

6 December 2022

Management Comments to the Internal Audit Report of WFP Operations in Guatemala (AR/22/18)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report (AR/22/18) on WFP operations in Guatemala, covering the period from 1 January 2021 to 30 June 2022. WFP Management appreciates the focus on cash-based transfers, supply chain, budget management, cooperating partner management and monitoring.

WFP's Country Strategic Plan 2021–2024 for Guatemala aims to achieve a sustainable improvement in food security and nutrition for the country's most vulnerable people. It is aligned to the National Plan, "K'atun: Our Guatemala 2032," and the government's plan to attain progress towards the Sustainable Development Goals (SDGs). As Guatemala is among the ten countries most vulnerable to climate change in the world and most exposed to natural hazards, WFP supports the national response to drought and flood-affected smallholder farmers to help them cope with the lean and rainy seasons, while restoring their livelihoods.

In 2021, WFP continued its emergency response to rising food insecurity in the country and provided life-saving assistance to households affected by Hurricanes Iota and Eta, the COVID-19 pandemic and seasonal hunger in the extended dry corridor region. In the first half of 2021, WFP assisted 50,000 individuals focusing on hurricane-affected regions. During the second half of 2021, WFP expanded its cash-based transfer operations to 16 of the 22 departments and by year-end, had reached 415,000 beneficiaries.

During the audited period, the country office, in collaboration with the Regional Bureau for Latin America and the Caribbean, has undertaken major investments in strengthening accountability and transparency across its portfolio, specifically in cash-based transfers and service provision. The measures taken include: implementation of corporate systems and solutions to better support activities; strengthening of processes related to beneficiary data management and partner selection processes in line with corporate standards; reinforcing monitoring and WFP staff presence during distributions; consolidating the structure of the supply chain unit to enhance service provision activities, and building strong partnerships with relevant stakeholders, including donors and government entities to improve service delivery. The enhanced processes have been implemented to provide assurance to all stakeholders that resources will reach the eligible households, and ensure that the people WFP serves, receive assistance in a safe and dignified manner.

WFP Management welcomes the audit's recognition of the concrete actions taken by the country office to strengthen national social programs, especially in the areas of beneficiary data management and on-demand service provision as well as through fostering partnerships with relevant stakeholders for programme delivery. The country office continues to make progress in further strengthening the areas of supply chain and management of services provision activities, cash-based transfers and monitoring. The Regional Bureau for Latin America and the Caribbean will continue complementing the country office's efforts to improve alignment with corporate guidelines, while ensuring the necessary capacity building support.

WFP Management acknowledges the overall conclusion of **"some improvement needed"** and agrees with the five medium-priority observations contained in the audit report. WFP Management fully endorses the corresponding agreed actions and has initiated their implementation, with completion expected within the agreed timelines.

WFP Management appreciates the constructive engagement of the Office of the Inspector General and notes that the implementation of the agreed actions will further strengthen the internal controls, governance, and risk management processes of WFP's operation in Guatemala, with a view to ensuring optimal utilization of resources and maximum impact for the people it serves.