



Management comments to the internal audit report of WFP Operations in Sudan (AR/13/12)

Management Comments

WFP management appreciates the productive work done by the Office of Internal Audit and the useful feedback provided through this audit report of WFP Operations in Sudan, covering the period from 1 October 2011 to 30 September 2012.

The audited period took place immediately after the independence of South Sudan in July 2011, which had several implications in the way WFP operated in the sub-region. Following the separation of South Sudan, the operations in Sudan remained one of WFP's largest and most complex operation, due to on-going conflict and insecurity in Darfur and the escalation of conflict in the states of Blue Nile and South Kordofan. The large-scale protracted population displacement, the deteriorating economic situation, the extremely low level of basic infrastructures and the harsh environmental conditions further aggravated the humanitarian and food security situation. Despite the many challenges posed by one of the most complex humanitarian situations in the world, WFP remains a key humanitarian partner of the Government of Sudan and the lead organization providing relief to the Sudanese people.

The internal audit report highlighted that internal controls, governance and risk management processes were generally established and functioning, while some areas were in need of improvement. The absence of high-risk observations is a significant achievement given the challenging operating environment and is a testimony to the seriousness that WFP Management attaches to controls as enablers of effective programme delivery and results. WFP Management took immediate action to address areas of risks identified by the audit report and to establish follow-up mechanisms to ensure that risk mitigation measures are timely implemented. Five of the eighteen medium-risk recommendations were already implemented by the time the audit report was issued, while work is in progress to complete the implementation of nine by the end of 2013 and the remaining four during the first half of 2014.

The Country Office has further strengthened its controls through the implementation of a robust risk management system and the appointment of an experienced Compliance Officer with the objective of supporting business units on maintaining and reinforcing internal controls.

WFP Management notes with appreciation the positive practices and initiatives highlighted by the audit report, particularly those related to the internal environment, risk assessment processes, control activities and monitoring coverage. The Sudan Country Office's organizational structure and proper delegation of authority were put in place and well communicated in advance of the administrative split with the South Sudan Country Office. Further, the Sudan Country Office had standard operating procedures for key processes and was implementing effective risk-assessment and assurance statement processes. With regard to control activities, a significant number of good practices were noted in several areas such as finance and administration, vulnerability assessment mapping, logistics, procurement and ICT. The report also highlighted the significant monitoring coverage in West Darfur.

Based on the result of this audit report and the corrective actions implemented and underway, WFP Management is reassured that adequate and appropriate internal controls, governance processes and risk management systems are being implemented in the WFP operations in Sudan. WFP Management recognizes the importance of corporately replicating the significant number of positive practices and addressing areas that need further strengthening to continue improving-performance and results.