

6 April 2023

## Management Comments to the Internal Audit Report of WFP Operations in Sierra Leone (AR/23/02)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in this internal audit report (AR/23/02) on WFP operations in Sierra Leone, covering the period from 1 January 2021 to 31 July 2022. WFP Management appreciates the focus on governance, beneficiary management, cash-based transfers, supply chain, monitoring, and non-governmental organization (NGO) management

WFP operations in Sierra Leone are defined by its Country Strategic Plan (CSP) for the period 2020-2024, which guides WFP's engagement in Sierra Leone in support of national efforts to end hunger and strengthen partnerships for sustainable development. Recognizing the financial constraint in the past few years and its impact on operations, WFP management has developed strategic partnerships with international partners to attract funds for its activities. Being acknowledged by all stakeholders as a leader in food assistance, WFP has succeeded in gaining the confidence of the government to manage its contributions to school feeding.

WFP Management welcomes the independent feedback provided by the audit team and recognizes the audit's overall conclusion of **"major improvement needed"** and agrees with the two high-priority and three 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 acknowledges the observations on staffing and operating environment, noting that plans are underway for a fraud risk assessment in May 2023. A workforce review was undertaken for the supply chain in December 2022, and another is scheduled with the Regional Bureau for Western Africa covering enabling services.

WFP Management agrees that protection and accountability to the affected population is a high priority. Posters for the complaint feedback mechanism (CFM) for the long-standing toll-free numbers have been re-designed, and radio broadcasts with sensitization messages in several local languages are scheduled in the seven districts where WFP operates. A standard operating procedure (SOP) for the CFM and tracking mechanism has already been developed, and in collaboration with the Cash-based Transfers (CBT) Division and Data Analytics Team (DAT), the country office is piloting automated beneficiary data management systems and CBT reconciliation processes. WFP is also exploring other data and automation requirements for improved data protection to be shared with financial service providers (FSPs) and corporate partners. The newly established Working Group on Protection from Sexual Exploitation and Abuse (PSEA) of which WFP is a key member has developed a joint PSEA workplan for a ONE UN sensitization campaign across all agencies, using some of the material produced by WFP and the International Organization for Migration (IOM).

WFP Management has issued an SOP for each of the three medium-priority observations covering verification of beneficiary lists, monitoring, and performance evaluation. Regarding the use of non-governmental organizations (NGOs) and digital solutions for CBT, WFP Management notes that NGOs were used to disburse CBT as a last resort such as when Ecobank failed to honor its contractual obligation with WFP during the COVID-19 outbreak in 2020, which meant that there was no other option but to seek the services of an NGO partner. Ecobank has now taken up this service again and a new contract was signed in 2022. WFP is now exploring partnerships with other FSPs to diversify its CBT disbursement options. Risk and capacity assessments of the two NGOs used when there were no other options have been completed and documented. WFP Management notes that updates to the procurement plan and fuel management review are also underway, including the introduction of a fully automated system to monitor and report on fuel use. The 2023 procurement plan has been finalized and will be updated on a quarterly basis. A digital fuel management system was rolled-out in March 2023, under close supervision of WFP Management.

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

WFP Management would like to thank the Office of the Inspector General for its thorough analysis and its excellent collaboration with the country office team. Implementation of the agreed actions will serve as a valuable instrument to improving operational effectiveness, as well as to further strengthen the governance, risk management, and internal control processes of WFP's operation in Sierra Leone.