

## **Management comments to the internal audit report of WFP's Internal Control Assurance Process (AR/13/03)**

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### **Management Comments**

This internal audit report has provided very useful feedback on the effectiveness of the internal assurance processes, management tools and guidance developed when preparing the first statement of internal control for the period ending 31 December 2011. WFP recognises that this is a learning process and very much welcomes the recommendations and detailed suggestions made and the timeliness of the report, which allowed key issues to be addressed for the next round of assurance statements, which is currently underway.

WFP considers the assurance process as a critical part of the wider internal control framework, which includes risk and performance management systems. As it has in the past few years, Management is continuing its effort to strengthen all managerial controls across the organization on an ongoing basis.

As recognised by the Office of Internal Audit, the assurance statements from individual directors in WFP is not the only source of assurance utilised by the Executive Director in preparing the annual Statement on Internal Control. The Executive Director also receives each year a letter from the Inspector General on the effectiveness of internal control in WFP as well as a number of individual internal audit reports. In addition, the normal day-to-day management oversight processes and the regular meetings of the Executive Management Group all provide assurance on how well internal control is operating in WFP. All three sources of assurance on the effectiveness of internal control (annual assurance statements; Inspector General internal audits and assurance letter; and day to day management oversight) are used to identify areas where internal control may require improvement.

In terms of the specific recommendations made by the Office of Internal Audit:

On recommendation 1. Several management actions have addressed the issues identified. "Fit for Purpose" proposed the new organizational design for WFP in August 2012, that establishes the Regional Bureaux (RBs) as the corporate front line platform for management, oversight and support to the Country Offices (COs) which are considered the centre of gravity for reaching the people that WFP serves. The 2013 Management Plan 2013-2015 increased support to the RBs and COs and provided the smaller COs with further support for more effective programme delivery and improved internal controls. Further to this, a *Survival Guide for Managers in Smaller Offices* was produced by the Business Innovation and Support Office that provides guidance on how WFP managers can ensure appropriate measures are taken with regard to segregation of duties in small office contexts.

On recommendations 2 to 8. All recommendations have been reviewed and implemented by the responsible WFP Division and have been reflected as appropriate in changes made to the process for obtaining assurance on the effectiveness of Internal Control for the period ending 31 December 2012.