

24 November 2023

Management Comments to the Internal Audit Report of WFP Operations in Honduras (AR/23/13)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report on WFP operations in Honduras (AR/23/13), covering the period from 1 June 2022 to 30 June 2023.

WFP Management recognizes the distinctive nature of operations in Honduras, which rely heavily on funding from the Honduran Government and primarily revolve around school feeding activities. School feeding activities faced substantial challenges during the COVID-19 pandemic between 2020 and 2022, experiencing a considerable reduction in both funding and operational scale. In response, the country office diversified its activities and rapidly expanded its resilience programmes. These events, combined with the commencement of the new country strategic plan (CSP) for the period 2023-2027, introduced significant organizational challenges, as reflected in the auditor's report.

WFP Management welcomes the independent feedback provided by the audit team and recognizes the audit's overall conclusion of **"major improvement needed"** and agrees with the six 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 by the fourth quarter of 2024.

At the time of the audit, the country office had already taken steps to address some of the operational challenges highlighted in the report. For example, the development of a new organizational structure was initiated in early 2023. This restructuring effort is aimed at aligning the country office with the demands of the new CSP, and it is expected to address several of the issues identified in the audit, including aspects related to monitoring, risk management, resilience activities, and project management.

WFP Management recognizes that while the country office has been meeting its obligations to donors and beneficiaries, there is room for improvement in the collection, organization, and analysis of data. This aspect was also highlighted in the auditor's report and has the potential to assist the country office in demonstrating compliance with various corporate requirements. Support was provided by WFP Regional Bureau for Latin America and the Caribbean to address these issues, and several missions have already taken place since the audit period. The focus of these missions has been on beneficiary information management and the advancement of a digitalization strategy.

WFP Management is committed to harnessing the constructive recommendation provided by the internal audit report to establish a strong internal control framework, integrate effective risk management systems, and guarantee the successful achievement of WFP's goals in Honduras. WFP Management is grateful for the audit's acknowledgment of the positive actions undertaken by the country office and appreciates the Office of the Inspector General's constructive



engagement, along with their comprehensive analysis and collaborative assistance, which have proven to be highly valuable.