

26 January 2022

Management Comments to the Internal Audit of WFP Operations in Zimbabwe (AR/22/01)

WFP Management welcomes the observations made by the Office of the Inspector General in its internal audit report (AR/22/01) on WFP operations in Zimbabwe, covering the period from 1 October 2020 to 30 September 2021. WFP Management appreciates the focus on the five functional areas of beneficiary management, monitoring, cash-based transfers (CBT), finance and supply chain.

WFP's operations in Zimbabwe are outlined in its Country Strategic Plan (CSP) 2017 – 2021, which was recently extended until June 2022, to support vulnerable populations in Zimbabwe, including refugees. While the CSP aims to pursue development, resilience and relief activities, the recent operations have been largely focused on the delivery of humanitarian assistance in response to climate and economic emergencies and the impact of COVID-19. Cyclone Idai (2019) and recurring droughts have fuelled rural vulnerability, while urban populations have been impacted by the economic consequences of COVID-19. The complex financial and monetary context in Zimbabwe has increased vulnerability levels and posed challenges to the government's operational response capacities.

In 2021, WFP and partners provided food and cash assistance to 1.826 million crisis-affected rural and urban people and 13,853 refugees. Further, WFP provided support to strengthening rural resilience by building and rehabilitating productive assets, promoting sustainable agriculture, and managing climate risks. In 2021, WFP introduced urban resilience activities to complement urban cash transfers. Aligning with national monetary policies, WFP diversified cash transfer approaches through the use of USD value vouchers and remittance transfers.

WFP Management takes note of the overall conclusion of **“partially satisfactory/some improvement needed”** and agrees with the report's one high priority and five medium-priority observations. In particular, the high-priority observation, related to the need to strengthen the management of payment instruments through the drafting of Standard Operating Procedures (SOPs) detailing the segregation of duties at cooperating partner levels and the establishment of a digital tracking tool, is well noted. The payment instrument management SOPs, that were underway at the time of the audit, have since been further elaborated and are scheduled to be finalized by the recommended and agreed-upon deadlines. The country office will work with the Regional Bureau for Southern Africa and WFP headquarters to ensure compliance with corporate guidelines and the development of additional standards where gaps exist.

WFP Management further appreciates the guidance provided in the medium-priority observations and agreed actions. Data and privacy protection, and analytics in beneficiary identification and data management are being addressed in collaboration with the regional bureau and headquarters specialists. The realignment of functional tasks and responsibilities in CBT management and reconciliation are considered in the organizational alignment exercise and the elaboration of relevant SOPs. As part of the development of the second generation CSP, new monitoring plans will be developed including calibration



of periodicity and frequency of on-site monitoring activities and data triangulation, including from the community feedback mechanisms. Supply chain vendor, market and contract assessments are underway and/or scheduled to be undertaken in 2022, while the segregation of duties in transport contracting is being addressed in the organizational alignment exercise. The information and communications technology (ICT) equipment inventory has been reorganized through the 2021 annual inventory exercise, introducing improved management approaches from 2022 onwards, including for the disposal of obsolete equipment.

WFP Management appreciates the thorough analysis undertaken by the Office of the Inspector General, including the travel to Zimbabwe and various field locations under challenging COVID-19 circumstances. The advice and guidance provided by the audit observations, and the implementation of agreed actions will strengthen the governance, risk management and internal control mechanisms of WFP's operations in Zimbabwe.