

May 2012



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de las  
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para la  
Alimentación y la  
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## FINANCE COMMITTEE

**Hundred and Forty-fourth Session**

**Rome, 14 – 15 May 2012**

**Management Response to the Recommendations of the Report of the  
External Auditor on Emergency Preparedness for IT Support in WFP**

Queries on the substantive content of this document may be addressed to:

**Mr Pedro Guazo**

**and**

**Mr Jakob Kern**

**Director, Finance and Treasury Division**

**Acting Chief Information Officer and  
Director, Information Technology Division**

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### EXECUTIVE SUMMARY

In his report on Emergency Preparedness for IT Support in WFP, the External Auditor made ten recommendations. WFP management has analysed these recommendations – of which nine are fully accepted and one is partially accepted – and has prepared a response and timeline for their implementation.

### 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 Emergency Preparedness for IT Support in WFP 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 Emergency Preparedness for IT Support in WFP.**

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Mundial  
de Alimentos

**Executive Board  
Annual Session**

**Rome, 4–8 June 2012**

# **RESOURCE, FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 6**

*For consideration*



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8 May 2012

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## **WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON EMERGENCY PREPAREDNESS FOR IT SUPPORT IN WFP**

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for consideration**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Acting Chief Information Officer and Mr J. Kern tel.: 066513-2069  
Director, ODI\*:

Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

\* Information Technology Division

WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON EMERGENCY PREPAREDNESS FOR IT SUPPORT IN WFP				
External Auditor recommendation	WFP management response	Action by	Timeframe	Follow-up/status
<b>Recommendation 1:</b> Standard operating procedures should be approved at a level above the Chief Fast Information Technology and Telecommunications Emergency Support Team (FITTEST).	Agreed. The FITTEST standard operating procedures (SOPs) will be: i) reviewed and changed in line with the recommendations; ii) reviewed annually to ensure alignment with the Information Technology Division (ODI) framework; and iii) approved by the Office of the Chief Information Officer (CIO).	FITTEST/ODI	July 2012	FITTEST will update current SOPs and present them to the CIO for approval by July.
<b>Recommendation 2:</b> In compliance with the SOPs, six monthly strategic plans should be prepared and linked with the IT Emergency Coordination Branch (ODIF) work plan with clear linkages to planning and tracking tools.	Agreed. FITTEST planning, including of operational missions, will be fed into the ODIF work plan to ensure a match with ODI's overall strategic direction. Financial reporting will be carried out every six months.	FITTEST	Implemented	The new FITTEST work plan has been fed into the ODIF work plan for 2012. A mid-year financial report will be prepared by August.
<b>Recommendation 3:</b> Measurable performance indicators and inclusion of self assessment by the consultant should support the performance evaluation of consultants.	Agreed. Consultants' performance is being managed by the Performance and Competency Enhancement (PACE) programme, as well as the standard WFP consultant's performance form. Key performance indicators (KPIs) for consultants will be added to PACE. Mission reports will be modified to facilitate the evaluation of outcomes against missions' terms of reference (TORs).	FITTEST	July 2012	KPIs will be added to consultancy performance documents. All new missions will include KPIs in their final reports.
<b>Recommendation 4:</b> Risk register for the FITTEST should be prepared on priority.	Agreed. FITTEST capabilities will be examined against a risk register, to highlight shortfalls and compliance issues.	FITTEST	July 2012	The risk register will be drafted.



WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON EMERGENCY PREPAREDNESS FOR IT SUPPORT IN WFP				
External Auditor recommendation	WFP management response	Action by	Timeframe	Follow-up/status
<b>Recommendation 5:</b> Once the request for services is timed and the operations have clear KPIs, the efficiency of the services offered would be measurable and easy to monitor. Correspondingly, the FITTEST work plan, the project plan, KPIs for those deployed and closure report should have specific, transparent and documented linkages.	Agreed. FITTEST mission reports will incorporate KPIs based on the mission's TORs. The TORs will include a reasonable timeframe for the mission, which may be extended at the request of the country office or agency using the services.	FITTEST	April 2012	New templates for FITTEST reports will be used from April onwards.
<b>Recommendation 6:</b> FITTEST should be equipped with an accounting system which generates statements of financial performance and cash flow that would facilitate planned and accurate compliance with the Cost Recovery Directive. These statements should replace the Budget tracking.	Agreed. FITTEST is identifying new software packages that provide more accurate financial figures.	FITTEST/Global Vehicle Leasing Programme (GVLP)/WFP Dubai	September 2012	The software will be operational by 30 September 2012, depending also on other units supporting the change in software for common services.
<b>Recommendation 7:</b> We recommend a review of the cost benefit of the full cost recovery model with respect to costing and pricing across different services offered by FITTEST.	Agreed. FITTEST is reviewing its structure for services and their costs.	FITTEST	July 2012	The new structure, with appropriate cost models, will be put into operation in July.



## WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON EMERGENCY PREPAREDNESS FOR IT SUPPORT IN WFP

External Auditor recommendation	WFP management response	Action by	Timeframe	Follow-up/status
<p><b>Recommendation 8:</b> WFP should consider replacing lump sum rates to ad valorem rates for SLAs with Dubai Support Offices across different services received by FITTEST keeping in mind optimum use of resources and delivery of standardized services.</p>	<p>Agreed FITTEST is reviewing the service level agreement (SLA) with the WFP Dubai office. <i>Ad valorem</i> service charges are being considered for the new SLA.</p>	<p>FITTEST/WFP Dubai</p>	<p>July 2012</p>	<p>The review of the new SLA for the second half of 2012 is taking place in May.</p>
<p><b>Recommendation 9:</b> The cost effectiveness of country offices procuring ICT equipment through WFP Dubai, other than for FITTEST-related mission execution, should be assessed comprehensively.</p>	<p>Partially agreed. FITTEST focuses on ensuring the cost-effectiveness for clients of its own services, including by analysing direct shipments versus shipments through Dubai. Every time a country office initiates procurement – through FITTEST or another entity – the standard WFP procurement process is applied, which includes a cost-effectiveness analysis.</p>	<p>FITTEST</p>	<p>Implemented</p>	<p>FITTEST has implemented a process whereby clients have a choice between direct shipment from the supplier or transit shipment through Dubai, with content verification and consolidation of individual packages..</p>
<p><b>Recommendation 10:</b> The migration process from GP to WINGS II needs to be carefully managed. There should be a clear documented plan on how WINGS II would meet the reporting needs of FITTEST and transaction processing ease of the Dubai Support Office.</p>	<p>Agreed. Options for the migration, and related changes to the financial and warehousing system, are still being considered. The new system will incorporate new modules for better tracking of performance and contractual work. Selection is expected by the end of the second quarter.</p>	<p>FITTEST/GVLP/WFP Dubai</p>	<p>August 2012</p>	<p>The migration will be implemented by 31 August, depending also on other units supporting the change in software for common services.</p>



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## ACRONYMS USED IN THE DOCUMENT

CIO	Chief Information Officer
FITTEST	Fast Information Technology and Telecommunications Emergency Support Team
GVLP	Global Vehicle Leasing Programme
KPI	Key performance indicator
ODI	Information Technology Division
ODIF	IT Emergency Coordination Branch
PACE	Performance and Competency Enhancement
SLA	service level agreement
SOP	standard operating procedure
TOR	terms of reference