



20 November 2019

Management comments to the Internal Audit Report of WFP Operations in Chad (AR/19/16)

Management Comments

WFP Management appreciates the observations made by the Office of the Inspector General (OIG) in its audit report AR/19/16 of WFP operations in Chad covering the period from 1 January 2018 to 31 March 2019.

In 2018, WFP provided food and nutrition assistance to 1.25 million vulnerable people in Chad including more than half a million of internally-displaced persons (IDPs), refugees, returnees and vulnerable local populations. During this period, WFP made significant efforts to scale-up resilience activities with the host government and partners, while ensuring that adequate humanitarian emergency response was provided. WFP operations were implemented in a context of: i) a complex humanitarian situation characterized by conflicts, protracted displacements and natural disasters; ii) challenging funding situation with low visibility on forecasts for various beneficiary categories and transfer modalities; iii) weak financial and technological environment and low capacity of partners (including financial service providers); iv) the first-ever pre-emptive L3 Corporate Emergency Response i.e. the Sahel Shock Response for the lean season; and v) an IRM roll out including finalization of the regional emergency operation (EMOP), Protracted Relief and Recovery Operation (PRRO), Development project (DEV) and Special Operation (SO) and the subsequent preparation of and migration to the new Country Strategic Plan (2019-2023).

Partners and donors recognise WFP as the leading agency in the humanitarian sector and highly welcome the strategic shift towards resilience activities in Chad. Cash Based Transfers (CBT) are delivered across 12 sub-offices to serve approximately 860,000 beneficiaries through various mechanisms ranging from immediate cash to e-Mobile Money. WFP's digital beneficiary and transfer management platform (SCOPE) was piloted in nine distribution sites for IDPs in the Lake and southern regions; a further expansion of SCOPE to beneficiary registrations, including biometrics, is ongoing.

WFP Management acknowledges the overall conclusion of "*partially satisfactory / major improvement needed*" and the four areas identified as "high priority" as well as the seven "medium priority" observations. The implementation of the agreed actions is already underway in collaboration with the Regional Bureau and relevant HQ divisions and it is expected to be completed by the agreed timelines.

Emphasis will be placed to swiftly address the high-risk observations. Processes in relation to financial reporting are already underway; actions are being taken to close open items, following a review of all estimated Service Entry Sheets (SES) and invoices (LIVs), and establishing a more effective alert system. Furthermore, CBT processes are being reviewed, building on the lessons learned from past issues. Food safety and quality matters are being tackled with support from the Regional Bureau for West Africa e.g. work orders for inspection companies. Close attention will be given to management oversight and mechanisms will be established to ensure effective



governance. In this regard, financial service providers' (FSP) contracting process steps were reviewed, and cleared by HQ, and regular Cash Working Group meetings are being held and documented. The CO has been working closely with one of its financial service providers (FSP) to recover the amounts due and has been regularly in touch with RBD and relevant functional units in HQ including the Legal Division throughout the whole process. A communication was sent to the country office's main donors regarding the issue with its FSP. Finally, adequate risk management approaches will be adopted to strengthen WFP operations in Chad.

WFP Management wishes to thank OIG for the productive engagement, effective service, and valuable observations provided, which will help WFP further enhance its operations and continue to make a difference in the lives of those most in need.