



World Food Programme

Programme Alimentaire Mondial

Programa Mundial de Alimentos

برنامج الأغذية العالمي

Internal Audit of WFP Operations in in the Islamic Republic of Pakistan (AR/14/16)

September 2014

Management Comments:

WFP management appreciates the observations made by the Office of Internal Audit (OIGA) on WFP operations in Pakistan covering activities from 1 January 2013 to 31 December 2013 and selected activities between July 2012 and December 2012 as well as January to March 2014. Management has agreed to actions in response to the observations.

During these periods, WFP Pakistan was implementing two projects with a combined operational requirement of over USD 600 million. Given the challenging environment, together with the size and complexity of the operation, management recognizes the great achievement that none of the internal control components were rated as high risk.

WFP management had already started to implement the agreed actions addressing the two high risk observations noted in the audit report. One of the high risk observations relates to delays in completing the tendering process of third party monitors in Federally Administered Tribal Areas and Balochistan. Whilst WFP staff, together with Government counterparts, continued to monitor operations, the Country Office (CO) has taken corrective measures including the initiation of tendering three months prior to expiry of a contract. The second observation relates to the delay in signing the Memorandum of Understanding (MoU) with the Government of Pakistan. The MoU has been signed in June 2014.

In addition, most of the medium risk observations have been addressed by: improving payment procedures applicable to transporters; frequently engaging with the Government to shorten the exemption processing time; approval of the new Special Operation; and completing the review and update of the milling strategy and remedial actions for repackaging Wheat Soya Blend.

WFP management also appreciates the OIGA highlighting positive practices, including the CO's commitment to quality control in its service delivery by ensuring continuous improvements to WFP Pakistan Beneficiary Feedback Mechanism (BFM) with respect to changing environment, implementation of a Community Management of Acute Malnutrition programme in high security risk districts, and implementation of a sophisticated monitoring system.

Overall, the audit report has provided management with constructive insights into WFP operations that will enhance further the implementation of a diverse programme in a challenging environment.