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Internal Audit of WFP Operations in South Sudan

Office of the Inspector General
Internal Audit Report AR/22/14



World Food
Programme

August 2022



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I. Executive summary

WFP South Sudan Country Office

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in South Sudan that focused on beneficiary management, supply chain, budget management, non-governmental organization partnerships, humanitarian access, and monitoring. The audit covered the period from 1 January 2021 to 31 December 2021.
2. WFP's Interim Country Strategic Plan, 2018–2022 for South Sudan, aims primarily to assist vulnerable people affected by conflict, displacement, weather-related or economic shocks, or serious illness to meet their food and nutrition needs. In non-conflict areas, WFP promotes enhanced resilience for smallholder farmers through livelihood activities. In addition, WFP provides air transport and coordinated logistics services to humanitarian partners to ensure the delivery of assistance to remote, hard-to-reach areas.
3. The latest revised budget for the interim country strategic plan 2018-2022 was USD 5.0 billion. In 2021, WFP expenses amounted to USD 642.0 million and 5.9 million beneficiaries were reached. The audit focused on the two activities under Strategic Outcome 1, which accounted for 68 percent of the total plan's expenses during the audit period.

Audit conclusions and key results

4. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **some improvement needed**. The assessed governance arrangements, risk management, and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objective of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
5. The operating context in South Sudan is marked by a fragile security situation with persistent levels of subnational conflict and localized violence resulting in internal displacements, increased humanitarian needs, and disrupted humanitarian operations across the country. Climate-related shock and a third consecutive year of unprecedented flooding affected more than 835,000 people, particularly in Jonglei, Unity and Upper Nile states, leading to significant displacement and disruption to livelihoods. Localized drought in parts of Eastern Equatoria state led to population movements seeking food assistance. These factors posed significant access and security challenges to WFP and other humanitarian organizations in the country.
6. The impact of COVID-19 and a macroeconomic crisis compounded an already dire humanitarian crisis. The country office was aware of the risks related to its operational context. It proactively worked to establish mitigating measures and compensating controls, including through its leading role within WFP in setting up a Humanitarian Access Unit and engaging a conflict-sensitivity expert.
7. The global increase in prices of food commodities and jet fuel for aviation activities due to the Ukraine war in 2022 coupled with funding constraints negatively impacted the country office's ability to meet its operational targets. In 2021, WFP took drastic measures to prioritize pockets at risk of famine, while spreading its remaining resources thinly across the country, therefore assisting 5.9 million beneficiaries against a target of 4.9 million. To allow for such a scale-up with limited resources, the country office adjusted the duration and size of assistance, prioritized full rations to critical locations and reduced general food distribution rations by 50 percent to 81 percent of beneficiaries. A reprioritization exercise in May 2022 temporarily suspended interventions in counties with a low population and classified as Integrated Food Security Phase Classification 4. This left more than 1.7 million beneficiaries unassisted. Through other optimization initiatives, the country office reduced transport costs and airdrops of beneficiary assistance by 50 percent.



8. The country office built strong partnerships with relevant stakeholders in its programme delivery. Management made concerted efforts during the audit period to empower and build the capacity in the country office's risk and compliance function by increasing from one to three staff with varied skills and experience. This enhanced continuous risk management, including fraud risk assessments and checks of non-governmental organizations' operations. Management strengthened its commitment to internal controls, compliance with procedures and data analytics. It also closely followed up on implementing oversight recommendations, especially those from the Regional Bureau for Eastern Africa. The country office established detailed context-specific standard operating procedures and sought regular support from the regional bureau and headquarters units. Controls in the supply chain, monitoring, and budget management areas were generally established and functioning.

9. The audit identified several common root causes across audit observations. These include unclear delineation of roles and responsibilities between technical and functional units (in the country office) and field offices, especially in management oversight activities; limited staff capacity and awareness of field offices and non-governmental organizations; and absence of corporate guidance in conflict sensitivity programming and humanitarian access management, which are areas still under development.

10. For beneficiary management, the audit identified the need to strengthen the targeting criteria guidance and its consistent implementation. In addition, the country office should complete beneficiary biometric registration to reduce duplication risks. Field office capacity and understanding needed strengthening, to ensure that beneficiary complaints and feedback information collected were consolidated and submitted to the country office.

11. There were quality issues in the performance evaluation of the non-governmental organisations and limited understanding of beneficiary data protection, indicating the need to build capacity and train field office staff. There were also opportunities to improve the follow-up of internal oversight recommendations in monitoring, logistics, and security oversight of warehouses.

12. Humanitarian access controls were generally established and working. The country office received positive feedback on the performance and impact of the Humanitarian Access Unit from headquarters units, the regional bureau, donors, and non-governmental organizations. There was recognition of the need at the corporate level to develop an information system as well as key performance indicators for tracking conflict sensitivity. Information systems and key indicators will help the country office collect, preserve and use qualitative and quantitative data for monitoring and measuring access management activities. In addition, the country office should strengthen its knowledge management in this critical area.

Actions agreed

13. The audit report contains six medium-priority observations, two of which have actions at the corporate level. Management has agreed to address the reported observations and to work to implement the agreed actions by their respective due dates.

THANK YOU!

14. The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.



II. Country context and audit scope

South Sudan

15. As a result of the civil war of December 2013, South Sudan is experiencing a prolonged crisis. This has been exacerbated by mass population displacement and a collapsing economy, leading to declining food security and nutrition levels. Apart from slight seasonal variations, global acute malnutrition remains above the emergency threshold in most of the country.

16. In 2021, persistent levels of subnational conflict, localized violence, a third consecutive year of unprecedented flooding, and a macro-economic crisis compounded an already dire humanitarian crisis in South Sudan. The food security situation significantly deteriorated, with people needing humanitarian assistance increasing from 7.5 million in 2020 to 8.3 million in 2021.

17. South Sudan has a low level of development, ranking 185 of 189 on the United Nations Development Programme's (UNDP) Human Development Index.¹ Fraud risk is inherently high, with the country ranking 180 of 189 countries in the 2021 Transparency International's Corruption Perception Index.²

WFP operations in South Sudan

18. WFP has long-established experience in humanitarian assistance and resilience interventions in South Sudan. The interim country strategic plan positions WFP as a key contributor in providing food-insecure people with access to food and nutrition; enhancing resilience to seasonal climate shocks and providing the humanitarian community in the country access to reliable common services.

19. The interim country strategic plan was initially approved for three years (2018–2020) and further extended through budget revisions to 2022. These extensions allowed WFP to adjust operational requirements to respond to emerging needs. The revised plan has a total needs-based budget of USD 5.0 billion over the period 2018–2022. A new country strategic plan in development derives from and will contribute directly to the three strategic priorities in the 2023–2025 United Nations Sustainable Development Cooperation Framework (UNSDCF) for South Sudan and will ensure alignment with the new National Development Plan.

20. In 2021, due to scarce resources, WFP reduced the food rations by up to 50 percent in some areas. This allowed the country office to reach 5.9 million people through its 15 field offices, surpassing its target of 4.9 million for the year. In 2021 WFP assisted 264,723 refugees, 704,123 internally displaced persons, and 5.0 million residents.³

21. The country office distributed 278,907 metric tons (mt) of food and USD 44.4 million in cash during the audit period. Food procurement amounted to USD 86.0 million, of which USD 72 million was pre-financed by the WFP Global Commodity Management Facility. Goods and services procurement totalled USD 80.0 million over the period in scope.

22. In 2022, the country office finalized a reprioritization exercise to cope with funding constraints, leading to the suspension of food assistance to 1.7 million people. WFP based the exercise on the 2022 integrated food security phase classification (IPC), prioritizing counties with the most people in catastrophic and emergency levels of food insecurity.

¹ United Nations Development Programme, Human Development Index: <https://hdr.undp.org/en/content/human-development-index-hdi>

² Transparency International, Corruption Perception Index: <https://www.transparency.org/en/cpi/2021/index/ssd>

³ [Annual Country Report | World Food Programme \(wfp.org\)](#)

Objective and scope of the audit

23. The objective of the audit was to provide assurance on the effectiveness of governance, risk management, and internal control processes relating to WFP operations in South Sudan. Such audits contribute to an annual and overall assurance statement to the Executive Director on governance, risk management, and internal control.

24. The audit focused on activities 1 and 2 under strategic outcome 1 (Food-insecure women, men and children in crisis-affected areas and refugees have access to safe and nutritious food all year round), representing 68 percent of the total interim country strategic plan's expenses.

- *Activity 1– Provide nutrition-sensitive food assistance to crisis-affected populations.*
- *Activity 2 – Provide food, nutrition and school meals assistance to refugees.*

25. The Office of Internal Audit developed an audit approach for 2021 to adapt to COVID-19 constraints while increasing its audit coverage of country operations and providing assurance on five key areas of the end-to-end country office delivery process, as detailed in Figure 1.

Figure 1: Areas covered by the 2021 audit approach



26. The internal audit of the WFP South Sudan Country Office built on the 2021 approach, complementing it with a risk-based audit methodology to determine the priority focus areas for the audit. As a result, the six areas in scope for the audit included: (i) beneficiary management; (ii) non-governmental organization partnerships (NGO); (iii) supply chain; (iv) monitoring; (v) humanitarian access management; and (vi) budget management.

27. The audit team conducted the audit mission in the South Sudan Country Office in Juba with visits to the Bor, Rumbek, and Aweil field offices. The audit relied on recent management oversight of monitoring, logistics, cash-based transfer, and finance by the Regional Bureau for Eastern Africa, leading to some controls testing in these areas being scoped out of the audit. Food procurement was also scoped out as the process is managed from headquarters and the regional bureau through WFP's Global Commodity Management Facility.

28. Additionally, the audit tested the fraud controls as part of phase two of the separate proactive integrity review of food commodity management. The field visit of the Internal Audit of WFP Cooperating Partner's Digital and Data Protection Risks was done during the country office audit.

29. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.



III. Results of the audit

Audit work and conclusions

30. The six observations arising from the audit are presented below. They are grouped into sections corresponding to the functional areas covered (see paragraph 26), with an initial section to capture cross-cutting issues.

31. A simplified standard process diagram is included for four of the six functional areas audited. These diagrams indicate the key control areas reviewed by the audit and, when exceptions or weaknesses were noted, the audit observations to which they relate and their respective priority rating (red for high and yellow for medium-priority observations). Any other issues arising from the audit assessed as a low priority were discussed with the country office directly and are not reflected in the report nor included in the diagrams.

Cross-cutting issues

Observation 1: Management oversight follow-up and resolution

32. The country office benefitted from several management oversight and support activities, through its Risk and Compliance function and monitoring unit, and through the Regional Bureau for Eastern Africa and headquarters units, such as humanitarian access. This resulted in generally working internal controls and a proactive risk management approach as the country office implemented recommended actions.

33. The monitoring unit invested in data analytics and a dashboard to visualize and track consolidated monitoring findings and highlights from the 15 field offices. Yet, at the time of the audit mission, the dashboard indicated that a significant percentage of findings reported from January 2019 to April 2022 were unresolved. The revision of monitoring standard operating procedures to define the timeline for resolution of monitoring findings was in progress at the time of the audit mission.

34. Oversight activities of more than 160 warehouses managed by the country office, field offices and NGOs are spread across logistic, security, and monitoring units. There is limited oversight over warehouses managed by NGOs for prepositioning purposes. The outputs from logistics oversight activities and warehouse security risk assessments were mainly communicated through emails without a systematic consolidation, tracking, and follow-up method. This limited the visibility on unresolved issues and their impact on operations.

Underlying cause(s): Unclear roles, responsibilities and accountabilities in escalating, management oversight of, and resolving outstanding monitoring findings; and absence of a tool or system to consolidate, track and monitor the implementation of oversight findings.

Agreed Actions [Medium priority]

The country office will:

- (i) Clarify roles, responsibilities and accountabilities of relevant functional units in the country office and field offices in escalating and resolving outstanding monitoring findings.
- (ii) Establish a tool or system to consolidate, track, monitor and implement issues identified from logistics oversight activities and warehouse security risk assessments.

Timeline for implementation

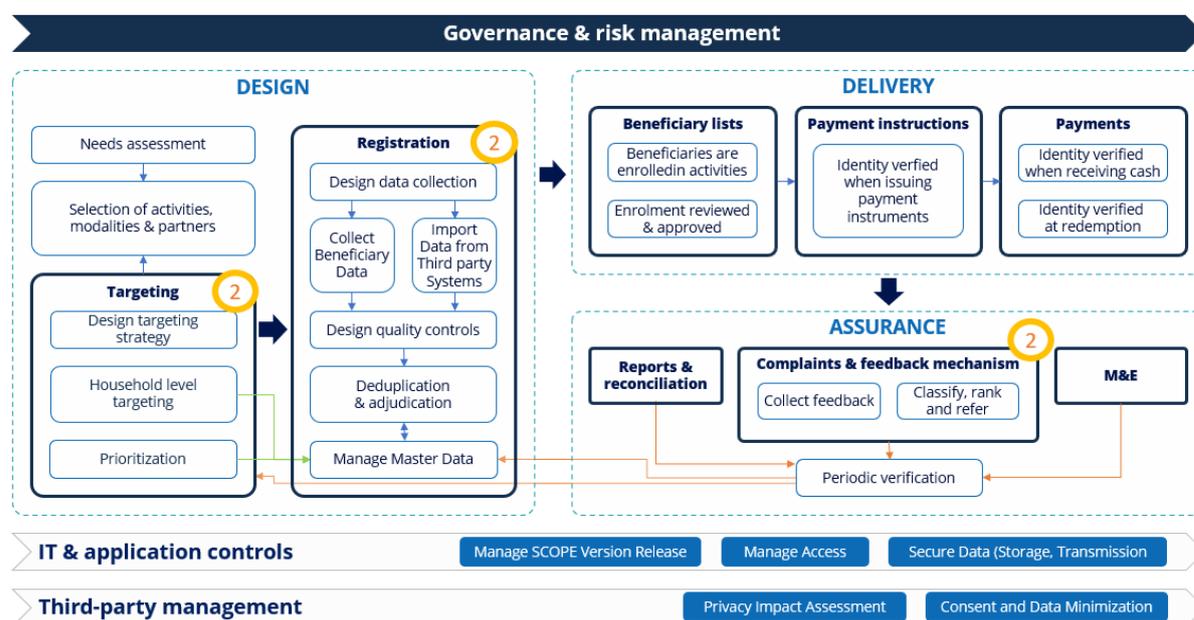
30 June 2023

Beneficiary management

35. The audit assessed the key controls over beneficiary management processes, focusing on targeting and beneficiary data collection, analysis and verification.

36. WFP built solid partnerships with key stakeholders, including local authorities and NGOs, which enhanced beneficiary management information flow. The country office signed a beneficiary data sharing with the United Nations High Commissioner for Refugees agreement in 2021, and in 2018 with the International Organisation of Migration. Overall, key controls over governance, beneficiary registration, identification, and verification were established and operating effectively.

Figure 2: Control test results for beneficiary management



Observation 2: Beneficiary management

Targeting

37. The WFP food security and nutrition monitoring system (FSNMS+) was a key data source for the IPC analysis. Based on the FSNMS+ outcomes, in January 2022, the WFP vulnerability assessment and mapping unit recommended an immediate response for communities affected by the early lean season. Following an external process review and challenges in data collection, the IPC results were delayed for three months; hence, WFP could not meet immediate response requirements in all locations. Additionally, the IPC classification did not allow targeting specific communities.

38. In 2020, the country office developed targeting guidance focused on activities at the field office level. The targeting process timelines, roles and responsibilities between the vulnerability assessment and mapping team and other programme units, and criteria to prioritize vulnerability assessment recommendations in case of external constraints were unclear.

39. Monitoring reports and NGOs performance evaluations reviewed by the audit team highlighted instances of inclusion and exclusion errors by partners and an unclear understanding of the community-based targeting criteria by beneficiaries. The country office units recommended that field offices follow up on specific instances rather than develop a systematic mechanism to address these issues and their root causes.



Beneficiary information management

40. The country office achieved its target of registering 4.0 million beneficiaries in WFP's beneficiary information management system (SCOPE) in August 2021, eight months later than planned. External factors contributed to the delay, including COVID-19, access constraints, and the absence of recent census data.

41. Audit field visits observed locations where SCOPE registration was incomplete, impacting the effectiveness of beneficiary management controls. The country office had not mapped areas where SCOPE was not used. The data analysis dashboards did not capture registration plans and caseload registered in SCOPE versus those included in distribution cycles. The country office has hired a data analyst to enhance beneficiary data analysis.

42. Biometric registrations are key in allowing the country office to detect duplicate records in beneficiary lists. The country office reported an estimated USD 25.0 million in savings since the implementation of biometric registrations in country.

Community feedback mechanism

43. The country office collects feedback through a hotline and helpdesks. Complaints collected through helpdesks amounted to 70 percent of all reported complaints. Analysis of complaints data by the audit team highlighted that 4 of 15 field offices either only partially reported or did not report complaints captured by the helpdesks through the SugarCRM system⁴ or reported incomplete data. Complete and accurate complaints and feedback data are critical to identifying and addressing beneficiary protection and partner performance issues and improving the programme's overall efficiency and effectiveness.

Underlying cause(s): Unclear timelines, roles and responsibilities, and prioritization criteria of vulnerability assessment recommendations; limited awareness of NGO staff and beneficiary communities of targeting criteria; limitations of the SCOPE data analysis dashboards; and limited field office awareness of the importance of timely collection, consolidation, and submission of complaints and feedback collected from helpdesks.

Agreed Actions [Medium priority]

The country office will:

- (i) Complement existing targeting guidance with clear timelines, roles, responsibilities, and criteria for prioritizing vulnerability assessment recommendations.
- (ii) Perform training on targeting criteria and processes to non-governmental organizations and beneficiary communities.
- (iii) Integrate existing dashboards with analysis on plan versus actual registration in the beneficiary information management system and caseload registered versus caseload included in distribution cycles.
- (iv) Train field offices on the timely collection, consolidation, and reporting of complaints and feedback information.

Timeline for implementation

30 June 2023

⁴ SugarCRM is WFP's corporate customer relationship management system capturing community feedback.



Non-governmental organization management

44. The audit reviewed the selection, capacity assessments, performance evaluation and governance arrangements to oversee the NGO management process.

45. As part of a finance oversight and support mission in March 2022, the Regional Bureau for Eastern Africa reviewed the NGO contracting and payment process. The review recommended the country office to increase the involvement of key technical units in the assessment of NGO proposals, consolidate activities performed by the same NGO in one field level agreement, and simplify the invoice management process. At the time of the audit mission, the country office had started implementing these recommendations.

46. The audit interviewed NGO partners at the country and field offices. NGOs highlighted the positive collaboration with the country office and its support, especially in engaging with local authorities.

Observation 3: Non-governmental organization management

47. In 2021, the country office contracted 83 NGOs through 188 field-level agreements, which generated an average of 300 distribution reports, 300 invoices, and a significant transactional workload without corporate systems to manage these partners. To promote local empowerment, WFP increased its engagement with national NGOs. Capacity limitations were offset by increasing due diligence, capacity building and performance monitoring. The country office piloted NGO financial audit spot checks in 2021 and plans to expand the exercise in 2022 and 2023.

Performance evaluation

48. The country office reviewed NGO performance using a set of key performance indicators, with the overall score determining each partner's performance. It was a mutual assessment process as partners also provided feedback on WFP's performance. The indicators reviewed did not cover conflict sensitivity, warehouse security assessment and physical inventory management as the country office was updating key performance indicators in these areas during the audit fieldwork.

49. The quality of the performance evaluation performed by field offices was inconsistent. Some evaluations did not provide any supporting narrative; in others, the score was not aligned with indicated comments. Technical units at the country office level did not provide formalized inputs to the performance evaluations or track the findings identified so that they could be a factor in the renewal of field-level agreements.

Data protection

50. NGOs maintained beneficiary master lists, distribution reports, and complaint and feedback collection forms in paper formats and excel spreadsheets, with instances of unrestricted access and no passwords or encryption used. The country office drafted a privacy impact assessment in 2021 (which was operationalized at the time of the audit mission), identifying digitalization as a mitigation action.

Food quality and safety standards

51. Audit field visits to a sample of warehouses managed by NGOs confirmed storage and hygiene conditions that needed improvement to mitigate the risk of contamination and infestation.

Underlying cause(s): Limited staff capacity at field office level; role of relevant technical and functional units in performance evaluation and follow-up not defined; and limited partner awareness of WFP data protection protocols and food quality and safety standards.

**Agreed Actions** [Medium priority]

The country office will:

- (i) Train field office staff on quality partner performance evaluation based on updated key performance indicators.
- (ii) Define the role of technical and functional units in partner performance evaluation and follow-up processes.
- (iii) Strengthen partners capacity and awareness of WFP data protection protocols and food quality and safety standards through training.

Timeline for implementation

30 June 2023

Supply chain

52. As part of a logistic oversight and support mission in February 2022, the Regional Bureau for Eastern Africa reviewed the logistics organizational structure, contracting process, commodity accounting, food transport costs, funds management, and invoice processing. The mission recommended the country office to enhance its physical inventory counts; improve warehouse management practices; and ensure contracting adhered to the WFP transport manual. The country office had started implementing the recommendations at the time of the audit fieldwork.

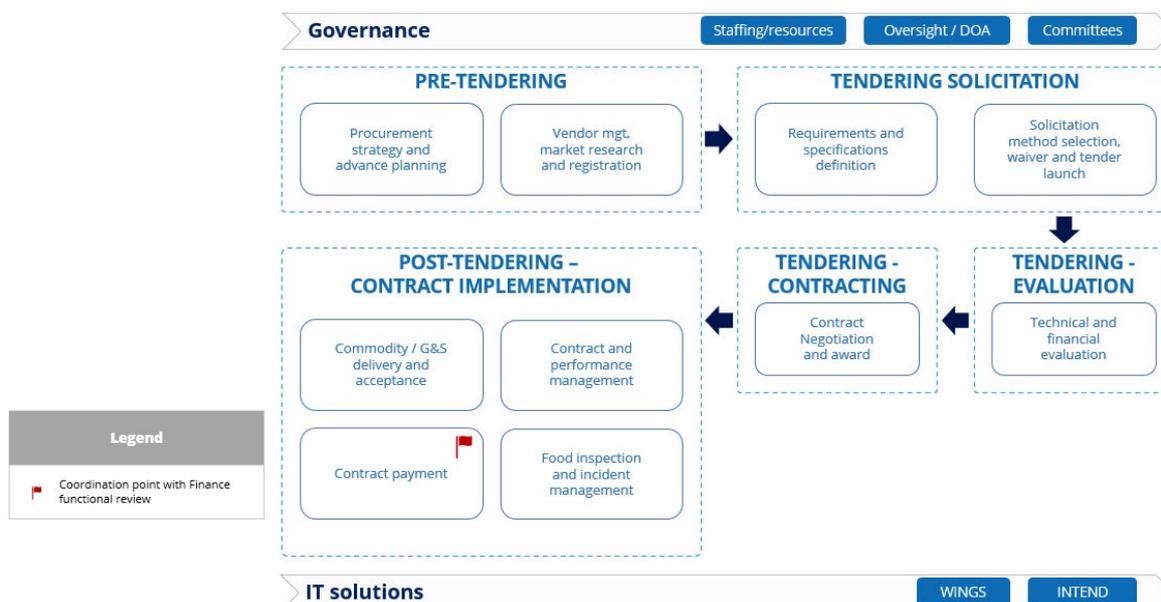
53. Considering the regional bureau's mission, the audit focused on the 2022 revised logistic contracting modalities, fleet management, commodity accounting and food safety and quality. In warehouse management, the audit focused on warehouses managed by NGOs, prepositioning strategy, the concept of operations, and the decision-making process for using airdrops as a transport modality.

Procurement

54. Audit test results indicated that overall procurement controls were functioning effectively, as illustrated in Figure 3 below. Segregation of duties was adequate, and the vendor management committee and the local procurement contract committee were established and operating to provide adequate oversight on procurement.

55. The regional bureau's finance oversight and support mission in March 2022 identified the absence of procurement planning in 2020 and 2021 as the root cause for the high number of waivers and post-factum procurement transactions. The country office prepared a 2022 plan (endorsed by the regional bureau) and closely monitored it to avoid waivers and post-factum transactions. There were no further reportable findings in this area.

Figure 3: Control test results for procurement



Logistics

56. The logistic team has 220 staff, reporting to the Deputy Country Director, Operations. The unit comprises operations, operational support, logistic augmentation (fleet management, planning, aviation, and logistics projects), fund management, and billing.

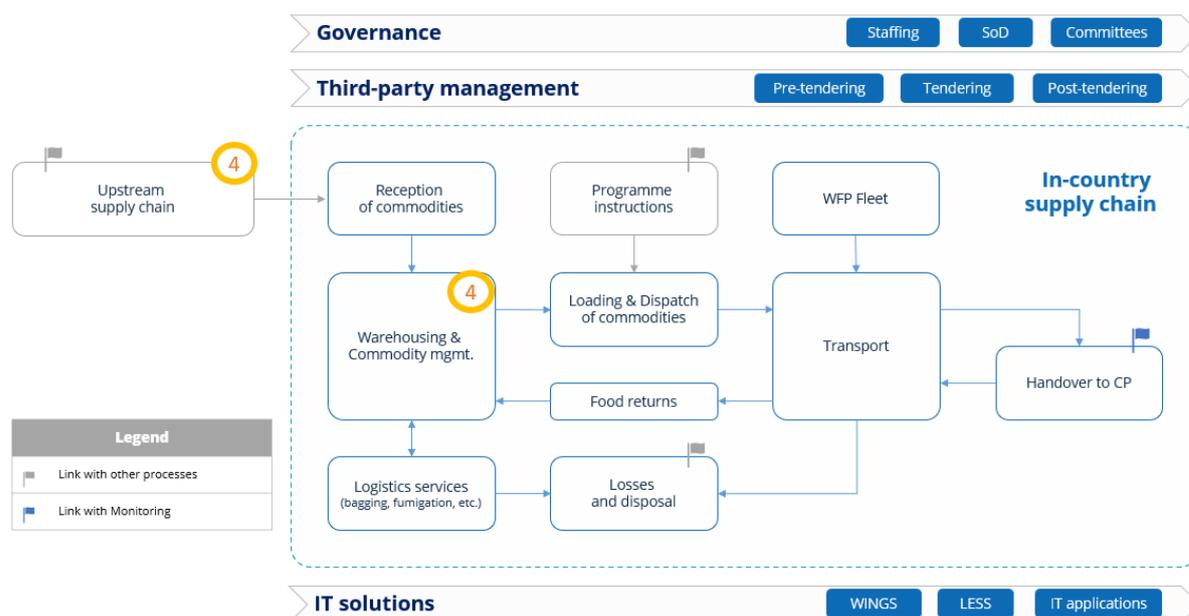
57. In 2021, commodities totalling 241,070 mt were dispatched by road, river, and air. Since 2018, the country office has initiated measures to reduce airdrops and transport costs. From the fourth quarter of 2020 to the end of 2021, the country office scaled up river operations by 200 percent and rehabilitated 238 dikes and 37 kilometers of roads, allowing accessibility in previous traditional airdrop locations. As a result, the number of airdrops reduced by 50 percent in 2021 compared to previous periods. In the last quarter of 2021, the country office moved from the tariff system (i.e., exceptional contracting that establishes a general rate, or tariff, proposed to shortlisted service providers and that is used where no single contractor has capacity; governments establish controlled tariffs; or cartels control prices) to the traditional transport contracting modality (seasonal contracts with dry and wet season contract rates, reflecting the inaccessibility of roads during the rainy season starting in June). This resulted in significant cost savings as, at the time of the audit mission, the dry rate (USD/mt) was 15 percent cheaper than the tariff system.

58. Many locations in South Sudan are inaccessible during the rainy season, requiring prepositioning food commodities by WFP during the dry season in extended delivery points and over 140 warehouses managed by NGOs (light warehouses). The country office extended the use of the Logistics Execution Support System (LESS)⁵ to the light warehouses to improve commodity accounting and streamline COMET⁶-LESS reconciliation.

⁵ LESS is the information system used to support supply chain activities, from receipt to delivery to non-governmental organizations.

⁶ The Country Office Tool for Managing programme operations Effectively (COMET) is the information system tool used for programme design, implementation, monitoring and performance management.

Figure 4: Control test results for logistics



Observation 4: Warehouse risk management

59. In 2019, the Humanitarian Access Unit developed a warehouse vulnerability index methodology to act as the basis for the risk categorization of warehouses for prepositioning. The methodology was not systematically adopted. A complementary warehouse risk assessment tool had not been utilized since its development.

60. The above, combined with insufficient management oversight of warehouses ([Observation 1: Management oversight follow-up and resolution](#)), meant that some risks were not promptly addressed. For instance, the sample of WFP and NGO-managed warehouses visited by the audit team had fire extinguishers not maintained and not tested for a long time.

61. According to the United Nations Department for Safety and Security (UNDSS) regulations, the security team must complete regular warehouse security risk assessments. Although the security risk assessment was performed for WFP warehouses, only a few assessments were carried out for warehouses managed by NGOs.

Underlying cause(s): Unclear roles and responsibilities for performing prepositioning warehouse risk assessments; and absence of a sampling methodology for warehouse security assessments.

Agreed Actions [Medium priority]

The country office will:

- (i) Clarify roles and responsibilities with the relevant country office units on the implementation of a comprehensive warehouse risk assessment methodology.
- (ii) Develop a risk-based approach for the security assessments of the non-governmental organization's warehouses.

Timeline for implementation

30 June 2023



Humanitarian access management

62. The audit reviewed the country office's strategy, resources, and processes to manage constraints to humanitarian access and conflict-sensitive programming.

63. South Sudan is one of the first WFP country offices with an established organizational structure working on humanitarian access (since 2017) and is considered a model by headquarters. WFP has adopted the country office's good practices, using the knowledge gained in South Sudan to develop policies and guidance, and transferring knowledge to other country offices. The country office invested in technical staff capacity to navigate the country context and contribute to foundations for peace and development.

64. Based on context analysis, the country office developed different geographical access strategies and recommendations for programmes and operations in high-risk and priority locations. The country office undertook timely conflict analysis and has gradually integrated conflict sensitivity into the country office's regular monitoring. External stakeholders gave positive feedback on the country office's lead role in access negotiation that benefitted other humanitarian and development actors operating in the country.

Observation 5: Humanitarian access management

Systems, coordination and knowledge management

65. The country office assessed and analyzed the impact of access challenges through the monitoring of qualitative information captured in the ArcGIS (Geographic Information System) and inter-functional coordination with operational units, field offices, and NGOs.

66. The country office is currently collaborating with the Emergencies and Transitions Service Unit within the Humanitarian and Development Division through the People-centred Risk Indicator Measurement and Engagement (PRIME) system to develop monitoring and measurement approaches to track access and document the contribution of WFP's activities to building social cohesion at the community level. The PRIME system is a research project to inform future information management systems. The country office is also collaborating with the Emergency Division to define a GIS-based access monitoring tool. A coordinated approach in the country office needs to be considered and aligned with corporate initiatives.

67. In November 2020, the country office established a conflict, security and access team⁷ to strengthen inter-functional coordination. The terms of reference specified weekly meetings to coordinate cross-functional support on security, humanitarian access and conflict sensitivity to inform programme design, facilitate delivery and respond to crises.

68. The audit could not assess the functioning of the conflict, security, and access team as the deliberations and decisions reached in meetings were not documented during the audit period. Given its contributions to organizational learning in humanitarian access management, the country office should improve its knowledge management in this area and reduce its people dependency risks.

Underlying cause(s): Corporate systems, guidance and coordination mechanisms in early stages of development; and need for retaining and documenting knowledge not prioritized or enforced.

⁷ Conflict, security and access team (CSAT) roles include development of access strategy (ies) at country office level, technical and organizational capacity building and integration of access risks in the risk management framework.

**Agreed Actions** [Medium priority]

- 1) The Emergencies and Transitions Service Unit and the Emergency Division will:
 - a) support the development of an effective system for access monitoring, conflict sensitivity measurement, and cross-functional coordination in South Sudan; and
 - b) complete a lessons learned exercise with the country office to inform the corporate approach in this area.
- 2) The country office will formalize the process to document and archive conflict, security and access team deliberations.

Timeline for implementation

- 1) 30 June 2023
- 2) 30 September 2022

Observation 6: Conflict sensitivity performance indicators

69. In January 2021, the country office launched its ten-year contributions to peace strategic framework, which detailed its NGO partnerships for effective contributions to peace in South Sudan.

70. As part of the strategy implementation, the country office signed a field-level agreement with an NGO valid from January 2021 to June 2022. In the absence of corporate guidelines on conflict sensitivity key performance indicators, the country office was unable to undertake the partner performance evaluation.

Underlying cause: Conflict sensitivity key performance indicators not corporately defined.

Agreed Actions [Medium priority]

The Emergencies and Transitions Service unit will create and facilitate a field consultation process to draw on country office experiences and lessons learned to develop agreed key conflict sensitivity performance indicators and update the performance evaluation matrix.

Timeline for implementation

30 June 2023



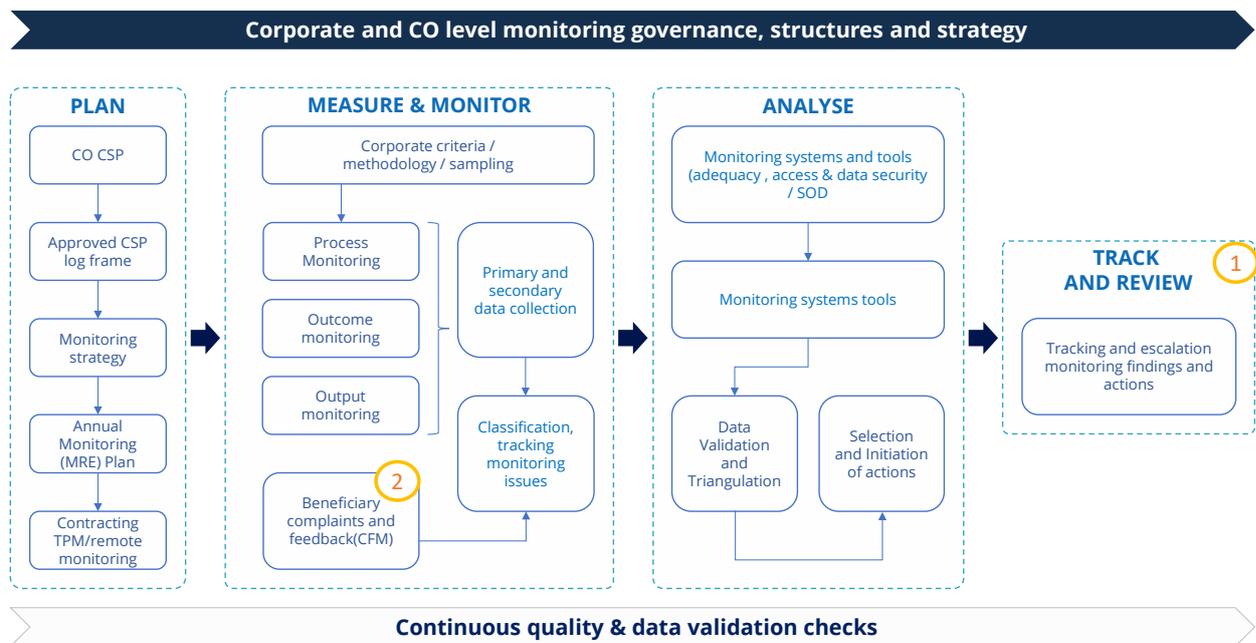
Monitoring

71. The audit results indicated that overall monitoring controls were functioning effectively, as illustrated in Figure 5 below, except for the tracking, follow-up and closure of monitoring findings ([Observation 1: Management oversight follow-up and resolution](#)) and beneficiary feedback ([Observation 2: Beneficiary management](#)). The country office conducts monthly activity monitoring through its 15 field offices. Monitoring locations are selected using a risk-based approach, considering security, access constraints, food insecurity, and climatic conditions such as floods.

72. To strengthen the monitoring process, the country office invested in its monitoring capacity with over 70 roving field monitors (in addition to monitoring staff in 15 field offices); and leveraged the WFP mobile operational data acquisition platform (MoDa), SugarCRM for complaints and feedback, monitoring findings tracker and tableau dashboards. The country office also established a risk alert escalation system to identify and escalate high-risk findings to country office management.

73. Of the seven recommendations made by the regional bureau after its July 2021 monitoring oversight and support mission, four were fully implemented and three were in different stages of implementation. There were no further reportable findings in this area.

Figure 5: Control test results for monitoring



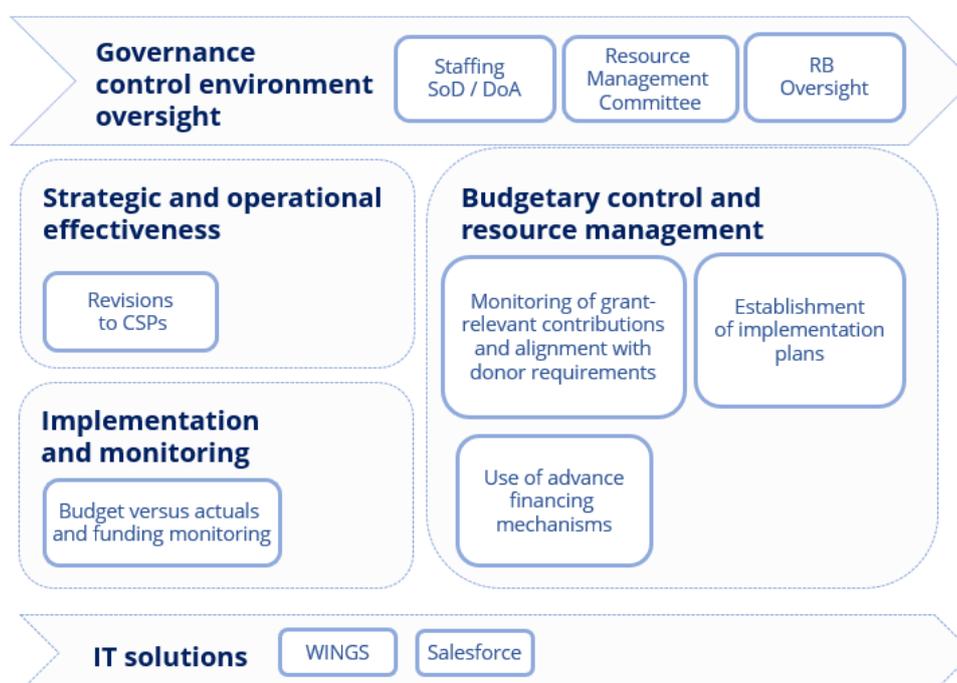
Budget management

74. Audit test results indicated that overall budget management controls were functioning effectively, as illustrated in Figure 6 below. The audit reviewed the alignment of the implementation plan to resource levels; advance financing coordination mechanisms; and monitoring of budget versus actual expenses.

75. The country office used various advance financing options to mitigate risks of insufficient and untimely receipt of funds and pipeline breaks. During the audit mission, in consultation with HQ, the country office updated the repayment plan for the Immediate Response Account⁸ balance of USD 17 million which had been outstanding since 2019.

76. The country office faced a shortfall in expected resourcing, with pipeline breaks foreseen from July 2022. In May 2022, the country office's resource management allocation committee endorsed revising the implementation plan to align it with expected and available resources. There were no further reportable findings in this area.

Figure 6: Control test results for budget management



⁸ WFP's emergency reserve for the immediate allocation of flexible, replenishable, revolving multilateral funding to critical life-saving activities across the emergency response cycle - when there is no immediate viable funding source.



Annex A – Agreed action plan

The following table shows the categorization, ownership and due date agreed with the audit client for all the audit observations raised during the audit. This data is used for macro analysis of audit findings and monitoring the implementation of agreed actions.

The agreed action plan is primarily at the country office level, with two actions at the corporate level.

#	Observation (number / title)	Area	Owner	Priority	Timeline for implementation
1	Management oversight follow-up and resolution	Cross-cutting	Country office	Medium	30 June 2023
2	Beneficiary management	Beneficiary management	Country office	Medium	30 June 2023
3	Non-governmental organization management	Non-governmental organization management	Country office	Medium	30 June 2023
4	Warehouse risk management	Supply chain	Country office	Medium	30 June 2023
5	Humanitarian access management	Humanitarian access	PROP & EME Country office	Medium	30 June 2023 30 September 2022
6	Conflict sensitivity performance indicators	Humanitarian access	PROP	Medium	30 June 2023

Annex B – Definitions of audit terms: ratings & priority

1 Rating system

The internal audit services of UNDP, UNFPA, UNOPS and WFP adopted harmonized audit rating definitions, as described below:

Table B.1: Rating system

Rating	Definition
Effective / satisfactory	The assessed governance arrangements, risk management and controls were adequately established and functioning well, to provide reasonable assurance that issues identified by the audit were unlikely to affect the achievement of the objectives of the audited entity/area.
Some improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objective of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
Major improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.
Ineffective / unsatisfactory	The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. Urgent management action is required to ensure that the identified risks are adequately mitigated.

2 Priority of agreed actions

Audit observations are categorized according to the priority of agreed actions, which serve as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

Table B.2: Priority of agreed actions

High	Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity.
Medium	Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity.
Low	Action is recommended and should result in more effective governance arrangements, risk management or controls, including better value for money.

Low priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low priority actions are not included in this report.

Typically audit observations can be viewed on two levels: (1) observations that are specific to an office, unit or division; and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.⁹

⁹ An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.



3 Monitoring the implementation of agreed actions

The Office of Internal Audit tracks all medium and high-risk observations. Implementation of agreed actions is verified through the Office of Internal Audit's system for the monitoring of the implementation of agreed actions. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe to manage and mitigate the associated risks identified, thereby contributing to the improvement of WFP's operations.

The Office of Internal Audit monitors agreed actions from the date of the issuance of the report with regular reporting to senior management, the Independent Oversight Advisory Committee and the Executive Board. Should action not be initiated within a reasonable timeframe, and in line with the due date as indicated by Management, the Office of Internal Audit will issue a memorandum to management informing them of the unmitigated risk due to the absence of management action after review. The overdue management action will then be closed in the audit database and such closure confirmed to the entity in charge of the oversight.

When using this option, the Office of Internal Audit continues to ensure that the office in charge of the supervision of the unit who owns the actions is informed. Transparency on accepting the risk is essential and the Enterprise Risk Management Division is copied on such communication, with the right to comment and escalate should they consider the risk accepted is outside acceptable corporate levels. The Office of Internal Audit informs senior management, the Independent Oversight Advisory Committee and the Executive Board of actions closed without mitigating the risk on a regular basis.



Annex C – Acronyms

COMET	Country Office Tool for Managing programme operations Effectively
FSNMS+	Food Security and Nutrition Monitoring System
GIS	Geographic Information System
IPC	Integrated Food Security Phase Classification
MoDa	Mobile operational data acquisition platform
mt	Metric tons
NGO	Non-governmental organization
LESS	Logistics Execution Support System
PRIME	People-centred Risk Indicator Measurement and Engagement
SCOPE	WFP beneficiary information and transfer management platform
SugarCRM	Customer Relationship Management System
UNDP	United Nations Development Programme
UNDSS	United Nations Department for Safety and Security
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States dollars
WFP	World Food Programme

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