

**World Food Programme****Programme Alimentaire Mondial****Programa Mundial de Alimentos****برنامج الأغذية العالمي****January 2015****Internal Audit of WFP Operations in Yemen (AR/14/24)**

Management Comments

WFP Management appreciates the observations made by the Office of the Inspector General (OIG) through the audit report on WFP operations in Yemen covering the period between 1 January 2013 and 30 June 2014.

WFP Management appreciates OIG's recognition of positive practices and initiatives in the internal environment and control activities such as the creation of the compliance officer position and successfully implemented donor strategy which resulted in high level of funding for the operation.

The Yemen Country Office operates in an extremely challenging environment with limited number of international staff due to insecurity and is allowed to receive only essential/life savings missions. During the audit period, the Country office experienced further deteriorating security situations and made additional efforts to reduce international staff presence in the country during the critical period.

The audit identified one high-risk and nine medium-risk observations. WFP Management is expected to implement the agreed actions of the high risk observation by June 2015, in consultation with the Regional Bureau and Headquarters. Of the medium risk observations, one was already implemented during the time of audit, four have been implemented by the 31 December 2014 due date, and the remaining four agreed actions will be implemented in March 2015.

Overall, based on the results of this audit and following the corrective actions implemented, WFP Management is reassured that its operations in the Republic of Yemen are being successfully implemented with adequate and appropriate controls and management of risk.

WFP Management appreciates the opportunities identified in the context of the Internal Audit report which will assist the Yemen Country Office to further improve the operations.