

13 September 2023

Management Comments to the Internal Audit Report of WFP Operations in Chad (AR/23/09)

WFP Management welcomes the observations made by the Office of the Inspector General in its internal audit report on WFP operations in Chad (AR/23/09), covering the period from 1 January to 31 December 2022. WFP Management notes that despite severe constraints, achievements and improvements were acknowledged by the audit mission in several areas, including the handling of the 2022 flood response, the scaling up in the use of the corporate system (SCOPE) for beneficiary registration, identity, and transfer management for cash-based transfers.

WFP Management recognizes the audit's overall conclusion of **"major improvement needed"** and agrees with the four high-priority and four 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 agrees with the observation on governance and risk management and has established additional positions in the WFP Chad country office to strengthen processes and governance in several areas. An organization realignment mission from the WFP Regional Bureau for Western Africa is already planned for the last quarter of 2023 to support operations. The country office is enhancing its communication with stakeholders such as cooperating partners and relevant government departments, through periodic meetings where anticipated challenges are discussed and mitigation actions taken.

WFP Management notes the observation on beneficiaries' identity management and confirms that continuous efforts are undertaken to address the concerns raised, including through the recruitment of additional staff and the formulation of strategies and guidelines supported by a system to handle complaints and feedback from multiple sources.

On the management of the implementation plan versus distribution plan versus actuals, in June 2023, the country office started piloting the Partner Connect application and recruiting additional monitoring and evaluation staff to enhance existing processes. Moreover, a set of tools is under development to compile regular information on the implementation plan versus distribution plan versus actuals to allow for informed decision-making.

Regarding preparedness for cash-based transfers, the country office has already started working on the proposed actions, including the establishment of a comprehensive risk-based strategy on the choice of modality and delivery mechanism for various locations. These include the delivery of a new cross-functional training course, the launch of a new call for proposals to identify additional financial service providers, and the establishment of an oversight mechanism to track prices and improve contractual compliance. WFP Management also acknowledges the challenges faced in undertaking cash-based transfer reconciliations at the beneficiary level. Support is being received corporately to operationalize existing tools and dashboards to improve reconciliation and provide assurance.

WFP Management appreciates the review of WFP Chad's procurement activities, processes for goods and services, as well as logistics practices. Therefore, the country office has started implementing the

agreed actions in close consultation with the Regional Bureau for Western Africa and relevant headquarters teams.

Following the audit observation on the management of non-governmental organizations, the country office is currently reviewing its cooperating partner standard operating procedures, the composition of the Cooperating Partner Committee membership, and the partner evaluation mechanisms.

WFP Management acknowledges shortcomings in the planning and implementation of monitoring activities in the operation. Thus, the country office will seize the opportunity to further speed up the implementation of key actions in the current system to deliver sound evidence for decision-making, especially in the areas of roles and responsibilities, monitoring tools, data quality validations, methodologies, practices, reporting, and frequency of monitoring. WFP Management will provide proactive support to implement the five agreed actions in addition to those identified in the monitoring action plan developed in response to the WFP Global Assurance Project Agenda.

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 Chad.