

28 March 2022

Management Comments to the Internal Audit Report of WFP Operations in Syria (AR/22/04)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report (AR/22/04) on WFP operations in Syria, covering the period from 1 October 2020 to 30 September 2021. WFP Management appreciates the focus on the functional areas comprising beneficiary management, cash-based transfers, supply chain, monitoring and finance, and tailored reviews of the management of cooperating partners and humanitarian access.

WFP operations in Syria are defined through its Interim Country Strategic Plan (2019–2023) which aims to support the most vulnerable populations across Syria. WFP Management acknowledges the complexity of the operating environment which has been exacerbated by a series of challenges including, insecurity, economic crisis, high inflation and fuel shortages. In response to increased food insecurity, in 2021, WFP expanded its general food assistance (GFA) programme from 4.7 to 5.8 million beneficiaries per month. Overall, in 2021, WFP successfully reached 7 million beneficiaries in Syria through a combination of activities.

WFP management recognizes the audit's overall conclusion of “**partially satisfactory/some improvements needed**” and agrees with the seven recommendations consisting of one high priority and six medium-priority observations. WFP Management is committed to meeting the prescribed deadlines, noting that the high priority recommendation on supply chain process optimization to be addressed with the Regional Bureau for the Middle East and Northern Africa as lead shall be given maximum importance.

In addition, WFP management would like to emphasize that the country office has already embarked on developing best practices in procurement, finance, budget, monitoring, cash-based transfers, cooperating partner management and humanitarian access. Furthermore, the country office has already started to implement most of the agreed actions before the audit mission and specific actions are already underway to address them as follows:

Observation 3: As a standard practice, the country office provides support and oversight to field offices when performing retail assessments to ensure that these are carried out in an independent manner. In 2022, joint country office/field office assessments are being conducted across all offices to reassess the capacity of retailers for the roster. In addition, the country office decided to discontinue the business-to-business project which was piloted in 2021.

Observation 4: The limited number of wheat flour suppliers in Syria resulted in WFP procuring the commodity from across the region. As per standard practice, the Regional Bureau for the Middle East and Northern Africa (RBC) consults with the Syria Country Office prior to the tendering and awarding of all food contracts, so as to ensure that operational requirements have been taken into consideration. RBC also actively monitors upstream operations together with the country office during the contract preparation phase, while also reviewing, and where necessary, refining the procurement strategy for the sourcing of wheat flour for the Syria response. Continued emphasis will also be placed on inspecting the loading and unloading of commodities, including those stored at warehouses. Relevant mitigation measures put in place to address potential risks were considered to

be highly effective and included downstream food safety and quality control processes to ensure that commodities delivered to beneficiaries are safe and high quality. Based on the audit conclusion, there were no instances of quality-impacted commodities distributed to beneficiaries, confirming the success of the mitigation measures.

Observation 5: The country office is finalising the physical inventory count process and related guidance materials in line with corporate requirements, while refresher trainings for logistics staff and stock-taking committee members are already underway.

Observation 6: The recommendations related to (i) finalisation of work to determine the best balance between the third party and direct WFP monitoring, and (ii) strengthening the quality and oversight of the issue tracking tool, are well noted. The country office began to address both areas in 2021.

Observation 7: In the middle of 2021, the country office organised a local task force to streamline field level agreements with a focus on performance evaluation, capacity assessments and payment of cooperating partners. The country office is implementing the actions recommended by the local task force, which are closely aligned with those recommended by OIGA.

WFP Management would like to thank the Office of the Inspector General for the meaningful collaboration and support, and thorough analysis undertaken in Syria, including visits to field offices. WFP Management is confident that the implementation of agreed actions by the respective due dates will further strengthen the governance, risk management and internal control processes of WFP's operations in Syria.