

**World Food
Programme****Programme
Alimentaire
Mondial****Programa
Mundial de
Alimentos****برنامج الأغذية
العالمي****April 2015****Internal Audit of WFP Corporate Trust Funds (AR/15/05)**

Management Comments

WFP Management acknowledges the findings and observations made by the Office of the Inspector General (OIG) in its audit report of WFP Trust Funds (AR/15/05) covering the activities within the period 1 January 2013 to 31 August 2014. Management has already started implementing the agreed actions.

WFP Management appreciates OIG's recognition of positive initiatives such as the WFP Trust Fund Lifecycle review initiated in April 2014, as part of the WFP Business Process Review (BPR), aiming to standardize trust funds procedures across the organization.

WFP Management recognises the overall conclusion of unsatisfactory and it is taking all the necessary measures to address the observations included in the report.

With reference to the high-risk observations, in 2015, WFP Management will work on a comprehensive inventory of the existing trust funds to identify relevant trust fund managers, types, purposes and associated structures. WFP Management will strengthen corporate understanding of trust funds and ensure a strategic use of the same by developing a comprehensive policy addressing the defining factors and future use of trust funds.

Following the finalization of the policy and in line with observations, in 2016, WFP Management plans to develop the necessary procedures and relevant guidance governing the establishment of trust funds, risk assessment, and approval for associated grant agreements for trust funds, including reporting and oversight activities. This includes improving corporate monitoring activities by identifying performance indicators and enhancing existing corporate tools to ensure comprehensive reporting on trust funds achievements.

WFP Management appreciates the opportunities identified by the audit report and thanks the Office of the Inspector General (OIG) for the meaningful collaboration and support.