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Internal Audit of Food Safety and Quality as a Corporate Risk

Office of the Inspector General
Internal Audit Report AR/19/20

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Internal Audit of Food Safety and Quality as a Corporate Risk

Executive Summary

Introduction

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of food safety and quality as a corporate risk to WFP. It focused on the period from 1 January 2018 to 30 June 2019. The audit team conducted the fieldwork from 29 July to 26 August 2019 at WFP headquarters, which included interviews with relevant stakeholders from a variety of WFP locations. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.
2. WFP aims to integrate comprehensive food safety and quality assurance systems within its supply chain processes, from programme design to delivery, to ensure its beneficiaries have access to safe and high-quality food. Food safety and quality is cross-cutting to the achievement of all of WFP's five strategic objectives. The increased complexity of food baskets with the inclusion of specialized nutritious and processed foods, and WFP's current focus on nutrition and home-grown school feeding interventions, underscore the importance of addressing food safety and quality risks corporately.
3. Risks related to food safety and quality have been included in WFP's corporate risk register since its inception in 2012. Initially the overall corporate risk was categorised as a medium, escalated to high in 2017 when management's assessment of the likelihood of an incident arising changed from unlikely to likely. In July 2018 WFP recognised the increased food safety and quality risk exposure resulting from its quality control model in relation to specialized nutritious foods and set up an action plan that endeavours to gradually shift from quality control to quality assurance.
4. Two main lines of enquiry were established for the audit:
 - i. Are processes for identifying, formulating and monitoring corporate food safety and quality risks fit for purpose?
 - ii. Are mitigating actions relevant and effective in addressing and informing corporate food safety and quality risks?

Audit conclusions and key results

5. 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.
6. The audit noted significant improvement to the management of corporate food safety and quality risks. These included senior management commitment in early 2019 to a sustainable funding mechanism for the Food Safety and Quality Unit, based on a cost per ton model; the set-up of a Supply Chain Divisional Risk Committee for regular holistic discussion of supply chain risks; and the positioning of the Food Safety and Quality Unit with a direct reporting line to the Supply Chain Division Director.
7. Overall, however, the audit concluded that processes for identifying, formulating and monitoring corporate food safety and quality risks were not fit for purpose, primarily because WFP's levels of maturity in risk culture, governance and monitoring need further development. The corporate risk register process is a top-driven exercise



that, while designed for the senior management level, has few formal linkages to, and needs to be informed from, the field and operational levels. The audit identified opportunities to strengthen the governance of corporate food safety and quality risk management, to adjust corporate structures to enable effective food safety and quality risk information flow across the organization, and to improve the flow of field level incidents and issues to inform corporate risks. Improving WFP's risk culture and engagement from key management and staff will require both stronger enforcement of accountabilities, especially at senior management level, and demonstration of added value by the corporate risk management process.

8. A clearer articulation of the functional risk appetite that WFP tolerates for food safety and quality incidents, coupled with further development of appropriate risk indicators, will strengthen monitoring, measurement and reporting on food safety and quality risk levels. In addition, clear guidelines on the corporate risk register process will improve the consistency of functional unit submissions, while improving risk analysis and challenge by the Enterprise Risk Management Division will support a more holistic understanding of corporate risks.

9. There were ongoing efforts to implement mitigating actions from headquarters risk registers and oversight report findings. However, implementation of these actions had not translated effectively into measures for treating FSQ risks and for informing residual risk exposure.

10. There were also emerging and unmitigated risks that merited management attention such as the need to assess and address food safety and quality risks when designing new and innovative country strategic plan delivery models; to better embed food safety and quality risks in emergency preparedness and response; and to review WFP's procurement framework with respect to specialized nutritious foods, especially in improving controls to mitigate third party and fraud risks.

11. Key systems both for enterprise risk management and for food safety and quality management continued to be a constraint to the capturing and analysis of data and risks, as they were either not yet established or were in early stages of development. Audit analysis of multiple sources of field information, although challenged by a culture of under-reporting of incidents, indicated insufficient detective controls within food safety and quality processes, capacity issues, recurring issues with inspection services, and unclear roles and responsibilities at country office, regional bureau and headquarters levels.

Actions agreed

12. The audit report contains 5 high and 3 medium priority observations, all of which have agreed actions directed at the corporate level. Management has agreed to address the reported observations and work to implement the agreed actions by their respective due dates.

13. The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.

Kiko Harvey
Inspector General



Context and Scope

Food safety and quality as a corporate risk in WFP

14. Food safety and quality (FSQ) is cross-cutting to the achievement of all of WFP's strategic objectives and is increasingly important given WFP's programmatic focus on nutrition and on Home Grown School Feeding (HGSF), as well as efforts to increase levels of local procurement and processing. The 2018-2020 FSQ strategy outlines the imperative to shift from quality control to quality assurance for specialized nutritious foods (SNFs), and to integrate FSQ in the whole supply chain.

15. The FSQ business model largely relies on outsourcing of services and controls to third parties while seeking to protect against poor performance or incidents through contractual clauses and insurance mechanisms. In practice however, while financial risks may be mitigated, this approach does not protect WFP from operational risks, especially in the case of outsourced services and controls that are further sub-contracted in the organisation's extended supply chain. Outsourcing of controls requires a clear understanding of where risks lie, of how outsourced controls operate, of capacities of third parties and sub-contractors to undertake the controls upon which reliance is placed, and regular monitoring of their performance.

16. The outsourcing model, coupled with the increased complexity of WFP's food basket resulting from the inclusion of SNFs and processed foods, significantly increases the FSQ risk profile of the organisation. WFP has included an overall FSQ risk in its corporate risk register (CRR) since 2012, initially with a rating of medium. The rating was escalated to high in June 2017 as the likelihood of an incident arising was raised from unlikely to likely.

17. The Food Safety and Quality assurance unit (OSCQ) was created in 2009 within the corporate procurement division; from September 2019 the unit reports to the Supply Chain Division (SCO) director. A broader network of food technologists provides support across WFP operations. In July 2019 OSCQ engaged an external partner to perform a gap assessment of WFP's FSQ current business model to support the transition from quality control to quality assurance.

18. Accountabilities for risks within WFP are detailed in the 2018 Enterprise Risk Management (ERM) policy. The Executive Management Group (EMG), chaired by the Executive Director, is responsible for ensuring that WFP manages risk effectively. In the June 2019 CRR, following recent organizational structure changes, the Deputy Executive Director (DED) is the corporate risk owner for FSQ, while the SCO Director is the mitigating action owner and the Chief of OSCQ is the functional risk lead. Risk management is a standing item on the agenda of the Audit Committee (AC).

19. The Enterprise Risk Management unit (RMR), acting as a secretariat, coordinates risk discussions with risk mitigation owners for review by the EMG three times a year. RMR has undertaken significant work to establish risk metrics and tolerance levels with the business risk appetite statements, and WFP's second risk appetite report was presented to the EMG in June 2019.

20. In 2018, WFP purchased 3.6 million metric tonnes of food valued at USD 1.6 billion. 79 percent of procurement was from developing countries, and 21 percent was for purchase of SNFs. At the time of the audit there were some 200 inspection companies contracted by WFP to provide quality control checks along the food supply chain.

21. Funding for OSCQ in the period 2012 to 2019 was approximately USD 8 million, with 46 percent coming from private sector partners and 51 percent from other donors. In 2019, a Joint Directive was issued by SCO and the Finance and Treasury Divisions establishing a special account for FSQ service provision to country offices (COs), regional bureaux (RBx) and headquarters units, thereby providing a sustainable funding mechanism for OSCQ. The special account will charge OSCQ's clients a tonnage-based service provision charge, generating funds of approximately USD 5 million annually from country budgets. An advance of USD 2.3 million was allocated to the special account in February 2019.



22. In the audit period two major food quality and safety incidents occurred, receiving global press coverage, and requiring WFP to respond to emerging risks.

Objective and scope of the audit

23. The objective of this audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to food safety and quality as a corporate risk in WFP. 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.

24. 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.

25. The audit team assessed stakeholder engagement levels, reviewed governance and accountability mechanisms for managing corporate FSQ risks, and performed a walkthrough of the FSQ risk formulation process. The audit also reviewed progress on the implementation of mitigating actions and oversight findings, including the findings of an advisory assignment on the Analysis of Risks of WFP's Specialized Nutritious Foods in 2015¹, and assessed whether implementation and effectiveness of such actions effectively informed management of FSQ risks and residual risk exposure.

26. The audit team analysed and synthesized relevant field information from structured interviews with food technologists, CO risk registers, the food incident log and relevant oversight findings from both audit and investigation work. In addition, audit findings were benchmarked against best practice literature on ERM risk maturity levels.

27. The audit leveraged where possible the FSQ business model gap assessment undertaken by an expert partner in July 2019. The audit team attended several relevant work sessions with the SCO during the audit planning phase to ensure minimal duplication of efforts.

28. The audit team conducted the fieldwork from 29 July 2019 to 26 August 2019 at WFP headquarters in Rome.

Results of the Audit

Audit work and conclusions

29. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **Partially satisfactory / Major improvement needed**². 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

30. The Office of Internal Audit, in supporting WFP's management's efforts in the area of gender, separately reports its assessments or gaps identified in this area.

31. Given the specific scope of the audit focusing on FSQ as a corporate risk, potential gender dimensions were not considered.

¹ Report AA-15-05

² See Annex B for definitions of audit terms.

Observations and actions agreed

32. Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are classified according to the lines of enquiry established for the audit and are rated as medium or high priority; observations that resulted in low priority actions are not included in this report.

Table 1: Overview of lines of enquiry, observations and priority of agreed actions Priority of issues/agreed actions

1. Are processes for identifying, formulating and monitoring corporate FSQ risks fit for purpose?	
<i>1. Governance and managing change</i>	<i>High</i>
<i>2. Stakeholder engagement</i>	<i>High</i>
<i>3. Risk appetite and positioning</i>	<i>High</i>
<i>4. Measuring and monitoring FSQ risk</i>	<i>High</i>
<i>5. The corporate risk register process</i>	<i>Medium</i>
2. Are mitigating actions relevant and effective in addressing and informing corporate FSQ risks?	
<i>6. Emerging and unmitigated FSQ risks</i>	<i>High</i>
<i>7. Implementing FSQ risk mitigation actions</i>	<i>Medium</i>
<i>8. Analysis of field issues, incidents and risks</i>	<i>Medium</i>

33. The eight observations of this audit are presented in detail below.

34. Management has agreed to take measures to address the reported observations³. 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.

³ Implementation will be verified through the Office of Internal Audit’s standard system for monitoring agreed actions.



1. Are processes for identifying, formulating and monitoring corporate FSQ risks fit for purpose?

35. The audit assessed the status and awareness of the FSQ shift from quality control to quality assurance for SNFs, the governance arrangements for managing corporate FSQ risks, and levels of key stakeholder engagement in relevant processes. This involved inspecting a sample of CO risk registers, reviewing the evolution of FSQ risks in the corporate risk register, and performing walkthroughs of the processes for managing corporate FSQ risks.

36. A number of positive findings were identified by the audit including: (i) an increased awareness of FSQ risks enabling cross-functional collaboration and opportunities for programme delivery integration with key units such as Supply Chain CBT & Markets (OSCT), Nutrition (OSN) and Food Procurement (OSCSF); (ii) increased inclusion of FSQ risks in CO risk registers, mentioned in 8 percent of the CO risk registers in 2017, and 32 percent in 2019; (iii) well-coordinated governance and crisis management mechanisms in response to FSQ incidents and the creation of a SCO Risk Committee for regular and holistic discussion of supply chain risks; (iv) improvements in the positioning of OSCQ with a direct reporting line to the SCO Director; and (v) recent efforts by RMR in establishing risk appetite statements and risk metrics for the first time in WFP.

37. Overall however the audit concluded that processes for identifying, formulating and monitoring corporate FSQ risks are not fit for purpose, primarily because WFP's levels of maturity in risk culture, governance and monitoring need further development. The audit identified opportunities to strengthen the governance of corporate FSQ risk management, and to adjust FSQ structures corporately to enable effective FSQ risk information flow across the organization for improvements in the flow of field level incidents and issues to inform corporate risks. Importantly, improving WFP's risk culture and engagement from key management and staff requires both stronger enforcement of accountabilities and a demonstration of added value from the corporate risk management process.

38. Other gaps identified by the audit included: (i) an absence of appropriate FSQ specific key risk indicators (KRIs) for measuring and monitoring risk levels; (ii) a need for clearer articulation of the FSQ functional risk appetite statement for FSQ incidents; and (iii) a need for structured and proactive discussions on the FSQ risk. In addition, clear guidelines on the corporate risk register are required to improve the process and consistency of functional unit submissions, while improving risk analysis and challenge by RMR will support a more holistic understanding of corporate risks in WFP.

Observation 1 : Governance and managing change

39. In July 2018, WFP recognized that quality control was not an optimal approach for the management of WFP's SNFs. As a result, several action plans were established to gradually transition the FSQ business model for SNFs to quality assurance. Under a quality assurance model, liability for the quality and safety of commodities is the responsibility of food vendors or manufacturers. SCO management has indicated a deadline of July 2020 for completion of the transition.

40. The audit observed some progress on the action plans such as the ongoing revision of current food procurement contracts preventing WFP from auditing inspection services contracted directly by its food vendors and manufacturers. Several actions however have wider ramifications for other areas of the business, especially other units of SCO, and had not been fully agreed upon. These included understanding the cost of WFP's SNFs at the procurement stage, and assessing the ability of WFP to select third party inspection laboratories (see observation 6 on emerging and unmitigated FSQ risks). In addition, implications of FSQ incidents on vendor performance management remain unclear, especially in the case of SNFs when there is a limited pool of suppliers.

41. A successful transition will require a change in mind-set and consensus in bringing to bear changes in risk culture. While a recently established divisional risk management committee in SCO is intended to help with regular and holistic discussions of supply chain risk, progress on the transition is challenging in the absence of an appropriate governance structure, and given limited top level understanding and visibility of the implications of FSQ risks and the move to quality assurance. Lack of an appropriate governance set-up was one of the main recommendations of a 2010 policy paper on WFP's implementation of an FSQ management system (a paper that was not endorsed by the Executive Board), and was also highlighted in an advisory report issued by OIGA in 2015⁴.

⁴ Report AA-15-05 – Analysis of Risks of WFP's Specialized Nutritious Foods.



42. The audit concluded that the timeline indicated for the transition to quality assurance may not be feasible, and observed that relevant costs and milestones had not been established.

43. OSCQ contracted a partner expert to carry out a gap assessment of the FSQ business model in July 2019, and the report highlights core technical recommendations to bring the model up to best practice standards. Among these are the need for clear top-level sponsorship for quality management, effective vendor performance management, and the requirement for traceability measures throughout the supply chain.

Underlying cause(s): Absence of an appropriate governance set-up for managing corporate FSQ risks and the transition to quality assurance for SNFs. Lack of a realistic timeline, milestones and resourcing requirements for the transition. Management commitment not yet formalized to action the technical recommendations from the external partner gap assessment.

Agreed Actions [High priority]

- (a) The Deputy Executive Director (DED) will facilitate the establishment of a headquarters FSQ Management Committee, led by a senior executive, to oversee management of FSQ risks corporately and the transition to quality assurance for SNFs; and will define within the terms of reference for this committee the frequency and content for regular discussions on FSQ as well as reporting requirements and triggers for escalating critical incidents for the committee's attention.
- (b) SCO will:
 - i. Establish a roadmap for the transition to quality assurance with clear milestones and cost implications, together with formal progress reporting to the FSQ Management Committee, once established, to ensure an effective transition; and
 - ii. Action implementation of the core technical recommendations from the FSQ business model gap assessment.

Timeline for implementation

- (a) 30 June 2020
- (b) 31 December 2020

Observation 2 : Stakeholder engagement

44. The audit identified scope to improve key stakeholder engagement in the corporate risk management process.

Accountabilities for risk-informed decisions and linkage to funding

45. SCO management highlighted their opinion of the limited value of the CRR exercise, particularly as it is not formally linked to funding and resource allocation. The audit observed that the CRR exercise prior to 2019 did not trigger prioritization by the organization and did not feed into a wider framework for decision-making on strategic planning, corporate resource allocation, or prioritization of related IT system investments. In practice, allocation of funds for FSQ has been based upon a reactive approach and has materialized as a result of the occurrence of specific incidents.

46. SCO's business cases for funding secured in 2017 and 2019 highlighted the corporate risk nature of FSQ but also emphasized recurring findings from third line oversight work. Prioritization of corporate risks by the organization should be expected to occur independently of third line work.

47. Management also reported that, irrespective of the corporate FSQ risk submission or incidents, accountabilities in managing corporate risks have not been enforced. As recommended by the internal audit report on the Operationalization of WFP's Enterprise Risk Management⁵, WFP's ERM policy was revised in 2018 to delineate accountabilities for managing corporate risks. However, effective mechanisms are not yet in place to enforce accountabilities of senior management to request and use corporate risk information in top-level decisions, and of field management to assess FSQ risks and/or to report food incidents.

⁵ Report AR-17-18.



48. Accountabilities of functional risk leads are expected to be reinforced through risk appetite reporting but the process is new and still developing, and is challenged by the use of appropriate risk metrics and data availability. This provides opportunities for further collaboration between RMR and SCO/OSCQ (see observations 3 and 4). However, engagement of functional risk leads is likely to be difficult if the corporate risk information they generate or analyse is not reviewed and used in senior management decisions.

Top down approach and risk information flows

49. The CRR exercise is primarily a top-down process originating with and essentially reporting to the executive level. SCO management highlighted that the CRR does not help to manage FSQ risks downstream, and consequently their focus is more on their divisional risk register that combines all relevant supply chain unit registers, and in which FSQ risk is a high priority.

50. RB and CO FSQ staff reported limited or absent consultation with the field in the formulation of both the corporate and OSCQ risk registers, which they perceived as tools to raise awareness on FSQ risks at a high level but disconnected from field issues and context-specific risks. They were unclear on whether and how incidents arising and/or reported have driven organizational improvement efforts.

51. The need to strengthen the process for informing and validating the corporate FSQ risk was therefore relevant for both the OSCQ and corporate risk registers. OSCQ had made efforts to get information from RBx and some COs in formulating their risk register, but had been challenged by structural issues in information flow. This was compounded by a lack of systems for capturing data and risk information. (Such systems are currently in development by both RMR and OSCQ).

52. There were some efforts to take a fresh look at corporate risks with a first workshop in March 2019 to review these with the EMG, and in parallel a review of the corporate FSQ risk submission by the new Chief of OSCQ. Prior to this the audit observed that the CRR had mostly been a static document capturing and discussing the same risks since 2012.

Underlying cause(s): Accountabilities for managing corporate risks not sufficiently enforced. Lack of clarity on how field incidents and issues should feed into functional and corporate risk registers. Delinked FSQ structures across HQ, RBs and COs inhibiting effective information flows to inform the corporate FSQ risk. Absence of an FSQ risk ranking for COs to enable challenge and review of CO FSQ risks by OSCQ. Insufficient communication on issue escalation and on improvements to the FSQ business model from incidents.

Agreed Actions [High priority]

- (a) RMR will communicate and raise awareness on how functional risks and issues from the field are captured and, where appropriate, feed into functional risk registers and FSQ corporate risk register submissions.
- (b) SCO will:
 - i. Communicate to CDs and RDs the need to assess FSQ risks in consultation with OSCQ and to report on FSQ incidents;
 - ii. Establish an appropriate structure across HQ, RBs and COs to enable risk information flows to inform the corporate FSQ risks in their functional risk register;
 - iii. Establish an FSQ risk ranking of COs based on country contexts, programmatic areas, processes in-country, and volumes and types of commodity used, to enable periodic reviews and challenges to FSQ risks identified by COs; and
 - iv. Prepare regular communication to WFP staff on the implications and improvements that have resulted from incidents reported.

Timeline for implementation

- (a) 31 December 2020
- (b) 31 December 2020

Observation 3 : Risk appetite and positioning

Risk appetite statement for FSQ risk

53. The corporate FSQ risk appetite statement is high level; SCO management, as well as RB and CO stakeholders, reported that it was difficult to relate to and apply the corporate risk appetite statement concepts on a day-to-day basis. There is a need to develop a functional internal risk appetite which clarifies the amount of risk WFP is willing to tolerate in cases of FSQ incidents, and which is informed by incidents and risk issues from the field.

54. Occurrence of recent FSQ incidents provide an opportunity to further clarify the FSQ functional risk appetite to better integrate a clear top-level tone with bottom-up risk issues and incidents in the FSQ manual. Best practice literature underscores the importance of a distinct and consistent tone from senior management in respect of risk taking, avoidance and reporting. The latter would enable WFP to identify and address critical control issues and to improve the FSQ business model.

Reporting and regular FSQ risk discussions

55. As a result of internal audit findings in 2017⁶ SCO has adjusted the positioning and reporting line of OSCQ, most recently to report to the SCO Division Director. However, in the context of a corporate FSQ risks additional reporting and visibility are required at the leadership level.

56. The audit found that crisis management and governance mechanisms implemented in response to recent FSQ incidents had been well-coordinated amongst different internal stakeholders, although the frequency and content of reporting to the risk owner was not always clear. Importantly, the reactive set-up for discussing materialization of risks provided an opportunity to model a structured and proactive set-up for FSQ risk discussions at top level. This would enable the documentation and timely reporting of risk management activities so that senior management and the board are well informed of management's direction. It would also help increase awareness of field level complexities.

57. At the field level, the various FSQ staffing and reporting models in RBx and COs did not always allow for effective co-ordination and independent reporting on FSQ issues to SCO. Visibility of FSQ risks in the field relied on management knowledge and understanding of the wider implications of FSQ risk. It is anticipated however that new positions for RB Quality Assurance Officers with a reporting line to OSCQ may help improve upstream visibility of FSQ risks in the field.

Underlying cause(s): Absence of a clear and consistent tone in respect of FSQ risk taking and avoidance. Insufficient consultation with the field in risk appetite formulation. Unclear structures and reporting lines for the FSQ risk at field level. Lack of regular reporting and unclear frequency and content of reporting upwards in case of incidents arising and emerging risks materializing.

Agreed Actions [High priority]

SCO will:

- i. Clarify, with the support of RMR, the functional FSQ risk appetite statement in its manual. This clarification will integrate bottom-up issues, incidents and insights into the formulation and top-level direction or tone in respect of risk taking and avoidance in the case of a quality and a safety incident; and
- ii. Undertake a review of FSQ structures and reporting lines at field level to enable FSQ risks to be adequately captured and reported.

Timeline for implementation

31 March 2020

⁶ Internal Audit of Food Quality and Safety in the WFP Syria Operations (report AR/17/09).



Observation 4 : Measuring and monitoring FSQ risk

58. Best practice indicates that processes associated with a corporate risk should be mapped end-to-end, and where key controls are in place these should trigger a key risk indicator (KRI). KRIs will be linked to key performance indicators (KPIs) after considering critical success factors in the achievement of goals or objectives.

Risk indicators and key controls

59. While accountabilities of functional risk leads are expected to be reinforced through risk appetite reporting (see observation 2), the indicators for measuring and monitoring FSQ risks at a corporate level needed further development. The two FSQ risk indicators included in WFP's risk appetite statement report (June 2019) are the percentage of food losses and timeliness of responses to food incidents. The audit noted the following issues with regard to these indicators:

- The percentage of food losses is not FSQ process specific and includes other causes of food losses. It does not cover the FSQ process end-to-end. Field and HQ stakeholders confirmed the shortcomings of using the food loss indicator which is a post-loss indicator, after reconditioning of or alternative uses for the commodities affected;
- Data on the timeliness of responses to food incidents was not captured in the manual incident log and hence could not be reported on; and
- Key controls in the end-to-end FSQ process have not been mapped, but from the audit analysis there are a number of potentially more appropriate and proactive FSQ KRIs including: (i) food incidents; (ii) supplier audit results; and/or (iii) commodity specification deviations.

Linking risk and performance

60. Linkages between risk and performance indicators were not optimal:

- The Annual Performance Plan (APP) for OSCQ identifies 11 KPIs, only four of which were tracked. There was no linkage between the KPIs and KRIs used to signal the occurrence of emerging FSQ risks. There is an opportunity to refine and convert some of the unit's KPIs to be used as KRIs;
- KPIs tracked by OSCQ reflect progress of activities carried out and are not indicative of effectiveness of actions undertaken in achieving objectives, and hence it was difficult to link them to risk treatment; and
- There was an opportunity to mainstream external incident data and KRIs such as the European Union rapid alert system that scan pertinent issues from the external food systems environment and may signal or inform WFP's corporate FSQ risk. OSCQ could also leverage the global food market research and analysis performed by the OSCF food procurement commodity specialists as an internal data source for the external KRI.

Underlying cause(s): Lack of clarity on key controls in the FSQ process and how to establish appropriate KRIs. Absence of a system for the capture of reliable and structured FSQ data to aid analysis and tracking of KRIs (now in development). Choice of the percentage food loss as an indicator under SCO control. FSQ technical experts' inputs not considered in finalizing KRIs.

Agreed Actions [High priority]

SCO will:

- In consultation with RMR, map the FSQ process end-to-end, identify the key controls and relevant KRIs to be tracked corporately at HQ, RB and CO levels, and ensure such requirements are incorporated in systems design for appropriate data capture;
- Define, in collaboration with WFP's commodity specialists, standard global sources of external FSQ KRIs data, and formally mainstream and monitor these as part of scanning the external global food systems environment; and
- Approve and use appropriate process specific internal and external KRIs relevant for measuring and monitoring FSQ risks corporately.

Timeline for implementation

31 December 2020

Observation 5: The corporate risk register process

61. Given that WFP's CRR process is a top-driven exercise (see observation 2), the main focus of the audit was on assessing the need and potential for strengthening the headquarters functional risk register of OSCQ. However, CRR processes were also reviewed, as described below.

62. The audit observed some improvement in the formulation of the corporate FSQ risk with inclusion of food fraud risks, better identification of causes and improved linkages between mitigating actions and their causes. There was also some indication of the shift to quality assurance through the mitigating actions included in the CRR, although this transition for SNFs was not explicit.

63. There were however several issues with the corporate risk management process:

- CRR mitigation actions displayed a lack of continuity following changes on reassignment of key roles, as noted in the period 2012 to early 2019 when the SCO Director and Chief of OSCQ changed.
- RMR confirmed that mitigating actions are removed from the CRR if deemed no longer relevant or complete. However, there was a lack of documentation and clarity on triggers for the insertion and removal of actions, and how the CRR mitigating actions relate to those of the OSCQ functional risk register.
- The linkage of mitigating actions in the CRR to availability of funding was inconsistently applied. For example, the absence of an IT tool to support FSQ management was not included in the CRR from 2013 to 2018 because it could not secure funding through investment cases; it was still not included in the current CRR although funding had been made available.
- RMR acts as the secretariat for the CRR process through consolidation of submissions made by functional units. However, there were no written criteria or guidance to assess and verify the quality of CRR submissions from functional units and to determine whether there are adequate linkages to the functional risk registers.
- The nature of FSQ risk as a cross-cutting theme with interdependencies and interconnections across various operational and programmatic processes was not highlighted, analysed and communicated through the CRR and risk discussion platforms. Similarly, interdependences with other corporate risks, such as those relating to fraud, information technology and partnerships, were not adequately analysed and communicated to the business, which limited a holistic understanding of the implications and consequences of FSQ threats and opportunities.

Underlying cause(s): Absence of guidelines on CRR formulation, triggers for inserting and removing mitigating actions, expectations on re-assignment of key roles, and linkages to functional unit risk registers and appetite statements. Absence of a system to capture changes in mitigating actions on reassignment. Absence of clear criteria for quality submissions of corporate risks. Insufficient risk management analytical capacity and support in analysis of connections and insights among related risks.

Agreed Actions [Medium priority]

RMR will:

- i. Clarify simple steps and procedures for the completion of the CRR by functional units, especially in relation to triggers for mitigating actions and linkages between functional risk and corporate risk registers;
- ii. Analyse the feasibility of incorporating an approval process for changes in CRR mitigation actions to ensure an appropriate audit trail;
- iii. Establish and communicate clear criteria for the review of the quality of corporate risk submissions by functional units; and
- iv. Strengthen its analysis of corporate risks, including FSQ risk, in support of a more holistic understanding of risks in WFP.

Timeline for implementation

31 December 2020

2. Are mitigating actions relevant and effective in addressing and informing corporate FSQ risks?

64. The audit performed tests on a sample of mitigating actions included in the corporate and OCSQ risk registers to assess progress in implementation, their operational effectiveness in treating and informing FSQ risk levels, and whether feedback mechanisms allowed for the transparent flow of risk information from the field to inform the FSQ risk profile. The audit analysed and synthesised relevant field information from structured interviews with food technologists, CO risk registers, the food incident log and oversight findings to identify recurring FSQ control issues and areas of unmitigated risk exposure.

65. Progress was observed in the implementation of some mitigating actions from headquarters risk registers, and in efforts to address FSQ risks from the field through a process of learning from incidents and oversight issues. However, implementation of such actions had not translated into measures of and effectiveness in treating FSQ risks and informing residual risk exposures. The audit identified opportunities to better assess and address FSQ risks with new CSP delivery and partnership models; to review existing procurement process for SNFs, especially to improve controls to mitigate third party and fraud risks; and to embed FSQ risks in emergency preparedness and response activities.

66. Analysis of multiple sources of field information, although challenged by a culture of under-reporting of incidents, indicated insufficient detective controls within FSQ process, capacity issues, recurring issues with inspection services, and the need for increased clarity regarding CO, RB and HQ roles and responsibilities.

Observation 6 : Emerging and unmitigated FSQ risks

67. The audit identified a number of emerging and unmitigated FSQ risks that were not adequately captured by the functional and corporate risk registers.

CSP design and implications for FSQ risk corporately

68. The programmatic design for some CSPs has led to different models of programme delivery and partnership arrangements with host governments, with implications for emerging FSQ risks that may not have been mitigated:

- The ownership and management of FSQ risks emerging from country capacity strengthening (CCS) activities including the provision of FSQ technical assistance to governments (for example food fortification partnership arrangements) was not clearly understood and defined in signed agreements between relevant parties. Furthermore, the mechanisms implemented to monitor and manage FSQ risks in such partnership models were long-term programme capacity strengthening activities with limited focus on continuous process risks that may arise during fortification processing.
- Decisions to brand locally transformed, fortified or processed foods with WFP's logo, and the need to demonstrate or attribute WFP's capacity strengthening efforts in CCS government programmes, were not assessed in comparison to the reputational risks that might arise should an FSQ incident occur.
- Some programme delivery mechanisms, such as HGSF and general food assistance, involved distribution of fresh and tinned foods outside of WFP's standard food basket which may have associated FSQ risks. However, OSCQ had limited visibility on the distribution of these products at field level, given that CSPs were formulated at a high-level and did not necessarily detail the types of commodities planned for distribution. In other instances, OSCQ were not involved during programme design to assess and clarify FSQ risks.

69. The audit noted that OSCQ was working on strengthening its partnership with FAO, which is the lead agency on normative work and CCS activities in FSQ.

70. The technical electronic review process (e-PRP) of proposed CSP documents did not enable corporate FSQ risks to be adequately identified and assessed given both the limited visibility of commodity types planned for programmatic delivery and the insufficient involvement of FSQ experts in programmatic design. OIGA consulted extensively with the Programme and Policy Development Department, Operations Management Support Unit and OSCQ, which recognized the issue, but ownership for an appropriate action could not be agreed upon. OIGA will remain seized of the matter and will focus in 2020 on delivery modalities and mechanisms at the design stage.

Emerging risks and implications for WFP's procurement process



71. As a result of recent FSQ incidents, WFP recalled SNFs from multiple field locations; these recall exercises highlighted difficulties in tracking specific batches at cooperating partner sites back to the supplier. In addition, some COs have discussed the possibility of undertaking recall simulations in order to assess abilities to react to FSQ incidents. The recent incidents provide an opportunity for WFP to embed such recall scenarios in its preparedness activities.

72. The incidents, both involving WFP's SNF, also highlighted the need to review existing procurement processes for high risk commodities. In particular:

- The practice of procuring SNFs at the lowest price from a limited pool of long-term food vendors may have allowed for successive awards of tenders without adequately protecting against the risks of food fraud and sub-quality products. While efforts are now underway by OSCQ to review long-term suppliers of SNFs, to address SNF vendor concentration risk, and to analyse other commercial products, a lack of understanding of how much SNFs cost at the procurement stage does not allow for detection of sub-quality products.
- A limited pool of appropriately certified laboratories with the requisite technical capacity to test safety and quality parameters continues to be a significant challenge in some countries. In cases where such laboratories are contracted directly by the food vendors, WFP has limited visibility and cannot exercise any due diligence on their capacities to deliver.

Underlying cause(s): Conflicting objectives on branding of commodities between programmes and supply chain. Absence of FSQ risk preparedness activities in WFP's framework. Lack of clarity on SNF costs at the procurement contracting stage as a detective control for food fraud or substitution risk. Corporate procurement framework does not allow for effective due diligence on third party laboratories.

Agreed Actions [High priority]

SCO will:

- i. In consultation with Emergencies Operations Division (EME), and in light of lessons learned exercises from recent FSQ incidents, incorporate food commodity recall systems in WFP's emergency preparedness activities; and
- ii. Undertake a review of the procurement process for SNFs including an assessment of production costs at the procurement stage, and in consultation with LEG a revision to inspection services contracts to enable due diligence in selection of laboratories.

Timeline for implementation

30 June 2020

Observation 7: Implementing FSQ risk mitigation actions

73. The audit reviewed progress on the implementation of actions from headquarters risk registers and oversight findings to assess their operational effectiveness in informing and treating FSQ risk levels.

74. The audit identified that for CRR mitigating actions deemed as fully completed - for example FSQ cash-based transfers or the food incident management (FIM) guidelines - the CRR indicated completion of the activity but did not inform the operational effectiveness of the mitigation action to treat the FSQ risk. In practice, ongoing and significant efforts were required by OSCQ to train staff to use and apply these guidelines effectively in the field.

75. While there had been some progress on mitigating actions in the corporate and functional risk registers, OSCQ faced significant challenges in several areas given the need to address emerging risks and respond to recent food incidents crises, the expanded scope of work from CSPs with FSQ components, and lack of sustainable funding until January 2019. The absence of qualitative KRIs further compounded challenges in assessment of the effectiveness of implementation of mitigating actions (refer to observation 4).

76. OSCQ had implemented several actions as a result of oversight findings, such as an increase to the OSCQ budget to allow development of a more solid unit structure at HQ and regional level, review of OSCQ's mandate with increased focus on FSQ assurance, and other CO specific agreed actions. Other issues raised in relation to under-performance of inspection services, the need to clarify FSQ positioning, and reporting structures and weaknesses in third party due diligence were work in progress and required further action by OSCQ. With respect to inspection companies, spot checks have been introduced to monitor the



performance of inspection companies and increased levels of compliance testing have been carried out in 2019 (422 samples in 2019 to date compared to 29 in 2018). In addition, OSCQ planned to increase audit of inspection companies and periodically validate inspection results by use of independent external laboratories.

77. OSCQ was rolling out risk-based supplier audits but there were challenges in implementing supplier audits at RB and CO levels, as they did not endorse OSCQ's plan and focused on regional or country office priorities, and because their procurement contracts and delegations of authority were not aligned with those used by OSCQ.

Underlying cause(s): Progress challenged by competing and shifting demands for OSCQ support, oversight and crisis management across WFP operations. Absence of measures to assess the effectiveness of mitigation actions implemented. FSQ manual to consolidate fragmented guidance and clarify CO, RB and HQ roles and responsibilities not yet in place.

Agreed Actions [Medium priority]

SCO will:

- i. Reassess and prioritise the feasibility and timing of implementation of mitigating actions in the OSCQ and corporate risk registers;
- ii. Review OSCQ's workload, structure and capacity to implement mitigating actions and take the necessary measures to address any gaps identified;
- iii. Develop criteria and measures for assessing the effectiveness of risk mitigation actions; and
- iv. Establish a clear timeline to finalize the FSQ manual that will clarify HQ, RB and CO roles and responsibilities, especially relating to the mandatory implementation of centrally agreed risk-based factory audit plans.

Timeline for implementation

31 December 2020

Observation 8 : Analysis of field issues, incidents and risks

78. Given the limited flow of field-level risk information to validate corporate FSQ risks, the audit analysed and synthesised multiple sources of information to identify recurrent control breakdowns in the current FSQ business model.

79. The manual food incident log maintained by OSCQ allowed for adequate categorization and analysis of incidents but was incomplete given a general culture of under-reporting of incidents, which was confirmed by a wide variety of stakeholders; this was being addressed by OSCQ through FIM training and awareness raising. The log contained 32 incidents for the period from January 2018 to March 2019, but information was not completely captured for some incidents. Audit review of a sample of incidents highlighted challenges in the use of Rapid Incident Notification Grid (RING) forms, which were supposed to capture all necessary information, but which were used for only 16 percent of the incidents reviewed.

80. Analysis of the 32 reported incidents indicated that:

- For 50 percent of food incidents reported, the main detection points were during transit to recipient countries, and from beneficiary complaints. This suggests that FSQ reputational risks were not being adequately managed given the relatively high proportion of incidents detected at the beneficiary end and reinforces the need for additional detective controls issues throughout the process.
- 78 percent of incidents are reported by the field;
- 58 percent of incidents relate to SNFs, with Super Cereal Plus the commodity with most incidents reported; and
- The two main root causes of reported incidents are manufacturing error and laboratory under-performance.

81. Field challenges other than those already captured in other observations in this report included a lack of systematic oversight from RBs and limited resources and capacity at CO level, especially in critical operating contexts such as Level 3 emergencies. In addition, from a review of a sample of CO risk registers with FSQ risks, 50 percent of FSQ risks related to transport and storage conditions downstream the supply chain, potentially indicating a limited awareness or understanding of upstream risks.



82. Consistent with the incidents' analysis above, a review of oversight findings highlighted recurring issues of capacity and under-performance of inspection services along the supply chain. There were also fraud vulnerabilities relating to inspection services and food manufacturers, as well as collusion involving third parties along the supply chain.

Underlying cause(s): Insufficient enforcement of accountabilities at RB and CO levels for FSQ incident reporting. Absence of analysis of segregation of duties and conflicts of interest issues in light of capacity issues in the field. Unclear mechanisms to support Level 3 operations in addressing corporate FSQ risks.

Agreed Actions [Medium priority]

SCO will:

- i. Through RB Food Quality Assurance Officers, enforce COs to submit a quarterly report of occurrence of FSQ incidents;
- ii. Undertake a review of the scope of work and terms of reference of field staff to identify measures for addressing segregation of duties and conflicts of interest issues; and
- iii. In consultation with EME, establish clear protocols for support to Level 3 emergencies in addressing FSQ risks.

Timeline for implementation

30 September 2020

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:				Implementation lead	Due date(s)
	WFP's Internal Audit Universe	WFP's Governance, Risk & Control logic:				
		Risks (ERM)	Processes (GRC)			
1 Governance and managing change	Risk management	Governance & oversight risks	Risk management	DED SCO	(a) 30 June 2020 (b) 31 December 2020	
2 Stakeholder engagement	Risk management	Governance & oversight risks	Risk management	RMR SCO	(a) 31 December 2020 (b) 31 December 2020	
3 Risk appetite and positioning	Risk management	Business model risks	Risk management	SCO	31 March 2020	
4 Measuring and monitoring FSQ risk	Food quality and safety	Business model risks	Risk management	SCO	31 December 2020	
6 Emerging and unmitigated FSQ risks	Food quality and safety	Business model risks	Risk management	SCO	30 June 2020	

Medium priority observations	Categories for aggregation and analysis:				Implementation lead	Due date(s)
	WFP's Internal Audit Universe	WFP's Governance, Risk & Control logic:				
		Risks (ERM)	Processes (GRC)			
5 The corporate risk register process	Risk management	Business process risks	Food	RMR	31 December 2020	
7 Implementing FSQ risk mitigation actions	Food quality and safety	Business process risks	Food	SCO	31 December 2020	
8 Analysis of field issues, incidents and risks	Food quality and safety	Business process risks	Food	SCO	30 September 2020	

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.⁷

⁷ 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.

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

3 Categorization by WFP’s audit universe

WFP’s audit universe⁸ 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)

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 its Enterprise Risk Management Policy⁹, 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 as introduced¹⁰ by the Chief Risk Officer to define and launch risk matrices, identify thresholds and parameters, and establish escalation/de-escalation protocols across business processes.

⁸ 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.

⁹ WFP/EB.2/2018/5-C

¹⁰ As per 1 January 2019, subsequent changes may not be reflected in 2019 audit reports.

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
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 will issue a memorandum to Management informing them of the unmitigated risk due to the absence of management action after review. The overdue management action will then be closed in the audit database and such closure confirmed to the entity in charge of the oversight.

When using this option, OIGA continues to ensure that the office in charge of the supervision of the Unit who owns the actions is informed. Transparency on accepting the risk is essential and 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. OIGA informs senior management, the Audit Committee and the Executive Board of actions closed without mitigating the risk on a regular basis.



Annex C – Acronyms

AC	Audit Committee
APP	Annual Performance Plan
CCS	Country capacity strengthening
CO	Country Office
CRR	Corporate Risk Register
CSP	Country Strategic Plan
DED	Deputy Executive Director
EME	Emergencies Operations Division
EMG	Executive Management Group
e-PRP	Electronic Programme Review Process
ERM	Enterprise Risk Management
FSQ	Food Safety and Quality
HGSF	Home Grown School Feeding
HQ	Headquarters
KPI	Key Performance Indicator
KRI	Key Risk Indicator
OMS	Operations Management Support Unit
OSCSF	Food Procurement Unit
OSQ	Food Safety and Quality Assurance Unit
OSCT	Supply Chain CBT & Markets Unit
OSN	Nutrition Division
PD	Programme and Policy Development Department
RB	Regional Bureau
RM	Resource Management Department
RMR	Enterprise Risk Management Division
SCO	Supply Chain Operations Division
SNFs	Specialized Nutritious Foods
UN	United Nations
USD	United States Dollar
WFP	World Food Programme