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FINANCE COMMITTEE

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**WFP Management Response to the Recommendations of the Report of the
External Auditor on the School Feeding Programme**

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EXECUTIVE SUMMARY

- In its report on the School Feeding Programme, the External Auditor made 15 recommendations.
- Management welcomes the external audit of WFP's School Feeding Programme and the External Auditor's recommendations, which will enhance WFP's capabilities to manage the programme in an economical, efficient and effective manner and contribute to improved compliance with procedures, guidelines and manuals.
- Specific responses to the External Auditor's recommendations are presented in the document.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to note the response made by WFP management to the recommendations of the Report of the External Auditor on the School Feeding Programme and to endorse it for the notification of the Executive Board.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the Finance Committee advises the WFP Executive Board to take note of the management response to the recommendations of the Report of the External Auditor on the School Feeding Programme.**

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Resource, Financial and Budgetary Matters

For consideration

Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

Management Response to the Recommendations of the Report of the External Auditor on the School Feeding Programme

Introduction

1. Management welcomes the external audit of WFP's school feeding operations. Implementation of the External Auditor's recommendations will enhance WFP's capabilities in implementing and providing technical assistance to school feeding programmes and in contributing to the achievement of zero hunger worldwide.
2. Responses prepared by WFP's Safety Nets and Social Protection team are presented in the attached matrix.

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MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON THE SCHOOL FEEDING PROGRAMME			
External Audit Recommendations	Action By	WFP Management Response	Timeframe
Recommendation 1(a): WFP may continue to engage with the donors and private sector to bridge the gap in funding of the school feeding programme; and mitigating actions, as per the Corporate Risk Register to meet the challenging funding environment by seeking multilateral funding, may also be prioritised.	Partnership, Governance and Advocacy Department (PG)	<p>WFP continues to advocate for increased multilateral and multi-year funding. Unrestricted and unearmarked contributions provide WFP with the flexibility and predictability it needs to allocate resources to multi-year activities such as school feeding. WFP is also working with traditional and non-traditional donors to identify new funding sources in existing and additional thematic and geographical areas.</p> <p>The current global context has led to intensified discussions on the future of humanitarian and development financing. WFP has participated in events related to financing for development and the Sustainable Development Goals (SDGs), including the World Humanitarian Summit. WFP continues to stress the need to integrate financing for food security and nutrition into development, humanitarian and climate financing.</p> <p>In preparation for implementation of the country strategic planning approach, PG is developing tools to support country offices in designing fundraising strategies and embedding them into their Country Strategic Plans (CSPs). WFP will also explore innovative financing mechanisms, including for mobilizing development resources.</p>	End of 2016
Recommendation 1(b): Activity-wise budget and actuals under school feeding may be captured to exercise greater monitoring and controls over the budgetary processes at WFP HQ, the Centre of Excellence, Brasilia (CoE) and the regional bureaux (RBs)/Country Offices (COs).	Finance and Treasury Division (RMF)	Through the ongoing Financial Framework Review, in consultation with the Board, management expects to identify ways of enhancing WFP's reporting on financial expenditures by activity.	2018
Recommendation 1(c): The corporate reporting tool may be refined by WFP HQ and corporate guidance provided to COs to report on costs per child per year of school feeding.	Technical Assistance and Country Capacity Strengthening Service (OSZI)	WFP and partners are developing a broader cost analysis framework that supports both WFP operations and government programmes. The framework will include the costs per child per year, in line with the 2013 policy, as well as broader cost-benefit analysis tools and national cost assessments.	End of 2016

MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON THE SCHOOL FEEDING PROGRAMME			
External Audit Recommendations	Action By	WFP Management Response	Timeframe
Recommendation 2: WFP may review the existing staff strength of the school feeding unit at HQ and align the same, both in terms of financial/budgeted and functional parameters, to its work needs	Strategic Resource Allocation Committee (SRAC)	Prior to discussion of the annual Programme Support and Administrative (PSA) budget, departments review activities and adjust spending plans to enable WFP to meet its corporate responsibilities more efficiently. Departments' plans always exceed the available budget. The PSA budget has undergone little change in the last three annual cycles; increases and adjustments have prioritized field needs. Management will continue to submit investment cases to the SRAC when deciding how to allocate scarce PSA resources, and will review budget procedures to ensure maximum benefit from the limited resources at WFP's disposal. WFP will focus staff capacity on meeting the operational support and programming needs of country offices.	2017
Recommendation 3(a): WFP may carry out an exercise for determining the outcome and output indicators on school feeding as a safety net, in a time-bound manner, so as to enhance its advocacy role in policy implementation to all stakeholders.	OSZI	WFP is updating its school feeding monitoring and evaluation (M&E) framework and enhancing programme guidance and technical assistance to national school feeding programmes, in line with the 2013 policy. The updated framework will cover school feeding as a safety net when appropriate.	End of 2016
Recommendation 3(b): Efforts may be made through school feeding interventions (at household level with take-home rations) to improve the performance of indicators of Food Consumption Score and Coping Strategy Index, in the countries where these are reported as poor, to enhance their contribution to improving food security and reducing the poverty gap.	OSZI	The updated M&E framework will cover take-home rations when appropriate, and will include guidance on how and when the food consumption score and coping strategy index can be utilized.	End of 2016
Recommendation 4: Additional data collection and analysis may be carried out in order to more fully illuminate patterns of WFP school feeding expenditure in relation to government school feeding expenditure, country income status and country budget policies and priorities.	OSZI	WFP will implement the proposed recommendation if staffing resources and data collection systems permit. WFP will also work to identify new tools and partners to assist in data collection and analysis.	End of 2017

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External Audit Recommendations	Action By	WFP Management Response	Timeframe
Recommendation 5: WFP HQ may prioritise the development of an updated strategy document on school feeding in emergency contexts.	OSZI	In line with the conclusions and recommendations of ongoing studies of school feeding and safety nets in emergencies, WFP will review and update its guidance.	Mid-2017
Recommendation 6(a): WFP may consider collection of information on the complementary indicators on enrolment, attendance and retention on a periodic basis, in coordination with partners, so as to provide an indicative impact of school feeding on access to education. Periodic collection and comparison of data between WFP assisted schools and non-WFP assisted schools would also help to assess the outcomes.	OSZI	The updated M&E framework will cover access to education when appropriate.	End of 2016
Recommendation 6(b): WFP may prioritise strengthening its synergies with other United Nations agencies and partners to achieve the intended objectives of establishing coordinated mechanisms for school feeding and improving the quality of education.	OSZI	WFP will continue to strengthen its partnerships and alignment with United Nations and non-governmental organization (NGO) counterparts in social protection and education.	End of 2017
Recommendation 7: Appropriate indicators may be developed and the outcomes be consistently tracked and analysed for assessing the sustained impact of school feeding on gender equality.	OSZI	The updated M&E framework will cover progress on gender equality, particularly in access to education.	End of 2016
Recommendation 8(a): Project implementation, including resolving the pipeline/funding issues, may be strengthened through consistent follow-up with all stakeholders, so as to achieve the planned school feeding interventions in various COs.	OSZI and PG	WFP will continue to advocate for increased funding and is exploring possibilities for thematic funding to enable countries to implement interventions consistently and as planned.	End of 2017

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External Audit Recommendations	Action By	WFP Management Response	Timeframe
Recommendation 8(b): Reconciliation between the WFP CO and the donor may be carried out for the unreconciled balance of USD 752,176. The expenditure recognition process at the CO may be strengthened to accurately reflect the in-kind contributions received directly at the distribution points.	Colombia country office	The Secretariat has reconciled the balance of USD 752,176; the in-kind commodities were not received or required. The amount recognized as revenue was recorded in accordance with WFP's procedures. Management will strengthen the procedures for reflecting in-kind contributions received directly at distribution points.	Not applicable
Recommendation 9(a): WFP/CoE may prepare country-specific actionable plans, based on consistent dialogue with the national governments, to determine and accelerate the percentage of local purchases from smallholder farmers, particularly women, for the school feeding programmes.	Centre of Excellence/OSZI	WFP will implement the proposed recommendation at the country level, working with partners to develop better school meals programmes.	End of 2017
Recommendation 9(b): Indicators may be developed and incorporated in the Strategic Results Framework to measure the impact of local production/home-grown school feeding (HGSF) on the achievement of programme objectives.	OSZI	The updated M&E framework will cover HGSF when appropriate.	End of 2016

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External Audit Recommendations	Action By	WFP Management Response	Timeframe
<p>Recommendation 10: WFP may, in consultation with national governments, prepare a well-documented and clear hand-over strategy for each CO for a smooth transition to a nationally owned school feeding programme. School Feeding Systems Approach for Better Education Results (SABER SF) implementation by the COs, as far as possible given the country context, also needs to be prioritised.</p>	OSZI	<p>Regional bureaux will continue to provide country offices with technical guidance and support in continuing implementation of the Systems Approach for Better Education Results (SABER), in line with the policy.</p> <p>The nature and timing of WFP's support to national governments' school feeding programmes will be considered in each CSP.</p>	Ongoing with cyclical CSP processes
<p>Recommendation 11: A monitoring mechanism may be introduced in consultation with WFP HQ and the COs so that the outcomes on the Action Plans formulated after study visits to the CoE are systematically captured and highlighted in Standard Project Reports (SPRs), wherever linked to WFP projects.</p>	Centre of Excellence	The Centre of Excellence and the Resource Management Department (RM) and Policy and Programme Division (OSZ) at Headquarters will encourage country offices to include in their SPRs progress made as a result of visits to the centre.	2018
<p>Recommendation 12: The CoE may in coordination with HQ and the RBs through consistent dialogue and discussions with national governments endeavour to fix an implementable timeframe for each milestone in the Action Plan, so that it becomes an effective tool for monitoring follow-up action more effectively.</p> <p>The CoE may also review its timelines for support.</p>	Centre of Excellence	The Centre of Excellence will work with country offices and national governments to strengthen action plans and establish milestones for monitoring progress. WFP will continue to review action plans whenever government leadership changes.	2017

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External Audit Recommendations	Action By	WFP Management Response	Timeframe
Recommendation 13: The CoE, in coordination with HQ and the RBs and based on discussions with the national governments and its Brazilian government partner, may prepare an annual/biennial plan of each of its activities for the short term; followed by a mid-term strategic/perspective plan for a five-year period; and a long-term plan or a vision document for 20 years, which can chart the growth of the CoE and the support it extends to the countries, particularly priority countries, over a long-term period.	Centre of Excellence	Country offices will be encouraged to include roles for the Centre of Excellence and South–South and triangular cooperation in CSPs. These plans will be linked to WFP’s Strategic Plan and the SDGs, which have a timeframe for completion by 2030.	2018
Recommendation 14: The CoE, in coordination with HQ and the Performance Management and Monitoring Division (RMP), may develop standards/measures to assess its contribution both quantitatively and qualitatively.	Centre of Excellence	WFP has launched a study to measure the Centre of Excellence’s contributions over the last four years. This information will inform further discussions with RMP regarding the development of standards and measures for reporting the results of South–South and triangular cooperation.	2019
Recommendation 15: WFP may secure compliance of the established systems and procedures outlined in the M&E strategy for school feeding at both HQ and RBs/COs through regular follow-up. WFP may also prioritise the mitigating actions on the corporate risks of the performance management system.	OSZI	Management will continue to provide strategic and technical guidance and risk assurance regarding school feeding through its results measurement and risk management procedures, including the updated M&E framework for school feeding and the regular Project Review Committee process.	End of 2017

Acronyms Used in the Document

CO	country office
CoE	Centre of Excellence, Brasilia
CSP	Country Strategic Plan
HGSF	home-grown school feeding
HQ	Headquarters
M&E	monitoring and evaluation
OSZI	Technical Assistance and Country Capacity Strengthening Service
PG	Partnership, Governance and Advocacy Department
PSA	Programme Support and Administrative (budget)
SDG	Sustainable Development Goal
SPR	Standard Project Report
SRAC	Strategic Resource Allocation Committee