

May 2012

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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 Management of Human Resources**

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

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and

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EXECUTIVE SUMMARY

- In its report on Management of Human Resources, the External Auditor made 15 recommendations. WFP management has analysed these recommendations, of which 13 are fully accepted and 2 are 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 Management of Human Resources 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 Management of Human Resources.**

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**Executive Board
Annual Session**

Rome, 4–8 June 2012

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

For consideration

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9 May 2012

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WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON MANAGEMENT OF HUMAN RESOURCES

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration

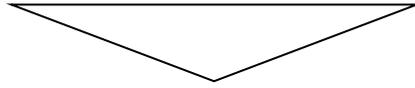
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Acting Director, HR*: Ms R. Grove tel.: 066513-2405

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).

* Division of Human Resources

DRAFT DECISION*



The Board takes note of “WFP Management Response to the Recommendations of the Report of the External Auditor on Management of Human Resources” (WFP/EB.A/2012/6-F/1/Add.1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

1. This document presents the Secretariat's response to the recommendations of the "Report of the External Auditor on Management of Human Resources" (WFP/EB.A/2012/6-F/1).
2. WFP management welcomes this review of the extent to which WFP has achieved the objectives identified in its strategy for managing and developing human resources 2008–2011.
3. As noted in that strategy, WFP has a particularly challenging environment in which to manage and develop human resources. WFP's mandate necessitates a mobile cadre of staff – often serving in hardship duty stations – with rapid deployment capabilities and flexibility to accommodate fluctuations in funding and operational objectives. The 2008 human resources strategy articulated the need for a stronger linkage between workforce planning and WFP's strategic, financial and operational plans, to enable WFP to fill gaps in staffing needs through either external recruitment or internal reassignment and training.
4. The introduction of a revised career framework and related processes in 2011 is among the initiatives undertaken under the 2008 human resources strategy to enhance the transparency, consistency and accountability of decision-making in reassignment, recruitment and promotion processes. The External Auditor's review of practices in 2009 provides a valuable benchmark against which to measure improvements introduced by the revised career framework.
5. Other important developments in WFP's management of human resources include the launch of a new learning management system (LMS), issuance of a toolkit for staffing and structure reviews (SSRs), implementation of a web-based online system for Performance and Competency Enhancement (PACE) assessments; and introduction of a global orientation programme for new staff.
6. WFP will use the External Auditor's findings as it continues to enhance its management of human resources.
7. Specific responses to the recommendations issued by the External Auditor are presented in the attached matrix.

MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON MANAGEMENT OF HUMAN RESOURCES			
External Auditor recommendations	Action by	WFP management response	Timeframe
I. Workforce Planning			
Recommendation 1: The Structure and Staffing Review (SSR) must be integrated with the 5-year country strategy and with the staffing projections across individual project plans. Comprehensive SSRs encompassing non-staff requirements (including consultants) should guide the overall deployment in the field offices.	Human Resources Division (HR) Resource Management and Accountability Department (RM)	<p>Agreed.</p> <p>The Secretariat is analysing staffing requirements during its review of the operational requirements presented in the three-year rolling WFP management plan. Staffing structures are also being reviewed in the Programme Review Committee, which consists of units from Headquarters, regional bureaux and country offices.</p> <p>The Secretariat will supplement the Programme Guidance Manual with additional guidance on staff-related issues related to the preparation of a project budget plan.</p> <p>The Secretariat will adapt the guidance provided in the SSR toolkit so that it informs the country strategy planning process.</p>	December 2013
Recommendation 2: The Regional Bureaux (RBs) should be equipped with the knowledge and skills to support the country offices in the SSRs and to assist the HR Division in periodically feeding the outcomes of SSRs into corporate HR planning through a structured mechanism.	HR	<p>Agreed.</p> <p>The Secretariat will ensure that the results of SSRs are made available to HR and will establish a working group to explore mechanisms for incorporating SSR data into corporate human resources planning.</p>	June 2013
Recommendation 3: Corporate workforce plan must be supported by an assessment on the benefits and risks of high dependence on short-term contracts in relation to funding trends in country offices over a multi-year period. The controls that mitigate the risks should also be identified.	HR	<p>Agreed.</p> <p>The Secretariat notes that the recent "Report on the Use of Consultants in WFP" (WFP/EB.A/2011/13-D) captures the benefits and risks of relying on short-term contracts.</p> <p>It is expected that greater integration of SSRs into project planning will enhance the identification of relevant risks.</p>	To be implemented as described in response to recommendation 1.



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Recommendation 4: WFP should set in place oversight to provide an assurance that the position grades approved in each project conform to the standard classification and that the decisions are not driven by funding projections alone.	HR	Agreed. HR will review generic job profiles and competency frameworks with a view to establishing a system that provides more robust controls for ensuring that positions are properly classified according to International Civil Service Commission grade classification standards.	December 2013
Recommendation 5: HR Division should establish key performance indicators on the health of HR management in the field offices and establish a threshold above which an on-site review would be conducted. A process to periodically inform the top management on the results thereon should also be put in place.	HR, RM	Agreed. As part of the annual process in which managers certify assurance statements on internal control, all country directors are required to submit information regarding the management of their office environments, including human resource issues such as ethical standards and the anti-fraud policy, clarity of roles and responsibilities, staff performance appraisal, setting of individual results-based objectives with staff, effective internal communication, and regular supervision activities to oversee the office. The Secretariat proposes to assess country offices where the manager's annual certification reveals significant weaknesses in human resources. Using agreed indicators, including those in the management results framework, Executive Management and Policy Group (EMG) will review the status of human resource management every quarter to ensure that critical issues and gaps are identified and acted on.	December 2013
Recommendation 6: A time-bound plan for expeditious completion of the corporate workforce plan and its implementation must be prepared.	HR, RM	Agreed. The Secretariat is currently engaged in a corporate workforce planning project to identify the skills and capabilities needed by WFP's professional staff cadre in the future. The project is expected to be completed by December 2012 and will feed into the 2013 human resources strategy, which will be presented to the Executive Board. The Secretariat will report on progress on the workforce planning exercise in WFP's three-year rolling management plan with annual budgeting. The annual review will identify the staff population of WFP and will compare this with the planned requirements to ensure that the methodology is working.	December 2013



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II. Staffing Decisions			
Recommendation 7: Clear documentation that provides a trail, including justification for deviations, must support HR decisions.	HR	<p>Agreed.</p> <p>As noted by the External Auditor, the revised career framework provides greater rigour and robust, standardized documentation to support staffing decisions. The Secretariat notes that the External Auditor's findings concerning the sufficiency of documentation relate to the mid-year regular Staffing Committee meeting of 2009. The External Auditor has acknowledged that the recently introduced reassignment matrix offers a "user-friendly tool to arrive at reassignment decisions". Use of the reassignment matrix is expected to address this recommendation.</p>	Implemented
Recommendation 8: WFP should recognize the risks of following a closed loop in recruitment and identify the controls to mitigate the risks.	HR	<p>Agreed.</p> <p>In the 2008 human resources strategy, the Secretariat highlighted the risks that might arise from a closed system of recruitment. By issuing the revised career framework, the Secretariat has introduced additional elements into the recruitment process, to widen the pool of candidates. Under the revised career framework, all vacancies are advertised externally and sourced from external as well as internal candidates. This measure is expected to mitigate the risks identified by the External Auditor.</p> <p>While recognizing the risks of using an internal pool of candidates, the Secretariat notes that recruitment of individuals with WFP experience may also provide a career path for national staff applying for international positions.</p>	Implemented



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<p>Recommendation 9: We recommend that the Performance and Competency Enhancement (PACE) reports form the primary basis for identifying the pool of staff that must be considered by the Professional Promotion Panel (PPP). This, in turn, will enhance the value of PACE, the quality of PACE evaluations and aid adherence to time schedules.</p>	HR	<p>Partially agreed.</p> <p>The PPP already uses PACE reports as the basis for evaluating staff for promotion. An analysis of percentages of PACE completion found the highest completion among staff eligible for promotion. The PACE is now used in the reassignment as well as the promotion exercise.</p> <p>The PACE is used to measure performance at the staff member's current level during the past year. The Secretariat does not agree that the PACE should also be used for nominating staff for future promotions. Consideration for promotion needs to take into account the manager's consideration of ability to perform at a higher level. Using the PACE for this purpose may dilute the extent to which the PACE provides a useful assessment of past performance.</p> <p>The promotion portfolio of a staff member comprises previous performance reports, the staff member's curriculum vitae and self-assessment, and the nominations of the staff member's current line and functional managers, which indicate the staff member's potential for higher-level roles.</p>	Implemented
<p>Recommendation 10: A structured framework for feedback to staff on HR decisions, will enhance the credibility of the process.</p>	HR	<p>Agreed.</p> <p>As noted by the External Auditor, systematic feedback is part of the promotion exercise. For reassignment decisions, staffing coordinators provide feedback on request, but the nature of the information used to reach reassignment decisions – which may involve family/personal/medical considerations related to other staff members – limits the ability to provide a similar level of feedback for reassignment decisions.</p>	Implemented



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III. Performance Evaluation			
Recommendation 11: We re-iterate recommendation no. 17 of our Report on Somalia Operations on timeliness and quality of PACE evaluations.	HR	<p>Agreed.</p> <p>The Secretariat agrees that the timeliness and quality of PACE evaluations are important. HR has made efforts to promote use of the PACE tool and to encourage compliance. In connection with recommendation no. 17 of the External Auditor's report on Somalia operations, the Secretariat continues to enhance controls in the PACE system and encourage further compliance by supervisors and supervisees. The PACE form introduced in 2012 brings improvements to: i) the use of e-mail to provide updates and to prompt required actions through automated messages; and ii) the ability to monitor and report compliance rates by region/office, with division directors being able to review the compliance rates and status of individual PACE assessments for staff members within their division.</p> <p>As noted in response to recommendation 5, country directors are now required to provide assurance concerning PACE completion in their annual assurance statements.</p> <p>Introduction of the revised career framework, which emphasizes PACE reports as inputs in reassignment and promotion decisions, is expected to increase staff's awareness of the importance of timely, quality PACE evaluations.</p>	Implemented



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Recommendation 12. A 360-degree review which includes feedback from subordinates, should be included in the annual performance evaluation of executive level staff.	HR	<p>Partially agreed.</p> <p>The Secretariat agrees that a 360-degree review offers a useful input to the assessment of executive-level staff. As noted by the External Auditor, staff at the P-4 to D-1 levels already undergo a 360-degree assessment as part of the Management Assessment Centre process.</p> <p>The Secretariat notes the ongoing inter-agency initiative to harmonize elements of performance appraisal systems across United Nations organizations. An objective of this initiative is to identify a set of standard elements for participating organizations to include in their performance appraisal systems. WFP will follow the developments and conclusions reached at the inter-agency level, and will consider the External Auditor's recommendation in light of these. The Secretariat plans to incorporate a proposal on this issue into the next human resources strategy document.</p>	November 2013
IV. Capacity-Building			
Recommendation 13: WFP must develop a learning policy for continuous capacity-building of staff and its integration with work processes.	HR	<p>Agreed.</p> <p>Under the ongoing workforce planning/skills survey project, capacity-building will be a core strategy for aligning staff skills to organizational requirements. A learning policy will be developed as part of the framework for bridging gaps identified in the skills survey.</p>	December 2012
Recommendation 14: A knowledge management system will help WFP harness the knowledge that resides in disparate reports and in different divisions of the organization. Handing over of hard and soft copy of files should form an important item in the checklist before an employee moves out on reassignment/retirement.	HR	<p>Agreed.</p> <p>The Secretariat will develop a system for ensuring that staff are requested to hand over files prior to reassignment/retirement.</p>	December 2012



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Recommendation 15: Training Modules of all functional areas and offices should be linked to the Learning Management Systems (LMS).	HR	Agreed. Management agrees that greater linkage between office training modules and LMS would enhance utilization. In line with the learning policy and framework – mentioned in response to recommendation 13 – the Secretariat plans to develop a process for coordinating learning events from across all functional areas and integrating them into the LMS.	December 2012



ACRONYMS USED IN THE DOCUMENT

EMG	Executive Management and Policy Group
HR	Human Resources Division
LMS	learning management system
PACE	Performance and Competency Enhancement
PPP	Professional Promotion Panel
RM	Resource Management and Accountability Department
SSR	Structure and Staffing Review