available.

75.   There were no communication strategy and procedures to support advocacy efforts and to guide promotion of WFP's achievements and role as a development actor in the country. While partners consulted during the audit applauded WFP studies and publications, particularly for nutrition, these could not be easily found in the public domain, either through general internet searches, via WFP's website or through other advocacy platforms. There is a risk that WFP's technical expertise may not be attributed to the organisation if third parties involved in joint programmes feature more prominently in their own publication efforts.

76.   Donors met during the audit highlighted improvements in responsiveness and information reporting/sharing since the recent CO reorganization, with areas for further improvement in financial data quality and the need for further proactive communication. Multi-year donors appreciated on-site visits and joint learning, which the CO could leverage with published stories from the field.

Underlying cause(s): WFP not positioned as a partner of choice for development activities and lack of highlighting of achievements in this area. Limited corporate guidance for capacity strengthening and development resource mobilization initiatives and CO fundraising activities not adjusted to the shifting role. Inadequate and/or delayed corporate tools to support COs shift in resource mobilization efforts within the Integrated Road Map. Recent organizational realignment of the partnership, communication and reporting units yet to be finalized.

Agreed Actions [Medium priority]

The CO will:

(i)   In consultation with relevant HQ units as necessary, prepare a resource mobilization strategy to drive fundraising efforts to align with the CSP objectives.

(ii)   Prepare partner relationship and reporting procedures to define roles, responsibilities and tasks, including accuracy checks and mechanisms for structured communications with donors.

(iii)   Prepare and implement a communication strategy and procedures.

Timeline for implementation

30 September 2019

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[8] This issue and a corresponding action were raised in the Internal Audit of Country Capacity Strengthening: report AR/16/14.

D: Support functions

77. The audit performed tests and reviews of the CO's support functions including: contracting of transporters; management of commodity losses; warehouse management at relief hubs; procurement, with a focus on vendor selection, due diligence, and acceptance of services for food and non-food items; and security management at both the CO and the provincial offices.

78. The CO had started providing logistics services to other UN agencies, NGOs, and Government entities to allow for coverage of logistic costs, maintaining logistics capacity in disaster-prone areas despite limited ongoing operations.

Observation 8: Cash-based transfers

79. Since inception of the CSP the CO had delivered over USD 5 million to beneficiaries through immediate cash transfers using FSPs and BISP, under early recovery and safety nets activities respectively.

80. An internal Cash Working Group (CWG) was setup at the CO level in 2015 to facilitate an integrated and cross-functional approach to implementation of CBT activities countrywide. However, the CWG was noted to be barely active; a meeting was held only once during the audit period. The CWG's constitution and terms of reference had not been updated to align with the changes in WFP's approach and methodology and the newly adopted CSP structure. The safety net activity was not represented in the CWG, and each activity carried out its own siloed CBT delivery with minimal coordination and collaboration. As such, opportunities to capitalise on maximising economies of scale, expertise and knowledge were limited.

81. Ex-ante analysis of cost efficiency effectiveness and externalities, crucial to the decision-making process on appropriate transfer modalities and mechanisms, had not yet been carried out at the time of the audit. Macro and micro financial assessments were last carried out in 2016; there was need to update them to reflect sectoral and contextual changes, in line with corporate requirements. Review of the periodic CBT intervention assessments highlighted opportunities for the CO to strengthen information technology assessments to include a review of the financial systems and data privacy internal controls of BISP and the FSPs with whom the CO collaborates.

82. Provincial offices did not verify beneficiary payment lists provided by the CPs against activity attendance sheets and beneficiary registration lists. This, coupled with limited CP presence at project sites, raised a risk of payment of cash benefits to persons not engaged in WFP's CFA activities. Additionally, even though the CO was carrying out overall periodic reconciliations of cash transfers, there was no reconciliation of individual payments and cross matching of CP beneficiary registration lists with payment lists from the provincial offices and with bank payment reports, nor formal review and approval of the periodic reconciliations. The criticality of reconciliation controls in a CBT operation was already highlighted by the Office of Internal Audit in an advisory work on the topic in early 2018. Related guidance has not been finalized since.

83. The CO had not carried out a comprehensive CBT due diligence and capacity assessment before partnering with BISP for unconditional cash top-up support to beneficiaries in Sindh. Reconciliation of cash transfer operations completed in December 2018 was yet to be carried out, and, at the time of the audit, BISP was behind in fulfilling its agreed reporting obligations.

Underlying cause(s): Lack of clarity on and prioritization of CBT requirements and procedures, including controls operating modalities. Varying staff experience and expertise in designing and implementing CBT activities and lack of coordination among the different units.

Agreed Actions [Medium priority]

The CO will:

(i) Update the CWG terms of reference, expand membership to all activity managers/units carrying out CBT activities, and hold regular meetings.

(ii) Carry out/update required CBT assessments and explore ways to include reviews of partners' financial systems and data privacy internal controls in ICT assessments.

(iii) Carry out a CBT capacity assessment and operational risk review of BISP and implement appropriate validation and monitoring mechanisms.

(iv) Establish mechanisms to verify beneficiary payment lists provided by CPs against the activity attendance sheets.

(v) Expand the reconciliation process for all CBT activities to include reconciliation of individual beneficiary payment transfers and cross matching of the beneficiary registration lists from CPs, payment lists from provincial offices and bank payment reports. This will leverage SCOPE once implementation is finalized (*refer to observation 3*).

Timeline for implementation 31 December 2019

E: Cross-cutting

84.   The audit performed tests and reviews of how the CO approached and mainstreamed gender internally within the office organization and structure, as well as externally in project implementation. These included reviews of allocations of responsibilities and participation in gender platforms/networks, the gender action plan and its status, and of results achieved and reported on related to the gender programmatic components of activities.

85.   Several female staff, mostly international, were in senior positions including Deputy Country Director, three SO managers, and the heads of the supply chain, human resources and partnership units. The CO had taken gender into consideration in the set-up of its oversight mechanisms, for example the BFM call centre was managed by a woman and monitoring teams always included female staff.

Observation 9: Gender – progress towards equality

86.   The overall representation of women in the CO was low (22 percent), despite a favourable percentage of women staff at higher grades. The CO indicated significant contextual constraints in recruiting women and in achieving gender parity among national staff. Review of recruitment processes indicated that the CO mainly advertised vacancies on dedicated UN career channels/websites and incentivised applications from women using WFP standard messaging.

87.   The CO gender and protection focal point left in 2018 and the role had been internally reallocated, pending recruitment of a dedicated and experienced resource. Initially enrolled in the WFP gender transformative programme the CO withdrew indicating among other factors constraints linked to other prevailing priorities. The CO had also not subscribed to contribute to the Pakistan UNDAF gender outcome.

88.   Gender had been considered in the CSP design, however there were issues related to achievement and reporting of gender-related targets:

- Year-end targets for gender cross-cutting outcome indicators had not been achieved, despite some improvements.

- The CO had not monitored nor reported on implementation of gender activities (markers for gender equality) utilizing corporate tools. Delays in implementation of programmatic activities, for example school feeding, may also have impacted overall achievements.

- Most SO-specific indicators were reported as sex and age disaggregated, however for the sample reviewed calculation was based upon country official ratios and not on the actual number of beneficiaries.

89.   A gender budget was available in the CSP for all SOs excluding one (SO5) and for five out of eight activities, however there were no periodic reviews as the CO indicated corporate accounting and reporting system settings did not facilitate extraction and consolidation of all gender-sensitive expenses. The gender budget had not yet been mainstreamed in partner FLAs, as the gender planned cost by activity annex is usually not filled in.

Underlying cause(s): Cultural restrictions and recruitment initiatives and messaging not tailored to the complexity of the local context. CO conflicting priorities and gender initiatives not prioritized. Insufficient beneficiary management system and reporting from CPs. Initiative to structure corporate systems to track gender-related actual expenditures under implementation.

Agreed Actions [Medium priority]

The CO will:

(i)   Finalize the recruitment of the gender focal point/officer and update the terms of reference to reflect the shift from humanitarian to development activities.

(ii)   In coordination with HQ as relevant, reassess the vacancy announcement process and tools, including messaging, to identify ways to reach a wider female audience.

(iii)   Implement monitoring and reporting of gender equality markers.

(iv)   Reassess the root causes for non-achievement of gender indicators and identify appropriate adjustments to programmatic activities.

(v)   Following the finalization of SCOPE implementation, utilize granular actual data for gender disaggregation reporting.

(vi)   Reassess completion of the gender transformative programme.

(vii)   Mainstream a gender component in FLAs.

Timeline for implementation

31 December 2019

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		WFP's Internal Audit Universe	**Categories for aggregation and analysis:** WFP's Governance, Risk & Control logic: Risks (ERM) Processes (GRC)		Implementation lead	Due date(s)	
1	Alignment of the organizational structure	Governance	Governance & oversight risks	Human resources	CO RBB HRM	(a) (b) (c)	31 Dec 2019 31 Dec 2019 31 Dec 2019
3	Targeting and registration including beneficiary management systems	Activity/project management	Programme risks	Beneficiaries management	CO		31 Mar 2020
4	Cooperating partnership management	NGO partnerships	Partner and vendor risks	Partner management	CO RBB	(a) (b)	31 Dec 2019 31 Dec 2019

Medium priority observations		WFP's Internal Audit Universe	**Categories for aggregation and analysis:** WFP's Governance, Risk & Control logic: Risks (ERM) Processes (GRC)		Implementation lead	Due date(s)
2	Enterprise risk management and emergency preparedness	Risk management	Governance & oversight risks	Risk management	CO	31 Dec 2019
5	Project implementation	Activity/project management	Programme risks	Service delivey	CO	31 Dec 2019
6	Monitoring and reporting	Monitoring & evaluation	Programme risks	Performance management	CO	31 Dec 2019
7	Resource mobilization and communication	Fundraising strategy	Contextual risks	Resource mobilization and Partnerships	CO	30 Sep 2019
8	Cash-based transfers	CBT	Programme risks	CBT service providers	CO	31 Dec 2019
9	Gender – progress towards equality	Gender	Contextual risks	Human resources	CO	31 Dec 2019

Annex B – Definitions of audit terms: ratings & priority

1 Rating system

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 Priority of agreed actions

Audit observations are categorized according to the priority of 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.

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.

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.[9]

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

3 Categorization by WFP's audit universe

WFP's audit universe[10] covers organizational entities and processes. Mapping audit observations to themes and process areas of WFP's audit universe helps prioritize thematic audits.

Table B.3: WFP's 2019 audit universe (themes and process areas)

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[9] 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.
[10] A separately existing universe for information technology with 60 entities, processes and applications is currently under review, its content is summarised for categorisation purposes in section F of table B.3.

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 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.

4   Categorization by WFP's governance, risk & compliance (GRC) logic

As part of WFP's efforts to strengthen risk management and internal control, several corporate initiatives and investments are underway. In 2018, WFP updated it's Enterprise Risk Management Policy[11], and began preparations for the launch of a risk management system (Governance, Risk & Compliance – GRC – system solution).

As a means to facilitate the testing and roll-out of the GRC system, audit observations are mapped to the new risk and process categorisations to define and launch risk matrices, identify thresholds and parameters, and establish escalation/de-escalation protocols across business processes.

Table B.4: WFP's new ERM Policy recognizes 4 risk categories and 15 risk types

1	Strategic	1.1 Programme risks, 1.2 External Relationship risks, 1.3 Contextual risks, 1.4 Business model risks
2	Operational	2.1 Beneficiary health, safety & security risks, 2.3 Partner & vendor risks, 2.3 Asset risks, 2.4 ICT failure/disruption/attack, 2.5 Business process risks, 2.6 Governance & oversight breakdown
3	Fiduciary	3.1 Employee health, safety & security risks, 3.2 Breach of obligations, 3.3 Fraud & corruption
4	Financial	4.1 Price volatility, 4.2 Adverse asset or investment outcomes

Table B.5: The GRC roll-out uses the following process categories to map risk and controls

1	Planning	Preparedness, Assessments, Interventions planning, Resource mobilisation and partnerships

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[11] WFP/EB.2/2018/5-C

2	Sourcing	Food, Non-food, Services
3	Logistics	Transportation, Warehousing
4	Delivery	Beneficiaries management, Partner management, Service provider management, Capacity strengthening, Service delivery, Engineering
5	Support	Finance, Technology, Administration, Human resources
6	Oversight	Risk management, Performance management, Evaluation, Audit and investigations

5   Monitoring the implementation of agreed actions

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.

OIGA monitors agreed action from the date of the issuance of the report with regular reporting to senior management, the Audit Committee and the Executive Board. Should action not be initiated within a reasonable timeframe, and in line with the due date as indicated by Management, OIGA may close the action as unaddressed in the audit database and such closure confirmed to the entity in charge of the oversight. The Risk Management Division is copied on such communication, with the right to comment and escalate should they consider the risk accepted is outside acceptable corporate levels, and senior management, the Audit Committee and the Executive Board are informed in regular reporting.

Annex C – Acronyms

APP	Annual Performance Plan
BISP	Benazir Income Support Programme
BCP	Business Continuity Plan
BFM	Beneficiary Feedback Mechanism
CBT	Cash-Based Transfers
CFA	Cash Assistance for Assets
CO	County Office
CP	Cooperating Partner
CSP	Country Strategic Plan
CWG	Cash Working Group
DRP	Disaster Recovery Plan
FATA	Federally Administered Tribal Areas
FDMA	Federal Disaster Management Authority
FFA	Food Assistance for Assets
FLA	Field Level Agreement
FSP	Financial Service Provider
GFD	General Food Distribution
GRC	Governance, Risk and Control
HR	WFP Human Resources Division
HQ	WFP Headquarters
NGO	Non-governmental Organization
NOC	Non-Objection Certificates
RBB	Regional Bureau Bangkok
RIRS	Pakistan Country Office system for tracking monitoring findings
RR	Risk Register
SO	Strategic Outcome
SOP	Standard Operating Procedure
TEC	WFP Technology Division
UNDAF	United Nations Development Assistance Plan
USD	United States Dollar
WFP	World Food Programme
WINGS	WFP's enterprise resource planning system