

23 August 2023

## **Management Comments to the Internal Audit Report of WFP Operations in Liberia (AR/23/08)**

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report (AR/23/08) on WFP operations in Liberia, covering the period from 1 January to 31 December 2022. WFP Management appreciates the focus on governance, programme implementation, monitoring, budget management, and gender.

WFP operations in Liberia 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 national development priorities. WFP’s flagship intervention in Liberia is the school meals programme, driven by the rationale of the home-grown school feeding concept. Key activities under the CSP also include the provision of emergency assistance to vulnerable populations; country capacity-strengthening initiatives; and service provision to the government and humanitarian actors to enable their contributions toward the achievement of several Sustainable Development Goals.

The government and its partners recognize the crucial role of school meals in increasing access to primary education and pushed for a home-grown school feeding approach to combine the benefits of increased educational access with increased and sustainable income for smallholder farming households. Funding challenges in 2022 prevented WFP and the government from reaching the planned 90,000 beneficiaries and the full implementation of the monthly take-home ration component. As a result of critical funding gaps, WFP has undergone three rounds of organizational alignment in recent years, with the latest exercise in 2022 resulting in the closure of two out of three field offices and the reduction from 77 employees in December 2021 to 48 in December 2022 representing a 38 percent decrease.

During the audit period, WFP has worked effectively to build donor and government confidence and attract new funding to WFP operations despite a constrained funding environment arising from donor fatigue towards Liberia and changes in donor priorities. WFP’s enhanced reputation in long-haul transportation and last-mile delivery of essential drugs and health supplies across Liberia has prompted the government and donors to hand end-to-end management of the health supply chain in Liberia over to WFP, as well as the management of the national facility for storage of medicines, vaccines, and related items.

WFP Management welcomes the independent feedback provided by the audit team, noting that achieving the objectives of WFP operations in Liberia could be negatively affected by an inadequate organizational structure and staffing capacities to support the implementation of programme activities. This is also compounded by shortcomings in the minimum requirements for risk management and internal controls, beneficiary targeting and registration, programme implementation and monitoring, community feedback mechanism, and budget management.

WFP Management 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 implementation, with completion expected within the agreed timelines.

WFP Management agrees with the observation on risk management and internal controls and commits to carry through with efforts already started with the Regional Bureau for Western Africa towards developing and implementing a comprehensive scenario-based roadmap with milestones, to guide the country office.

WFP Management notes the observation on organizational structure and workforce planning, which highlights that the 2022 staffing realignment was not supported by a skills gap analysis and learning needs assessment and that these exercises have not prioritized gender parity issues. WFP has already updated the gender mainstreaming strategy and commenced planning for a skills gap analysis and learning needs assessment in collaboration with the Regional Bureau for Western Africa.

WFP Management acknowledges the observation on beneficiary targeting, registration, and programme implementation. A targeting paper has been developed to increase the scope of activities resulting in school meals coverage being expanded to two additional counties. Regarding the alignment of transfer modality choices to the assessment of context-specific risks and mitigations, the country office undertook a supply chain assessment to determine the availability of locally produced rice on local markets to supply programme requirements before starting the ongoing interventions.

WFP Management agrees with the observation on monitoring and community feedback mechanisms noting that WFP is implementing the following agreed actions: a step-by-step guideline for the assessment of third-party monitoring; a terms of reference for third-party monitoring; proposals for the selection of a partner for third-party monitoring; and a standard operating procedure to strengthen monitoring coverage and issue tracking. Dedicated staff have been recruited for the community feedback mechanism and the set-up is in process.

In response to the observation on budget management, the country office has recruited a budget and programming officer. The country office has also managed to fill several other positions critical to the strengthening of implementation capacity in the areas of partnerships, resilience, monitoring, community feedback mechanisms, beneficiary information, and transfer management.

WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking tools. 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 by their respective due dates will contribute to improved operational effectiveness, and further strengthen the governance, risk management, and internal control processes of WFP's operations in Liberia.