

28 April 2023

Management Comments to the Internal Audit Report of WFP Operations in Guinea (AR/23/03)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in this internal audit report (AR/23/03) on WFP operations in Guinea, 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, non-governmental organization management and budget management.

WFP operations in Guinea are defined by its country strategic plan (CSP) for the period 2019–2023, which supports the government’s vision to achieve food security and zero hunger, in alignment with its national development priorities. WFP’s operations in Guinea include: emergency response, school feeding; addressing malnutrition; resilience building; livelihood support, capacity strengthening, social protection programming and disaster risk management. The audit focused on the implementation of activities under strategic outcomes 1 and 2, accounting for 69 percent of total expenses during the audit period. The period under audit was characterized by the COVID-19 pandemic, and a deteriorating food security situation due to escalating food and fertilizer prices, the effects of climate change and a military coup. Despite these challenges, WFP continued to deliver assistance through six strategic outcomes, reaching 402,000 beneficiaries in 2021.

WFP Management welcomes the independent feedback provided by the audit team, acknowledging the structural and operational challenges faced by the country office due to the reduction in operations following a 40 percent funding drop from USD 15.6 million in 2020 to USD 6.2 million in 2022. Efforts have been carried out through the delivery of anti-fraud and anti-corruption awareness sessions to staff, vendors, suppliers and service providers, improvements in the quality of donor reports and reduced lead times for local purchases and cash-based transfers. WFP Management recognizes the audit’s overall conclusion of **“ineffective/unsatisfactory”** and agrees with the five high-priority and one 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 governance, noting that plans are underway to review the country office management structure against corporate models and to strengthen centralized management oversight, especially in programme, operations, and budget management. A learning needs assessment will be conducted and necessary training will be provided to staff. Efforts have already been initiated to clarify accountabilities, roles and responsibilities for control and management oversight activities. With regards to risk and fraud risk management, WFP will carry out a fraud and corruption risk assessment and establish mitigating measures on priority processes. It will also strengthen its risk management practices and establish key mitigation measures including developing a food procurement strategy and establishing performance bonds from food suppliers through the National Office of Control and Quality, as per existing contractual arrangements. The observations of programme management focus on: the need to recruit experts to strengthen the research, assessment, and monitoring teams; develop a targeting strategy and criteria for all activities; clarify programme staff roles and responsibilities through documented standard operating procedures; and establish context-specific gender and inclusion guidelines. On feedback mechanisms and monitoring, WFP will establish channels for internal and external complaints and feedback in consultation with affected populations and partners; assess its monitoring needs across interventions; allocate an appropriate level of budget to implement monitoring plans; achieve minimum coverage in line with corporate guidelines; and establish procedures to clarify roles and responsibilities for monitoring. The country office will work with WFP Regional Bureau for Western Africa and relevant HQ divisions to learn from existing guidance and apply best practices from similar work in other offices. The observation on data, cash-based transfer reconciliations, and procurement will require establishing a digital solution to manage beneficiary master data, payment lists, and cash-based transfer reconciliations, and close oversight of the implementation of procurement controls as well as, food safety and quality controls in the areas identified by the audit. Regarding budget management, WFP will regularly revise the implementation plan in consultation with the Resource Management Committee. It will also develop the repayment plan for the overdue advance finance balance and review and adjust expenses to ensure compliance with the International Public Sector Accounting Standards and grants validity period.

Lastly, WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking tool. The WFP 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 crucial instrument to improving operational effectiveness, as well as to further strengthen the governance, risk management and internal control processes of WFP's operations in Guinea.