



02 Aug 2021

Management Comments to the Internal Audit Report of WFP Operations in Cambodia (AR/21/12)

WFP management appreciates the observations and recommendations made by the Office of the Inspector General (OIG) in this internal audit report (AR/21/12) of WFP operations in Cambodia, which focused on beneficiary management, cash-based transfers (CBT), monitoring, supply chain, and organizational structure and staffing, covering the period from 1 January 2020 to 31 March 2021.

Operations in Cambodia, as defined in the Country Strategic Plan 2019–2023 through six strategic outcomes (SOs), include a variety of interventions: school feeding through in-kind and cash assistance to schools (SO1); technical support and strengthening of national and subnational capacity in the areas of emergency preparedness (including shock responsive social protection) (SO2, SO3) and nutrition (SO4); and the provision of logistics service delivery (SO5). In late 2020, acknowledging the changing context of recurrent and more severe climate and economic shocks in Cambodia, and WFP’s role in responding to these, SO6 was added to include emergency cash and in-kind assistance to crisis-affected populations. Expenditures pertaining to the implementation of the Country Strategic Plan for the period from 1 January to 31 December 2020 amounted to USD 10 million.

WFP Management acknowledges the report’s overall conclusion of “partially satisfactory/some improvement needed” and agrees with the recommendations related to one high and five medium priority observations. WFP Management has already commenced implementing some agreed actions and is committed to meeting the agreed deadlines.

The implementation of the five medium audit recommendations has commenced. WFP management is determined to leverage the benefits availed by this report to ensure structures and processes are reinforced in the areas of organizational structure; beneficiary management as related to government capacity strengthening and complaints and closing the loop; monitoring governance and strategy and supply chain warehouse management. An ongoing organizational structure review and related recruitments will be completed in 2021 to ensure adequate skills to address gaps, especially in the areas of monitoring and evaluation (M&E) and CBT. Capacity needs mapping exercises process will be completed as a priority to strengthen WFP’s alignment with national priorities. An M&E strategy and complaints and feedback mechanism for the country office will be finalized. Additional recommendations linked to regional oversight missions on CBT and M&E are also being addressed.

The implementation of the one high priority internal audit recommendation, related to CBT has been prioritized with the finalization of the contracting process for financial services for emergency cash operations. The lessons learned exercise will follow, engaging relevant colleagues in the country office, regional bureau and headquarters.



WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking system. The country office will also seek regular guidance and technical support from the Regional Bureau for Asia and the Pacific in taking these actions forward.

Overall, based on the results of this audit and recommendation, WFP Management appreciates the constructive and useful engagement of the Office of the Inspector General for its thorough analysis, receptive engagement, and collaborative support. WFP Management considers the observations and the agreed actions presented by this internal audit report (AR/21/12) as a valuable instrument to improve its operational efficiency and effectiveness.