

08 November 2023

## **Management Comments to the Internal Audit Report of WFP Operations in Uganda (AR/23/12)**

WFP Management welcomes the observations and recommendations made by the Office of the Inspector General (OIG) in its internal audit report on WFP operations in Uganda (AR/23/12), covering the period from 1 January to 31 December 2022. WFP Management appreciates the audit's review of critical end-to-end delivery processes, specifically governance and risk management, beneficiary management, non-governmental organization partnership management, cash-based transfers, supply chain, resource management and monitoring.

Uganda is one of the largest refugee-hosting countries in the world, with more than 1.5 million refugees and asylum seekers. In 2022, WFP operations in Uganda were characterised by significant funding shortfalls affecting the refugee response. WFP Management invested in advocacy to mobilise resources and designed cost-effective operational modalities and programmatic approaches to support the achievement of the country strategic plan, despite the resource-constrained environment. With support from the United Nations High Commissioner for Refugees (UNHCR)-WFP Joint Programme Excellence and Targeting Hub, the Uganda operation successfully rolled out phases of vulnerability-based prioritisation of assistance in the refugee response with the objective of ensuring that limited resources have maximum impact for the people WFP serves. Additionally, WFP expanded its delivery on the Changing Lives Agenda and implemented an emergency response intervention in support of the Government to address COVID-19 and Ebola Virus Disease outbreaks.

WFP Management is pleased that the audit observations acknowledge the significant process improvements to strengthen controls in risk management, beneficiary prioritisation and data management, cash-based transfers, and food safety and quality since the last internal audit of 2019/2020. WFP Management recognises that the investment in digital identity and assistance management and corresponding data analytics, including strengthened reconciliation processes for cash-based transfers, has significantly augmented assurance. WFP Management recognizes the audit's overall conclusion of **"some improvement needed"** and agrees with the six 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.

The observations and corresponding agreed actions are well-aligned with existing management priorities and ongoing initiatives, specifically with a view to the upcoming process of reviewing the country strategic plan that is nearing its end. Accordingly, the finalisation of the partnership action plan is at an advanced stage, while the design of a roadmap for home-grown school feeding allows progress on agreeing a memorandum of understanding with the government. It is further noted that a review of the monitoring structure, strategy and standard operating procedures had been underway at the time of the audit and will be concluded as per the agreed timeline. This is expected to result in improved risk-based prioritisation of monitoring and enhanced effectiveness.



WFP Management acknowledges that the operation's data analytics capabilities open avenues for closer collaboration with UNHCR, which continues to be strengthened around community feedback mechanisms and assistance management. The execution of privacy impact assessments at global and country level are well embedded in WFP's strategic direction to ensure robust and secure identity management.

With a view to third-party management, renewed investment will be made in strengthening staff capacity and the monitoring of continuous partner status updates in the UN Partner Portal to inform the implementation of agreements. In terms of goods and service procurement, WFP Management will drive forward the agreed actions that contribute to cost effectiveness through enhanced vendor rosters, a more frequent review of the procurement plan and the establishment of a centralised tool to track and monitor vendor performance issues. Lastly, while the Salesforce tool remains carefully managed by the concerned stakeholders, further streamlining of the quality assurance processes will be given due attention in line with corporate guidance.

WFP Management is grateful for the constructive and supportive manner in which the Office of the Inspector General undertook the audit exercise. 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 Uganda. The progress made since the last internal audit is testament to both the usefulness of the internal audit exercise and WFP Management's commitment to continuously enhance assurance.