

8 December 2021

## **Management Comments to the Internal Audit Report of WFP Operations in Somalia (AR/21/20)**

WFP Management welcomes the observations and recommendations made by the Office of the Inspector General (OIG) in this internal audit report (AR/21/20), covering the period 1 January 2020 to 30 April 2021. WFP Management appreciates the integration of the recent second and third line oversight findings into the audit process.

WFP Management acknowledges the complexity of the Somalia operation coupled with the challenges posed by COVID-19 that led to border closures, increased staff and partner health and safety risks, as well as disruptions to key processes and controls across the operation. Despite these challenges, WFP implemented a range of measures to ensure staff were on the ground to deliver much-needed assistance across its 11 offices in Somalia and the Liaison Office in Nairobi. The audit period represents an important period in time for the Somalia operation: The Interim Country Strategic Plan was in its second year of implementation and a new Country Strategic Plan was developed and discussed with key stakeholders, including senior government officials.

WFP Management takes note of the overall audit rating of **“partially satisfactory / some improvement needed”** and agrees with the report’s three high priority and four medium priority observations.

The three high priority observations and agreed actions recommend strengthened fraud risk management and oversight tools in key process areas, including cash-based transfers (CBT), partner management and third-party contract management. WFP Management agrees that while significant work has been done to establish and implement due diligence and risk management processes across programme implementation and the management of partners and vendors, the implementation of agreed actions will greatly enhance oversight in these areas. Operations in Somalia face greater challenges due to the high number of partners and vendors engaged across the country, coupled with security and access risks. WFP Management is also working in close consultation with the interagency community in Somalia to promote risk-information sharing for improved due diligence and vetting of partners and vendors, supported by WFP and United Nations-wide information systems to triangulate data from multiple sources.

The four medium priority observations and agreed actions are cross-cutting, and relate to the Somalia operation’s beneficiary management processes, supply chain management, CBT governance and monitoring. WFP Management notes that many audit observations and agreed actions are closely aligned with existing management priorities and operational requirements, including the need to refresh the country office targeting strategy, strengthen CBT governance processes and better assess and articulate data privacy risks and controls for beneficiaries. Dialogue is also ongoing on the management of the Global Commodity Management Facility, including through a review of the lessons learned at the country level and regional perspective, with a robust focus on incident management for food quality and safety issues. WFP is also taking steps to review gaps in monitoring, including updating its monitoring strategy, reviewing



learning needs for the organization and third-party monitors, fine-tuning case management processes for the community feedback mechanism, and rolling out training on accountability to affected populations.

WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking tool. The Regional Bureau for Eastern Africa will provide guidance and technical support to the country office.

WFP Management appreciates the constructive and useful engagement of the Office of the Inspector General and its thorough analysis, receptive engagement, and collaborative support. WFP Management considers the observations and the agreed actions presented by the internal audit report as a valuable instrument to improve operational effectiveness and to further strengthen the governance, risk management and internal control processes of WFP's operation in Somalia.