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Internal Audit of WFP Operations in Burkina Faso

Office of the Inspector General
Internal Audit Report AR/21/06



World Food
Programme

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I. Executive Summary

WFP Burkina Faso Country Office

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP's operations in Burkina Faso that focused on beneficiary management, cash-based transfers, monitoring, supply chain, finance and cross-cutting aspects of risk management, covering the period from 1 January to 31 December 2020. The audit team conducted the fieldwork remotely because of COVID-19 restrictions. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.
2. Operations in Burkina Faso, as defined in the Country Strategic Plan 2019–2023, include a variety of interventions ranging from emergency food assistance to resilience or national capacity strengthening projects. Expenditures pertaining to the Country Strategic Plan for the period from 1 January to 31 December 2020 amounted to USD 120.2 million.
3. The audit focused on WFP's programme implementation under Strategic Outcome 1 of the Country Strategic Plan "Crisis-affected populations in targeted areas, including refugees, internally displaced people and host communities, are able to meet their basic food and nutrition needs during and in the aftermath of crises"; and Strategic Outcome 4 "Smallholder farmers and communities in targeted areas, including those affected by recurrent climate shocks, have more resilient livelihoods and sustainable food systems by 2023", which make up for almost 90 percent of the Country Strategic Plan expenditure in 2020.

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**¹. 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.

Achievements and areas operating effectively

5. In 2020, the Country Office scaled up its assistance to reach two million beneficiaries, doubling the number reached the year before and with a five-fold increase of both lean season beneficiaries and cash-based transfers. Such responsiveness was praised by the stakeholders interviewed, who all recognised the office's stronger engagement and role in the humanitarian context.
6. With a Level Three emergency declared in September 2019, the Country Office had begun to adapt its operational response and outlook from capacity development to emergency response. The change in operational requirements came with major challenges. Corporate support from WFP headquarters and the Regional Bureau with targeted measures initiated by the Country Office helped the swift transition.
7. The Country Office had started working on a number of areas for improvement identified by the audit or had identified other areas for further focus. For example, management had begun to reinforce structures, processes and controls at the root causes of operational challenges noted in the audit. This included reassessment of operational strategies for beneficiary targeting and transfer modalities; capacity reinforcement through the recruitment of key staff; reorganization of units and processes; and the selection of new financial and cooperating partners. While recognizing the efforts and initiatives from the country office management, the audit rating reflects the performance of the country office for the audited period when recent improvements were not in place or had not shown results yet.

¹ See Annex B for definitions of audit terms.

8. The audit found that oversight roles and tools were operating effectively in cash-based transfers and finance processes.

Main areas for improvement

9. While acknowledging the strong capacity of current staff in programmatic and support activities, staffing remained a concern for the scale-up and implementation of activities and controls in the beneficiary targeting, monitoring, cash-based transfers and supply chain areas. A structured review of staffing needs was finalized in January 2021 which identified the need for several additional positions and dedicated staff in various sub offices.

10. There were notable gaps in processes and controls related to the targeting and registration of beneficiaries, and in the management of beneficiary data. Vulnerability assessments and prioritization of internally displaced people were absent to guide the efficient allocation of assistance in a context of rapid scale-up of operations and funding constraints. Arrangements with the government were not clear in the absence of a Memorandum of Understanding, resulting in inconsistencies and inefficiencies in the collection and processing of beneficiary data through local government partners. Distribution was delayed in some instances due to inefficient planning of assistance and implementation of activities, coupled with pipeline challenges. The reconciliation of planned and assisted beneficiary lists was not systematic.

11. There was no strategy to utilize SCOPE (WFP's corporate beneficiary information and transfer management platform) for the end-to-end programme intervention cycle. Roles and responsibilities were not clearly defined, and the system was not used for processing and validating beneficiary lists, nor for mobile money distributions. Identity documents were not available or had expired for almost 50 percent of displaced people, thus hindering beneficiary identification. Alternative approaches did not ensure that actual beneficiaries were reached. A de-duplication and adjudication process for beneficiary identities was not defined, and only a limited number of biometrics were collected due to COVID-19 restrictions. Duplicate identities and biometrics in the beneficiary and transfer data/lists were identified by the audit, as well as double assistance provided across different regions.

12. Some of the required documents and assessments for cash-based transfers had not been finalized or were not available to inform the selection of appropriate transfer modalities in all operational areas. The risks associated with each operational approach, cooperating partner and financial service provider were not thoroughly assessed to inform decision making and allow the necessary mitigating measures to be embedded in the design of the interventions. The scaled-up caseload was allocated to the financial service provider without a cost-benefit analysis. Gaps were also found in the management of cash-based transfer payment instruments and reconciliations.

13. Some medium priority issues were noted in other areas within the scope of the audit and are detailed in section III.

14. The audit report contains three high and seven medium priority observations, one of which has 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.

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

Anita Hirsch

Inspector General a.i.



II. Country context and audit scope

Burkina Faso

16. Burkina Faso is a semi-arid, landlocked country in the Sahel region; its population is estimated at approximately 20.9 million. It is ranked 182 of 189 countries in the 2019 Human Development Index, with 40 percent of the population living on less than USD 1.90 per day and 25 percent of children under five suffering from stunting. The main underlying drivers of these conditions are structural poverty, insufficient agricultural production, environmental degradation, climate-related shocks, gender inequality and insecurity.

17. Conflict affects most of the regions in Burkina Faso, especially in the east, north and northwest of the country, close to the borders with Mali and Niger. The continued deterioration of security across the country since 2018 has resulted in a massive population displacement. As of September 2020, over one million people were officially displaced; more than a hundredfold increase since 2018. The Cadre Harmonisé (July 2020) reported that 19 percent of households in the country were food insecure, with the COVID-19 pandemic adding an additional layer of vulnerability to an already fragile situation.² According to the 2021 Humanitarian Response Plan, Burkina Faso's multifaceted humanitarian crisis impacts nearly 3.5 million people with 0.9 million in critical need, 51 percent of whom are women and 46 percent children.

WFP operations in Burkina Faso

18. WFP has been present in Burkina Faso since 1967. Activities are implemented through the Country Strategic Plan (CSP) 2019–2023. The CSP has been incrementally enhanced and adjusted to: address the rapid escalation of the humanitarian crisis; cope with the exponential rise of people in need of immediate assistance; and for the achievement of food and nutrition security in the country.

19. To respond to the country's food and nutrition assistance needs, WFP has shifted its intervention in the country from a more development-focused approach to a nexus and crisis response, declaring a Level Three emergency in September 2019, later extended until June 2021. WFP's response focuses on meeting the needs of internally displaced persons (IDPs), refugees, and communities affected by the rise in insecurity and climate shocks while protecting the gains of its resilience-building activities.

20. Six budget revisions were approved in April, June and November 2019; in April and November 2020; and in February 2021. As of February 2021, the CSP had reached a total needs-based plan value of USD 729 million (an increase of USD 556 million from the initial CSP).

Objective and scope of the audit

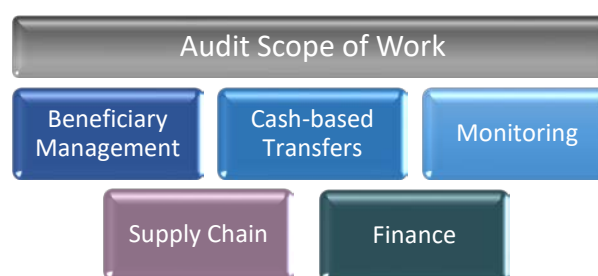
21. The objective of the audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to WFP operations in Burkina Faso. Such audits are part of the process of providing an annual and overall assurance statement to the Executive Director on governance, risk management and internal control processes.

22. The Office of Internal Audit (OIGA) developed a new audit approach for 2021 to adapt to COVID-19 constraints, while increasing its audit coverage of country operations and providing assurance on five key areas of the end-to-end country office (CO) delivery process. In this audit, the five functional areas of focus were:

² As of November 2020, the Cadre Harmonisé reports eight provinces in IPC phase three (crise) representing 8.6 percent of the population (mainly in the Sahel, Centre-North, North, and Est); 133,00 people (0.86 percent of population) in phase four (urgence), with two provinces projected in phase four in 2021; 5.3 million (24 percent) in phase two (sous pression) and two million people estimated as in need of immediate assistance (9.2 percent of the total population).



- Beneficiary management.
- Cash-based transfers (CBT).
- Supply chain (covering procurement, logistics and commodity management processes).
- Finance.
- Monitoring.



23. Related to the CO's CSP for 2019–2023, the audit focused on programme implementation under:

- Strategic Outcome 1 "Crisis-affected populations in targeted areas, including refugees, internally displaced people and host communities, are able to meet their basic food and nutrition needs during and in the aftermath of crises"; and Activity one "Provide an integrated assistance package including food assistance, school meals, and specialized nutritious food to refugees, IDPs, host population, children and PLW/Gs affected by climate shocks, conflicts and other disruptions".
- Strategic Outcome 4 "Smallholder farmers and communities in targeted areas, including those affected by recurrent climate shocks, have more resilient livelihoods and sustainable food systems by 2023"; and Activity five "Support targeted groups through livelihood and asset creation, gender-responsive and nutrition-sensitive value chain development, weather insurance schemes, and innovative production technologies and practices".

These outcomes represented almost 90 percent of total Country Office (CO) expenditure in 2020.

24. OIGA tested essential controls outlined for each of the pre-determined five areas in scope. The essential controls build on existing procedures and manuals; and where appropriate have been discussed and validated with respective business units. Minimum controls as defined by the Management Assurance Project conducted by the Enterprise Risk Management Division (ERM) at the end of 2020 were considered and included when relevant.

25. OIGA supplemented this pre-determined scope with a CO risk assessment to identify any additional processes that should be in scope for the audit. As a result, OIGA took into account the CO's concerns about risk management; reviewed key controls on risk identification and management within the five key functional areas; and extended the audit to additional aspects of the risk management process as relevant.

26. Reliance was placed on second line assurance work where relevant, to minimize duplication of efforts.

III. Results of the audit

Audit work and conclusions

27. The 10 observations arising from the audit are presented below, grouped into sections corresponding to the five functional areas covered by the audit (see paragraph 22) plus an initial section to capture cross-cutting issues. For each of the five functional areas a simplified standard process diagram is included which indicates the key control areas reviewed by the audit and, when exceptions or weaknesses were noted, the audit observations to which they relate and their respective priority rating (red for high and yellow for medium priority observations). Any other issues arising from the audit which were assessed as low priority were discussed with the CO directly and are not reflected in the report nor indicated in the diagrams.

28. Issues identified by the audit in the areas reviewed were mainly rooted in the transition of the CO's programmatic and operational model, from a development setting to a Level Three emergency response, and the fast pace of adjustments required in terms of governance, organizational set-up and staffing, and operational processes.

Cross-cutting

Observation 1: Identification, management and monitoring of risks and complaints

29. The CO's risk management processes were not effective in identifying, assessing, mitigating and monitoring challenges to operations, in improving the CO's responses, or in enabling decision-making.

Risk management

30. The CO's risk register did not consider all key risks that could impact achieving its objectives, including risks related to programmatic and operational activities. There were no documented assessments of some programme areas most susceptible to fraud (such as CBT) to focus efforts on fraud risk prevention and mitigation. The rationale for risk ratings was not well documented.

31. The risk register, including the CBT risk register, had not been updated since April 2020 despite challenges following the scale-up in operations. High risks identified by the corporate CBT unit, relating to the context of operations, were not reflected in the CO's risk register. Actions identified in the risk register were not adequately defined and did not capture relevant allocation of responsibilities for each risk event. An update was finalised in early 2021.

32. In its 2020 assurance reporting to the Executive Director, the CO had not identified some of risks and internal control issues that required focused attention or systematic solutions.

Complaints and feedback mechanisms (CFM)

33. The process in place to capture, analyse, prioritize, escalate and follow up on issues from the CO's various complaints and feedback sources was not comprehensive or consistent. Issues and risks reported by sub-offices (SOs) were discussed during monthly meetings with cooperating partners (CPs) but not consolidated and documented to inform programmatic decision making. Despite the CO's efforts on sensitization, such as the hotline number being printed on SCOPE cards, beneficiaries' awareness of the CO hotline number remained low. The CO confirmed the need for a communication campaign to increase awareness of the complaint hotline and feedback mechanism.

34. At the time of the audit fieldwork only one staff managed the whole CFM operation. The CO was in the process of creating a Protection Officer role to oversee the coordination of protection activities and to facilitate the expansion of the CFM set-up and monitor service level agreements with cooperating partners.



Underlying cause(s): Lack of adequate training in process and methodology for identifying and managing risks. Unclear risk management ownership without proper allocation of roles and responsibilities, including monitoring and update of risks. Inadequate processes, resources and tools to support CFM operations and CFM action plan not finalised.

Agreed Actions [Medium priority]

The CO will:

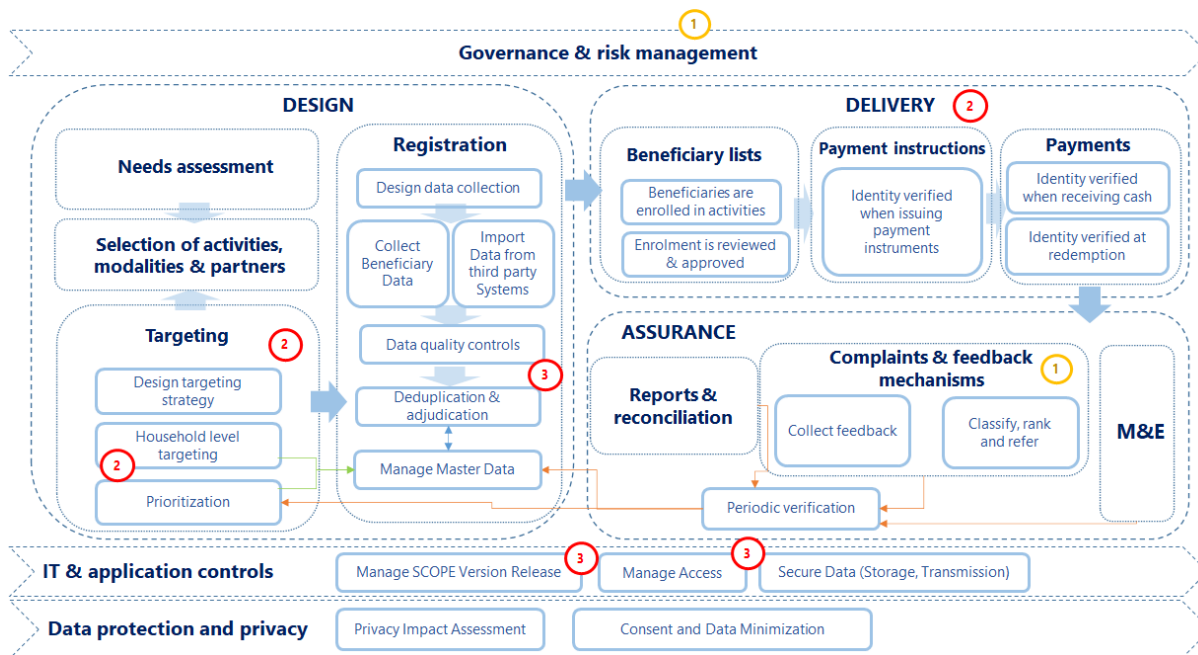
- i) Establish risk management as an integral component of its ongoing activities and management functions, with clear allocation of roles and responsibilities and coordination among the various units.
- ii) Foster a culture of continuous improvement in risk management, communication and awareness through training.
- iii) Finalize the implementation of a consolidated and comprehensive CFM process, including providing adequate resources for the management of complaints and feedback across the country.
- iv) Establish a process, including a standard operating procedure (SOP), to analyze, categorize, prioritize, escalate and follow up on issues and complaints collected from various sources; and design and roll out a communication plan including coordinated actions with other UN agencies, exploring possibilities to increase beneficiaries' awareness of the complaints hotline and overall complaints feedback mechanism.

Timeline for implementation

31 December 2021



Beneficiary Management



Observation 2: Beneficiary targeting and assistance distribution

Beneficiary targeting strategy and approach

35. While the CSP identifies very clear target beneficiary populations, a beneficiary targeting strategy was not available to ensure the CSP objectives were effectively translated into the programmatic activities and to establish processes to consistently (i) define target groups, targeting methods and eligibility criteria; (ii) identify eligible households and individuals; and (iii) monitor the outcomes of targeting decisions. IDP registration led by the Government was status based and funding shortfalls resulted in reduced rations as the CO had no prioritization mechanism to identify the most vulnerable people. Targeting criteria were applied for the lean season and resilience activities; however, the process did not include IDPs and was not an integral part of every programme activity.

36. IDP beneficiary lists, representing 70 percent of total CO beneficiaries, were provided by the National Council for Emergency Assistance and Rehabilitation (CONASUR) and reflected beneficiary status without consideration of vulnerability analysis, needs assessment and population census ceiling. With funding challenges and food pipeline breaks in 2020 and without prioritized vulnerability-based assistance, the CO had to reduce rations for in-kind assistance in 2020, and for CBT in 2021.

37. The CO had started to implement a targeting approach for internally displaced persons (IDPs) by agreeing with the Government, the food cluster and other humanitarian actors to introduce a vulnerability-based targeting criterion for assistance to IDPs; with the deterioration of the security situation, it is anticipated that displacements could further increase in 2021.

38. No memorandum of understanding was in place with CONASUR to regulate data sharing and to ensure consistent collection, processing, reporting and storing of beneficiary data through local government partners, and to supervise and monitor beneficiary identification and registration. Delays of up to nine months were noted between CONASUR identifying beneficiaries and their receiving assistance from WFP. While acknowledging such delays on some occasions, the CO reported an average timeline of two to three months.

39. There was no process to reconcile WFP and CONASUR beneficiary lists and to communicate changes to government stakeholders.



Distribution and assistance to beneficiaries

40. There were some delays in in-kind and CBT distributions, which were not effectively communicated by WFP to its partners. This impacted the partners' ability to manage distributions and inform beneficiaries ahead of reduced rations. As host communities were not systematically targeted by CONASUR, tensions arose between IDPs and host communities in some regions which, according to the CO, dissolved following discussions between the different communities and WFP.

41. A timely reconciliation of planned and assisted beneficiary lists was not in place for general food assistance. Mobile money interventions were not managed in SCOPE, making reconciliation difficult (refer to Observation 5 for details of transfer reconciliations). Data quality issues in mobile money beneficiary lists impacted transfers and led to longer duration of distribution cycles.

Underlying cause(s): Beneficiary management processes not defined and supported by clear SOPs, risk appetite and thresholds for assistance. Pace of the scale-up of the emergency response; increase in beneficiary population and high turn-over of emergency coordinators. Unstructured pipeline management and planning processes to support programmatic activities and distribution. Inconclusive negotiation to formalize an agreement between CONASUR and WFP to outline roles, responsibilities and expectations in beneficiary management. Insufficient awareness of the importance of systematic reconciliation for mitigating targeting risks in the context of programme implementation.

Agreed Actions [High priority]

The CO will:

- i) Finalize the targeting strategy and ensure it is aligned with and supports the CSP implementation and the Government policy/strategy towards IDP assistance; and ensure coherence of the targeting strategy across programme activities to help meet CO objectives.
- ii) Establish a memorandum of understanding between WFP and CONASUR (and others humanitarian actors where applicable) with clear roles and responsibilities for beneficiary targeting and management, including a service level agreement.
- iii) Review distribution planning to streamline processes with the aim of achieving regular distributions on set dates.
- iv) Consider managing interventions in SCOPE for all activities, and establish a systematic reconciliation process to verify planned against actual beneficiaries assisted, including defining and delineating the roles, responsibilities, and operating modalities of internal and external stakeholders; and implement detective controls, including distribution process verification, to identify internal control weaknesses and red flags indicative of potential irregularities.

Timeline for implementation

30 November 2021

Observation 3: Beneficiary data management

42. Approximately 0.86 million beneficiaries were recorded in the CO SCOPE platform as of February 2021; of these 0.7 million were active beneficiaries. Thirty percent of beneficiary identities in the system dated back to the 2018 migration exercise, when data was uploaded into SCOPE with limited review, quality checks and validation. The audit noted issues with beneficiary data governance and quality; beneficiary identification and registration; the de-duplication and adjudication process; and the privacy impact assessment (PIA).

SCOPE – governance, data quality and security, and user management

43. Roles and responsibilities had not been clearly established for the management of beneficiary data. Although the CO had implemented a RACI model (responsible, accountable, consulted and informed) for the use of SCOPE, some users had associated roles which were incompatible to ensure adequate segregation of duties. Beneficiary lists were approved at the required managerial level outside SCOPE, while system approval was allocated to other/non-managerial staff (including field monitors).

44. The SCOPE beneficiary and transfer management platform was used as a central repository for beneficiary data, but the CO had yet to implement a strategy to utilize the platform to support the programme intervention cycle end-to-end. In 2021, an internal audit of SCOPE concluded to the absence at corporate level of a structured process and clear roles and responsibilities to support COs in the design and implementation of SCOPE business processes and requirements, system configuration, application controls and data cleansing. It also defined agreed actions directed at a corporate level to address issues raised. Such corporate support would be needed as the CO defines its needs and expectations for the management of its digital beneficiary identities.

45. Exceptions and inconsistencies were noted in the data provided by CONASUR and recorded in SCOPE. Not all beneficiaries were registered in SCOPE, particularly beneficiaries of resilience activities in remote areas.

Beneficiary identification and registration

46. Robust processes and controls were not in place to ensure consistent beneficiary identification and registration across different programmatic activities and locations. The CO mainly relied on government identity documents (IDs); however, it estimated that almost 50 percent of IDPs did not have a valid ID.

47. With a valid ID being a prerequisite to enrol the mobile money assistance, the CO operated through the “mandataire”, i.e. a person indicated by the beneficiary with a valid ID card and mobile number to whom the money was transferred. This set-up resulted in duplicates and did not allow for verification that money had been received by the intended beneficiary. The CO reported having introduced the “mandataire” approach in June 2020 and stopped it in October 2020, and that the subsequent duplicates were rooted in other registration issues.

48. When valid IDs were not available, the beneficiary’s identity was verified using WFP SCOPE cards, yet 11 percent of these cards were issued without a photo to allow for effective identification.

49. At the time of the audit, the CO had not established an annual process to confirm and validate the status of registered and enrolled beneficiaries.

De-duplication and adjudication process

50. The CO had started registrations through biometric identification (Bio-ID) in 2020, but these were put on hold due to the COVID-19 pandemic.

51. No de-duplication and adjudication process was in place to ensure entitlements were provided to beneficiaries only once in any distribution cycle. Review of SCOPE data showed duplicate fingerprints and duplicate assisted beneficiaries. The analysis of mobile money and cash direct distributions data showed households that had received more than one form of assistance in the same month. SCOPE cards (and e-vouchers) did not require identity checks (biometrics or pin code), limiting the effectiveness of the SCOPE de-duplication process.

Beneficiary data privacy

52. As required by corporate guidance on protection of beneficiaries’ personal data, a PIA for the use of beneficiary data for both CBT and in-kind activities was performed in 2019 before the scale-up of operations. However, the CO had yet to agree with RBD on recommendations and their implementation.



Underlying cause(s): Absence of a data governance working group involving Programme and IT units for oversight and ownership of beneficiary data management. SCOPE implementation without a strategy and business transformation process to validate and ensure procedures, define roles and responsibilities, and take full advantage of SCOPE capabilities. Process for beneficiary identity management and data validation, de-duplication and adjudication not clearly defined following the scale-up of operations. COVID-19 pandemic impeding the consistent implementation of strong identity management solutions such as Bio-ID checks.

Agreed Actions [High priority]

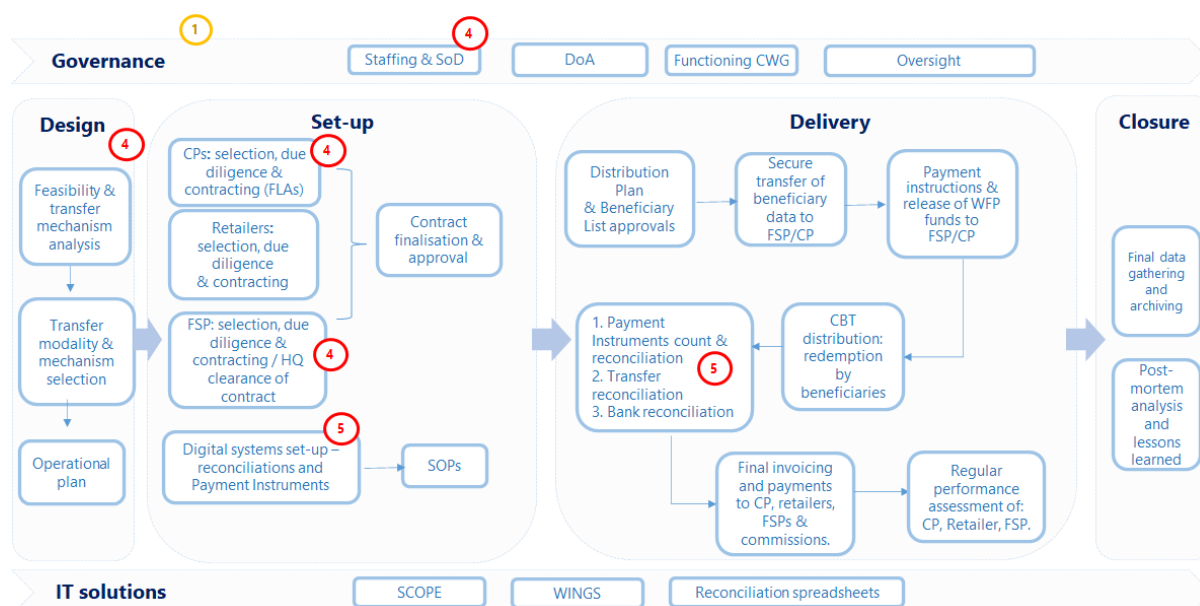
The CO will:

- i) Establish a data working group to ensure: a coordinated approach to data governance; data-driven decision making; and regular follow-up on gaps from data analyses to understand the root causes of differences identified and to make necessary adjustments.
- ii) Establish a strategy and roadmap for the implementation and adoption of SCOPE; including an action plan with objectives, activities, and roles and responsibilities to update, de-duplicate and clean up beneficiary data in SCOPE, and to assess the possibility and support the development of a robust and efficient government-led registration system which could be leveraged for adequate identity verification process in CO operations.
- iii) Review the list and allocation of CO roles in SCOPE in alignment with responsibilities to address issues relating to segregation of duties.
- iv) Update the 2019 PIA to evaluate compliance with corporate guidelines and monitor specific data sharing agreement clauses in Field Level Agreement with corporate partners.

Timeline for implementation

31 December 2021

Cash Based Transfers



Observation 4: CBT governance, set-up and assessments

53. In 2020, the CO significantly scaled up CBT interventions, which at the end of the year represented almost 50 percent of its total transfer value. This was a result of both a CO strategy in the urban and peri-urban areas with functioning markets, and a necessity following in-kind pipeline challenges. While recognizing that the CO had worked on strengthening its CBT approach and design, along with resources and processes, issues remained regarding the governance and set-up of CBT, and in the identification of risks to inform the selection of the most appropriate operational modalities.

Staffing and governance

54. Recruitment of key staff in support of the CBT scale-up had taken place in the second half of 2020, including staff dedicated to reconciliations. However, a full review of staffing needs and the formalization of an organigramme in support of the scale-up was only finalized in January 2021. The organigramme identified several additional positions to strengthen capacity and introduced dedicated staff in various SOs. In SOs the CBT focal point role was assigned to staff in addition to their regular functions; this impacted effectiveness of their control activities.

Set-up and assessments

55. The CO had drafted a CBT strategy covering the period 2020–2023, which at the time of the audit had not been finalized. An operational plan was not available to clearly articulate the intervention set-up. The CO started the preparation of the plan after the audit fieldwork with planned completion in April 2021.

56. The multisectoral and market assessments, including IT and security aspects, carried out to inform the selection of the transfer modality did not cover all cash operation regions and some discrepancies were noted between the results of the market functionality assessment (MFI) and the CBT areas of operation. A cost-efficiency assessment was also not available. The CO later confirmed that the funding to perform and complete the assessments in the second half of 2021 had been secured.

57. The CO's efforts to expand the use of mobile transfers in line with corporate financial assessment results were challenged by the absence of valid IDs for almost 50 percent of IDPs. To overcome this obstacle, between June and October 2020 the CO issued SIM cards to "mandataires" without assessing the associated risks and possible compensating controls (see observation 3).



Capacity assessments and contracting

58. A structured identification of the risks linked to the selected financial service providers (FSPs), including a technical assessment of the mobile money operator platform, had not been carried out during the contracting process in 2018-19 (noting that a due diligence exercise was not mandatory at the time). The CO had recently obtained access to the mobile money operator platform for direct upload of distribution lists and approval of bulk transfers with a pilot carried out in January 2021. The CO reported a multi-level approval set-up; however, changes were yet to be reflected in the contract and defined in SOPs. System transfer issues were identified that had resulted in lower or higher amounts transferred to some beneficiaries; these were being followed up by the CO at the time of the audit.

59. In 2019, mobile money FSPs were selected by type of activity (resilience, nutrition and refugees). IDPs for crisis response were not considered, as this activity was not initiated at that time. The allocation of the 2020 scale-up caseload (IDPs), and subsequent contract extension to June 2021 to one of the two contracted FSPs, was reportedly based on network coverage. This decision was not supported by any available analysis, including a cost-benefit analysis. A new contracting process, jointly carried out with other UN agencies, was ongoing at the time of the audit and was expected to be finalized by June 2021.

60. Performance bonds obtained from the FSPs were based on estimated original contract values and had not been adjusted following the scale-up of operations, offering limited guarantee to WFP in the event of the FSP defaulting. The audit recalculation of monthly average exposure indicated that, in particular for the mobile money FSP, the bond value was insufficient to meet the micro financial assessment results and requirements. The CO reported that the bonds would be reviewed as part of the new contracting process.

61. In 2020, CBT CPs were selected from those already working on in-kind activities as identified through an expression of interest in 2019 and/or among the limited options available in the areas of scale-up. Their capacity to implement CBT operations were not assessed. For two selected CPs, the FLAs did not include the CBT detailed budget/operational plan. A CP roster was not in place for 2020 and FLAs were not submitted to the Cash Working Group (CWG). The CO was finalizing a comprehensive CP assessment, including for CBT, for the 2021 FLAs to also include modality specificities.

Underlying cause(s): Pace of the emergency response, management turn-over and pipeline challenges resulting in rapid change in operational strategy and assistance modality. Staffing constraints and needs review not carried out in a timely manner. Staffing workload. Corporate guidance not available at the time of the FSP contracting. Long process for obtaining performance bonds from FSPs. Limited CP capacity and availability for allocation of CBT activities. FLAs specific by transfer modality.

Agreed Actions [High priority]

The CO will:

- i) Finalize the recruitment of staff and provide training upon onboarding.
- ii) Finalize the CBT strategy and prepare the operational plan.
- iii) Carry out a cost-efficiency assessment and reassess the need for market and infrastructure/multisectoral assessments for all regions of CBT operations.
- iv) Carry out a technical assessment of the FSP platform to identify risks and implement corrective measures.
- v) Finalize CP assessments, involving all relevant units (Programme, Emergency, CBT etc.), identify risks and mitigating measures, presenting results also to the CWG, in coordination with corporate units as relevant; and assess the opportunity for FLAs which are not bound to a specific transfer modality.
- vi) Finalize the new FSP tendering and contracting process and, with corporate support, carry out a technical evaluation including network coverage for all types of activities and locations; carry out a due diligence exercise and identify risks and mitigating measures; and reassess and obtain adequate performance bonds. In the interim, establish a periodic control over financial risk exposure with FSPs.

Timeline for implementation

31 December 2021

Observation 5: CBT operating modalities and transfer reconciliations

62. In 2020, the CO office progressively strengthened controls over the implementation of the CBT modality; however, issues in the management of payment instruments and reconciliations impacted their effectiveness and efficiency in the audit period.

SIM cards

63. The CO agreed to use SIM cards from operators other than the contracted FSP with a very short timeframe for redemption by the beneficiaries, otherwise funds were returned to WFP. This required reprocessing of unsuccessful transfers with an impact on distribution timelines and increased the complexity of tracking successful transfers and reconciliation of data. The CO indicated that it had started to limit this approach in October 2020, with some residual cases at the time of the fieldwork. The FSP interviewed during the audit confirmed the practice.

64. FSP SIM cards were issued based on a copy of beneficiary ID cards – an exception to contract requirements – and distributed to beneficiaries by FSP/CP staff; WFP personnel were not always present at distribution sites in 2020. Beneficiaries did not sign a contract upon receipt, an FSP contract requirement, and no consent was obtained. This limited WFP access rights to beneficiary data, including information on actual redemption of cash. The CO did not monitor dormant accounts. A structured process for tracking SIM cards, from issuance to distribution and activation to deactivation and return, was not in place or regulated by an SOP.

Reconciliations

65. The audit's review of a sample of lists utilized for mobile money transfer reconciliations (distribution versus transfers) highlighted duplicate IDs, also associated to different beneficiaries. In order to strengthen its capacity, the CO had recruited a dedicated staff member at head office level in mid-2020 for CBT reconciliations. The CO would benefit from the use of automated tools and/or data analytics.

66. SOPs require that WFP staff are present during direct cash distributions to identify beneficiaries and carry out the tripartite (FSP, CP, WFP) reconciliation process at individual level; however, this requirement was not consistently followed during the audit period. CPs and the FSP had separate lists signed by beneficiaries, but WFP did not keep



copies. SCOPE data was not systematically used for reconciliation or structured analysis. The CO reported the intent to start leveraging collected data for digital analysis and reconciliations.

67. SCOPE cards were used as payment instruments in the e-voucher pilot in the last quarter of 2020. However, structured processes and procedures were not in place for the issuance and management of SCOPE cards. Although a lack of identity checks and photos (see observation 3) limited the effectiveness of preventive fraud controls, as a risk mitigating measure the CO required CP presence at stores during distributions to identify beneficiaries. SCOPE data were used for reconciliation; however, in case of expansion of this modality, further data analytics of transactional data would be beneficial.

68. The reconciliation of financial transactions with the FSPs (down/payments, transfers, reimbursements) was not formalized.

Underlying cause(s): Pace of the emergency response. Evolution of the CO operating model and focus on delivery. Operational strategy in response to corporate push for CBT electronic transfer modality implementation. Staffing constraints. De-duplication process not defined to prevent duplications in the beneficiary lists. No process/tools in place for monitoring CBT data and identifying red flags.

Agreed Actions [Medium priority]

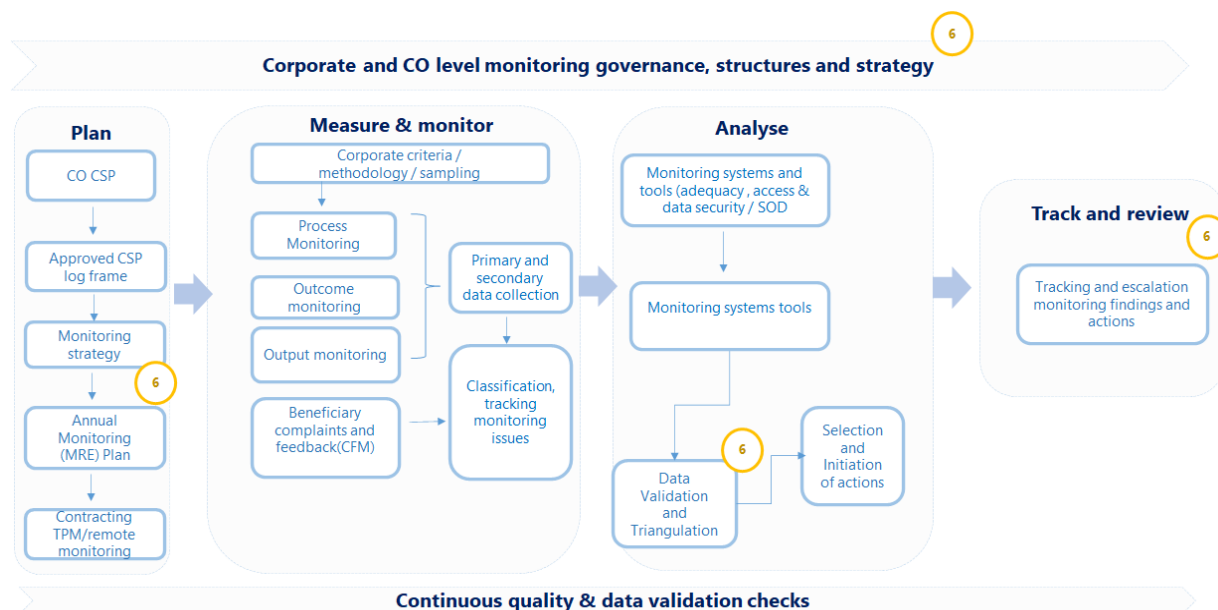
The CO, in coordination with HQ and RBD units as relevant, will:

- i) Carry out a CBT staffing re-alignment exercise taking into account the transfer modality current scale and foreseen further expansion.
- ii) Reassess mobile money modalities for enrolment of beneficiaries and ensure issuance and use of SIM cards is in line with legal and contract requirements.
- iii) Finalize the definition of a process and preparation of SOPs for management, tracking and reconciliation of SCOPE cards and SIM cards; and assess the opportunity to obtain consent to access data, and monitor dormant accounts.
- iv) Finalize the reassessment of reconciliation modalities, including checks and triangulations of data (distribution and transfer lists), and consider expanding the use of SCOPE data and data analytics to support reconciliation at individual level and analysis of no shows.
- v) In coordination with headquarters units as relevant, assess the opportunity to further enhance analytics of CBT data to identify red flags.
- vi) Ensure presence of WFP staff at distribution sites.
- vii) Formalize FSPs' financial transactions reconciliation.

Timeline for implementation

31 December 2021

Monitoring



Observation 6: Programme monitoring and reporting

69. While having established a Monitoring Review and Evaluation plan, the CO did not have a monitoring strategy, defining monitoring objectives, roles and responsibilities to cover its CSP programmes and indicators. Shortcomings were noted in the planning and implementation of monitoring activities with inconsistencies in roles and responsibilities, monitoring tools, data quality validations, methodologies, practices and reporting.

Monitoring governance, strategy, roles and responsibilities

70. Unclear and overlapping roles and responsibilities at the SO level resulted in monitoring assistants being involved in programmatic activities, including programme implementation and deprioritizing monitoring tasks.

71. While recognizing the Monitoring Unit's technical capacity and knowledge of corporate guidance and systems, these had yet to be disseminated to the SOs. No SOPs were in place and practices did not take risk exposure and sampling guidance into account. Practices adopted in different regions were inconsistent.

72. The 2020 monitoring plan covered only half of the year (July to December) and no systematic review and analysis of planned versus completed activities was in place. There were gaps in implementation of the monitoring plan, with less than 20 percent of the planned visits conducted for activities in the SOs sampled.

73. Minimum Monitoring Requirements were not achieved in all regions. The SOs' data collection was not consistent and information on monthly distribution data per region and monitoring of management of food commodities were not always available.

Monitoring data tools and validation

74. The reconciliation of distribution plans and monitoring reports was not systematic. For a sample of reports the audit could not verify the information reported by CPs against distribution planning figures, actual physical counts and data reported through monitoring reports. There was no process in place to triangulate and validate monitoring data from the different data sources.

75. The use of a standard reporting format / template aligned with key performance indicators in the logframe was not enforced. A reduced number of planned monitoring activities were carried out in the second semester of



2020. From those, only a limited number of monitoring reports were shared with the audit. Some of the reports were still in draft and did not display evidence of review and approval.

Underlying cause(s): Staffing constraints at SO level and limited assessment of staffing needs to implement monitoring activities despite scale-up of operations. Insufficient oversight of SO monitoring activities, results and feedback. Insufficient guidance and use of monitoring data validation and reporting tools. Insufficient management of monitoring risks including security and access issues to reach some monitoring sites.

Agreed Actions [Medium priority]

The CO will:

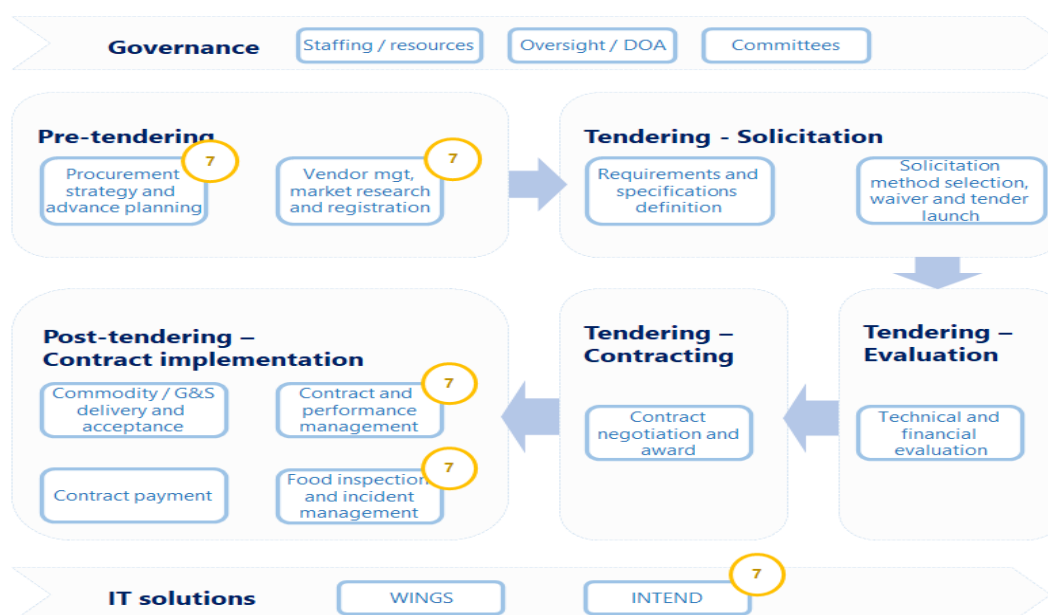
- i) Implement an integrated monitoring strategy, including guidelines and SOPs as relevant, to cover the 2019-2023 CSP outcomes, outputs and processes.
- ii) Address staffing issues in SOs, provide adequate training and establish a roles, responsibilities and accountability framework for the collection, management and reporting of monitoring data.
- iii) Finalize a comprehensive monitoring plan considering all CSP activities, reporting requirements and timelines, minimum monitoring requirements and coverage targets, information sources, sampling methodologies and required human resources.
- iv) Establish periodic follow-up and reporting on monitoring activity implementation status and results.
- v) Develop a mechanism to systematically triangulate information and data obtained from different sources, such as distribution reports for analysis and follow-up.

Timeline for implementation

31 December 2021

Supply Chain

Procurement



Observation 7: Procurement planning, vendor management and food safety and quality

76. While acknowledging that in 2020 the CO procured food for a total of USD 23 million operating with limited staff resources and pipeline information, the absence of a well-defined procurement strategy and market research in a volatile local commodity market impacted a more strategic approach to food commodity procurement, led to longer lead times, and did not facilitate leveraging long-term relationships with strategic suppliers.

77. The CO purchased approximately 20 percent of all procurements for food and goods & services (G&S) through an offline tendering setting, without the use of the corporate electronic tendering system, as local vendors did not have adequate access to digital platforms and the internet.

78. The CO had not established a formal procurement plan for G&S in 2020. The 2021 plan was under finalisation at the time of the audit reporting stage. The G&S vendor roster had not been updated since 2014, while the food vendor roster had been updated twice in 2020. Reasons for removal or inclusion of vendors from the food roster and their approval by the Vendor Management Committee were not well documented, increasing the risk of contracting and procuring from non-qualified or not properly assessed vendors.

79. Review of a sample of food procurement transactions highlighted the absence of vendor performance evaluations, including quality and quantity (Q&Q) inspection services. Challenges in providing documentation supporting vendor registration and verification were caused by the relocation of the Procurement Unit's physical files.

Food safety and quality (FSQ) issues

80. The CO procured fresh dairy products from three production sites for a milk project launched in 2015 in collaboration with the Ministry of National Education, Literacy and Promotion of National Languages. From February to July 2020, 64 metric tonnes (mt) of yogurt were delivered to assist 8,765 children under the CO's school meals activities. Some daily FSQ controls were not fully conducted as required by the procurement contract to ensure that the yogurt was not distributed if manufacturing dates exceeded one day.

81. As an additional measure to mitigate FSQ risks, the CO contracted to the National Public Health Laboratory periodic verifications of yogurt at production sites. However, laboratory results were provided with delays of several



weeks, during which time the batches could have been distributed to beneficiaries. Risk and control frameworks have changed since the beginning of the project as processes were established for yogurt production and the number of vendors and students reached increased.

82. In October 2020, RBD carried out a factory audit on a contracted local vendor during which some non-conformity with FSQ standards was noted. The request to remedy critical non-conformities was not promptly sent to the vendor (reported to the vendor in December), and by that time 239 mt of commodities had been accepted and paid for. There were delays in communication between RBD and the CO on this matter.

83. A food technologist was recruited in 2015 to support the milk project. The position was based in and reported to the Head of the Dori SO to mitigate quality risks and to monitor partners, with no formal reporting line to the Procurement or Supply Chain Units. The staff member was often involved in food procurement processes for specifications for tenders and review of inspection results but was not involved in vendor evaluations.

Underlying cause(s): Staffing capacity constraints impacting prioritization of strategic supply chain activities. Pace of the operational scale-up of the emergency response. Lack of updated framework based on the evaluation of current FSQ risks.

Agreed Actions [Medium priority]

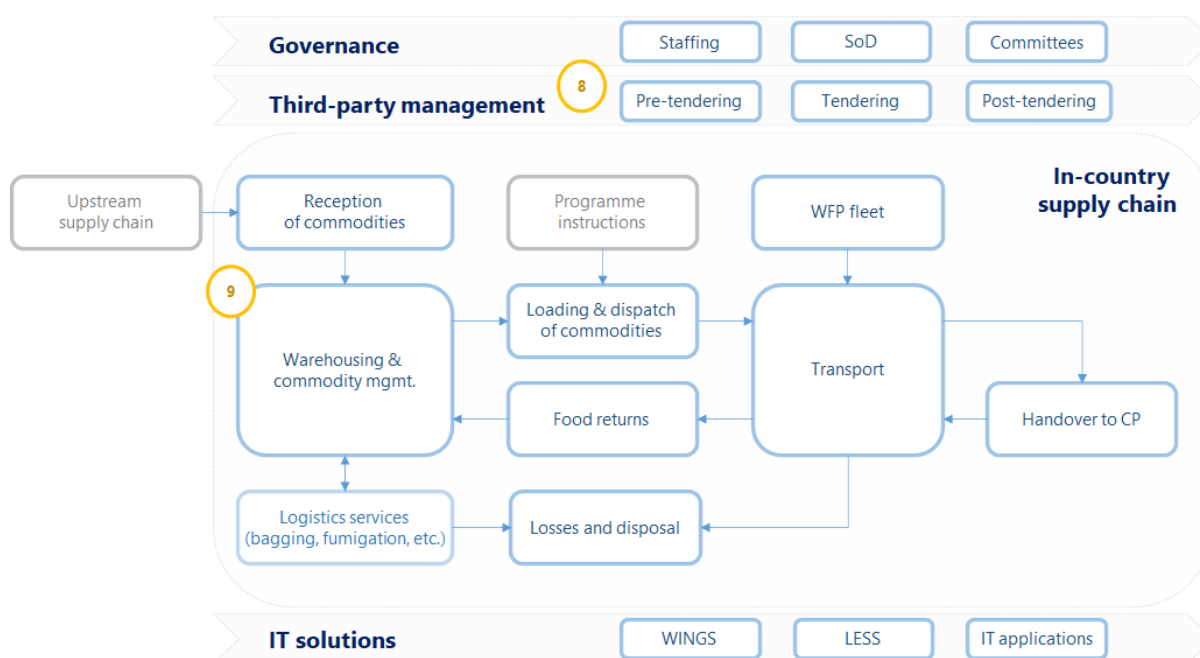
The CO, in coordination with RBD, will:

- i) Define a procurement strategy taking into consideration market assessments, projected demand, suppliers' capacity and pre-positioning strategies.
- ii) Implement appropriate and timely procurement planning and use of the corporate e-tendering system "In-tend" for G&S procurement.
- iii) Consolidate the food roster and finalise the update of the G&S prequalified vendors, strengthen the performance evaluation process and maintain minimum standards for vendor registration and the management filing system.
- iv) Clarify the minimum requirements for FSQ related to the milk project to ensure mitigation of risks and update contractual frameworks with milk and special nutritious food manufacturers.
- v) Finalize the recruitment of the new food technologist position based in Ouagadougou and align its responsibilities with comparable food technologist positions.
- vi) Enhance coordination between the CO/RBD quality management systems and reassess CO needs for FSQ technical support and oversight.

Timeline for implementation

31 December 2021

Logistics and commodity management



Observation 8: Logistics and transportation

84. Review of key processes and decisions in logistics and transport management indicated shortcomings in logistics and market assessments and the sourcing of transport services.

85. The CO had not carried out a Logistic Service Market Assessment (LSMA) before sourcing transport and associated logistics services. In the context of access challenges to multiple activity locations, volatile security and scale-up of operations, a market assessment and regular monitoring could have facilitated the CO's emergency preparedness and response. The CO had started this exercise at the time of the audit fieldwork.

86. The Logistics Capacity Assessment, which provides a comprehensive logistics report to all humanitarian agencies operating in the country, had not been updated since 2012.

87. Review of transporter shortlisting highlighted inconsistencies between the information provided by transporters and summary analyses in the notes for the record (NfRs) of Local Transport Committee (LTC) meetings.

88. Some transporters operated entirely or partially through subcontractors. Although responsibility for subcontractors shifted to contracted transporters via contractual clauses in the request for quotation (RFQ), insufficient information was collected about the subcontractors to allow for efficient risk management. Similarly, no evidence was obtained that contractors had the capacity to perform effective due diligence of subcontractors as stipulated in the RFQ. Risks associated with subcontractors were not captured in the LTC's NfRs.

89. The monitoring of transport loads in the tariff system set-up was not carried out by the CO. At the time of the audit, the CO was still in the process of analyzing 2020 actual allocations per transporter.

Underlying cause(s): Lack of adequate capacity and resources following the increase in activities and scale-up of operations. Longstanding vacancy of the Head of Supply Chain position. Access restrictions to multiple locations. Transporters not having long-term agreements with subcontractors and subcontractors changing over time.



Agreed Actions [Medium priority]

The CO will:

- i) Conduct a market assessment, establishing working relationships with the local transport authorities and enhancing inter-agency collaboration and, in coordination with the Logistic Cluster update the LCA.
- ii) Reinforce the assessment of transporters by identifying inherent risks and mitigation actions; considering
 - a) obtaining support from CO Finance staff in assessing transporters' financial capacity; and
 - b) collecting more insights on subcontractors.
- iii) Assess the possibility of using In-tend for the tendering process.

Timeline for implementation

30 September 2021

Observation 9: Commodity and warehouse management

90. The CO was exposed to pipeline breaks due to uncertainty over funds and other external factors, such as major disruptions of the Sahel-regional supply chain following the COVID-19 pandemic. This situation hampered the CO's ability to deliver food commodities to the intended number of beneficiaries in a timely manner. In addition, backlogs and offline operations resulted from an increase in workload and insufficient technical and human resources. Timelines of data entries improved in 2021, as shown in the corporate backlog indicator and the visibility of pipeline plans coordinated with other units.

91. A regular and formalized analysis of storage utilization based on warehouse capacity and the average inventory was not available. This contributed to commodity pipeline breaks and resulted in changes of transfer modalities, while in other instances the lack of storage capacity delayed the transport of purchased commodities from vendors to WFP's warehouses. In 2020, the CO increased its storage capacity by renting a new warehouse in Ouagadougou and supplying new WiikHalls to CPs.

92. In 2020, 31 percent of the CO's warehouse capacity comprised permanent storage structures provided by the host government under a logistics framework agreement signed in 2000 for joint management of WFP commodities in-country. The agreement related to WFP activities from 2000 to 2004 and had not been updated since then.

93. The Security Unit conducted systematic visits to WFP in-country storage facilities to support the Logistics Unit in ensuring the physical safeguard of commodities. Despite these efforts, minimum security measures (fencing, lighting, theft/access controls) for existing buildings were not fully implemented at the time of the fieldwork.

94. Periodic physical count exercises were not consistently conducted at all sites. Missing review/sign off by supervisors, discrepancies in data collection and non-compliance with minimum requirements for the Inventory Committees were noted in the audit sample review.

95. Monthly reconciliations of commodity records in LESS and COMET were not regularly carried out in 2020, with a risk of late identification and correction of discrepancies and possible anomalies. As of February 2021, a backlog of approximately 7 percent of total commodities handed over to CPs had yet to be reconciled.

Underlying cause(s): Staff capacity constraints and increased workload following the emergency response. Gaps in pipeline planning in the context of emergency response. Insufficient oversight and awareness of reconciliation in LESS and COMET.



Agreed Actions [Medium priority]

The CO will:

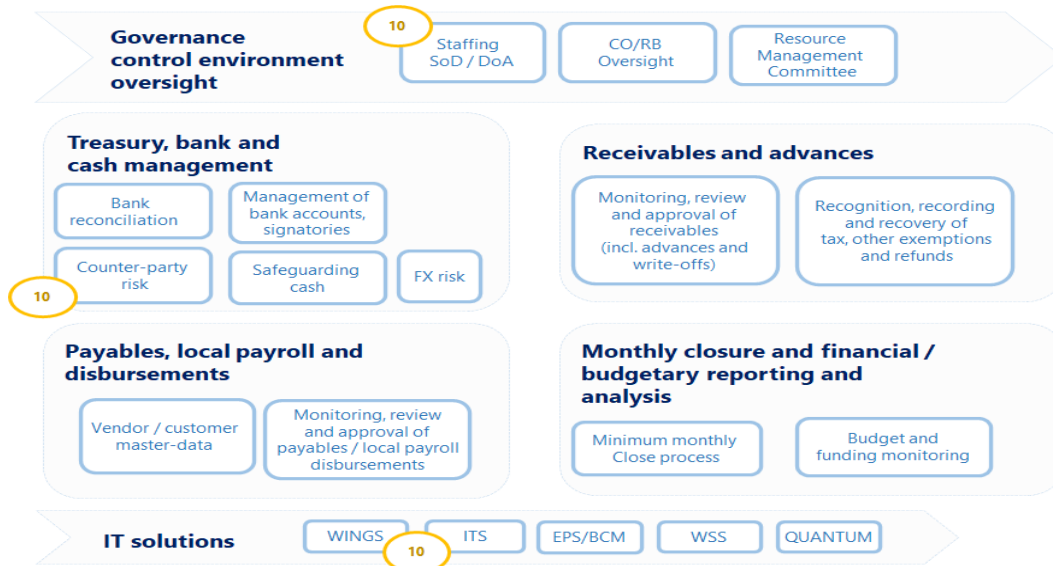
- i) Ensure that relevant logistics information (such as data on food stocks, expected consignments, etc.) is systematically provided to inform pipeline decision making.
- ii) Update the storage structure agreement with local government in line with current operations.
- iii) Expedite implementation of security recommendations to ensure that minimum security measures are in place for the safeguard of commodities and systematic follow-up of pending recommendations before renewing the warehousing contract.
- iv) Perform inventory controls in line with corporate physical inventory count and reconciliation guidelines.
- v) Support the CO Monitoring Unit in finalizing SOPs to guide future reconciliation and monitoring exercises on commodity management, and train and monitor field officers on good practices for warehousing.

Timeline for implementation

31 December 2021



Finance



Observation 10: Finance

96. The audit identified issues related to corporately established user profiles in the accounting and invoice management systems (WINGS and Invoice Tracking System [ITS]) and non-compliance with WFP financial procedures as detailed below.

97. Finance officers were able to process all finance-related steps for individual payments including invoice registrations, payment runs and one level of disbursement approval. As such, a large number of transactions were concentrated under the finance officer’s user role; this was not in compliance with segregation of duties requirements for processing payments and disbursing funds. ITS user roles were approved by the CO finance officer and management had no visibility of which staff had access to approve invoices for payment in ITS.

98. The CO did not register performance bonds in WINGS and confirmed bond authenticity with the bond issuer only for CBT contracts and not for food procurement. In 2019 and 2020, there were no vendor balance confirmations which are required for 5 to 10 percent of CO vendors twice a year; the CO started this exercise during the audit fieldwork.

99. For a sample of invoices directly processed in WINGS, the link between ITS and WINGS was not functioning mainly because of technical issues in ITS. In these cases, at the end of the payment process, disbursing officers had limited assurance that the correct upstream process was followed and that in-built controls functioned.

Underlying cause(s): Absence of automated controls in WINGS³ to limit the number of steps for an individual payment performed by a finance officer in the field and of corporate guidance to monitor such occurrences. Lack of automated real-time reports to flag invoice processing exceptions and no procedure in place. ITS user profile report does not provide a full audit trail of changes made in any given period at the CO level. ITS user profiles not linked to staff contract expiry date and position title.

³ With an exception in Bank Communication Manager (BCM), where one staff member cannot approve disbursements twice.



Agreed Actions [Medium priority]

- i) The CO will account for performance bonds in WINGS, confirm their authenticity and perform vendor balance confirmation as per corporate guidance.
- ii) FIN will:
 - a) Review the finance officer profile in the field profile set-up in ITS and WINGS or consider introducing built-in checks to segregate the tasks for processing payments in ITS and WINGS. Where not possible, provide guidance to the CO to establish a review process and ensure reports are available to flag exceptions.
 - b) Review the user roles management process in ITS to reinforce segregation of duties and provide visibility to CO management.
 - c) Explore the possibility to improve real-time reports to allow COs to flag invoices directly processed in WINGS and ensure that funds are disbursed with full visibility for disbursing officers; and provide guidance on establishing a process to review exceptions and take action.

Timelines for implementation

- i) 30 June 2021
- ii) 31 December 2021

Annex A – Agreed action plan

The following table shows the categorization, 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.

The agreed action plan is primarily at the CO level.

#	Observation (number / title)	Area	Owner	Priority	Timeline for implementation
1	Identification, management and monitoring of risks and complaints	Cross-cutting	CO	Medium	31 December 2021
2	Beneficiary targeting and assistance distribution	Programme, Emergency, Monitoring	CO	High	30 November 2021
3	Beneficiary data management	Programme, Emergency, IT	CO	High	31 December 2021
4	CBT governance, set-up and assessments	Programme, IT, Security	CO	High	31 December 2021
5	CBT operating modalities and transfer reconciliations	Programme	CO	Medium	31 December 2021
6	Programme monitoring and reporting	Programme, Monitoring	CO	Medium	31 December 2021
7	Procurement planning, vendor management and food safety and quality	Procurement, Food Safety and Quality	CO	Medium	31 December 2021
8	Logistics and transportation	Logistics	CO	Medium	30 September 2021
9	Commodity and warehouse management	Logistics, Monitoring	CO	Medium	31 December 2021
10	Finance	Finance	i) CO ii) FIN	Medium	30 June 2021 31 December 2021

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.⁴

⁴ An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.



3 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 actions 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

CBT	Cash-Based Transfer
CFM	Complaints and Feedback Mechanism
CO	Country Office
CONASUR	National Council for Emergency Assistance and Rehabilitation
CP	Cooperating Partner
CSP	Country Strategic Plan
CWG	Cash Working Group
ERM	Enterprise Risk Management
FLA	Field Level Agreement
FSP	Financial Service Provider
FSQ	Food Safety and Quality
G&S	Goods & Services
GRC	Governance, Risk and Control
IDP	Internally Displaced Person
ITS	Invoice Tracking System
LTC	Local Transport Committee
NfR	Note for the Record
OIGA	Office of Internal Audit
PIA	Privacy Impact Assessment
RBD	Regional Bureau for Western Africa
RFQ	Request for Quotation
SCOPE	WFP's beneficiary information and transfer management platform
SO	Sub-Office
SOP	Standard Operating Procedure
WFP	World Food Programme