

6 August 2024

WFP Management Comments to the Internal Audit Report of WFP's Fleet Management (AR/24/08)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report on WFP's Fleet Management (AR/24/08), covering the period from 1 January 2022 to 31 December 2023.

WFP Management is pleased to note the audit's recognition that WFP fleet management's governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The audit report indicates that issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. It also highlights positive feedback from field offices regarding the services and systems implemented and managed by the Fleet Centre. Specifically noted are the successful outcomes of fleet optimization missions and the impact of comprehensive driver training programs. These acknowledgements underscore the Fleet Centre's commitment to operational excellence and continuous improvement in supporting WFP's fleet management globally.

WFP Management recognizes and agrees with the audit recommendations on two high-priority and three medium-priority observations contained in the audit report. WFP Management fully endorses the corresponding agreed actions and has initiated their implementation, which are expected to be completed within the agreed timelines. The high-priority observations dealt with four key areas: (i) strategic transition, planning, and performance; (ii) organizational policies and governance structure; (iii) risk management and oversight mechanisms; and (iv) fund management and reporting. WFP Management intends to leverage these four areas to ensure that the ongoing strategic transition is supported by a comprehensive assessment of its impact and financial sustainability, including associated risks. To enhance governance structure and policies, WFP Management will update corporate guidance and directives on fleet management, clearly delineating the roles and responsibilities of various stakeholders within WFP. Additionally, the existing fleet management manual, workflows and performance indicators will be updated to reflect changes in strategic directions.

WFP Management is also actively addressing the medium-priority observation of risk appetite, reporting and mitigation. This includes defining a specific risk appetite framework for fleet management aligned with WFP's corporate standards. These efforts aim to support field fleet optimizations while considering risk impacts and control costs.

WFP Management will undertake regular reviews of outstanding agreed actions and provide updates through WFP's corporate tracking tool.



WFP Management would like to thank the Office of the Inspector General for its thorough analysis and its excellent collaboration with the Management Services Division and selected country offices during the audit. Implementation of the agreed actions will serve as a valuable instrument to improving operational effectiveness, as well as to further strengthen the governance, risk management and internal control processes of WFP's fleet management operations.