The Field Guide to Internal Control in Action

WFP

World Food Programme

SAVING LIVES CHANGING LIVES

How to Manage your Risks and Gain Control

Enterprise Risk Management Division **(ERM)**

ERM

Embedding Risk Management

Content

Internal Control in Action

05

WHAT ARE WE TRYING TO CONTROL?

Internal control is defined by WFP's Internal Control Framework (2015) as a process, effected by WFP's Executive Board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

13

WHY MIGHT INTERNAL CONTROL FAIL?

Understanding potential failures helps shape the control assessment process (chapter 3) and informs decisions on how to make control work better (chapter 4).

23

HOW DO YOU ASSESS A CONTROL SYSTEM?

Managers are responsible for reviewing and assessing how well internal controls in their span of control are working and should do so on an ongoing basis.

35

YOU FOUND A CONTROL ISSUE, NOW WHAT?

There is more than one way to improve internal controls, and how to react when you find an issue will depend on your context and priorities.

47

HOW CAN YOU PREVENT ISSUES IN THE FUTURE?

This chapter will cover general tips and tricks for two important players that have a particular role when it comes to cultivating a strong system of internal control: managers and smaller offices.

Where can you find more information?

To learn more about risk, control and accountability, you can consult the following pages:

TAKE INTERNAL CONTROL E-LEARNINGS:

On ERM's WeLearn Channel, you will find the complementary Internal Control in Action e-learning and other relevant courses on topics such as Minimum Control Standards for Managing Third Party Risks during Emergencies and the Three Lines Model;

JOIN THE CONVERSATION:

On the ERM community on Yammer you can connect, discover and share information, experiences and best practices on internal control, risk management, fraud risk management and more;

VISIT OUR WFPGO PAGES:

ERM's division and collection pages contain helpful information and links to guidance;

CHECK OUR MANUALS:

Including the ERM Manual and the Handbook on Fraud and Corruption Prevention;

BROWSE OUR POLICIES AND FRAMEWORKS:

Including the 2018 Enterprise Risk Management Policy, the WFP Oversight Framework (2018), the Internal Control Framework and the Revised WFP Anti-Fraud and Anti-Corruption Policy (2021).

Getting Started

This guide provides concrete and practical advice on how to implement better and smarter internal controls to ensure that WFP can deliver on its objectives. We will answer the top five questions that you need to consider when improving the effectiveness of internal controls in your work:

1. **What are we trying to control?**
2. **Why might internal control fail?**
3. **How do you assess a control system?**
4. **You found a control issue, now what?**
5. **How can you prevent issues in the future?**

A scenario has been included for each topic to ground the theory in real-life examples you encounter in your everyday work at WFP. By doing so, we will demystify internal control theory and design and demonstrate their broad application in WFP programmes and support functions. The guide will equip you to confidently implement, assess and improve internal controls.

Who is this guide for?

WFP/Giulio d'Adamo

This guide is for WFP personnel across all WFP offices and functions who act as managers and/or oversee or carry out internal control activities. As just about everyone uses internal controls to manage risks, even staff without management or oversight responsibilities will benefit from the information in this guide.

1 What are we trying to control?

Internal control mitigates risk

Internal control is defined by WFP's [Internal Control Framework](#) (2015) as a process, effected by WFP's Executive Board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

IN SIMPLE TERMS, THIS MEANS THAT INTERNAL CONTROL IS...

"Things that we all do..."	...to be reasonably sure...	...that good things happen, and bad things don't...	...in operations, reporting and compliance"
Internal control is everyone's responsibility	There is no such thing as perfect control	Control is about achieving objectives	Control is about operations, reporting & compliance

In other words, internal control exists to mitigate risk. A risk can be defined as the potential for something to happen that could negatively affect the achievement of your goals, including operational objectives as well as reporting and compliance requirements.

Internal control is executed by people, and it is not perfect. We will talk more about this in [chapter 2](#) on *Why might internal control fail*.

As objectives, working environments and risks continually evolve, internal controls also need to evolve to adapt to changing circumstances; it is therefore a continuous process rather than a one-time thing. While the concept might seem abstract, we will show that internal controls are part of what WFP managers and staff are doing on a day-to-day basis.

Don't forget – Internal Controls protect you too!

Internal controls protect the organization against risk, and they also protect the people who implement them. For example, multi-level approvals and decision-making committees protect any single individual from facing undue pressures to influence the outcome of a bidding process.

Some controls are performed manually, meaning that an individual must perform an action for the control to take place. For example, in Yemen, Afrah puts her fingerprint to receive a WFP food voucher for wheat flour, peas, oil, sugar, and salt to be collected at a WFP food distribution point in Khanfar District, Abyan.

WFP/Saleh Hayyan

Types of internal controls

Internal controls encompass a broad range of activities from simple "quick wins" to more complex and costly measures. Getting control right requires striking a balance between the acceptable level of risk and a reasonable cost of control.

To efficiently gain control, you will want to make sure that you have the right types and balance of control activities, focusing on the most impactful and cost-effective. Below we will consider the types of control activities we can implement to mitigate risk.

Stop it, catch it, or fix it?

Preventive Controls

A control can be implemented in the early stages of your process as a proactive measure to prevent a risk from happening or reduce its impact if it were to occur. For example, completing a capacity assessment of a cooperating partner (CP) before awarding a contract is a preventive way of making sure the CP can meet WFP's expectations. In some cases, investing in proactive control up front can help your team to avoid larger costs in the long run if something were to go wrong.

Detective and Corrective Controls

These are important controls to have in place later in your process to detect instances where something might not have gone as planned. This will give you the opportunity to correct or escalate the issue to the appropriate level of management. Field monitoring, reconciliations and partner performance assessments are examples of controls that can help you to detect issues that might have occurred.

Human versus robot

Drone training with WFP staff, partners and government in Mauritania in January 2021. WFP uses drones for cargo delivery, communication, connectivity, field monitoring, and damage assessment, among other work. Given their wide application, drones can be used as both a preventive or detective control.

https://drones.wfp.org
www.enhaut.org

Some controls are performed manually, meaning that an individual must perform an action for the control to take place. For example, manual reconciliation of two Excel spreadsheets and signing a decision memo are manual controls.

Other controls are automated, meaning a person is not needed for the action to take place. Automated controls can cost more to set up, but once in place, they may be more reliable than manual controls as they reduce the potential for human error. Still, they need to be monitored closely for data quality ("garbage in, garbage out") and to ensure that they are working as designed and cannot be circumvented. Automatic deduplication upon registration of beneficiary identities using biometric data is an example of an automated control.

Checks and balances

Segregation of duties, also known as "checks and balances", are built into the design of business processes and ensure that one person does not have undue power to influence the process.

It involves breaking down a task into several steps completed by at least two individuals so that no one person has full responsibility for, or control over, the process from start to finish. To approve the payment of an invoice, one person may be responsible for setting up the payment and another for signing off on it, for example.

Key functions must be appropriately segregated to ensure the office is protected against financial loss, fraud, and corruption. Fraud usually happens the most when basic controls, such as segregation of duties, are missing or not enforced. For more information, see WFP's Handbook on Fraud and Corruption Prevention.

Using judgment to improve quality – management and peer review

Another important control relates to management's role to review and challenge activities under their leadership. Management is responsible for carrying out upper-level reviews of actual performance against budgets, forecasts, and previous periods, for example. This includes the tracking of major initiatives to measure the extent to which targets are being achieved. Management also critically reviews and approves documents and transactions.

Password, please

The idea of "who has access" is another key type for assessment to make in your process. **Limiting access** can prevent problems with data quality, misuse of information and tampering, and create traceability and transparency. For example, unique usernames provide the possibility of knowing who did what and when in a system and can be set up to only allow users with a certain role to execute a particular action. Another example is limiting physical access to locations, assets, or financial resources.

Peer review is another way to increase the quality of products before they are sent for management review or identify lessons learned and opportunities for improvement.

WFP field teams do regular monitoring in WFP supported camps to mitigate the risk of price surges. Their work ensures that nutritious products are available to refugees with fair prices. Syrian refugees can shop for food in Adana camp supermarket and, thanks to the e-food card, can choose nutritious food.

WFP/Deniz Akkus

SCENARIO 1 – REPORTING

1. What are your objectives, i.e., what do you hope to achieve?

For the purpose of this exercise, consider a scenario where you want to produce high quality reports that management can rely on to make decisions. Thinking through the process of developing the reports, you identify three key work steps: data analysis, report drafting and report delivery.

2. What steps are you taking to ensure that you will produce an accurate and high-quality report?

To achieve your goal, you need to prevent or detect things that could go wrong or have gone wrong.

You identify three key actions to take, which comprise your internal controls:

STEP 1	STEP 2	STEP 3
A standard operating procedure (SOP) outlining a process to ensure a structured and consistent approach to data analysis.	A peer review system whereby a colleague validates your findings for the purpose of quality control, and to catch any mistakes that may have occurred despite the use of the SOP.	Management review and clearance of the final reports. This allows the team to understand how useful the reports are to management, and trigger actions to improve quality based on management feedback.

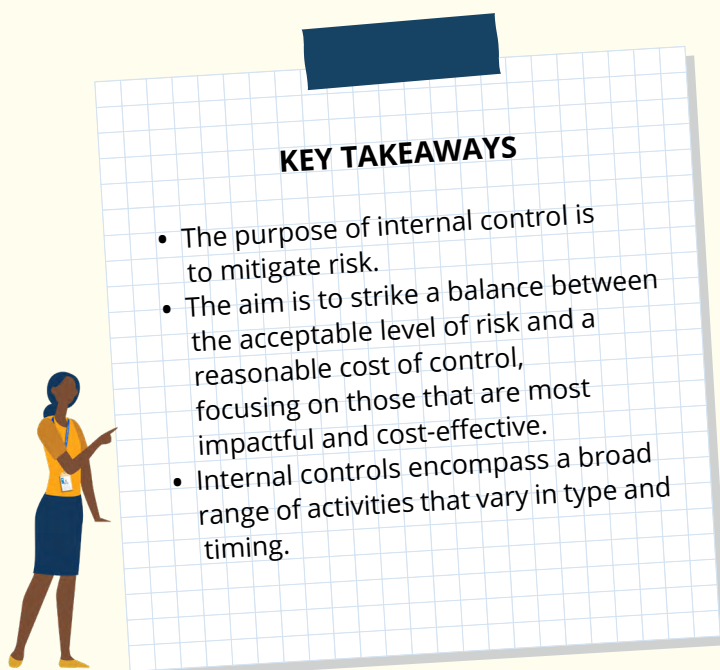|			
Work Processes	Data analysis	Report drafting	Report delivery
Risks	Inconsistent analysis	Mistakes/low-quality presentation	Low utility/ strategic value
Internal Controls	Standard operating procedure (SOP)	Peer review	Management review & clearance

3. How sure are you that the report will be delivered on time and with acceptable quality?

We can establish from this scenario that the team has a strong system of internal control in place to ensure they deliver high quality reports. While the three controls identified in Step 2 are all manually performed, they represent a good balance between trying to prevent potential problems and detect actual issues, as shown:

CONTROL	AIM
Data analysis SOP	To **prevent** poor data analysis due to an unstructured or inconsistent methodology
Peer review	To **detect** and **correct** mistakes or issues with the analysis, as well as the presentation of the information
Management review and clearance	To **detect** weaknesses such as its utility for decision-making and provide feedback on how to **prevent** future issues

The use of controls that prevent, detect and correct issues improves protection against failures. The team can be **reasonably sure** that if a preventive control fails, then a detective control will identify the problem. Considering the full process end-to-end helps ensure that control interdependencies are also considered.

While the team can be **fairly sure** that this system will ensure they achieve their objective, there are still things that could go wrong – mistakes that nobody catches, or perhaps something new comes up in the analysis that the team has never dealt with before. That is why the system ensures reasonable, but not absolute, assurance.

KEY TAKEAWAYS

- The purpose of internal control is to mitigate risk.
- The aim is to strike a balance between the acceptable level of risk and a reasonable cost of control, focusing on those that are most impactful and cost-effective.
- Internal controls encompass a broad range of activities that vary in type and timing.

"

EVERY INDIVIDUAL IN THE ORGANIZATION HAS, TO VARYING DEGREES OF RESPONSIBILITY, DUTIES TO PERFORM REGARDING INTERNAL CONTROLS.

"

– Secretary-General António Guterres –

30 June 2021

2

Why might Internal Control fail?

Internal control helps an organization achieve its objectives, produce reliable information, and comply with relevant rules.

However, there is no such thing as perfect control due to a range of limitations, some of which are outside of WFP's control. Examples of this include the fundamental economic or political conditions that impact WFP's operating environment and the occurrence of natural disasters and pandemics.

But in some cases, internal controls fail due to faulty design and implementation. These are cases we can do something about, and it is important therefore to try to understand the root causes of weaknesses and possible failures. Understanding potential failures helps shape the control assessment process (chapter 3) and informs decisions on how to make control work better (chapter 4).

People fail

A control system is only as reliable as the people responsible for it, and we need to make sure that management are setting the right tone to support the values, culture, and ethical climate for the effective implementation of controls. Recognizing that by their nature, people are fallible and prone to a range of mistakes and behaviours, we can identify several inherent limitations of internal control.

THESE LIMITATIONS MAY BE THE UNINTENDED CONSEQUENCES OF HUMAN FALLIBILITY:		
Poor judgement in decision making – The effectiveness of controls is limited by the reality that human judgment can be faulty and subject to bias. Decisions must be made in the time available, based on the information at hand and under the pressures of the environment.	**Lack of capacity –** Sometimes people may not be trained or well-qualified to perform part or all of their role. Time constraints and competing priorities can also influence the level of diligence in implementing controls.	**Human errors –** People may misunderstand instructions or make mistakes. They may also commit errors due to carelessness, distraction, or fatigue.

Management override –
When a policy, procedure or management directive is overruled or disregarded by a manager. The reason may be convenience, intent to seek personal gain or to make their team's performance look better than it really is.

Misrepresentation of facts –
This could include misrepresentations to third parties or deliberately issuing false documents or records such as goods receipt notes or inventory counts.
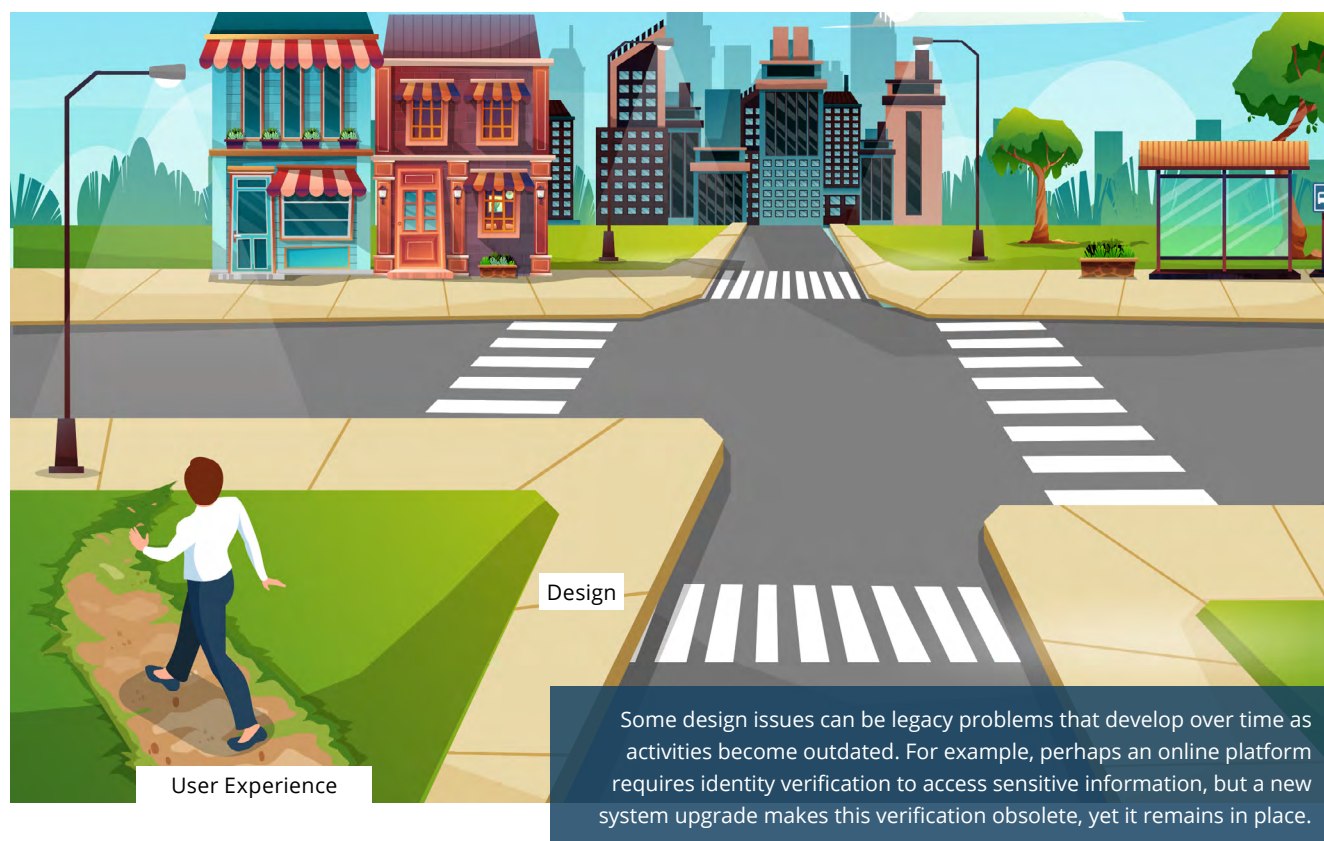
Collusion by two or more people –
People acting together to conceal an action can alter financial data or management information in ways that may not be picked up easily by a control system.

These are normally motivated by three factors: pressure (financial or emotional, for example); opportunity (an ability to carry it out without being caught); and rationalization (finding justifications for dishonest actions).

Design fails

Internal control can fail due to poor design, i.e., the choice of control activities put in place. This can include both when a control is missing entirely, and when it is in place but not appropriate for its purpose. This could also include whether there is imbalance in control design, such as controls being too focused on detecting issues that have already occurred, without enough measures to prevent them from happening at all.

Design

User Experience

Some design issues can be legacy problems that develop over time as activities become outdated. For example, perhaps an online platform requires identity verification to access sensitive information, but a new system upgrade makes this verification obsolete, yet it remains in place.

As an example of a design issue, take the case of segregation of duties. While some segregation helps to prevent fraud and error, it is possible that too much segregation could lead to increased risk. With too many layers of authorization and approvals, an individual may relax in performing their task in the chain, believing that others will catch mistakes. It can moreover create too much separation in the functions performed by different individuals, which can prevent them from seeing the bigger picture and identifying wider issues.

Implementation fails

Internal control can also fail due to how it operates in practice. This includes when a control does not operate as designed or intended, for example, because the person performing the control does not understand how to do so effectively. These kinds of failures stem from the human factor, which is influenced by the control environment (to be explored further in chapter 4). They can also stem from other factors, such as data quality issues. A reconciliation process may have been done properly based on the evidence available, for example, but it would be a mistake to take for granted that you have high quality data. If you suspect that data quality might be an issue, look into the process followed to generate the data.

For instance, suppose an office implements a new online system that is rolled out to all employees through a virtual training during lunchtime. It goes well, with staff receiving a full induction on how to prepare documents on the platform. However, in their rush to go to lunch after a long training, they forget the most important step: the submission of the document. While the system itself is set up effectively with well-designed controls in place, due to the "human factor", the controls are not implemented correctly. Considering the full end-to-end process is critical so that any control interdependencies are clear and well understood.

Changing circumstances lead to failure

Consider the scenario that you are not achieving the expected results, but after assessing the quality of your controls, you come to the head-scratching conclusion that there is no particular issue. The problem might not lie in the control itself, but rather in the evolution of the wider process or context to which you have failed to adapt. Circumstances are continually evolving, which can lead to changing risk levels and impact how controls are implemented.

New risks may have emerged in the external environment that you have yet to identify and tackle. New risks could also arise due to changes in the internal environment, such as a shift in WFP's intervention modalities. On the other hand, there may be new opportunities that you should harness. If your office adopts new software or technology to enhance efficiency, this might require new controls, for example.

Make sure to also consider changes that might impact how the controls are implemented, such as a new partner, service provider or staff member participating in your process.

After schools closed in Venezuela because of the COVID-19 pandemic, children enrolled in pre-school education and school staff received monthly take-home food rations. In this photo, people register to receive WFP take-home food rations at "C.E.I. Paraguana" school.

WFP/Alexis Masciarelli

These trucks contain food assistance for the people of Badakhshan Province, where harsh snow blocked WFP's path to deliver assistance. Despite many obstacles and barriers, WFP Afghanistan cleared the way and made sure help arrived for Afghans all over the country.

WFP/Hayatullah Rasoli

Circumstances are continually evolving, which can lead to changing risk levels and impact how controls are implemented.

SCENARIO 2 – BENEFICIARY MANAGEMENT

1. Establishing the context

You are a programme officer responsible for managing the delivery of cash assistance to beneficiaries. The country office is facing a growing emergency with a high number of refugees fleeing conflict, many of whom lack identity documents. To manage this situation, the office has implemented the SCOPE platform for beneficiary information and transfer management together with biometric identification where possible. For those without identity cards, WFP verifies beneficiaries using SCOPE cards or through another verified person with documents.
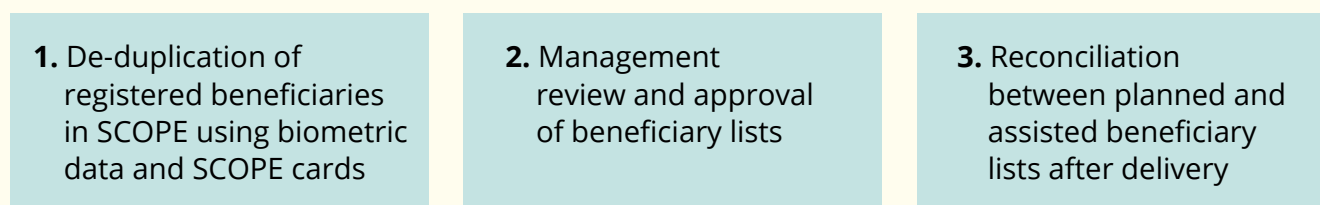
An internal audit of your office is carried out that identifies control gaps in the management of beneficiary data. Review of the country office's SCOPE information found duplicate beneficiary identities and fingerprints that led to double assistance in some cases, highlighting weaknesses in your controls. Let's consider the reasons this might have happened.

WFP/Glory Ndaka

WFP introduced pilot SCOPE registration programme in Mora, the Far North region in Cameroon. SCOPE helps us enhance the impact of our operations by ensuring the right person receives the intended benefit, at the right time, in the best way.
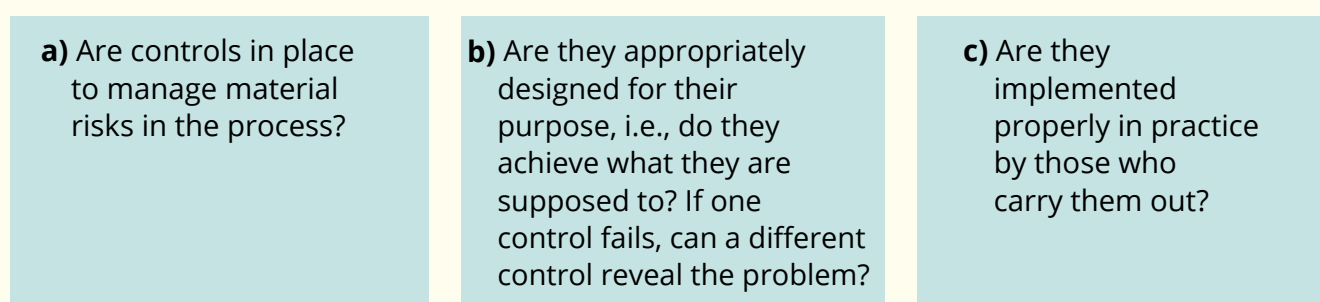
2. Understanding your controls

You identify three work steps involved in the management of beneficiary data and an important control at each step that should have prevented or detected the problem before the failure occurred.

1. De-duplication of registered beneficiaries in SCOPE using biometric data and SCOPE cards	**2.** Management review and approval of beneficiary lists	**3.** Reconciliation between planned and assisted beneficiary lists after delivery

Work Processes	Beneficiary registration	List preparation		Delivery	
Risks	Duplicate registrations	Inclusion erros		Discrepancies with planned assistance	
Internal Controls	De-duplication in SCOPE	Management review and approval		Reconciliation	

3. What went wrong and where?

Before identifying how we can strengthen our system of internal control, we first need to establish the reasons why it failed. In other words, we need to answer the following:

a) Are controls in place to manage material risks in the process?	**b)** Are they appropriately designed for their purpose, i.e., do they achieve what they are supposed to? If one control fails, can a different control reveal the problem?	**c)** Are they implemented properly in practice by those who carry them out?

Let's consider a couple of reasons why our controls might have failed in this instance.

4 reasons why control might fail

1. People fail

With too much work on their plate in the context of the growing emergency, perhaps staff were not prioritizing timely reconciliations between planned and assisted beneficiary lists. This is an example of a "people failure" caused by lack of capacity. When faced with time constraints and competing priorities, people's ability to duly implement controls can be compromised. The tone-at-the-top could also have contributed to failure if the senior staff did not prioritize control activities or seem to take them seriously.

2. Design fails

Perhaps your process is designed in such a way that management review and approval of beneficiary lists takes place outside the SCOPE platform, without analysis that would help the approver identify issues. The design of the control in this instance could open the door to unauthorized changes to the lists in the system after its review and clearance and make the management review ineffective.

WFP/Giulio d'Adamo
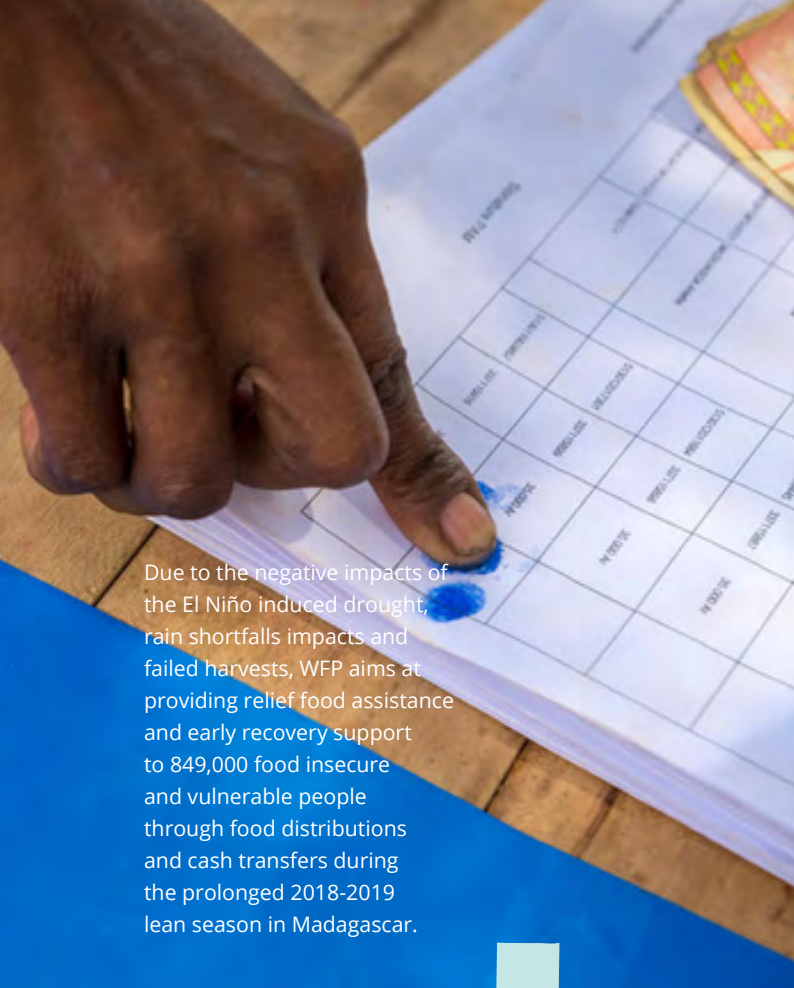
Due to the negative impacts of the El Niño induced drought, rain shortfalls impacts and failed harvests, WFP aims at providing relief food assistance and early recovery support to 849,000 food insecure and vulnerable people through food distributions and cash transfers during the prolonged 2018-2019 lean season in Madagascar.

3. Implementation fails

Despite a process being in place to deduplicate identities using biometrics and SCOPE cards, perhaps the implementation of that process failed. We could consider that the onset of the COVID-19 pandemic and the implementation of social distancing might have interfered with the collection of fingerprints, for example. This would also prevent the office from performing biometric identity checks on the use of SCOPE cards.

4. Circumstances changed

This scenario was marked by an evolving context, namely the escalation of the emergency and growth in overall caseload of refugees without identity documents. This led to growing risks around beneficiary management that the country office did not address in time to prevent a failure.

KEY TAKEAWAYS

- There is no such thing as a perfect control due to a range of limitations.
- A control system is only as reliable as the people responsible for it.
- Changes in the environment may lead to increasing or decreasing risks or impact the effectiveness of controls.

> # " IF THERE IS A CONTROL WITH NO RISK BEHIND IT, THAT'S CALLED BUREAUCRACY... "

– WFP's Inspector General Fabienne Lambert –

ERM 2022 Retreat, Jan. 2022

3 How do you assess a control system?

Managers are responsible for reviewing and assessing how well internal controls in their span of control are working and should do so on an ongoing basis.

Control assessment can be carried out at an office or unit level, or for a specific process.

Control assessment as an ongoing management activity

Managers assess their controls regularly by using professional judgment to consider what is working, what is not, and finding opportunities to improve.

These ongoing review activities are embedded in everyday work. Sources of evidence may be internal, such as monitoring reports and dashboards, but also external, such as community feedback mechanisms. Regular risk and control discussions can also be effective ways to assess the health of your control system and identify possible improvements. These regular activities may result in ideas on how to improve processes, procedures and practices that can be implemented as part of continuous improvement.

EXAMPLES OF ONGOING ASSESSMENTS

This includes routine management and supervisory activities such as:

- Periodic validation of documentation (e.g., invoice signature, exception reports)
- Review of personnel (e.g., check-ins with staff, PACE feedback)
- Spot checks (e.g., of partner distributions)
- Reconciliations (e.g., physical assets or beneficiary lists)
- Comparisons of reports against different time periods

Don't reinvent the wheel – Check previous assessments first

Before carrying out a self-assessment, explore insight that is already available. Your team may have recently completed reviews or risk assessments that can provide useful information on the controls, issues and context in your office or process. Lessons learned or independent reviews may have already identified opportunities for improvement, and colleagues may have ideas about what can be done better.

You will want to make sure your knowledge of the subject matter is up to date so that you can frame your assessment in the context of the most recent functional guidance.

If you want to know, why not ask?

Experience tells us that the people involved in executing a process, or those who use the outputs of it, usually have a good sense of what's working and what's not. Ask key stakeholders about their observations and frustrations, and check with risk and compliance advisors and heads of function about their top concerns. It will be useful to know whether any risk, control or performance assessments or lessons learned exercises have been done and what the key findings were.

SAVING LIVES
CHANGING LIVES

Guide to the 2021 Executive Director Assurance Exercise
Management Accountability Unit – Risk Management Branch
Enterprise Risk Management Division

November 2021

Executive Director's (ED) Assurance Exercise

The ED Assurance Exercise is a survey intended to identify risk and control issues that merit escalation or require focused attention. The questionnaire is completed by WFP country offices, regional bureaux, and functions annually. Drawing on this feedback, as well as on evidence from oversight bodies and other sources, ERM prepares a document titled *Management Review of Significant Risk and Control Issues* for Executive Board consideration at the Annual Session each year.

Participants are guided through an assessment of their systems of internal control, including identifying possible control strengthening actions that managers can consider during planning, prioritization, and risk review processes.

Consulting your office's response to the most recent exercise may reveal insights that can help you to contextualize the risks and controls in your function or process mapping and identify ideas for strengthening the system of control.

For more information you can also visit the Executive Director's Assurance Exercise collection on WFPgo, and read the latest Management Review of Significant Risk and Control issues in our dedicated collection page.

Functional control self-assessments

Functional, topic and other types of self-assessments are used to evaluate the effectiveness of specific control activities in the field. Check with your colleagues on whether any recent assessments or lessons learned exercises have taken place. For more information on how self-assessments are conducted and available tools, see *Carry out a control assessment* below.

A workshop between KSrelief and WFP at WFP Area Office in Aden, Yemen. WFP supports nearly 13 million people with food assistance in Yemen, prioritizing areas with the highest rates of food insecurity in a bid to improve the food security status of the population and prevent widespread famine.

WFP/Hebatallah Munassar

Risk assessments

Regional bureaux, country offices and headquarters functions participate in an annual risk assessment process that is integrated in annual performance planning. Participants prepare and maintain risk registers as part of the exercise. Risk assessments also consider relevant analytics and metrics, other recent risk review exercises, findings from risk or oversight missions, oversight recommendations, and other relevant input.

Consulting available risk assessments can help to focus your efforts on the areas of greatest risk and better understand the context and challenges. Be sure to look for risks identified not only by your function, but also other functions. You may discover that they have identified risks and mitigating actions that impact your work, and you may also find that some related risks are being monitored regularly and could provide further insights.

Performance plans and risk registers are stored in CPP's Annual Performance Plan Site and you can find more guidance in the ERM Manual and Risk Management Lifecycle collection on WFPgo.

Oversight Recommendations

Independent oversight bodies provide useful insights into our work. We recommend that you scan the below sources to see if there are any relevant reports or recommendations. Your office might have outstanding observations issued by:

Office of Evaluation (OEV)

Centralized and decentralized evaluation reports can be found on the [evaluation reports collection](#) on WFPgo; recommendations are tracked in [R2](#) and reported in CPP's [dashboard](#).

Office of the Inspector General (OIG)

Reports and the management comments can be found on the [audit report page](#) on the public WFP website; recommendations are tracked in [R2](#) and reported in the OIG [Tableau Dashboard](#).

External Auditor (EA)

Joint Inspection Unit (JIU)

Visit the external [oversight recommendation dashboards page](#) on WFPgo for a full overview of where to find information.

[External Auditor Reports and management responses](#)

EA recommendations and management responses details [database](#)

Executive Board report: Report on the implementation of the EA's recommendations [(2020 Report)](#) [(2021 Report)](#)

[JIU Reports and inter-agency responses](#)

JIU recommendations and management responses details [database](#)

Executive Board report: Reports by the JIU relevant to the work of the WFP [(2021 Report)](#) [(2021 Report on multilingualism)](#) [(2022 Report)](#)

Carry out a control assessment

Having consulted the above sources of information, you might decide that your office or process would benefit from a tailored assessment. A periodic review of a system by the people directly involved in it can provide relevant insights and suggestions for better ways of working.

BENEFITS OF CONTROL SELF-ASSESSMENTS
• Encourage process owners to assume greater responsibility over risk and control management • Increase team's awareness of control's role in achieving goals and objectives • Improve communication and a "common goal" mindset among teams

CHALLENGES OF CONTROL SELF-ASSESSMENTS
• People can be resistant to change • Results of self-assessment can be subjective • Building control and risk management competencies may require a training commitment • Skilled facilitators may be needed depending on the complexity of the work area

Map your process

As we've seen in some of the scenarios so far, preparing a simple process map or conducting a process "walk-through" can help you to identify issues and bottlenecks. You can map your work process by conceptualizing the different steps it involves, the risks you might face in each of those tasks, followed by the controls you have in place to mitigate those. Doing so will enable you to see whether there are any gaps or weaknesses that need addressing. Remember to consider the complete, end-to-end process, even if some of those areas are outside of your area of responsibility. This will assist you in identifying any control interdependencies for your assessment.

Use a checklist

To carry out your review, you might wish to make use of the functional control assessment tools provided by headquarters functions, regional bureaux, or other country offices. A library of these tools is available on WFPgo, where you will find links to checklists and oversight questionnaires on topics such as administration, finance, prevention of sexual exploitation and abuse, and information technology.

Consult relevant guidance

Beyond these checklists, any guidance or manual can be used for self-assessment by reviewing whether the policies and procedures therein are being followed. WFP has mature processes and policies for most functional areas and checking your office's practices against the requirements established in relevant guidance can help you identify appropriate actions to strengthen controls.

Review as a team

Reviews are usually the most effective when performed in group sessions so that you can identify cross-cutting issues and coordinate measures to improve the control environment. Considering diverse perspectives can lead to new ideas on how to improve your controls. If you are a manager, this is also a good way of understanding whether your staff view their working environment in the same way as you do. It is not uncommon to find that attitudes towards risk varies between team members. Additional benefit can be achieved by making sure that the findings and strengthening actions you identify through your self-assessment are included in your office's Annual Performance Plan and risk register as appropriate.
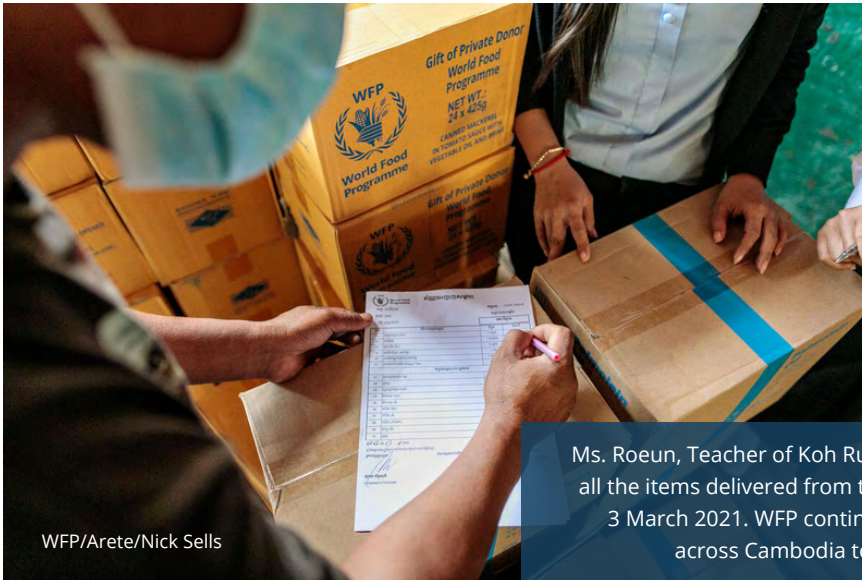
Ms. Roeun, Teacher of Koh Rumdoul Primary School, reviews and verifies all the items delivered from the WFP food truck, in Pursat, Cambodia, on 3 March 2021. WFP continues to support school feeding programmes across Cambodia to help combat undernutrition country-wide.

WFP/Arete/Nick Sells

Food for thought

There are a couple of things you might want to think about when assessing the effectiveness of your control system. Below are a few suggestions to get you started.

- **Are your controls doing what you need them to do?** Think about whether they would be successful in preventing or detecting something going wrong. Consider their timing, how well adapted they are to your context, and the resources you are allocating to them. It would also be worth exploring whether staff have ever reported issues with their implementation.

- **Are there emerging risks within your work due to changing context or operational activities?** WFP is continually adapting to keep up with the pace of innovation and developments in our often-volatile operating contexts. You will want to make sure that you stay on top of any changes that increase or decrease risks in certain areas and affect the implementation of your control system.

- **After the control is in place, is the residual risk at an acceptable level?** Even the best controls will not guarantee that something bad will never happen, but we do want to make sure that whatever risk is left-over is reasonable and within WFP's risk appetite.

- **Do you have evidence to monitor the performance of the control?** You might want to think about what kind of evidence of the control and its performance you can keep track of to find out if your controls are effective. In addition, consider whether that evidence is properly organized and monitored, or whether existing procedures need to be updated.

- **Is your organizational structure positioned to deliver effectively on your controls?** You will want to make sure you have clearly defined and documented roles and responsibilities, that staff skills and capacity that are aligned with your objectives and that duties are segregated where needed.

"Residual" refers to the risk that is left-over after controls have been applied.

SCENARIO 3 – DISTRIBUTION MONITORING

1. Establishing the context

You are a field manager in a complex and volatile operating environment responsible for making sure that beneficiaries receive safe and healthy food. You do your best to ensure WFP delivers on its mandate, but the nature of the context is difficult: food deliveries are continually delayed due to bureaucratic impediments, adequate storage facilities are limited, and it is an ongoing struggle to source local suppliers and inspection companies with sufficient capacity.
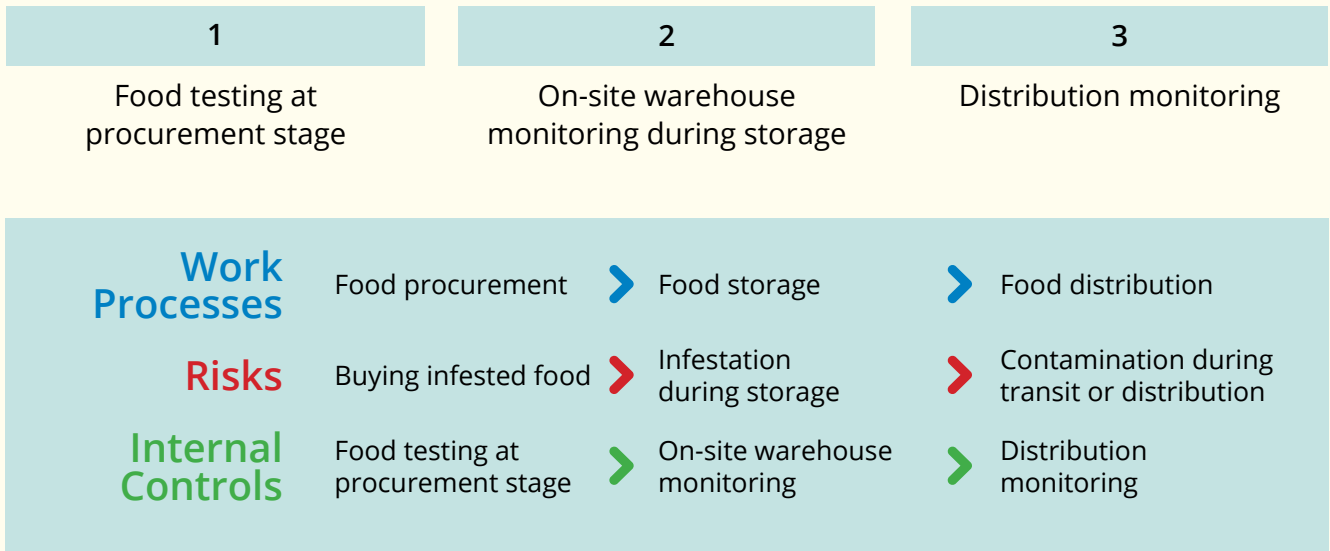
Cases of infested foods were identified by local authorities and even beneficiaries after distribution. These incidents reached the media, causing reputational damage to WFP and a negative public perception of the quality of food we deliver.

This problem should have been identified before distribution through your internal controls on food safety and quality but were not. There is a clear gap in control somewhere – let's consider how to assess this process so you can find out exactly where and what can be done.

2. Understanding your controls

As a first step, you should create a process mapping of the controls you know of that should have helped you to detect this issue earlier. As we saw in the previous scenario, this involves identifying the key work steps involved in your process, the risks at each stage of the process, and then the internal controls in place at each of those steps. Once completed, this can be used as a tool to facilitate your discussion with staff and partners.

During your mapping, you find three key controls that should have prevented or detected the problem:

1	2	3
Food testing at procurement stage	On-site warehouse monitoring during storage	Distribution monitoring

Work Processes	Food procurement	>	Food storage	>	Food distribution
Risks	Buying infested food	>	Infestation during storage	>	Contamination during transit or distribution
Internal Controls	Food testing at procurement stage	>	On-site warehouse monitoring	>	Distribution monitoring

South Sudanese Refugees in Uganda - WFP Field Monitoring Assistant counts food rations at a food distribution in the Imvepi Refugee Settlement in Northern Uganda. The settlement is the ninth to open in the West Nile region of Uganda.

WFP/Claire Neville

3. Check previous assessments first

As a second step, you should check relevant assessments that have already been completed for the process. Let's consider what this might look like:

- You begin by consulting guidance produced by relevant functional areas, such as the Food Safety and Quality Assurance Unit and the Food Procurement Unit, for insights on how to improve your management of this process.

- You review your country office's most recent response to the ED Assurance Exercise and discover that a significant adverse incident related to food safety and quality and the capacity of an inspection company was reported. You also discover that the team had raised distribution monitoring as a risk with relevant control strengthening actions.

- After consulting with your colleagues in HQ, you find out that the Food Safety and Quality Assurance Unit undertook an oversight and support mission to the country office last year, resulting in a food quality management improvement plan with useful information.

- You review the country office's risk register and find that food quality is being monitored as a risk with defined controls and mitigating actions. You also find that related risks such as supply chain disruptions and vendor management issues are also being monitored.

- You consult oversight reports and find that an internal audit of your country office was carried out two years ago with relevant recommendations on food safety and quality processes. You also find that an [Internal Audit of Food Safety and Quality as a Corporate Risk](#) (November 2019) was completed with helpful background information on WFP's approach to quality assurance.

4. Carry out an ad-hoc review

You are now ready to facilitate an assessment with your team.

Given the cross-cutting nature of this matter, you decide to invite colleagues from a range of functions to attend a group discussion including food safety, procurement, logistics, monitoring, nutrition, and partnerships. Remember to come prepared with insight from previous assessment and an understanding of the problem you want to solve to help to kick-start the conversation. Making use of relevant corporate guidance can help you to identify appropriate control strengthening actions.

WFP/Sayed Asif Mahmud

The WFP team works to ensure that the supply chain systems employed by the local retailers are aligned with the high standards that WFP employs when conducting in-kind distributions. WFP staff above are checking red lentils in a retailer warehouse in Bangladesh.

The supply chain CBT & Markets team in Cox's Bazar works closely with 12 local retail partners who procure, transport, store and distribute over 13,500 MTs of lentils and 1.2 million liters of cooking oil every month to serve the 880,000 refugees.

KEY TAKEAWAYS

- Managers are responsible for reviewing and assessing how well internal controls in their span of control are working.
- Self-assessment should be done on an ongoing basis to proactively test the strength and integrity of a process.
- Before carrying out a self-assessment, explore insight that is already available.
- Self-assessments are usually most effective when performed in group sessions.

> *IT IS ESSENTIAL FOR WFP TO PROVIDE ASSURANCES THAT SUFFICIENT RISK MANAGEMENT MEASURES ARE IN PLACE.* ALL MEMBER STATES AGREE ON THE IMPORTANCE OF TRANSPARENCY AND THAT RISK PREVENTION AND MANAGEMENT ARE CRUCIAL FOR EFFICIENCY AND BEST RESULTS.

– Executive Board Cross-List Statement on Oversight Matters, on behalf of the Members of List A, B, C, D and E –

Annual Session of the Executive Board, 2017

4 You found a control issue, now what?

There is more than one way to improve internal controls, and how to react when you find an issue will depend on your context and priorities.

There might be a number of equally valid solutions, but just because many responses could work, that does not mean you should go ahead with all of them. In general, we can aspire to have **better controls, not more controls.**

We have seen that a control might fail due to its context, its implementation, or its design. Accordingly, there are three routes you can take to respond to a control issue:

1	2	3
Improve how your current controls are implemented – **CONSIDER THIS FIRST!**	Modify the design of your current controls – **CONSIDER THIS SECOND**	Add new controls – **BUT ONLY IF THE FIRST TWO OPTIONS DO NOT SUFFICIENTLY MITIGATE YOUR RISK**

The decision to add more controls should be considered carefully because doing so could increase your operational costs – for example, hiring new staff for greater segregation of duties and investing in automated business process will involve additional expenses. Sometimes the cost of adding a new control might outweigh the benefit, and you could run the risk of creating unnecessary or duplicative controls.

As a general rule, aim for better (not more) controls. Let's take a look at some of the things you might want to consider before adding new controls.

Improve control implementation

Before modifying or adding controls, assess the quality and effectiveness of the environment that surrounds the controls and consider improving it. Sometimes the root causes of control issues can be traced back to the values, people and organizational accountability structures and processes used to implement and enforce the controls – this is what we call the "control environment". When you find an issue, the solution might therefore be to improve how the control is implemented, rather than add more layers of control.

| ZERO TOLERANCE FOR INACTION |
| --- |
| As per WFP's Revised Anti-Fraud and Anti-Corruption Policy (2021), WFP is highly risk averse towards fraud and corruption and has zero tolerance for inaction. For guidance on reporting reasonably suspected cases of fraud and corruption, you may consult the supplemental guidance to employees (Level I) and Office/Division Directors (Level II) referenced in the policy. |

The control environment reflects the values of an organization and sets the atmosphere and tone in which people carry out their activities, serving as the foundation for all other components of internal control. It is influenced by the extent to which individuals feel they are held accountable for their actions, so establishing the right incentives, and enforcing disciplinary action if someone does not comply with behavioural standards, is important.

Values and Tone

Controls are implemented by everyone, managers, and non-managers alike, which makes it important to foster a shared, values-driven culture among all employees.

This starts with a strong tone-at-the-top; in other words, the example set by managers in WFP, ranging from the most senior leaders to those in the middle. The idea is that managers who uphold ethics and integrity set a tone that trickles down to the staff they manage, who are in turn more likely to uphold those same values. At WFP, our collective identity is guided by five core values: integrity, collaboration, commitment, humanity, and inclusion.
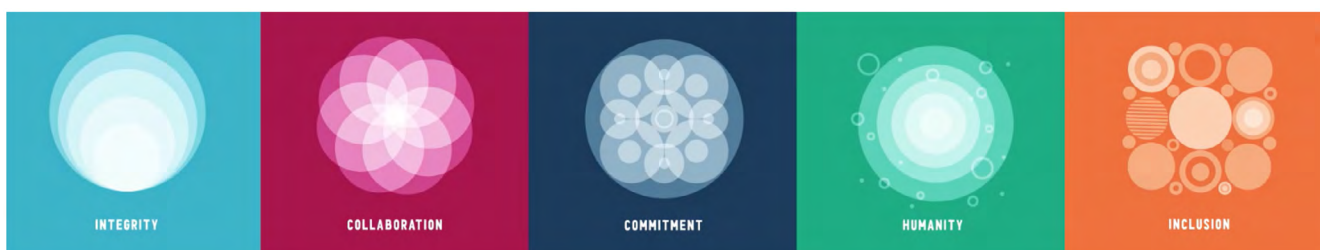
Tips on how managers can set the right tone will be provided in chapter 5.

People and Accountability Structures

Clarity on roles and responsibilities and ownership are key to a healthy control environment. WFP has adopted the Three Lines Model[1], under which every person in the organization (including you!) has a role to play in proactively managing risks in their day-to-day work. Knowing which line of risk management you sit in will inform how you can better manage risks:

THE FIRST LINE

You own and manage risks as part of your day-to-day decisions (e.g., officers, supervisors, managers).

THE SECOND LINE

You support and oversee first liners in their ownership of risks and controls, providing advice and setting and monitoring standards (e.g., regional bureau experts, Risk and Compliance Advisors, specialized functions, technical units).

THE THIRD LINE

You provide independent assurance and advice on the effectiveness of the risk and control system (e.g., internal audit, evaluation).

Do you have 20 minutes? Join 4,300 of your WFP colleagues and learn more about your role in the
Three Lines Model course on WeLearn

Are you multi-hatting? You may also have both first and second line roles depending on the task (for example, if you are a manager but also a member of an oversight committee).

To mitigate the "human factor" we discussed in chapter 2, you may also want to consider measures such as greater training of staff, adjusting workloads, and reviewing staff performance and hiring practices if needed. Providing regular feedback, for example, can greatly improve performance of controls and a sense of shared commitment to control objectives.

---

[1] WFP and other United Nations system organizations have adopted the Three Lines Model developed by the Institute of Internal Auditors. To find out more information, check out our flyer and collection page on WFPgo.

Improve control design

Consider improving controls already in place before adding new controls. In some instances, it could be the design of the control that caused the failure. Perhaps the control has become outdated, or the team has outgrown the need for it. In this case, modifying the control would be an appropriate response to address gaps and weaknesses. This can be done in several ways.

Working with what you have

You might decide that you want to work with what you already have in place to see if you can make it effective. For example:

Use of spot checks as a cost-effective way of strengthening a business process and demonstrating the tone-at-the-top or model in the middle.	Changing the frequency of how often you perform a control. The timing could be tied to the calendar year (e.g., quarterly or annually), or to some of the team's milestones (e.g., at the end of each distribution cycle).	Reviewing whether your segregation of duties is effective. You might be able to address the deficiency by changing who implements the control rather than adding new layers of controls. As we saw in chapter 2, you might also be over-segregating your business process.

MINIMUM CONTROL STANDARDS: GOING BACK TO THE BASICS

Emergencies or other circumstances may trigger situations where established control processes may warrant adaptation to meet urgent needs on an exceptional basis. In such instances, it will be helpful to think about the minimum level of control that would be enough to prevent and detect critical errors. To guide teams in this process when it involves third parties such as vendors and partners, WFP has set up in 2020 the Minimum Control Standards for Managing Third Party Risks in Emergencies. A 20-minute e-learning course is available on WeLearn to help familiarize WFP personnel at all levels with the standards through realistic scenarios and interviews with WFP staff.

Finding the right balance

As we saw in chapter 1, ensuring you have the right balance of activities is critical. Consider the following:

Preventive or detective?
Insufficient preventive controls could increase the risk of something bad happening, while inadequate detective controls could limit your ability to discover instances of failure. For your business process, consider how much it would cost to prevent the error from happening, versus how much it would cost to detect whether one has occurred and put it right. Would it be better to save or invest in costs up-front?

Manual or automated
Consider whether the business process might be either too manual or over-automated. Changing how the control is implemented could increase its efficiency, e.g., a repetitive manual control with a high risk of human error could be better automated, or an automated control could benefit from manual support (e.g., manual review of reconciliation reports).

WFP is providing critical emergency logistics support to system and process controls to the Government of the Philippines to mitigate risks of delays in transport of 70,400 family food packs to various areas affected by Typhoon Rai. WFP has provided 2 Mobile Storage Units and a generator to the Government for the establishment of a Logistics Hub in Surigao City.

WFP/Maitta Rizza Pugay

Mind the control gap

You might identify a gap. After considering acting on your control environment and modifying existing controls, you might add a new control if you want to reduce risks further.

In most core processes, the relevant regional bureau technical staff or HQ function should be consulted before adding a new control. WFP has mature processes and policies for our work and extensive corporate guidance exists for all functional areas. It is likely that available guidance will be able to guide you in closing the gap in a way that is tailored to your context.

WFP/Hugh Rutherford

Unsure of where to start? Below are a couple of areas you might want to consider, alongside some relevant examples, if you are contemplating adding new controls.

ORGANIZATIONAL CONTROLS

These can relate to personnel management (e.g., recruitment, workplans, performance appraisals, staff training, temporary duty assignments, employee health & safety) and defining clear roles & responsibilities (e.g., reporting lines, segregation of duties, delegations of authority).

SYSTEM CONTROLS

These can relate to access controls (e.g., system role profiles, firewalls, ID cards), data controls (e.g., master data classifications, system exception logs, reconciliations) and continency (e.g., business continuity plans, crisis response teams).

PROCESS CONTROLS

These can relate to programme implementation (e.g., programme design strategic planning, risk registers, mid-term reviews, beneficiary feedback mechanisms, biometrics) and quality control (e.g., partner and vendor due diligence and agreements, food safety and quality).

OVERSIGHT CONTROLS

These can relate to approvals (e.g., budgets and planning, exception management, risk escalation) and governance (e.g., management review, second-line review, evaluation, internal and external audit, oversight committee or governing body review).

As mentioned, the decision to add more controls should be considered carefully, as you could run the risk of creating greater inefficiency. It may even be appropriate to remove a control if your risks or context may have changed, rendering your controls duplicative or unnecessarily time-consuming. If resources could be better used to manage risks elsewhere, removing a control may make sense.

We need to talk...

If something bad happens or you come across some critical information, it is important that it is passed on to the appropriate level of management. In turn, it is equally as important for managers to openly communicate with staff about challenges that affect their work. Having transparent and honest conversations about control issues in your office will help spread awareness of risks and engender a spirit of continuous improvement among staff.

SCENARIO 4 – PARTNER MANAGEMENT

1. Establishing the context

You are a programme officer in a country office working with 50 cooperating partners (CPs). Needs are rapidly increasing due to an ongoing drought, and the office is signing a growing number of field-level agreements (FLAs) with new partners to scale-up delivery. In a short amount of time, the number of CPs doubles, and you decide to perform a proactive assessment of controls to make sure you are on track to adapt to the changing circumstances.

Recognizing that the escalating emergency situation might require the team to make some difficult decisions, you frame your assessment in terms of the Minimum Control Standards for Managing Third Party Risks in Emergencies.
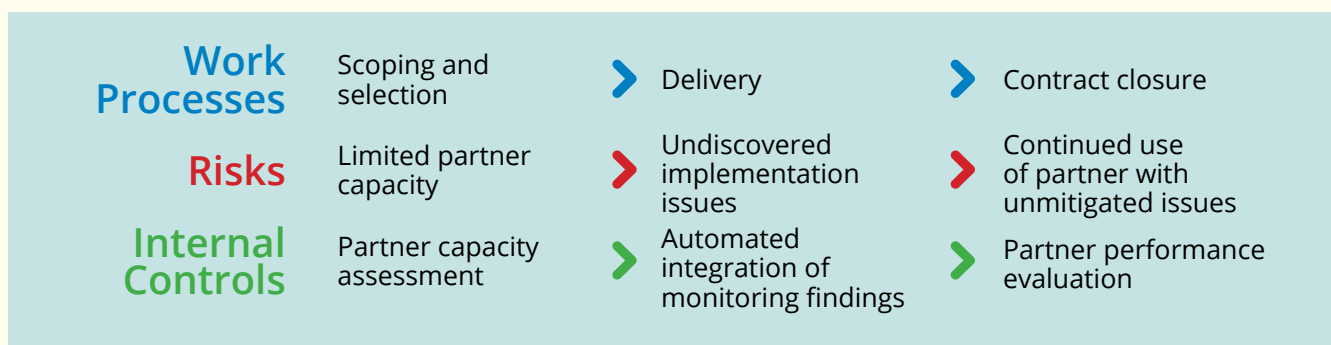

WFP staff visit the field as the flooding situation worsened because of erratic monsoon downpours that caused severe flooding in the country. **In 2019**, the Government of Bangladesh and WFP - for the first time - activated the Forecast Based Financing Project to mitigate the impact of flooding. Around **5,000 households (25,000 people) whose homes and farmlands were flooded received USD 53 through e-cash transfers in Kurigram district**. This cash that arrived before the flood occurred helped people pay for basic needs such as food and other urgently needed services.

2. Find your controls

Starting off with your process mapping, you identify three work steps in the management of CPs:

1	2	3
Scoping and selection	Programme implementation	Contract closure
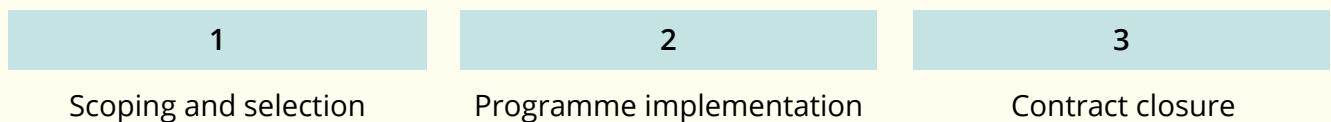
Alongside that, you identify a risk at each step and the controls you have in place to mitigate those. Your control assessment finds room for improvement.

Work Processes	Scoping and selection	❯ Delivery	❯ Contract closure
Risks	Limited partner capacity	❯ Undiscovered implementation issues	❯ Continued use of partner with unmitigated issues
Internal Controls	Partner capacity assessment	❯ Automated integration of monitoring findings	❯ Partner performance evaluation

WFP/Srawan Shrestha

During the COVID-19 pandemic, the Government of Nepal restricted the movement of all vehicles, besides vehicles carrying medicine, fruits, vegetables, drinking water, milk and gasoline. WFP safely transported liquid oxygen from Nepal-China border to Kathmandu - 3 trucks, 150 cylinders with 30,000 liters of liquid oxygen, donated by the Government of China. The cylinders were dispatched to three hospitals in Kathmandu the same day.

3. What went wrong and where?

Control 1. An implementation failure

For scoping and selection, the country office has put in place an SOP that allows sub-offices to select and approve CPs following an initial capacity assessment using a set of eligibility and preference criteria. In your assessment, you find instances where sub-offices have partially, and in some cases fully, bypassed the process outlined in this SOP in order to speed up the contracting process. Consulting the [Minimum Control Standards](), you confirm that while capacity assessments can be accelerated or reduced if needed in an emergency situation, they cannot be waived entirely.

You determine that the issue lies not in the SOP itself, but rather in its implementation. As such, you decide to improve coordination between sub-offices and the country office by putting in place regular meetings and check-ins. This will allow you to keep track of how they are adapting and complying with the SOP and provide a space to reinforce the importance of capacity assessment in the team.

Control 2. A balance failure

For programme implementation, the country office has established a comprehensive monitoring system that triangulates data from different sources to provide a complete picture and mitigate the risk of important findings falling by the wayside. This is facilitated by an automated control, namely a digital tool that integrates findings from the beneficiary feedback mechanism into monitoring reports. Despite the use of this tool, you discover that significant issues were included, but not sufficiently highlighted or escalated to management's attention in the reports.

While the tool does a good job at a first pass for the analysis, you decide that it requires additional tracking in some cases. You put in place a new process to categorize the monitoring issues being tracked according to their risk level and prioritizing follow-up efforts accordingly, focusing on high-risk issues. Adding a pair of human eyes to pass judgement on what is critical, and what is not, will help to make this automated control more effective.

Control 3. A control gap

With resource mobilization efforts still ongoing to fund scale-up in some areas, the country office has been signing short-term agreements with many new CPs. As a result, you find that performance evaluations at the end of the FLA are being carried out on an inconsistent and sporadic basis.

In light of this evolving risk, you identify the need for a new control. You decide to develop guidance for the sub-offices on how often they should be carrying out performance evaluations based on the length of the FLA. Consulting with the NGO Partnerships Unit in HQ, you receive valuable advice on how to design this control based on best practice in other country offices. They recommend a dedicated tool to track FLA lengths, deadlines and corresponding evaluation needs and completions. They also recommend that you encourage the use of longer-term FLAs where possible.

WFP/Studio 2k

Kadijah Savane, WFP Communications Assistant, discussing with Malado Konate, the health agent in Kankan. The WFP project RESIGUI, funded by the European Union in Guinea supports 20,000 food insecure and vulnerable households (100,000 people) across the four regions of the country with food and nutrition assistance through unconditional cash transfers, plumpy d'oz, super cereal and fortified oil rich in vitamin A distribution to improve their food security and nutritional status. Maintain effective communication with external stakeholders such as donors, NGOs, beneficiaries and government partners by communicating about issues and working together to solve them.

KEY TAKEAWAYS

- There are three ways to respond to a control issue: by improving its context, its implementation, or its design.
- Consider improving the implementation or design of your existing controls before adding new ones. The aim is for better, not more, controls.
- In some cases, it can be appropriate to add a new control. Remember to consult with the relevant regional bureau technical expert or HQ function!
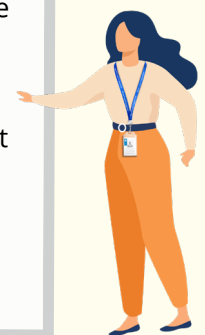
Tips for smaller offices and teams

Smaller offices are more vulnerable to a variety of challenges. Due to the low number of staff, they may over-rely on the head of office wearing multiple hats and experience difficulties in achieving adequate segregation of duties. With tight staffing levels, there is also less margin of error in the event of unforeseen events like absences. Consider some of the suggestions in this chapter to maintain a healthy control system in a small office.

WFP/Giulio d'Adamo

5

How can you prevent issues in the future?

This chapter will cover general tips and tricks for two important players that have a particular role when it comes to cultivating a strong system of internal control:

Managers and smaller offices.

Tips for managers

Senior management plays an important role in fostering the organizational culture and promoting values through the establishment of policies and procedures, and by setting the expectations for standards of conduct and ethical behaviour. This is often referred to as the "tone-at-the-top", and it is equally as important for management in your office as it is for senior management at corporate level. Let's take a look at some of the things you can do to set the right tone.

KEY TAKEAWAYS

- The "tone-at-the-top" set by management at all levels plays an important role in shaping the control environment.
- Steps that managers can take to set the right tone include demonstrating leadership, managing people and managing communication.
- Smaller offices face a particular set of challenges due to their limited staff size, and often have to work smarter to address these.
- Smaller offices should pay particular attention to segregation of duties, putting in place alternative arrangements where possible.

DEMONSTRATE LEADERSHIP

☐ **Lead by example,** demonstrating through your actions that you are committed to acting with the highest levels of integrity.

☐ **Remember the big picture.** As a leader, you help your team connect day-to-day work to higher level goals and objectives.

☐ **Share information and encourage transparency in the team** about information relevant to control responsibilities. Communicate not just what and when, but also why and how.

☐ **Provide regular feedback** so that your team know when they are performing well, and when things need to improve. Don't wait for problems to arise to start communicating – communicate good news too.

☐ **Discipline as necessary,** making sure that appropriate action is taken when a WFP employee does not comply with behavioural standards, policies or procedures.

☐ **Build a strong performance plan linked to clear objectives** for your office. Make sure to never leave an objective unassigned – each objective should be given an owner and a target date.

☐ **Take care when sub-delegating an authority** formally delegated to you, keeping in mind that you remain accountable for the delegated role and may not have the power to do this for certain authorities.

MANAGE YOUR PEOPLE

☐ **Organize your people well.** Roles and responsibilities, limits to authority and reporting relationships should be clearly defined and articulated to staff, including when it comes to control activities. Keep your organizational structure under ongoing review considering factors like current and future workloads, the impact of corporate initiatives, and changing priorities at local level.

☐ **Invest in recruitment and training.** Take time to develop clear person and job specifications for each post that state responsibilities for internal control. Provide adequate training and delegate knowingly to new staff to increase their capacity (increasing supervision as appropriate).

☐ **Document processes,** providing staff with written procedures so that they know when, what and how a task or control is to be performed. This can also help ensure business continuity and smooth handovers.

☐ **Make time for staff feedback** and effective PACE evaluations. This should be done on an ongoing basis – don't wait for the PACE end-of-year or close-out deadline to provide positive or constructive feedback.

☐ **Ensure prompt and effective handovers** when there is a change or reassignment of staff to ensure continuity, especially in the case of critical functions. Include SOP and examples to make the information in the handover clear and easy to understand.

MANAGE YOUR COMMUNICATION

☐ **Openly discuss ethical issues.** Make sure that your staff are familiar with WFP's behavioural standards and the WFP values. Personnel should also be aware of and encouraged to make use of mechanisms to report wrongdoing.

☐ **Focus on problem solving.** Communicate about issues and working together to solve them – not about blame. Focus on risks and appropriate mitigation. When something goes wrong, communicate openly about how to prevent it from happening again.

☐ **Provide multiple channels for different situations and styles.** Provide clear communication channels, both formal and informal, and let staff know how you can be reached when important issues arise (e.g., "always call me if…", "drop me an email when" and "my door is always open").

☐ **Maintain effective communication with external stakeholders** such as donors, NGOs, beneficiaries and government partners. This also involves knowing and understanding the limits of your own authority to communicate with external parties.

In addition to the above tips, consider some of these suggestions to maintain a healthy control system in a small office:

☐ **Process documentation** will be particularly important to help you cope with staff absences and training new personnel. Encourage your staff to write down how they manage certain tasks, especially those not documented elsewhere (e.g., in manuals or SOP). The extent of documentation required will depend on the circumstances and needs of each office and should always bear cost-effectiveness in mind.

☐ **Cross-training and information sharing** can reduce the reliance on single individuals and create resilience in small teams. It may also help keep personnel motivated and aid their professional development.

☐ On **contingency planning,** consider nominating a back-up or alternate for each key position in the office. Having this determined in advance will enable staff to prepare by keeping each other informed of emerging issues. Managers should establish clear priorities to avoid the situation where one person is expected to do two jobs. Another option is to have one person to serve as a back-up in case of absences across many functional areas or seeking support from the regional bureau/country office.

☐ To prevent **over-reliance on the head of office,** try to avoid any concentration of power in one individual that may paralyze a team if that person is not available for prolonged periods. This is particularly problematic where managers have not been sharing information widely or delegating effectively. Aim to transfer knowledge and "build up" staff by setting high expectations and showing that you believe in their potential and trust them.

☐ On **communication,** maintain the right balance between formal and informal channels. Managers may feel that there is no need for formal meetings due to the regularity of informal communication in small offices. Ensure that there are regular opportunities for information to flow.

☐ Consider developing your own **five-minute internal control checklist** as a quick reminder of issues that need to be regularly reviewed.

We saw in chapter 1 that adequate segregation of duties is important to ensure that one individual does not have undue power to influence a process from start to finish. This may be difficult to achieve in smaller offices, where there are fewer staff to go around.

Below are a couple of points to consider:

☐ When duties cannot be properly segregated, consider **alternative practices** that may limit risk, e.g., regular rotation of duties amongst different staff or unannounced verifications of assets and stocks.

☐ Consider expanding the **committee system** so that critical functions that should not be covered by a single person (e.g., procurement, inventory, recruitment) are instead covered by a small committee.

☐ **Reach out for help.** Some inappropriate concentrations of power could be resolved by having key transactions performed in the regional bureau/country office/sub-office.

☐ Ensure **open communication** about the importance of segregation of duties to enhance awareness and make sure that roles and responsibilities are known to everyone in the office.

☐ **Regularly review roles** and ensure that segregation of duties is considered by functional specialists during oversight visits.

☐ A **strong managerial review role** can mitigate risk. Managers should review transactions thoroughly before approval and in the case of a large volume of approvals, know the underlying process the documents went through before arriving to your desk and perform spot checks to ensure that the process is effective and being followed.

☐ **Make sure that all team members take leave/breaks** during which another team member takes over their duties. This helps with cross-training and building resilience, and is also an important way to prevent and detect fraud and errors.

WFP

World Food Programme

You may contact the ERM Division for any queries
or comments in relation to this field guide.

ERM

Embedding Risk Management

accountabilitysupport.rm@wfp.org

www.wfp.org