Internal Audit Strategy – 2016-2020

**INTERNAL AUDIT VISION**
A trusted business partner that helps WFP to achieve its goals through independent assurance and consulting activities that address the main risks to WFP operations.

**Auditing what matters**
- Shift the audit focus and coverage from cyclical to risk-based audit
  - Focus on critical risks & processes
  - Maintain appropriate field coverage
  - Expand audit toolbox over time
  - Support Inter-Agency Partnerships & Commitments

**Dynamic Risk Assessment**
- Aligning better audit risk assessment with WFP risk management.
  - Assess risks and plan dynamically
  - Support ERM development through targeted advisory work
  - Promote better understanding of risk assessment

**Cost-effective assurance**
- Provide better assurance by promoting the Three Lines of Defence model
  - Champion the implementation of the three lines of defence
  - Coordinate with other assurance providers
  - Provide annual assurance opinion and audit ratings

**Value for Money**
- Continue to deliver audit services that are economic, efficient and effective
  - Implement a talent management strategy
  - Communicate audit results effectively
  - Explore alternative funding models
  - Seek continuous quality improvements
Since 2015, annual workplan provides visibility over entire risk universe (process and field entities), risk assessment and past coverage, including external audit

<table>
<thead>
<tr>
<th>Regional Bureau</th>
<th>Country Office</th>
<th>Rating</th>
<th>Past coverage</th>
<th>2017</th>
<th>2018</th>
<th>Related thematic engagements</th>
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**CORPORATE RISK REGISTER RISKS**

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<tr>
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<tbody>
<tr>
<td>High</td>
<td>- Audit of HRM in COs</td>
<td>- Nigeria and Yemen emergencies</td>
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<tr>
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<td>- Advisory on the management of Consultants and STPs</td>
<td>- Advisory on the Operational Task Force</td>
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<tr>
<td>Medium</td>
<td>- Yemen emergency</td>
<td>- Integrated Road Map</td>
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<tr>
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<td>- Syria +5 assurance plan</td>
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<tr>
<td></td>
<td>- Audit of Country Capacity Strengthening</td>
<td>- Audit of management of cooperating partners</td>
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<tr>
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<td>- Syria +5 assurance plan</td>
<td>- Cooperating Partners</td>
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<tr>
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<td>- Security/health/safety risks to personnel</td>
<td>- Covered through CO audits</td>
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<td>- Insurance</td>
<td>- Inspection</td>
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<td></td>
<td>- Challenging funding environment</td>
<td>- Strategic Road Map</td>
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<tr>
<td></td>
<td>- Audit of CERF (Ethiopia)</td>
<td>- Integrated Road Map</td>
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<td>- Advisory on verification missions</td>
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<tr>
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<td>- Audit of Third-Party Monitoring</td>
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<td>- Situation Analysis and Planning (VAM)</td>
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<td>- Advising on fraud risk assessment</td>
<td>- Strategic reporting on decision making information: data integrity WFP indicators</td>
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<tr>
<td></td>
<td></td>
<td>- Advisory on fraud risk assessment</td>
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</table>

**Related thematic engagements**

1. **Lack of skills for new initiatives**
   - Audit of HRM in COs
   - Advisory on the management of Consultants and STPs

2. **Inability to meet humanitarian commitments**
   - Yemen emergency
   - Syria +5 assurance plan
   - Advisory on the Operational Task Force

3. **Challenge to adapt to development role**
   - Audit of Country Capacity Strengthening

4. **Inability to adapt to global shifts**
   - Integrated Road Map

5. **Lack of partner capacity / WFP effectiveness**
   - Audit of management of cooperating partners
   - Cooperating Partners Syria

6. **Security/health/safety risks to personnel**
   - Covered through CO audits
   - Inspection

7. **Challenging funding environment**
   - Audit of CERF (Ethiopia)
   - Advisory on verification missions
   - Integrated Road Map

8. **Demonstrating impact without adequate evidence**
   - Audit of Third-Party Monitoring
   - Strategic reporting on decision making information: data integrity WFP indicators
   - Situation Analysis and Planning (VAM)

9. **Fraud/Corruption affecting operations**
   - Advisory on fraud risk assessment
   - Advisory on fraud risk assessment
OIG Assurance Opinion – Scope of work in 2017

**Thematic or process audits**
- Enterprise Risk Management
- Strategic Reporting and Decision Making and Selected KPIs
- Food Assistance for Assets Programme
- Beneficiary Management (also see Scope under IT audits)
- Integrated Road Map (possible focus on Financial Framework Review/ CSP pilot)
- Cash-Based Transfers (consolidated report)

**Interagency field audits**
- Consolidated CERF joint audit report
- RBA joint audits (HQ Security)

**Field Operation audits**
- WFP’s Operations in Yemen (*desk review* and audit)
- WFP’s Operations in Syria (Food Quality and Safety and Cooperating Partners)
- WFP’s Operations in DPRK
- WFP’s Operations in Mozambique
- WFP’s Operations in Bangladesh
- WFP’s Operations in Somalia
- WFP’s Operations in Nigeria
- WFP’s Operations in Turkey (ESSN)

**Pro-active Integrity Reviews**
- Djibouti Operations
- Malawi Operations
- Chad
- Haiti

**IT audits**
- Wings – User control and segregation of duties (GRC)
- Supply Chain IT Applications
- SCOPE (as part of Beneficiary management)

In bold are issued reports
Audit reports available on: http://www.wfp.org/about/oversight/audit-inspection-reports
Salient points of audit reports issued to date for 2017 assurance

1. Food Quality and Safety in Syria
2. DPRK operations
3. Interagency initiative in Ethiopia on CERF funds
4. Management Performance Indicators and Supporting Information Systems
5. ERM
6. Food Assistance for Assets
7. Mozambique Operations
Other ongoing initiatives

- **Fraud prevention** – Certification programme and Fraud Risk Assessment

- **Enterprise Risk Management** – Support to ERM strengthening in the audit approach and as advisory

- **Cash-Based Transfer** – support on reconciliation processes and thresholds definition

- **Enhancing audit coverage**: cooperating partners, project audits, consideration of donor requirements

- **Data**: audit analytics and data governance

- **Performance and results**, as an element of assessment and balancing audit conclusions
### OIGI Activities

<table>
<thead>
<tr>
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<th>2016</th>
<th>2017 as of Sept</th>
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<td>Investigation Reports (Misconduct)</td>
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<td>Investigation Reports Vendor/CP</td>
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<tr>
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**Investigations completed in 2017 (by case typology):**

- **Fraud, 67%**
- **Corruption, 3%**
- **Conflict of interest, 3%**
- **Food Diversion, 3%**
- **Theft (non-food), 3%**
- **HSHAP, 12%**
- **Non-HSHAP, 6%**
- **SEA, 3%**

AFAC Policy violations represent ≤80% of the cases investigated.

2 additional PIRs scheduled in September (Haiti CO) and October (Chad CO) 2017
Disclosure process
Investigation and PIR Reports

MEMBER STATES

OIGI
List of available Investigations and PIR Reports provided to Secretary, EB, who informs the Bureau

Note Verbale
TO: Inspector General, WFP
WFP.InspectorGeneral@wfp.org
CC:
• DED
• AED Director for Partnerships, Governance and Advocacy Department
• Secretary, Executive Board
• ED Correspondence edcorrespondence@wfp.org

IG reviews request
1. redacted OR
2. withheld for reasons of confidentiality, possible jeopardy to the safety and security of any individual, or possible violation of the rights of individuals.

IG responds directly to request
Discloses requested report
Discloses redacted report with reason for redaction
Notifies that the report is being withheld and provides reason