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Internal Audit of WFP Operations in Liberia

Office of the Inspector General
Internal Audit Report AR/23/08



World Food
Programme

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I. Executive summary

WFP Liberia Country Office

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Liberia that focused on key controls under priority focus areas informed by a risk-based approach, covering governance, programme implementation, monitoring, budget management, and gender. The audit covered the period from 1 January to 31 December 2022.
2. The work of WFP in Liberia, as defined through the Country Strategic Plan for 2020–2023, aims to support the Government's efforts to end hunger and achieve the Sustainable Development Goals, in the context of the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2020–2024. The main activities include the School Meals Programme; the provision of emergency assistance to the vulnerable population during and in the aftermath of emergencies; country capacity strengthening initiatives; and delivering common services to the Government and humanitarian actors.
3. The latest needs-based budget for the 2019-2023 country strategic plan, as revised in June 2022, was USD 106 million. In 2022, WFP expenses amounted to USD 6.7 million and the country office reached 671,000 beneficiaries. The audit focused on the implementation of activity #1 - *Provide an integrated, inclusive and gender-transformative school feeding package to food-insecure and nutritionally vulnerable schoolchildren, including take-home rations for adolescent girls, in a way that relies on and stimulates local production*, and activity #2 - *Provide an integrated emergency food and nutrition assistance package to vulnerable households affected by disasters or other disruptions*, under strategic outcomes 1 and 2. These accounted for 80 percent of the total expenses during 2022.

Audit conclusions and key results

4. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **major improvement needed**. The assessed governance, 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.

Context

5. Between 2014 and 2022 Liberia experienced two major health emergencies that diverted the Government's attention from its development plans; the WFP Country Office has been engaged in emergency response and resilience activities, adapting its approach to the needs of the country. The funding trend over the same period was volatile, fluctuating between annual levels below USD 2 million (in non-emergency years) and a peak of USD 33 million (in 2020 during the COVID-19 pandemic).
6. Government partners highlighted the importance of WFP's support to the National Development Plan and the Pro-Poor Agenda for Prosperity and Development (2018-2023), and its work to address food insecurity through an integrated approach aligned with broader national and international commitments.
7. The country office implemented the COVID-19 household food support programme between 2020 and 2021 through an agreement with the Government of Liberia amounting to USD 30 million. Implementation of the programme was delayed and hampered by operational challenges, highlighting structural issues which had been identified in previous internal audit reports and were reiterated in subsequent oversight and support missions from WFP's Regional Bureau for Western Africa.

Funding



8. Given the critical funding situation, the country office engaged in a renewed, extensive partnerships and fundraising strategy. The country office secured contributions from new donors in the private sector and submitted proposals to other potential donors.

Organizational structure and staffing capacity

9. In terms of the organizational structure of the country office, a 38 percent staffing reduction was implemented, mainly as a response to funding constraints. The process did not adequately take into consideration the minimum capacity required to implement the activities as planned, and there are staffing gaps in critical support functions such as monitoring, budgeting and programming, and communications. The country office addressed these gaps by bringing staff on temporary duty assignments. Further, the 2022 organizational realignment did not take into consideration skill gaps and learning needs assessment. Lastly, the country office did not implement an updated gender mainstreaming strategy to address its recurring gender parity challenges.

Internal controls

10. Controls need to be strengthened in key process areas. The preparedness to implement home-grown school feeding through commodity voucher and mobile money was inadequate, with some context-specific risks not appropriately addressed.

11. The controls on registration and verification of beneficiaries were not consistently applied.

12. A simultaneous review of the log of changes was not consistently performed. Mitigation measures to ensure last-mile delivery, including monitoring coverage and community feedback mechanisms, were not sufficient.

Budget management

13. The country office improved its budget management process during 2022, with the support from the regional bureau. The temporary nature of the staffing capacity in this function did not warrant the sustainability of process improvements. At the time of audit fieldwork in March 2023, the country office was preparing a budget revision to extend the current country strategic plan until February 2026, and the process did not have support from a permanent budgeting and programming function. Renewed fundraising activities did not fully consider the capacity of the country office to implement activities within the expected timelines.

Supply chain management

14. The audit relied on oversight missions carried out by the regional bureau in 2022 to review the country office supply chain operations. The regional bureau mission concluded that WFP's rules and regulations were not systematically adhered to, and that serious lapses in various processes were noted. The country office followed up regularly on the implementation of those actions. At the time of audit fieldwork in March 2023, the country office reported the implementation of four out of ten recommendations and was expecting to implement actions related to asset management, staffing, fleet management, and logistics services market assessment later in 2023.

Actions agreed

15. The audit report contains two high-priority and three medium-priority observations. Management has agreed to address the reported observations and to work to implement the agreed actions by their respective due dates.

THANK YOU!

16. 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

Liberia

17. Liberia is a least-developed, low-income country with 51 percent of its estimated 4.5 million people living in poverty. Although conditions for agriculture are favourable, over 90 percent of agriculture is subsistence-based, and the country depends on imports for over 60 percent of its basic food needs.¹ In addition, Liberia faces climate-related risks (floods, coastal erosion) with a potential impact on its food security.

18. Liberia ranks 178 out of 191 countries in the 2021 Human Development Index,² with nearly half of the population living on less than USD 2 per day, with 25 percent living in severe multidimensional poverty. Women experience lower income earnings and are more affected by poverty, as evident in the 2021 Gender Inequality Index, ranking Liberia 156 out of 170 countries.³

WFP operations in Liberia

19. The Liberia Country Strategic Plan articulates WFP's engagement in Liberia, in support of the Government's efforts to end hunger and achieve the Sustainable Development Goals, in the context of the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2020-2024. WFP aims to transition from humanitarian assistance towards resilience-building interventions, with a focus on home-grown school feeding and increased country capacity strengthening. The country strategic plan was initially approved for five years (2019-2023) with a budget of USD 50 million. Following two budget revisions, approved in May 2020 and June 2022, the country office increased the needs-based budget to USD 106 million.

20. As noted in WFP Liberia's 2022 annual country report, the school feeding programme targeted 90,000 primary school children, promoting access to basic education and longer-term human capital development. In 2022 the programme reached 65,500 beneficiaries. Funding challenges prevented WFP and the Government from reaching the planned 90,000 beneficiaries and the full implementation of the monthly take-home ration component. Instead, WFP provided one-off cash assistance to 14,944 households of students in WFP-assisted schools.

21. The country office has gone through three rounds of organizational alignments, because of critical funding gaps, over the recent years. The latest exercise in 2022 resulted in the closure of 2 out of 3 field offices, and the reduction from 77 staff in December 2021 to 48 in December 2022 (nearly a 38% decrease). Results of recent oversight work from the Regional Bureau for Western Africa (hereinafter referred to as "the regional bureau") suggest that gaps in staffing and skills may have contributed to weaknesses in key functions where issues noted are persistent.

22. The country office implemented the COVID-19 household food support programme between 2020 and 2021, through an agreement with the Government of Liberia valued at USD 30 million. Challenges in the implementation of this activity resulted in the delayed delivery of assistance to beneficiaries; late posting in 2022 of expenditures that were not timely recorded in the appropriate periods, and the reclassification of expenditures that were initially mischarged to other contributions. The amount involved was approximately USD 0.9 million.

23. The country office has been actively engaged in strengthening partnerships with key stakeholders and fundraising activities. At the time of the audit mission in March 2023, the new confirmed contributions for the year amounted to USD 2.4 million and management had submitted proposals for funding opportunities amounting to approximately USD 40 million, USD 30 million of which were assessed as medium probability opportunities.

¹ WFP Liberia Country Strategic Plan 2019–2023, approved at the Annual Session of the Executive Board, June 2019

² [Human Development Report 2021-22](#)

³ Ibid



Objective and scope of the audit

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

25. The audit focused on two activities within the Country Strategic Plan 2019–2023, under strategic outcome 1, *Food-insecure populations, including school-age children in targeted areas, have access to adequate and nutritious food, including food produced locally, by 2030*, and strategic outcome 2, *Crisis-affected populations in targeted areas are able to meet their basic food and nutrition needs during and in the aftermath of crises*, representing 80 percent of the total expenses in 2022:

- *Activity 1 – Provide an integrated, inclusive and gender-transformative school feeding package to food-insecure and nutritionally vulnerable schoolchildren, including take-home rations for adolescent girls, in a way that relies on and stimulates local production (home-grown school feeding).*
- *Activity 2 – Provide an integrated emergency food and nutrition assistance package to vulnerable households affected by disasters or other disruptions.*

26. The audit builds on a tailored review of key controls under priority focus areas informed by a risk-based approach. As a result, the five areas in scope for the audit included: (i) governance (including management oversight, risk management, and workforce planning); (ii) programme implementation; (iii) monitoring; (iv) budget management; and (v) gender.

27. The audit team conducted the fieldwork in the Liberia Country Office in Monrovia and visited field locations in Ganta and Saclepea.

28. Further, the audit team performed a limited scope review in the areas of finance and supply chain management, relying on oversight missions carried out by the regional bureau.⁴ The audit team enquired about the status of implementation of the recommendations from these reports and analysed the observations raised to identify common root causes of recurring issues, to inform the audit conclusions.

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

⁴ Finance oversight mission (December 2020), and supply chain oversight mission (March 2022).



III. Results of the audit

Audit work and conclusions

30. Five observations arose from the audit of the areas in the scope (see paragraph 23). The observations are grouped into three areas: (i) governance, including results under governance and gender; (ii) programme management, covering results in programme implementation and monitoring; (iii) operations and delivery, covering results in budget management and the areas under limited scope review (supply chain and finance).

31. Observations are assessed with priority rating high or medium. Any other issues arising from the audit that were assessed as low priority were discussed with the country office directly and are not reflected in the report.

Governance

32. The audit tested the country office risk register and the corporate annual internal control assurance statement, the organizational realignment exercise, the composition and terms of reference of key committees; it also reviewed oversight and support activities performed by the regional bureau, which materialized through the facilitation of temporary duty assignments and the provision of direct backstopping or funding support in areas such as budgeting and programming and finance.

33. The audit team met the United Nations Resident Coordinator in Liberia, donors, other United Nations agencies, Government partners, and non-governmental organizations.

Observation 1. Risk management and internal controls

34. The country office management identified funding as a key risk and, hence, provided regular updates to the regional bureau on agreed fundraising efforts and cost savings measures to reduce a deficit initially estimated at USD 1.4 million (see more details in paragraph 57).

35. Despite the recurring funding and staffing challenges (see paragraph 37), the country office's actions were not articulated in a comprehensive, documented plan, supported by scenario analyses and defined milestones, to address the issues identified.

36. Further, a regional bureau oversight mission on Supply Chain (March 2022) identified recurring internal control deficiencies, some of which were also noted in a 2020 finance oversight report conducted by the regional bureau and a 2019 internal audit.⁵ The 2022 oversight mission concluded that rules and regulations were not systematically adhered to and that serious lapses in commodity accounting, supply chain budget planning, logistics invoices processing, food procurement, funds management monitoring, disbursements, and use of WFP's Invoice Tracking System were noted.

Underlying cause(s): Recurrent crises; funding volatility; absence of clear roadmap and definition of milestones, scenario analysis and key performance indicators to support the decision to maintain the operation.

Agreed Actions [Medium priority]

The country office, with the support from the Regional Bureau for Western Africa, will develop and implement a comprehensive, structured roadmap to guide the office during the extended country strategic plan period, with defined milestones, and supported by scenario analysis.

Timeline for implementation

31 October 2023

⁵ [Internal Audit of WFP operations in Liberia - AR/19/09](#)



Observation 2. Organizational structure and workforce planning

37. The country office underwent three consecutive rounds of staffing realignments between 2018 and 2022. The latest exercise in 2022 was mainly a response to funding cuts and led to a reduction of nearly 38 percent of staffing between December 2021 and December 2022, and the closure of two out of the three field offices. The process was not supported by a skills gaps analysis and learning needs assessment.

38. At the time of audit fieldwork, the staffing issues identified in the 2022 oversight report had not been addressed: critical supply chain functions were not adequately staffed; further, there were vacant positions in other critical functions that would be required to support a robust programmatic implementation, including research, assessments and monitoring, budgeting and programming, and communications: the country office was in the process of bringing support, in the form of staff on temporary duty assignments and consultants, to manage these functions. The temporary nature of these arrangements may not provide a sustainable solution to critical staffing shortages.

39. The gender representation in the country office was on average 70 percent male and 30 percent female during 2022. While this has been a trend over at least the last five years, the organizational alignment exercises have not prioritized actions to address gender parity issues, and the country office did not update its 2019 gender mainstreaming strategy to identify any additional measures that would be required to address the persistent challenges. Gender-related risks and mitigations were not actively identified and monitored in the country office's risk register.

Underlying cause(s): Prioritization of fundraising activities with lesser consideration given to organizational structure and capacity required to deliver.

Agreed Actions [High priority]

The country office, with the support from the Regional Bureau for Western Africa, will:

1. Develop and implement a skills gaps analysis and a learning needs assessment, to supplement the organizational alignment and the country office roadmap.
2. Implement a gender mainstreaming strategy and regularly monitor progress in its implementation.

Timeline for implementation

1. 31 October 2023
2. 30 September 2023



Programme management

40. In August 2022 the country office carried out a rapid food security, nutrition livelihoods and market assessment in collaboration with various stakeholders, to determine the impact of economic and food prices shocks on production, livelihoods, food security and nutritional status of households. This assessment highlighted that 47 percent of all households in Liberia are food insecure, with 8 percent categorised as severely food insecure.

41. School feeding is the flagship programme of the country strategic plan. The onsite school feeding had numerous pipeline breaks in 2022 due to funding constraints, therefore reducing the impact of the programmatic intervention. At the time of the audit fieldwork, the country office was in the process of rolling out home-grown school feeding using commodity vouchers and mobile money transfers to school principals, with smallholder farmers cooperatives delivering food to targeted schools.

42. As part of livelihood and resilience-building activities, the country office provided smallholder farmers and farmers' organizations with agricultural equipment, planting materials and in-kind conditional assistance for working in proposed community farmlands through food assistance for asset interventions.

43. The audit performed tests of key controls of programme design and implementation including geographical and community-level targeting procedures. The review assessed beneficiary registration procedures, programme implementation, accountability to affected populations including beneficiary consultation, information provision, and community feedback mechanisms, and monitoring.

Observation 3. Beneficiary targeting, registration, and programme implementation

Food security assessment and beneficiary targeting

44. The latest comprehensive food security assessment in Liberia was done in 2018. The country office and the Government and other partners developed the terms of reference for an updated assessment, planned for 2022. At the time of audit fieldwork in March 2023, the new assessment had yet to be carried out, mainly due to lack of funding. The country office expected the assessment to take place in January 2024.

45. To overcome the absence of data to inform decision making, WFP supported the Government in conducting a rapid food security livelihood, nutrition and market assessment. The rapid assessment made recommendations to scale programmatic interventions to reach populations that were not targeted to mitigate prevailing vulnerabilities. At the time of the audit fieldwork in March 2023, the implementation of those recommendations was still in progress. Community-level targeting criteria for heads of households of school-going children for take-home rations was unclear to the beneficiaries. Complaints of exclusion were raised and were not resolved timely.

Beneficiary registration

46. Given that the majority of beneficiaries lacked national identification cards, the country office used SCOPE⁶ for the 2021 cash pilot. The recommendations of the lessons learned exercise resulting from the 2021 cash pilot were not adequately considered in the ongoing registration of school principals for the transition to home-grown school feeding. There were no adequate verification procedures prior to uploading the data in the WFP beneficiary information and transfer management platform; the log of changes in the platform was not systematically reviewed; and there were variances between the planning and actual enrolment figures for onsite school feeding distribution.

Programmatic modality shift

47. The preparedness for the shift to home-grown school feeding intervention given the exposures faced – for example, the unavailability of local rice from the retailers/ cooperatives – was insufficient. Price monitoring reports for January and February 2023 indicated a lack of local rice in some counties where the country office planned to roll out the intervention. The plan to address the lack of local rice with supplementing through

⁶ WFP beneficiary information and transfer management platform available to country offices.



alternative local commodities required additional food safety and quality considerations prior to retailer contracting. These considerations were still in the initial stages at the time of the audit fieldwork, despite restrictive funding implementation timelines.

48. Further, mitigation measures to safeguard last-mile delivery using proposed transfer modalities of commodity vouchers and mobile money to school principals were inadequate.

Food assistance for assets

49. The due diligence procedures on land ownership for some of the food assistance for assets interventions were not applied consistently: some projects had formal documentation accrediting the owners' approval to use their land to implement the activities, while others relied on handwritten notes for this purpose. Targeted beneficiaries' awareness of programme lifecycle was inconsistent and the procedures for project closure were not formalised: there were additional beneficiaries who continued to work on the food for assets site with the expectation of assistance, despite the programme cycle having reached an end.

50. Some of the post-harvest equipment was handed over to the community without training to build their capacity on set-up and usage of the equipment.

Underlying cause(s): Worsened global commodity prices and food security conditions due to the COVID-19 pandemic; use of a legacy geographical targeting, with lack of adequate communication to beneficiaries on WFP assistance criteria; implementation of multiple transfer modalities at the same time, without an adequate programme life cycle management and accountability to affected populations practices being in place.

Agreed Actions [High priority]

The country office will:

1. While awaiting the implementation of a comprehensive food security assessment, implement the recommendations of the rapid assessment to scale programmatic interventions to reach populations that were not targeted, applying an inclusive community-based targeting, and raising awareness through regular communication with communities on WFP assistance criteria.
2. Assess and map out transfer modalities choices with context-specific risks and mitigations. Align transfer modality choices to the assessments, ensuring adequate beneficiary verification procedures, segregation of duties, and review of changes in WFP beneficiary information and transfer management platform.
3. Institutionalize social ownership for the programme to mitigate risks on the last-mile delivery. Ensure proper due diligence on food assistance for assets projects (land) including formalisation of programme closure procedures.

Timeline for implementation

1. 31 January 2024
2. 31 October 2023
3. 31 October 2023



Observation 4. Monitoring and community feedback mechanisms

Monitoring

51. The country office did not carry out a mapping of all active distribution points and report on monitoring coverage achieved for process monitoring, to periodically identify any coverage gaps. Monitoring issues raised in back-to-office reports and feedback from school feeding staff from the Ministry of Education were not systematically tracked to indicate resolution steps taken to inform programmatic decisions.

52. Out of the 72 outcome indicators of the country strategic plan, only half had prior-year follow-up and yearly targets defined. The distribution reports validation checks were not regularly done in the corporate monitoring system to ensure the accuracy of reported figures and reconciliation with the corporate system used for commodity management.

53. The country office reimbursed the Ministry of Education for costs incurred to facilitate joint monitoring of school feeding activities, including fuel, communication, and motorbike repair expenses. There was no systematic coordination of monitoring planning with the Ministry of Education to leverage on monitoring coverage.

54. The checklists used by the Ministry of Education staff were not comprehensive and did not align with minimum monitoring requirements for process monitoring.⁷ The payment processing of the reimbursements was not based on reports or outcomes.

Community feedback mechanism

55. Comprehensive community feedback mechanisms were not set up. There was limited awareness by beneficiaries interviewed on the procedures to follow in the event they had any feedback or complaints. The country office did not have a process to document and follow up on community feedback received. Complaints escalated by interviewed beneficiaries were not resolved systematically.

Underlying cause(s): Limited number of staff available and reduced field presence to oversee the implementation of programmatic activities; programme implementation bottlenecks linked to resource constraints hindering the continuity of monitoring efforts; legacy memorandum of understanding with the Ministry of Education; and lack of community feedback focal points.

Agreed Actions [Medium priority]

The country office will:

1. Prepare a feasibility assessment for third-party monitoring to supplement the monitoring capacity and structure, and implement monitoring coverage assessments and issue tracking.
2. Update yearly target and prior year figures for the relevant logical framework data and validate distribution figures in the corporate system used for monitoring on time.
3. Re-evaluate the agreement with the Ministry of Education on reimbursement of expenditures, strengthening monitoring coordination and updating the monitoring checklists to meet the minimum corporate requirements.
4. Set up comprehensive community feedback mechanisms, appoint focal points and create awareness thereon among beneficiaries.

Timeline for implementation

1. 31 October 2023
2. 31 October 2023
3. 31 October 2023
4. 31 October 2023

⁷ <https://docs.wfp.org/api/documents/WFP-0000024071/download/>



Operations and delivery

Budget management

56. According to the 2022 annual country report, the WFP Liberia country strategic plan was 60 percent funded against the annual needs-based plan of USD 20.2 million. The country office implemented 54 percent of available resources, reaching a total spend of USD 6.7 million. The low expenditure rate was attributed to operational challenges, such as poor accessibility of project sites in the country's southeast, western, and north-eastern counties during the rainy season. The audit tested key controls related to the monitoring of contributions and donor requirements, and the regular analyses of budget utilization and funding analysis.

57. The country office has been engaged in extensive resource mobilization activities over the audit period, and actively participating in a joint resource mobilization working group with other United Nations agencies in the country. At the time of audit fieldwork, the country office had submitted proposals to various potential donors for an amount of approximately USD 30 million and had confirmed new contributions for the year 2023 amounting to USD 2.4 million.

58. The regional bureau indicated to the audit team that the country office improved its budget monitoring in 2022 compared to the results of a 2021 oversight mission, which identified weaknesses related to the accuracy of implementation plans, pipeline reports and resource planning, funds management, and the overall governance structure for resource management.

Observation 5. Budget management

59. As indicated previously (see Observation 2), the country office did not have a stable budgeting and programming function during the audit period. The role was covered by staff on consultancy or temporary duty assignments. The country office indicated that the level of activities, given the limited funding available, was minimal and did not require a more robust arrangement.

60. The following two challenges may affect the country office's ability to deliver on the planned activities:

- *Contribution balances:* As of March 2023, the country office had unspent and unprogrammed contribution balances amounting to USD 4.3 million⁸ with terminal disbursement dates⁹ within 2023. While this was a notable improvement in terms of fundraising, the timeline to implement the related activities was tight and there was a risk that the country office may not be able to achieve the planned results within the set timeframe.
- *Pipeline breaks:* As reported in the 2022 annual country report, funding challenges prevented WFP from reaching the planned 90,000 beneficiaries under the school meals activity, and instead of a monthly take-home ration, WFP provided one-off cash assistance to 14,944 households of students. During the field visits, the audit observed the impact of pipeline breaks on the attendance of children at schools.

61. The country office filed requests to extend and re-open COVID-19 grants due to delayed implementation of activities and posting of expenditures. At the end of the process, there remained an unspent balance of USD 2 million,¹⁰ out of which USD 0.9 million were returned to the donor. At the time of the audit mission in March 2023, the country office was awaiting approval from the Government to utilize the remaining balance of USD 1.1 million as a contribution to the homegrown school feeding activity.

62. At the time of the audit fieldwork, the country office was preparing a budget revision to extend the duration of the country strategic plan for two additional years, until February 2026. The revision was being carried out without the support of a full-time budgeting and programming officer, a function that was being

⁸ Excluding USD 1.4 million related to the supply chain service provision activity.

⁹ Represents the expiry date of the contribution.

¹⁰ This unspent balance was mainly the result of cost efficiencies achieved.



covered through a temporary duty assignment. The country office subsequently reported the recruitment of a new partnerships officer to support fundraising activities from June 2023 onwards.

Underlying cause(s): Fundraising approach misaligned with the country office's setup and capacity to implement; lack of proper organizational structure (refer to underlying causes in [Observation 2](#)); and donor fatigue and change in donor priorities.

Agreed Actions [Medium priority]

The country office, with the support from the Regional Bureau for Western Africa, will:

1. Establish a stable organizational structure and procedures for the budgeting and programming and communications units to support the operations.
2. Continue the engagement with new potential donors incorporating implementation capacity considerations as part of fundraising activities.

Timeline for implementation

1. 31 October 2023
2. 31 October 2023

Supply Chain Management

Management oversight

63. In March 2022, the regional bureau conducted an oversight mission to review the supply chain operations between 1 January 2020 and 28 February 2022, a period during which WFP implemented the Government of Liberia's COVID-19 Household Food Support Programme, procuring and delivering approximately 32,000 metric tons of food throughout the country.

64. As mentioned in [Observation 1](#), the regional bureau mission concluded that WFP's rules and regulations were not systematically adhered to, and that serious lapses in various processes were noted. At the time of audit fieldwork, the country office reported the implementation of 4 out of the 10 recommendations made, and was expecting to implement actions related to asset management, staffing, fleet management, and logistics services market assessment later during 2023.

65. The audit did not make any specific recommendation for supply chain management given the comprehensive scope of the regional bureau mission and the fact that several recommendations remained in process of being implemented. The country office will assess supply chain staffing issues as part of the agreed actions under [Observation 2](#).



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.

#	Observation (number / title)	Area	Owner	Priority	Timeline for implementation
1	Risk management and internal controls	Governance	Country office	Medium	1. 31 October 2023
2	Organizational structure and workforce planning	Governance	Country office	High	1. 31 October 2023 2. 30 September 2023
3	Beneficiary targeting, registration, and programme implementation	Programme management	Country office	High	1. 31 January 2024 2. 31 October 2023 3. 31 October 2023
4	Monitoring and community feedback mechanisms	Programme management	Country office	Medium	1. 31 October 2023 2. 31 October 2023 3. 31 October 2023 4. 31 October 2023
5	Budget management	Operations and delivery	Country office	Medium	1. 31 October 2023 2. 31 October 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.¹¹

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 corporate system for the monitoring of the implementation of oversight

¹¹ 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.



recommendations. 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 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

UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States Dollar
WFP	World Food Programme