

Inspection of WFP Operations in Liberia

Office of the Inspector General
Inspection Report IR/01/2014



World Food Programme

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Inspection of WFP Operations in Liberia

I. Executive Summary

Introduction

1. In late 2013, the Office of the Inspector General received concerns on the implementation of activities supported by an earmarked donor funding. The Office of the Inspector General carried out an inspection to review these concerns, and agree with management on measures to improve the functioning of the operation.

2. The inspection was carried out in accordance with the Charter of the Office of the Inspector General.

Key Results of the Inspection

3. WFP's operations in Liberia suffered from inadequate communication, both within the Country Office and with donors. Country Office communication issues were a result of high staff turnover, inefficient communication mechanisms and a lack of managerial oversight. Donors were not adequately informed about difficulties in project implementation, for example due to government policies or changes in the refugee situation, and received incorrect and contradictory information. Inadequate communication in the Country Office resulted in several issues.

- Implementation of school feeding for refugees in host communities, one of the activities included in the last budget revision of the Emergency Operation (EMOP) for which earmarked donor funds were received, was not timely and appropriately followed up by the Country Office as the activity was not adequately monitored and assigned within the Country Office.
- Since staff members did not always receive nor solicit information needed to update the pipeline reports, some of these were prepared with irrelevant or outdated information.
- Distribution planning did not take donor requirements for commodities bought with earmarked funding into account, again due to lack of communicating this information to the relevant staff. In one case, this resulted in distribution of only 5 percent of the donor's commodity by the end of the project period, while beneficiaries received commodities from other donations.

4. The inspection noted that the Country Office had already started to make improvements, in particular in relation to its internal communications, and was very responsive to the inspection findings.

5. The inspection report contains 11 agreed actions, of which three are considered as key. The key observations arising from the inspection were as follows:

6. **Internal Communication** – Communication within the Country Office was not effective. Operational staff/management meetings were not held frequently, and key information was not adequately shared. In addition to ineffective communication, the Country Office suffered from high staff turnover and insufficient managerial oversight. Various observations described in this report were the result of this.

7. **External Communication** - Communication within the Country Office was severely hampered, as was communication to one of the main donors. Problems in the implementation of

donor-funded activities were not communicated until the project period had ended, and information regarding the activities was late, incorrect and contradictory. This not only led to reduced donor trust in the capacities of the Liberia Country Office, but also resulted in increased risk for food spoilage.

8. **Commodity tracking** – Distribution plans prepared by the Country Office did not indicate specific donor requirements, nor did they indicate which batches of commodity were to be delivered, leaving it up to the field offices to decide which commodity was to be delivered. As a result, field offices did not prioritise commodities to comply with donor requirements, and in one case, this resulted in a low distribution rate (5 percent) of donor commodity within the set period.

Management response

9. Management has agreed to take measures to address the reported observations, and has reported already being in the process of addressing them.

10. The Office of Inspections and Investigations would like to thank managers and staff for the assistance and cooperation accorded during the inspection.



David Johnson
Inspector General

II. Context and Scope

Liberia

11. Liberia, with a population of 3.7 million, ranks 174 of 187 countries in the UNDP 2013 Human Development Index. Since the 2003 Comprehensive Peace Agreement, the country has been recovering from a 14-year civil war that destroyed national infrastructure and basic social services.

12. An estimated 64 percent of Liberians live below the poverty line, of which 1.3 million live in extreme poverty. Social safety nets are poorly developed. Agricultural production has improved since the end of the war, but the country still imports 50-60 percent of its staple food requirements and is vulnerable to economic shocks. Agricultural markets are poorly integrated, especially in rural areas, exacerbating food insecurity and poverty. Food insecurity affects 41 percent of the population and chronic malnutrition is high. Land issues and control over natural resources are recognised as some of the main sources of conflict in Liberia, threatening peace consolidation efforts and development activities.

13. The UN Peacekeeping Mission in Liberia (UNMIL) continues to maintain a strong presence throughout the country. However, the UN plans to reduce its number of troops by more than half by 2015. Despite consolidated peace, the national security situation remains fragile and the process of rebuilding social and economic structures faces significant challenges. High numbers of unemployed youth (especially men) remain a potential source of insecurity, particularly in Monrovia.

WFP Operations in Liberia

14. WFP in Liberia provides assistance to Ivorian refugees through EMOP 200225. The long delayed presidential election in Côte d'Ivoire, which were first conducted on 31 October 2010 and followed by a run-off on 28 November, generated conflicting and disputed results, which destabilised an already fragile political situation and resulted in violent conflict.

15. The number of Ivorian refugees registered by the Office of the United Nations High Commissioner for Refugees (UNHCR) in Liberia peaked in the second half of 2011 at 224,000 refugees. However, since the beginning of the Ivorian refugee crisis, numbers fluctuated due to the fluidity of refugee movements across the border between Liberia and Côte d'Ivoire, the movement of refugees between communities that hosted refugees within their community, and the refugee camps, and changes in government policies. The EMOP was revised six times to respond to the situation as it evolved.

16. Activities under the EMOP included general food distribution (GFD), supplementary feeding both in the camps and for the host communities, and emergency food distribution and food for work for the host communities. School feeding in camps and for refugees in host communities were included in the last budget revision.

17. WFP operates from a central office in Monrovia, three sub-offices in Harper (Maryland), Zwedru (Grand Gedeh), and Gbarnga (Bong), and two field-offices in Saclepea (Nimba) and Voinjama (Lofa), which were supervised by the Gbarnga sub-office¹. Activities are undertaken in all but three of Liberia's 15 counties.

¹ In the report only the term "field-office" will be used while referring to both Sub-Offices and Field Offices.

Objective and scope of the inspection

18. The inspection reviewed transactions and activities for the period 1 July 2012 to 30 November 2013 with focus on EMOP 200225: Emergency Assistance to Ivorian Refugees and Host Population in North-Central and South-Eastern Liberia. Where necessary, transactions and information outside this period were reviewed:

- **Governance:** including elements of internal communications (within the Country Office and within WFP); external communications (with donors, other UN agencies and government counterparts); and office management.
- **Supply chain:** including elements of food procurement in Headquarters; inland transportation; pipeline; distribution planning; and commodity management.
- **Programming:** including elements of project planning and approval; project implementation; monitoring process; and Cooperating Partners' management.
- **Finance:** including elements of donor fund usage and monitoring.

19. The inspection carried out an assessment mission to the Country Office in Liberia in November 2013, followed by the inspection mission in December 2013, including Monrovia, Saclepea, Bahn refugee camp, and Gbarnga. The inspection team discussed the preliminary results of the inspection with the Country Office Management.

III. Results of the inspection

20. A total of 11 observations were made, of which 3 are considered as key observations and are detailed in Section IV of this report. Tables 1 and 2 present the key and additional observations.

Management response

21. Management has agreed to take measures to address the reported observations, and reported that actions are in progress.

Table 1: Summary of key observations (see section IV for detailed assessment)

Observation	Agreed Action	Owner	Due date
Governance			
1 Internal communications in the Country Office: Internal communication was ineffective, and the Country Office management did not pay sufficient attention to ensure proper communication. Various issues identified during the inspection, such as contradicting information provided to donors and pipeline planning, could have been resolved or avoided if communication had been effective.	Implement internal management systems to ensure effective communication between all relevant Country Office and field office staff, including sharing relevant information, ensuring continuity in activities, and documenting and following up on issues identified in an appropriate and timely manner.	Liberia Country Office	30 April 2014
2 Communications with donors: One specific donor was not notified of the delays and problems in implementing the activities specified in the agreement with this donor, and received incorrect and conflicting information.	Establish a proper mechanism to ensure correct operational information is provided, in particular to donors and other stakeholders.	Liberia Country Office	30 April 2014
Supply Chain			
3 Commodity tracking: Commodity distribution was not planned using commodity batch numbers, which resulted in donor requirements regarding commodities not always being taken into account.	Establish a proper mechanism to ensure donor requirements are complied with and are correctly reflected in relevant reports and communication. Compliance of such donor requirements will also be appropriately monitored on a periodic and timely basis.	Liberia Country Office	31 May 2014

Table 2: Additional observations

Observation	Agreed Action	Owner	Due date
Governance			
4	Management of programme unit: There was inadequate overview and continuity in programme activities as reporting lines and division of work within the programme unit changed frequently and was not reflected in the TORs of staff.	Improve overview and continuity in programme activities and regularly update organigrams and staff TORs.	Liberia Country Office 30 June 2014
5	Segregation of duties: Segregation of duties was not always adequate in the functioning of the Project Approval Committee and the Local Transport Committee.	Ensure compliance with TORs of local committees, and update these TORs where necessary to ensure sufficient segregation of duties.	Liberia Country Office 30 June 2014
Programme planning			
6	School feeding component under EMOP 200225: The timeframe for this component was not realistic, as the Country Office did not plan for sufficient time between the start of the activities and the arrival of commodities in the country, or for the time requirement to set up the new activity of school feeding in the refugee camps. This resulted in delayed implementation.	Plan projects using realistic timeframes and include all relevant actors. Ensure follow up on decisions taken regarding project implementation.	Liberia Country Office 30 April 2014
Supply Chain			
7	Distribution planning: Pipeline reports did not always take all available information regarding actual deliveries and constraints into account. Distribution plans in the field offices, when actual deliveries were less than approved by the Country Office, were not communicated to and reconciled at Country Office level.	Include relevant delivery and distribution information in pipeline planning and reconcile field office distribution plans prior to preparing the next distribution plan.	Liberia Country Office 30 June 2014
Programme implementation			
8	Management of Field Level Agreements and creation of related liabilities: Field Level agreements (FLAs) were often signed after commencement of the project resulting in distributions taking place without a legal agreement in place. Related commitments were not created in a timely manner, which resulted in distributions taking place without funds being set aside for payments of such distributions. For the sample reviewed by the inspection, the risk of inability to make payments did not materialise.	Ensure timely signature of field level agreements and creation of related financial commitments in the corporate system prior to the commencement of programme activities.	Liberia Country Office 31 March 2014

Observation	Agreed Action	Owner	Due date	
Programme monitoring				
9	Distribution data: Distribution data tracked through the Logistics Execution Support System (LESS) and the distribution data reported by Cooperating Partners (CP) were not systematically reconciled.	Implement a system that allows for periodic and systematic reconciliation between dispatch data from LESS and CP distribution reports. CPs should be trained on filling out distribution reports appropriately.	Liberia Country Office	30 June 2014
10	Monitoring visits: Annual monitoring plans were not prepared and there was no systematic oversight by the Country Office to determine which project sites were not visited for a specific period.	Prepare monitoring plans that would ensure coverage of all project sites within an annual or biannual period, and monitor implementation of such plans. Deviations should be verified and adjustments to the annual plans should be made as appropriate to ensure overall sufficient coverage.	Liberia Country Office	30 June 2014
Transport and Logistics				
11	Fleet management: The information entered in the logistics fleet management system was not always correct, and the system was not maintained in a timely manner.	Ensure proper and timely maintenance of the logistics fleet management system.	Liberia Country Office	31 March 2014

IV. Detailed Assessment

Governance

Key observation

Observation 1 Internal communication in the Country Office

22. Internal communication on operational issues within the Country Office was not effective. Various problems mentioned in this report would have been avoided if there would have been effective internal communication.

23. During the period covered by the inspection, operational management and staff meetings were not held frequently on a periodic basis. The main reason for this seems to have been the unavailability of senior staff. Management and staff from the field offices did not participate in most of these meetings, and operational issues discussed during these meetings were not systematically recorded and followed up.

24. Communication both at senior management level and at the operational level was inadequate throughout the inspected period, and various instances were noted where important issues were not discussed and acted upon in a timely manner. Examples were the lack of follow up on the implementation of school feeding for refugees in host communities, pipeline reports being prepared without inclusion of the latest and relevant distribution information, and the lack of follow up on donor requirements at various levels. E-mails were noted which were not copied to all relevant staff, resulting in staff not being able to fully and completely understand operational situations and problems.

Agreed Action 1

Underlying cause of observation: High staff turnover; conflict among staff not adequately managed by senior management; inadequate managerial oversight; insufficient attention to proper communications.

Implication: Inadequate cooperation and communication within the office affects project implementation and the achievement of the Country Office's objectives.

Policies, procedures and requirements: Best practices

Agreed action: Implement internal management systems to ensure effective communication between all relevant Country Office and field office staff, including sharing relevant information, ensuring continuity in activities, and documenting and following up on issues identified in an appropriate and timely manner.

Action plan: The Country Office has begun to implement the agreed action by:

- formalising the information flow in the Country Office (by systematically copying important emails to all relevant staff);
- enhancing communications with sub-offices through their participation in frequent and periodic operational meetings;
- increased regularity of periodic operational meetings with firm and formalised documentation and action plans.

Target implementation date: 30 April 2014

Governance

Key observation

Observation 2 Communication with donors

25. The donor did not always receive correct information and in some cases received conflicting information. Furthermore, the donor was not notified of the delays and problems in implementing the school feeding portion of the agreement. Communication regarding a dedicated donation from a specific donor for school feeding and GFD under the EMOP was handled through Headquarters (the Government Partnerships Division), who reported information received from the Country Office to the donor.

26. Communication was not shared amongst those who would have been in a position to verify accuracy of information. The Government Partnerships Division (PGG) was not in a position to verify correctness of the data provided, and forwarded information to the donor without making adjustments. The Dakar Regional Bureau could have verified the correctness of information, but was often not copied or involved in the communication and reporting to the donor. PGG did not copy the Country Office on communication with the donor, but forwarded the final communications to the Country Office in most cases.

27. In August 2012, the situation regarding assistance to refugees in host communities changed. Although this change affected the activities agreed with the specific donor, the donor was not adequately informed of this or the possible impacts. In particular, no dedicated school feeding for refugee children in host communities was provided. Refugee children going to regular schools benefitted from school feeding provided to all children in those schools under the Country Office's Country Programme².

28. In February 2013, the donor received a request for payment of the second tranche of the contribution, which stipulated, among others, that hot meals were provided to 7,235 refugee children living in the camps during January and February. It was not clear how this figure was calculated, and based on review of documents, only about 3,639 refugee children received meals in this period.

29. Reports contained contradicting information with discrepancies in the amount and timelines regarding beneficiaries receiving food. The initial report submitted to the donor on 10 September 2013 stated that 5,500 refugee children in camps received school meals for 2 months and 15,528 refugees received GFD for 2 months, without specifying which months. After the donor queried information in the initial report, a follow-up report submitted to the donor stated that on average some 4,500 refugee children in camps received school meals for 6 months, from January to June 2013, and that a total of 60.7 mt was delivered for school feeding, and that no commodities were used for GFD.

30. Inaccurate information was provided to the donor regarding the actual number of children receiving food and the quantity of food received. Inspection's review of the data indicated that the average number of children reached during the six-month period was 4,075, which was slightly lower than the reported figure. These discrepancies are due to difficulty in establishing the actual number of children attending school in the camp, as all children that go to school received school feeding. Instead of the reported 60.7 mt, a total of 69.6 mt of commodities from this donor were delivered. Of this, at least 49.2 mt was distributed for school feeding. Based on the information provided to the inspection, it was not possible to determine if the remaining 20.4 mt was provided for school feeding, however, all food commodities were provided to implementing partners working in the refugee camps, with the exception of some small quantities³, which were provided to the host community. In the same period, beneficiaries received commodities from other donations. No indication of fraud or other misconduct related to this donation was found.

² Country Programme Liberia 200395 (2013-2017).

³ 3.75 mt for school feeding and 0.025 mt for food for asset activities, both in host communities.

31. Despite explicit approval from the donor, the Country Office did not follow through according to the deadline of the donor agreement. In May 2013, one month before the end of the project, WFP requested the donor's approval for distribution of the food to an expanded caseload. The rationale behind this was that refugee children residing in host communities went to regular schools, and received food through WFP's regular school feeding programme, and therefore the expanded caseload would reach both the host community children and the refugee children. The donor agreed to this. However, as subsequently reported to the donor in the second final report, such deliveries were not made in June due to school holidays.

32. A specific request for an extension of the donor agreement period was not made to the donor. The CO was under the false impression that the approval in caseload included an approval for the donor agreement period extension. Subsequently, food from the donor continued to be distributed after the end of the project, both for GFD and school meals in the camps and for school meals in host communities.

33. The Country Office interrupted its commodity distributions from this donor. Although the CO could have distributed the remaining food, a delay in making the decision may have caused food spoilage. The CO reported to have stopped delivering the donor commodities in September, but WFP's commodity management system showed that deliveries continued until 20 November, with 702.9 mt of the total of 1,245 mt delivered⁴. Upon request of the CO, PGG sought approval from the donor to reinstate food distribution on 13 December. The donor replied the same day that the food in the warehouses could be distributed. This had not yet been done by the CO as of February 2014, further increasing the risk of food spoilage. Actual spoilage as recorded in the corporate Logistics Execution Support System (LESS) by end February 2014 was negligible⁵.

Agreed Action 2

Underlying cause of observation: Lack of clear communication and establishment of accountabilities in the CO. Lack of proper and timely follow up and oversight by CO management

Implication: Donors may consider halting contributions, or require repayment for receiving incorrect or contradicting information, and for implementation that is not in line with signed donor agreements.

Policies, procedures and requirements: Agreements with donors

Agreed action: The Country Office will establish a proper mechanism to ensure correct operational information is provided in particular to donors and other stakeholders.

Action plan: The Country Office will take measures to:

- establish clear responsibilities both at operational and managerial level for liaison and communication with donors;
- establish a communication protocol for donor contact;
- strengthen its systems and processes, in particular in its logistics, pipeline, programme and finance functions, to allow for proper reporting on project deliverables as per donor agreement.

Target implementation date: 30 April 2014

⁴ 6.05 mt was recorded as lost.

⁵ 0.4 mt was recorded as unfit for human consumption.

Supply Chain

Key observation

Observation 3 Commodity tracking

34. The Country Office did not plan commodity delivery and distribution using the standard commodity numbering system (Shipping Instruction/Batch numbers). These numbers were not included in the distribution plans or the Food Release Notes prepared by the Country Office, leaving it up to the field offices to decide which batch of commodity was to be delivered. As per standard logistics practices, commodities were delivered using the first in first out (FIFO) method, and donor specific requirements regarding the use of commodities were not taken into account, as they were not communicated in any of the food distribution planning documents.

35. As a result, for one of the donor agreements, commodities were not delivered with priority as per the donor requirements, and at the end of the donor agreement, only 69.6 mt of the 1,245 mt was delivered, while beneficiaries had received commodities from other donations.

Agreed Action 3

Underlying cause of observation: Non-compliance with best practices regarding tracking of commodity, and non-compliance with donor requirements

Implication: Failure to observe donor requirements may result in reputational risk for WFP and consequently reduced donor contributions.

Policies, procedures and requirements: Financial Resource Management Manual; Programme Guidance Manual, best practices

Agreed Action: The Country Office will establish a proper mechanism to ensure donor requirements are complied with and are correctly reflected in relevant reports and communication. Compliance of such donor requirements will also be appropriately monitored on a periodic and timely basis.

Action plan: The Country Office will take the following measures:

- incorporate batch numbers in its distribution plans, taking into account donor requirements;
- institute regular pipeline meetings including staff from programme, logistics, pipeline, finance, and the relevant field offices to discuss distribution planning. Minutes of the meetings will be appropriately documented;
- ensure appropriate managerial overview through periodic monitoring of distribution plans and data for compliance with donor requirements, which will be documented.

Target implementation date: 31 May 2014

Annex A – Inspection definitions

1. Definition and scope of inspections

A 1. An inspection undertaken by the Office of the Inspector General is a review of an organizational unit, a system, process or practice perceived to be of potential risk, outside the context of its audit plan or any specific allegation, with the objective of identifying possible improvements to systems and processes.

A 2. The scope of an inspection encompasses the provision of objective information to management about field offices, units in Headquarters and processes, in order to assist management in ensuring optimal use of resources and compliance with regulatory instruments and Executive Board decisions, to facilitate accountability and ensure effective monitoring systems, and to recommend actions to promote effectiveness, efficiency and integrity.

2. Tracking of agreed actions

A 3. The Office of Inspections and Investigations will track the measures taken to address the observations to their conclusion and report to management and the Audit Committee on this.

Annex B – Acronyms

CO	Country Office
CP	Cooperating Partner
EMOP	Emergency Operation
FIFO	First in first out method
FLA	Field Level Agreement
GFD	General Food Distribution
LESS	Logistics Execution Support System
PGG	Government Partnerships Division
TOR	Terms of Reference
UNHCR	Office of the United Nations High Commissioner for Refugees
UNMIL	UN Peacekeeping Mission in Liberia
WFP	World Food Programme