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**Executive Board
Third Regular Session**

Rome, 20–24 October 2003

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

For consideration

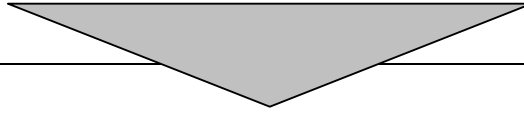


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REPORT OF THE EXTERNAL AUDITOR ON THE REVIEW OF THE WORLD FOOD PROGRAMME'S HUMAN RESOURCES STRATEGY

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Note to the Executive Board



This document is submitted for consideration to the Executive Board.

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

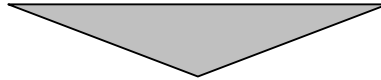
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Draft Decision*



The Board takes note of the “Report of the External Auditor on the Review of the World Food Programme’s Human Resources Strategy” (WFP/EB.3/2003/5-B/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.

REPORT OF THE EXTERNAL AUDITOR ON THE REVIEW OF THE WORLD FOOD PROGRAMME'S HUMAN RESOURCES STRATEGY

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EXECUTIVE SUMMARY

1. The effective management of human resources is key to the delivery of WFP's objectives. The Programme's Strategic and Financial Plan acknowledges that operational programmes can be implemented and the agreed strategies employed only if sufficient resources are mobilized and costs are kept to a minimum. Staff of the WFP have to work in difficult circumstances, particularly in relation to major and emergency operations, which are becoming an increasingly predominant focus of the Programme's work with changes in the nature of donor funding and donor requirements.
2. The delivery of staff resources, and the need to make appropriate provision for the effective assignment and development of the organisation's core staff, are posing greater challenges than have had to be faced in the past. While WFP has not previously benefited from a comprehensive and strategically integrated approach to human resource management, in 2002 the Programme's Human Resources Division embarked on a major review to develop and establish a new HR strategy.
3. As part of my 2002-03 audit, therefore, my staff have carried out an initial review of this important initiative and the progress made in establishing the new strategy.
4. They carried out this task between June and August 2003 against the background of our experiences in visiting field offices during the biennium, by reviewing documentation relating to the implementation of the Human Resources Strategy; interviewing the key HR staff responsible for policy development and oversight of implementation; and analysing the available statistics relating to the Strategy. The audit findings and recommendations from this review have been discussed with the Executive Director and his staff.
5. My staff found that development of the new Strategy to date had been comprehensively conceived and approached, and that progress was being made towards the implementation of new arrangements in 2004. These developments have been pursued with a focus on integration with the Programme's strategic requirements; and to provide WFP with an HR strategy that is intended to be flexible in response to change and the vehicle for an improved quality of people management.
6. The developing new Strategy addresses important people management aspects of the Programme's operations. But there may be some scope for further emphasis to ensure that the new arrangements will provide WFP with the means to address staffing issues in the context of its evolving business model: for example by reviewing staffing needs against assessment of the potential for alternative solutions such as increased outsourcing of activities, or purchaser/provider arrangements as an alternative to the recruitment of professional staff.
7. Based on the findings of the audit review, I have made a number of recommendations:
 - that WFP consider the merits of identifying and disclosing staff costs on a comprehensive and systematic basis; and review whether current and future informational needs are being fully met by WINGS as presently configured;
 - that the Human Resources Division analyse the impact of the new competency based system on the grade profile of WFP; and as a matter of sound financial management practice, carry out an assessment of the financial consequences of the new HR arrangements and other aspects of the new HR Strategy;
 - that the Human Resources Division review the role and additional responsibilities of the Staffing Coordinators, to ensure that they have the capacity to be fully effective in



supporting a strategic approach to resource management in addition to the management of individual staff members and their operational responsibilities;

- that WFP give appropriate emphasis to the review of technical needs for new electronic tools, so that future requirements can be addressed and integrated with other system developments in a cost effective way; and
- that WFP consider the desirability of further steps to ensure the consistency of staff performance appraisals across the organisation in any future arrangements.

INTRODUCTION

The Human Resource dependency of WFP

8. The World Food Programme's mission statement has identified that the core policies and strategies governing the Programme's activities are to provide food aid:
 - to save lives in refugee and other emergency operations;
 - to improve the nutrition and quality of life of the most vulnerable people at critical times in their lives; and
 - to help build assets and promote the self-reliance of poor people and communities.
9. WFP's Strategic and Financial Plan sets the Programme's direction, outlines the actions required to take that direction, and projects how the actions will be funded. The current Strategic and Financial Plan, approved by the Executive Board in May 2001, articulated the Programme's goal for the period 2002-2005 as: excellence in providing food assistance that enables all planned beneficiaries of WFP relief activities to survive and maintain healthy nutritional status, and enabling the social and economic development of at least 30 million hungry people every year. This goal is pursued through main objectives in development (to have development activities that feed at least 30 million targeted hungry poor people annually); emergency operations (to feed 100 per cent of the hungry people targeted in approved emergency operations, EMOPs); protracted relief and recovery operations, PRROs (to have fed 100 per cent of the hungry people targeted by approved PRROs annually); and in special operations and support activities. The Strategic and Financial Plan acknowledges that WFP's programmes can be implemented and the strategies employed only if sufficient resources are mobilized and costs are kept to a minimum.
10. The resources necessary for this core mandate comprise both donations (in the form of funding and food) and staff. It is axiomatic that the staff of the Programme are the vital medium through which its operations are implemented. The Programme defined ten Strategic and Financial Plan priorities for 2002-2003, which included essential priorities for organisational capacity and resources, including building a new staff profile, so that WFP would have a staff adequate in skills and experience to fulfil its mission statement, but also able to be expanded and contracted in a balanced way as circumstances require.

The legacy and case for change

11. The World Food Programme operates in a complex and often unpredictable working environment. The unpredictable nature of the work brings with it risks to obtaining and maintaining efficient and effective staffing levels. The operational activities are varied and widely dispersed, with emergencies requiring rapid reaction and response, while development and protracted relief and recovery operations represent a longer term activity of a more predictable nature. Consequently the staffing requirements and human



resourcing issues differ for each type of operation and are influenced by the availability of funding for them.

12. Although the main resource of WFP is its staff, the management of which directly affects the Programme's ability to provide aid to recipient countries, until now the Programme had not established a coherent, structured and comprehensive high-level strategy for the management of human resources, reviewed and approved by the Executive Board.
13. In 2002, to address this deficiency and in recognition of continual change in the number, location and nature of WFP's operations - and predicted continued change in the nature of emergencies, the funding base and the availability of new technologies - the Secretariat's Human Resources Division embarked on a comprehensive strategic review of human resource management. The case for review acknowledged that the Programme needed to ensure a staff of adequate size and skills to meet the challenges faced by the organisation; and to clearly identify the skills and abilities needed to perform and support food aid programming currently and in the future. The review was intended to support a bringing together of WFP's corporate and human resource management strategies, so that the latter might support the former; and to build a competency framework that would support staff requirements.
14. In the light of the importance of human resources management to delivery of the WFP's objectives, and the strategic relevance of these issues to the governing body, my staff carried out a review of HR Division's progress in developing a human resources strategy for the Programme.

BACKGROUND

1995 internal review

15. In 1995 an internal steering group had been established to recommend a career development system that would lead to achieving a balance between staff members' individual career needs and the organisation's workforce requirements. The recommendations from the steering group included:
 - the development and implementation of an inventory of skills, capabilities and work experiences of WFP staff on an easily up-dated and accessible database;
 - the introduction of strategic staffing, a systematic approach for human resources planning to meet organisational goals;
 - the need to capitalise on existing staff by enabling and encouraging them to maximise their skills in order to continuously improve and meet the challenges of change; and
 - the need to set standards and establish clear administrative procedures, policies and guidelines for the management of WFP's human resources.
16. This led to the creation of generic job profiles and an array of procedures and guidelines issues as directives. The introduction of a strategic staffing system, however, was not realised.
17. The Human Resources Division also established a skills inventory, which identified the minimum skills possessed by each staff member. It was not sufficiently advanced at the time to be able to match staff skills with the requirements of individual positions.



18. In 1998, to speed up the recruitment process and as a result of an earlier appraisal of recruitment, the HR Division established a series of international professional staff rosters. These were created to provide a pool of pre-selected candidates from which WFP management could recruit when vacancies were authorised to be filled by external recruitment.
19. Although these changes assisted the HR Division in its tasks, there remained a need for a comprehensive approach to the strategic management of Human Resources.

1999 external audit review

20. My predecessors considered the management of human resources in their report on the Programme's financial statements for 1998-99. Their report reviewed the organisational, legal and budgetary aspects of personnel management. They concluded that though the nature of the WFP's operations had changed, the staffing complement and financing restrictions had remained static, affecting WFP's ability to react to change. In particular they noted that the whole appointment process had been disturbed by emergency operations such as Kosovo, East Timor and Angola, which arose in quick succession. They noted that despite decentralisation, the Human Resources Division was still involved in day-to-day resource management, since it had to assume part or all of the workload related to international staff, as the high rate of new emergencies created a quasi-permanent need for staff reassignment, deployment or recruitment. They praised the introduction of generic job profiles but noted that there was no sound rationale to support WFP's allocation of staff costs between Direct Support Costs or Programme Support and Administration costs.

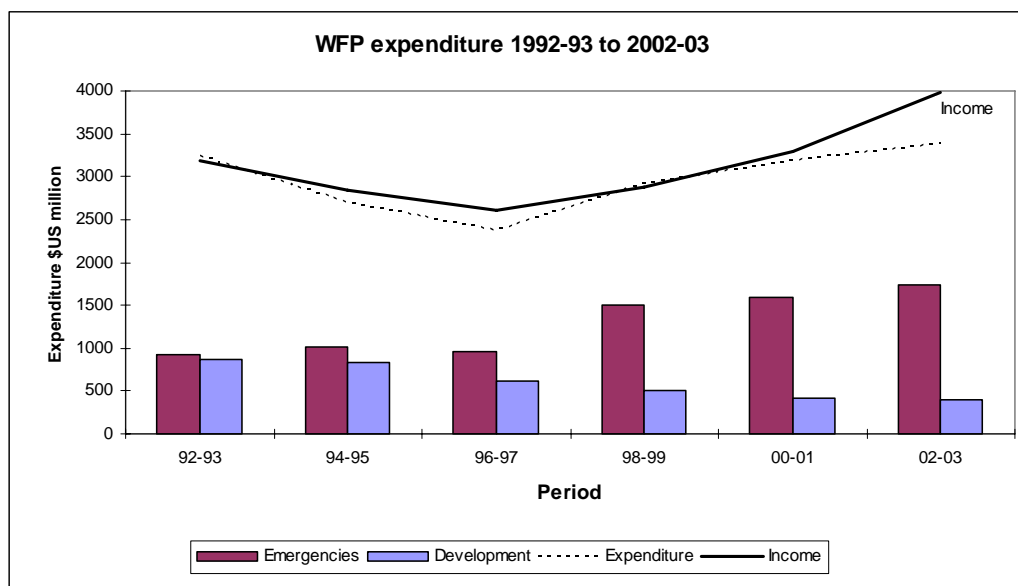
THE CURRENT OPERATING ENVIRONMENT

21. WFP currently undertakes the majority of its work with its own staff resources, including the planning, logistics and delivery of food aid. The distribution of food aid within recipient countries is often undertaken in conjunction with implementing partners; and the Programme has entered into arrangements with third parties, other United Nations organisations, governments and Non-Governmental Organisations to obtain additional staff resources if needed in case of major emergencies.

Shift of donor funding/donor requirements

22. My staff analysed expenditure by type of programme over the past ten years. Although income and expenditure has not varied dramatically over this time, the funding received for development programmes has fallen steadily; while by contrast the amounts received for emergency operations, for instance, have increased steadily as a proportion of WFP's income (see graph).





Source: Annual audited financial statements, with the exception of 2002-03 which is based on the 2002 unaudited statements and a prediction for 2003.

23. As this trend has continued, the demands on the staff and the skills that they require for these operations has evolved. In such an environment, WFP needs to have in place a human resources strategy that can manage changes and offer flexibility at the same time as maintaining appropriate support for staff.
24. The need for flexibility and a strategic approach to human resource management, which has been emphasised by these changes in the nature of the Programme's income and activity in recent years, is reinforced because funding is provided by the donor community on a voluntary basis. WFP has no guaranteed level of funding to readily support the establishment and long term career development of a core cadre of staff in the way that assessed contributions can provide in other international organisations.

Current arrangements for accounting and needs assessment of staffing requirements

25. At present WFP allocates a proportion of each donation as an Indirect Support Cost levy which is used to fund administrative costs. The rate of the levy is set by the Executive Board. This levy is applied by the organisation within the Programme Support and Administration Budget at Headquarters, Regional Bureaux and at Country Offices. At Country Office level, the Programme Support and Administration budget follows a standard formula known as 1, 2, 3, US\$55,000, which represents the standard cost of a country director, two national officers and three general service staff plus \$55,000 for expenses. This is a standard formula and does not reflect the size of individual offices or the level of operations conducted within the countries concerned. Staff costs in addition to this provision are met by charges to programmes as Direct Support Costs.
26. The audited financial statements do not distinguish overall staff or salary costs for reporting purposes. My staff were unable to readily confirm the total costs to the Programme associated with staff resources using the WINGS system, since the information recorded and available within WINGS in its current configuration does not disclose all international and national staff costs associated with programmes and projects. Even though the costs of the Programme's international staff (numbering 1,036 as at 31 December 2002) are separately available through the WINGS payroll module, the costs



for the national staff (7,165 as at 31 December 2002) are not readily available to Headquarters management in a comprehensive or systematic manner.

27. While information on the costs of staff charged to Programme Support and Administration (PSA) is available in WINGS, the staff costs charged to Direct Support Costs cannot be distinguished in the system at present without analysis at individual transaction level. In consequence, complete information on the staff costs associated with projects and programmes is not presently available to managers to support the decision making process, or to facilitate a strategic view of resource consumption and needs.

Recommendation 1. I recommend that WFP consider the merits of identifying and disclosing staff costs on a comprehensive and systematic basis; and review whether current and future informational needs are being fully met by WINGS as presently configured.

28. The current system for forecasting organisational staffing needs is run centrally from Rome Headquarters. At the beginning of each year, the Human Resources Division with other WFP divisions carries out a review of the forecast requirements for international professional posts for the year ahead. These short-term demands have been assessed and addressed either through reassignment of current staff or through recruitment of new staff. Hitherto, this process did not consider the medium and long-term requirements of the various functional areas; nor did it address the requirements for locally recruited staff, even though these represent approximately 80 per cent of the total staff employed.
29. The current WFP policy is to resource emergency activities from its most experienced staff to ensure that operations are up and running as quickly and as effectively as possible. This involves identifying WFP staff who could be reassigned from other locations and obtaining them on Temporary Duty for up to three months in the initial stages of an emergency. They are supported by consultants, initially working alongside the Temporary Duty staff for a maximum of 11 months. As soon as operations move into a consolidation phase, more permanent staffing arrangements are made.
30. As part of their review, my staff issued an information gathering questionnaire to all Regional Bureaux and Country Offices, to identify the overall staffing profiles of the major operations and most significant development operations as at 31 December 2002. They received a total of 87 replies from 96 questionnaires issued, representing a coverage of 91 per cent of field locations. The data collected was used to analyse the deployment of total staff resources, information on which was not directly available at Headquarters at the time of audit.
31. Analysis of the information obtained shows that WFP was involved in six major operations in Afghanistan, Iraq, Ethiopia, Sudan, Southern Africa and Angola. These operations accounted for approximately half of the total staff of the Programme across all staff categories.



Staff employed in the six major emergency operations at 31 December 2002, compared with the total number of staff employed by WFP worldwide.

	Afghanistan	Iraq	Sudan	Ethiopia	Southern Africa	Angola	SUBTOTAL	TOTAL STAFF	
International staff	44	37	40	32	123	43	319	1036	30.79%
National Staff	929	764	406	308	591	377	3375	7165	47.10%
Consultants	38	6	9	4	46	5	108	170	63.53%
Other (excl. casual)	13	0	0	1	68	1	83	209	39.71%
Total staff numbers	1024	807	455	345	828	426	3885	8580	45.28%

Source: NAO External Audit questionnaire responses from Country Directors, 2003

32. Further analysis of the information provided by field offices confirmed that consultants play a significant role in these operations, accounting for some 25 per cent of the international professional staff.

33. The numbers of staff employed for countries with long term projects was as follows:

Staff employed in countries with significant development operations as at 31 December 2002, compared with the total number of staff employed by WFP worldwide.

	Bangladesh	Cambodia	Indonesia	Colombia	Haiti	Honduras	SUBTOTAL	TOTAL STAFF	
International staff	12	11	13	3	4	3	46	1036	4.44%
National Staff	128	124	57	37	27	33	406	7165	5.67%
Consultants	0	3	0	0	3	0	6	170	3.53%
Other (excl. casual)	3	0	0	2	9	0	14	209	6.70%
Total staff numbers	143	138	70	42	43	36	472	8580	5.50%

Source: NAO External Audit questionnaire responses from Country Directors, 2003



34. By contrast with emergency operations, long term projects offer the opportunity for some stability in staffing, although the total numbers of staff involved are relatively few. The staffing numbers in both types of operations have a strong correlation to the total expenditure in those areas: 45 per cent of staff and 45 per cent of expenditure on the major operations, compared with 5 per cent of staff and 6 per cent of expenditure on long term projects.
35. As donor funding for longer term development operations declines, the opportunity to utilise the staff employed on such operations as a source of experienced staff for emergencies also falls. As new emergencies develop, WFP may be forced to draw on experienced staff from other emergency operations, with concomitant risks to the management of those emergencies.
36. There has therefore been a relative reduction in the extent of the Programme's non-emergency operations, and a corresponding reduction in the availability of a core of other, more stable activities from which emergency staffing requirements can be met and on which the permanent staff may be deployed longer term. In these circumstances, it is important that the Human Resources Strategy should adequately address this loss of flexibility in the staffing resources available within the organisation; and the changing nature of staff engagements over time.

Recruitment

37. To meet the staff resource needs of its operations, therefore, the Programme's practice has been to meet new project requirements from within the existing staff complement. This policy of reassignment depends heavily on the principle of mobility of all staff; and inevitably presents issues of continuity of the functions and posts which are vacated. As part of their audit review, my staff therefore sought to examine the extent to which the Human Resources Strategy addresses this fundamental aspect.
38. Recruitment procedures have not changed fundamentally under the new HR Strategy now being implemented. The Human Resources Division informed my staff that WFP uses a Staffing Committee to fill international posts from internal resources. Where existing internal resources cannot be identified, the Staffing Committee may authorise project managers to recruit externally. External recruitment is usually from candidates who have been pre-qualified on professional rosters maintained by the Human Resources Division. HR Division stated that external advertisement is relatively rare and is used only for very senior or executive level posts, or particular technical posts for which established rosters are not maintained.
39. Over the past four years there has been a very significant increase in the number of staff employed under service contracts, reflecting the level of work in various operations around the world. Since 1998 there has also been a 24 per cent rise in the number of professionals; and a 13 per cent increase in general service staff. The data collected from the audit questionnaire shows the distribution of staff by contract type.



Comparison of staff numbers by contract between 1998 and 2002

All staff worldwide	31 December 1998	31 December 2002
International professional and JPOs	833	1,036
General Service	1,083	1,225
Consultants	226	170
Service Contracts/Limited Duration	260	4,730
Special Service Agreements	2,262	1,210
Other	310	209
Total	4,974	8,580

Source: Cour de Comptes data 1999 and NAO questionnaire 2003

DEVELOPING THE NEW HUMAN RESOURCES STRATEGY

40. In 2002 the new Executive Director joined the Programme and identified human resources development as a prime focus of his objective to make WFP an employer of choice among international organisations and to earn a reputation for being the best UN agency in its treatment of staff.
41. In mid 2002, the Programme's Human Resources Division embarked on a strategic review of human resources management, with three overall objectives:
- To understand the external and organisational factors that can affect WFP's capacity to recruit, retain and develop talented people;
 - To identify the key human resources management challenges that the Programme is currently facing and will face in the future; and
 - To develop a plan to address the key challenges in an integrated way, align human resources management with WFP's strategic planning process and produce specific recommendations for building a more strategic approach to managing people.
42. It was recognised that a new human resources strategy and associated tools were needed to ensure that WFP could meet the demand of its donors and constituents in a changing environment. This involved ensuring that whatever the operation, WFP would be able to have the right number of people, with the appropriate skills, in the right place at the right time. The HR review received steering committee approval in August 2002 and is scheduled for completion by 31 December 2003.

Key challenges and tasks

43. The review identified four key HR management challenges facing WFP:
- The fluctuating size, nature and funding of the Programme's operations;
 - The need to match staff profiles to the organisation's needs;
 - The aim of becoming an employer of choice; and
 - The need to demonstrate or measure results.



44. Against the background of processes to recruit, retain and develop staff, the review identified three key areas to align management practice with the future needs of the organisation. Firstly, to develop a competency framework for each area, to improve the selection of staff and the management of fluctuations in the Programme's work. Secondly, to improve the performance management system, to aid in the promotion and re-assignment process and to enable the organisation to identify both outstanding and under-performing staff members. And thirdly, to improve staffing and recruitment procedures, to enable WFP to identify suitable staff at the critical times of initial recruitment and reassignment.

Competency development and career management

45. HR Division's review identified the need to establish a competency framework for staff profiles according to functional areas, identified by technical specialities existing within the organisation. This involves identifying competencies for each job profile in respect of the behavioural indicators to be demonstrated by staff in fulfilling their duties. Collation of the information and formation of the specific competencies has been undertaken by the Public Service Commission of Canada, an independent Canadian agency, for validation of the results by Human Resources Division.
46. At the time of my staff's review, the Human Resources Division had no indication as to how this process will impact on grade profiles within the organisation, since the process was still in development and staff will be re-assessed in accordance with their competencies. Upward re-assessment of grades would give rise to additional costs to the Programme. However HR Division are aware of the potential for grade drift and have discussed this with the consultants involved. Even where grade profiles remain stable, an increased emphasis on personal and career development in organisations brings very real benefits but frequently gives rise to (and, for success, may require) additional financial resources as expectations increase and management practices are improved.

Recommendation 2. I recommend that the Human Resources Division analyse the impact of the competency based system on the grade profile of WFP; and as a matter of sound financial management practice, carry out an assessment of the financial consequences of the new arrangements and other aspects of the new HR Strategy.

47. HR Division have noted that WFP needs to improve its capacity for functional coordination to maintain a capable and stable workforce across all grades in all the Programme's locations. It envisages that this requires development of a staffing and recruitment process that will enable the organisation to meet longer-term needs in addition to enhancing its capacity to fill openings quickly through a more flexible staffing process.
48. To achieve this, in 2003 WFP Divisions appointed 12 Staffing Coordinators, all of whom were senior staff members, with other prime responsibilities in their functional areas. These officials are responsible for coordinating international staffing requirements and monitoring staff resources for the Programme, while aligning individual staff career plans with the organisation's requirements. They will achieve this by collating information from individuals and their managers and presenting staffing plans to the Staffing Committee. In the majority of cases these duties are in addition to their current responsibilities as senior personnel in their sections. This committee will review international staffing requirements across WFP.
49. In these new arrangements, the role of the Staffing Coordinators will be key to the successful implementation of a strategic approach which integrates the development needs of staff and the business needs of the organisation; and their role will be a demanding one.



50. The assessment of national staffing requirements is presently delegated to regional/country level. HR Division expect that over time, Staffing Coordinators will have a role to play in the identification and development of local staff as potential candidates for international posts. It will be important for Staffing Coordinators to be used in this expanded role if the Human Resources Strategy is to integrate effectively WFP's requirements in both international and national staffing.

Recommendation 3. I recommend that the Human Resources Division review the role and additional responsibilities of the Staffing Coordinators, to ensure that they have the capacity to be fully effective in supporting a strategic approach to resource management in addition to the management of individual staff members and their operational responsibilities.

Use of WINGS in recruitment

51. In the initial stages of the development of the new HR Strategy, the use of electronic tools established in WINGS was identified as an important aid to successful implementation. It was envisaged that these tools, consisting of sub-systems linked in WINGS, would be developed to aid the implementation and monitoring of key aspects of the Strategy. This would include, for example, the linking of individual staff histories to key competencies and their development over time.
52. Plans to develop electronic tools in the WINGS environment to support this have not yet been taken forward, pending an upgrade to the system. It is envisaged that these tools will be provided within the WINGS environment to allow manager and staff authorised access to data. The HR Division has developed an online database, integrated with WINGS, to collect information for each staff member, accessible world wide. This information is intended to form the foundation of the skills database, which is required to implement much of the Human Resources Strategy.

Recommendation 4. Appropriate use of WINGS can offer considerable benefits to the effectiveness and efficiency with which the Programme's HR Strategy and resource management arrangements can be implemented. I recommend that WFP give appropriate emphasis to the review of technical needs for new electronic tools, so that future requirements can be integrated with wider system developments in a cost effective way.

Performance management

53. The HR review identified the need for a transparent and effective methodology for managing and assessing staff performance against competencies. A computerised system is being developed for this, designed for simplicity and applying performance categories to staff being assessed, although the design of the performance management framework is still being finalised. The system is being designed to help identify potential future leaders within the organisation as well as poor performers. It is proposed that this will assist managers to identify skills shortages and help staff review their skills mix for future personal career development. HR Division intend to launch this revised performance management system in 2004.
54. One of the needs identified early on in the review exercise was that new systems need to provide objective and reliable input to human resources decision making, to ensure that staffing, promotion and re-assignment decisions are based on individual merit within a transparent process. At present the Human Resources Division are not intending to undertake comparisons of staff in functional areas as a means of ensuring consistency in assessments, although current arrangements will continue for the review of staff members' technical performance by technical/functional area focal points.



Recommendation 5. The consistency and objectivity of the assessment process is important to aid WFP in its long-term goal of achieving excellence amongst its staff and I therefore recommend that WFP consider the desirability of further steps to ensure consistency of appraisals across the organisation in any future arrangements.

Progress and implementation to date

55. Throughout the development of the emerging new strategy, HR Division have consulted the staff associations and more than 350 staff across the organisation in focus groups and discussions. To ensure consistency over the Programme as a whole, HR Division intend to carry out a trial of the competencies with a further 400 staff before formal adoption. This collaborative and inclusive approach to the identification of the needs of the organisation and its staff is intended to make the introduction of the new strategy easier to manage.
56. Implementation of the strategy will involve some significant changes in the culture of the WFP, as managers and staff become more involved with career and development issues affecting their working lives. The HR Division has used the staff magazine to promote changes through a series of articles. My staff were informed that in September 2003 the HR Division intend to launch a comprehensive website as a focal point for the new strategy, which would be available world-wide to WFP staff.
57. The Division has identified that the cost of development and implementation of the strategy will be approximately US\$ 500,000. This does not include internal staff time spent on development. The HR Division envisages that there will be additional running costs (beyond those presently incurred), for which three additional posts have been requested in 2004-05 budget submissions.
58. During the design and implementation phase of the Human Resources Strategy, HR Division have addressed the issue of expected outcomes from successful implementation of the Strategy in WFP. My staff were informed that the Division was in the process of planning its results-based management outcomes and indicators for the biennium 2004-05. These would include some of the expected outcomes for the new Strategy. HR Division also indicated that an evaluation of the implementation of the new Strategy would be completed in due course.

CONCLUSION

59. From a point where WFP has lacked a clear and comprehensive strategic approach to the management of staff resources, HR Division have made progress in establishing a framework for improvement; and for dealing with staffing issues on a more comprehensive and consistent basis than has hitherto been achieved.
60. The emerging new strategy places an increased focus on improved career development, performance management and recruitment processes. These developments have been pursued with a view to achieving a more integrated or holistic approach to the management and assignment of staff.
61. WFP's 2002-05 Strategic Plan identified that in terms of human resources capacity, the Programme needs a core staff adequate in skills and experience but able to be expanded and contracted as needed. The new human resources Strategy addresses important management aspects of the Programme's operations. But there may also be scope for further emphasis in ensuring that the new arrangements will provide WFP with the means to address staffing issues in the context of its evolving business model: for example by addressing staffing needs and requirements against assessments of the potential for



alternative solutions, such as increased outsourcing of activities, or purchaser/provider arrangements as an alternative to the recruitment of professional staff.

ACKNOWLEDGEMENT

62. I wish to record my appreciation for the co-operation and assistance provided by the Executive Director and the staff of the Programme during the audit.

**Sir John Bourn
Comptroller and Auditor General, United Kingdom
External Auditor**

