

8 January 2024

Management Comments to the Internal Audit Report of WFP Operations in Bangladesh (AR/23/19)

WFP Management welcomes the observations and recommendations made by the Office of the Inspector General (OIG) in this internal audit report (AR/23/19) on WFP operations in Bangladesh, covering the period from 1 January 2022 to 31 March 2023.

WFP Management acknowledges the complexity of the Bangladesh operation, coupled with the challenges posed by the implementation of the country office's one-country approach. Efforts have been made in the past year to streamline activities across the country office and sub-offices, creating greater cohesion, including through the harmonization of nutrition-based programmes (nutrition, school feeding and fortification). WFP has also endeavoured to harmonize livelihoods, volunteer service, self-reliance and disaster risk reduction (DRR) in Bangladesh under a resilience framework.

Through four strategic outcomes, the country strategic plan aims to strengthen country capacities, resilience-building programmes and, upon request by the government, respond to crises through the provision of food and nutrition assistance to affected people and through coordination and common services to humanitarian partners. Since 2017, in response to the influx of initially 745,000 and currently 930,000 Rohingya from Myanmar to Cox's Bazar, WFP has continued to provide food assistance and nutrition services, and implemented resilience activities in the camps despite a significant funding shortfall affecting the refugee response.

WFP Management recognizes and agrees with the two high-priority and seven 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 appreciates the audit's review of governance, programme design, beneficiary identity management, non-governmental organization (NGO) management, cash-based transfers assurance, process monitoring, community feedback mechanism (CFM) and resource management. WFP Management takes note of the risk areas highlighted in the audit report and acknowledges the recognition by OIG of the country office's efforts to improve risk management, processes and controls, and that the two high priority areas were known and are being addressed by the country office.

As noted by OIG, the fragmented information technology landscape is a corporate issue and the country office's digital solutions team is in the process of developing technical solutions to address the limitations of existing tools, in coordination with headquarters. WFP Management is determined to leverage the benefits availed by this audit to enhance its solution architecture for beneficiary identity and transfer management, process monitoring including complaints and feedback mechanisms, cash-based transfer assurance, and budget management. This includes automation of processes for managing beneficiary data and transfer instructions.

For its cash-based transfer activities, the financial intelligence assessment has already been completed, and the standard operating procedure on the management of non-governmental organizations as transfer agents is being finalized along with the review of the operational risks associated with the use of unrestricted mobile money distributions. WFP will soon finalize the



workplan and timeline to improve assurance and monitoring activities for cash-based transfers in Bangladesh, including the development of a dashboard for fraud and anomaly detection.

WFP is also in the process of implementing the Strategic Workforce Planning (SWP) recommendations in Bangladesh, which will address the technical skills gap identified.

WFP Management is committed to take the opportunity of the audit recommendations to further strengthen its internal control framework, risk management systems, and effectively deliver on the country strategic plan. WFP Management will undertake regular reviews of the agreed actions and provide updates through WFP's corporate tracking system. The country office will also seek regular guidance and technical support from the Regional Bureau for Asia and the Pacific, as well as WFP headquarters, in taking these actions forward.