

20 May 2024

## **Management Comments to the Internal Audit Report of WFP Operations in Angola (AR/24/05)**

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report on WFP operations in Angola (AR/24/05). The audit covered the period from 1 July 2022 to 31 December 2023 and focused on risk management and oversight, beneficiary management, voucher transfers, monitoring, management of cooperating partners and service provision.

The period under review represented an unprecedented time in Angola with the compounding effects of the most severe drought in four decades, a deterioration of the economic situation, and the long-term impact of the COVID-19 pandemic. Thanks to its strong partnership with the Government of Angola and the steady support from donors and partners, WFP was able to scale up assistance reaching 159,000 people across its operations in 2023, a 22-fold increase compared to 2021. While WFP's response prevented a further increase in emergency levels of acute food insecurity and malnutrition, WFP Management recognizes that processes and controls were stressed owing to the challenging operating context.

WFP Management welcomes OIG's acknowledgment that governance, risk management practices, and internal controls were generally established and functioning. Furthermore, WFP Management appreciates the recognition that the Angola Office is supported by the Regional Bureau for Southern Africa with regular missions to strengthen processes. It is also noted that the audit report highlighted the efforts made by the Angola Office on warehouse management practices and opportunities to improve service efficiency through savings in storage and transport costs.

WFP Management acknowledges the audit's overall conclusion that **"major improvement is needed"** to provide reasonable assurance that the objectives of the audited entity/area are achieved. WFP Management agrees with the five high and one medium-priority observations outlined in the audit report and fully endorses the corresponding agreed actions and has initiated their implementation, with completion expected within the agreed timelines. The observations and agreed actions are closely aligned with existing management priorities and country and regional-level control strengthening efforts.

WFP Management will work with the Angola Office to ensure the timely implementation of the agreed actions and, in collaboration with OIG, will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking tool. The Regional Bureau for Southern Africa will provide guidance and technical support, as required.

WFP Management would like to express its appreciation to OIG for their constructive engagement, comprehensive analysis, and efforts to ensure the audit observations and agreed actions reflect the operating context. WFP Management is confident that implementing the agreed actions in the audit report will play a crucial role in further improving operational effectiveness and efficiency, as well as further strengthening the governance, risk management, and internal control processes of WFP's operations in Angola.