

31 March 2022

Management Comments to the Internal Audit Report of WFP Operations in Afghanistan (AR/22/05)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report (AR/22/05) on WFP operations in Afghanistan, covering the period from 1 July 2020 to 30 June 2021. WFP Management appreciates the focus on five functional areas comprising supply chain, finance, beneficiary management, monitoring and cash-based transfers (CBT).

WFP operations in Afghanistan are defined through its Country Strategic Plan (2018–2022), which was extended until the end of 2023, to support vulnerable people in Afghanistan. WFP Management acknowledges that the operating environment has been impacted by the political and economic crisis in August 2021, which resulted in an increase in vulnerable peoples' need for emergency assistance. In response, WFP declared a Level 3 emergency on 30 September 2021. A budget revision was prepared and approved to reach 22 million beneficiaries in 2022 and involved an immediate deployment of additional WFP staff combined with robust resource mobilization efforts to support the provision of assistance to a higher number of vulnerable people affected by the political and economic turmoil.

WFP Management takes note of the report's 7 observations and 11 agreed actions, each with an assigned rating of **"medium priority"**. WFP Afghanistan has started to implement some of the agreed actions. Out of 11 agreed actions, two have been implemented at the time of report issuance. This includes the agreed action under observation 1 on "Introducing virtual Procurement Contracts Committee consultations to replace in-person meetings whilst COVID-19 restrictions remain in place; and the agreed action 7.1 under observation number 7 titled "Design and implement a country office monitoring strategy". The remaining nine agreed actions will be closely monitored and implemented within the agreed timeframe.

WFP Management acknowledges the priority given to ensuring that goods and services are competitively procured through vendor and logistics service market assessments. WFP management commits to improving fleet management by disposing of old trucks through the Local Property Survey Board. Regular balance confirmations processes are to be introduced to assert the accuracy of debtor and creditor balances. Strengthened SCOPE management will enhance beneficiary data storage and maintenance aspects; allow for verification to identify and address duplicates in SCOPE; consolidate data currently held locally by field offices; and develop and formalise a data retention policy. WFP Afghanistan will also design and implement tools to capture, escalate and track monitoring issues.

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

WFP Management would like to thank the Office of the Inspector General for its thorough analysis 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 operations in Afghanistan.