



19 September 2019

Management Comments to the Internal Audit Report of WFP Operations Honduras (AR/19/17)

Management Comments

WFP Management appreciates and welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report (AR/19/17) covering the period from 01 May 2018 to 30 April 2019.

Honduras is classified as a low-income country ranked 133 out of 189 countries on the 2018 Human Development Index (HDI). Its economy is based mostly on agriculture and has grown slowly but steadily in the last decade. GDP per capita grew from USD 2,528 in 2015 to USD 4,542 in 2018. Despite progress in reducing hunger, access to nutritious food is hampered by climate shocks and poverty, especially in rural areas. The Government has sought WFP's support in optimizing national social protection systems, strengthening government capacities at the central and decentralized levels, building resilience to the effects of climate change and improving food and nutrition security among vulnerable populations.

WFP Management welcomes the audit mission acknowledgment of the the strong coordination of the country office with other UN agencies and WFP's recognition as an impartial, transparent and trusted agency by the beneficiaries. Further, Management appreciates the audit's recognition that WFP programmes were designed to encourage mothers of schoolchildren to take ownership and responsibility for school meals, which has laid the foundation for the future handover of the school meal activities back to the communities. And even though some challenges arose during the execution, WFP has been successfully delivering on its commitments to the school feeding programme as noted in the audit report.

WFP Management acknowledges the overall conclusion of *partially satisfactory/some improvement needed*, as well as the nine observations, including two high priority and seven medium priority actions. WFP Management agrees with the audit observations, which are being addressed through an action plan, including detailed corrective measures and timelines.

The implementation of the agreed actions is well underway, and WFP Management is confident of being able to implement them by the end of September 2020. The implementation of the actions identified in the audit report will strengthen the effectiveness



of internal controls and will give further assurance to WFP's continued focus on enhancing school feeding activities, resilience, beneficiary management, cash-based transfers, monitoring and evaluation, partnerships and accountability to affected populations.

In relation to the two high-priority observations: 1) on the governance and structure of the school feeding activity, WFP Management is committed to continue dialogue with the Government to agree on a common vision for the gradual handover of the school feeding programme. In the meantime, the country office is putting in place controls on the liquidation process of signed waybills and receipts of schools to settle funding advances, as well as on the related flow of funds; and 2) on the monitoring framework and strategy, WFP Management will develop an appropriate and comprehensive monitoring system for all activities, in liaison with the Regional Bureau for Latin America and the Caribbean.

WFP Management would like to thank the OIG for the collaborative and supportive approach to this audit and for its constructive and useful observations to enhance the delivery of humanitarian assistance in Honduras.