

# Resource management and accountability in WFP

Induction Session - Executive Board  
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**World Food Programme**

# Resource Management and Accountability in WFP

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- **Resource Management & Accountability overview**
- **Key Resource Data**

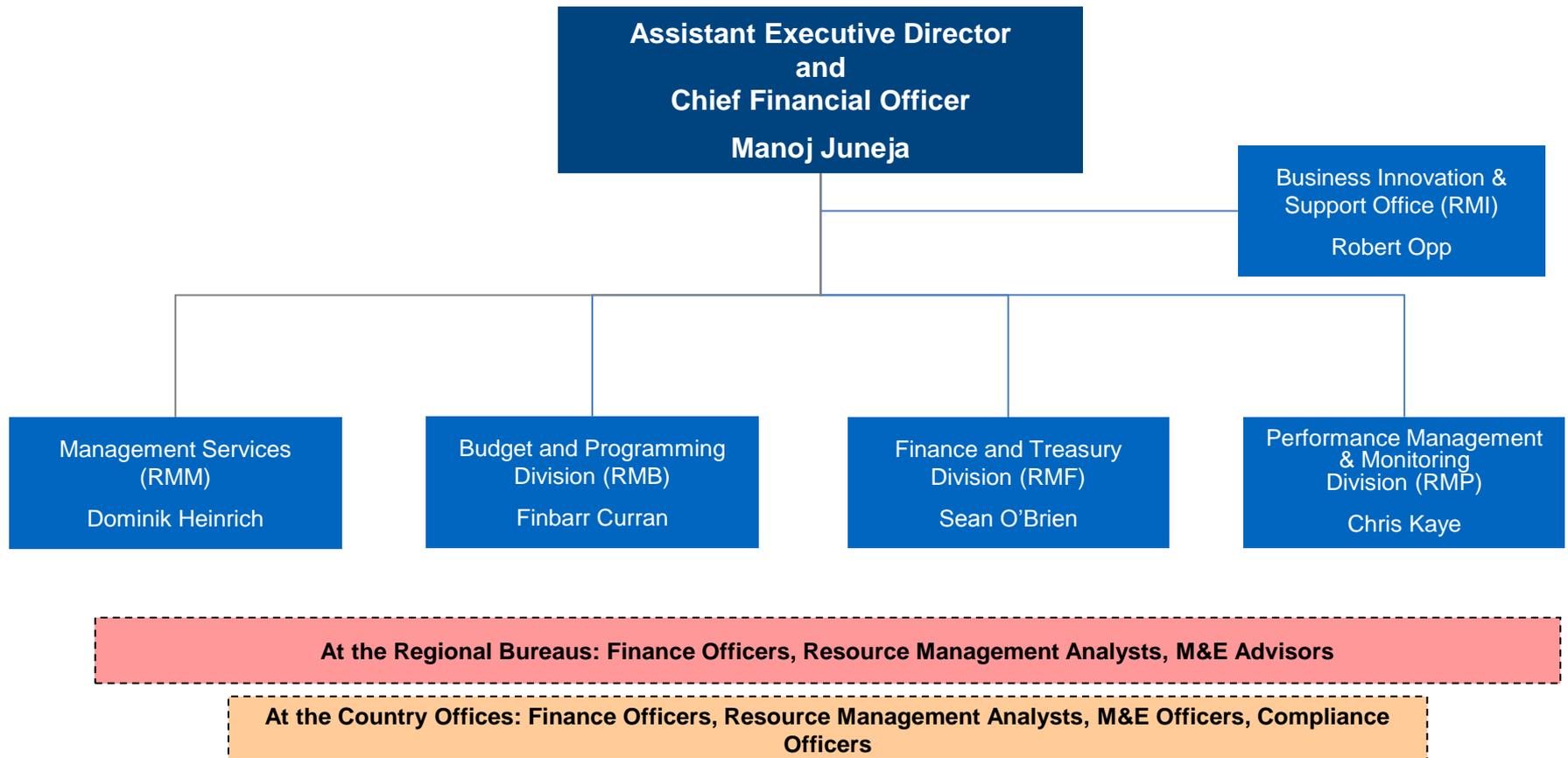
# Resource Management & Accountability overview

# Resource Management and Accountability Department

## Concept of 'Strategic CFO'

- Situated at centre of corporate decision making, maintaining dialogue with and challenging all functions in the organization
- Actively provides insight and advice on strategic issues
- Acts as a business partner with other Departments
- Focuses on strategic performance management and risk management organization-wide
- Oversees functions beyond the traditional finance areas
- Client-oriented service delivery

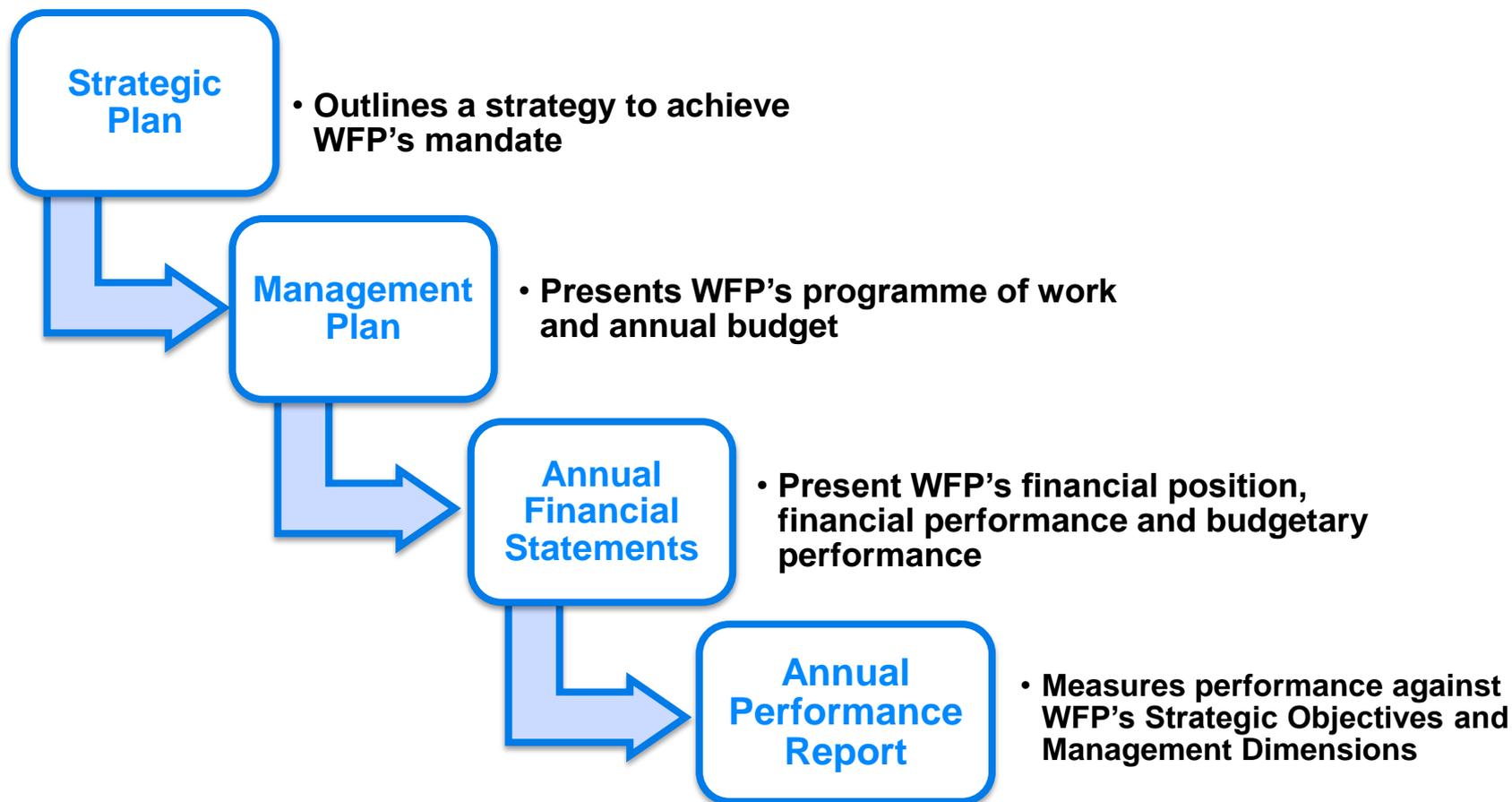
# RM Organizational Structure



# Performance Management in WFP



# Key Governance and Accountability Documents



# Resource Management and Accountability Department Objectives

**“Driving value for money and accountability for all WFP’s resources to improve beneficiary lives”**

**1 Bringing resource management knowledge and best practice to operations**

**2 Embedding efficiency, effectiveness and accountability into WFP’s culture and practice**

**3 Ensuring effective stewardship of resources - protecting our assets and reputation through effective managerial control, and improving the well being of our staff.**

**4 Keeping the wheels turning smoothly – providing financial, budgetary, performance management and administrative systems needed by WFP**

# Bringing resource management knowledge and best practice to operations

## Main areas of intervention:

### Resource planning

- Preparation of Management Plan

### Strategic allocation of multilateral funding

- Building donor trust through Strategic Resource Allocation Committee process

### Managing WFP's advance financing facilities

- Working Capital Financing facility
- Forward Purchase Facility
- Immediate Response Account

### Financial framework improvements

- Building greater predictability and effectiveness in resource usage

# Embedding efficiency, effectiveness and accountability into WFP's culture and practice

## Main areas of intervention:

### Driving Value for Money in WFP

- Establishing VfM framework and embedding VfM across WFP processes

### Supporting new business models

- Treasury Management System
- Cash and Vouchers
- Purchase for Progress
- Capital Budgeting Facility

### Improving management of existing resources

- Increased ceiling of Working Capital Financing facility
- Expansion of Forward Purchase Facility
- Enhanced efficiency of assets (e.g. light vehicle fleet, buildings, etc.)

# Ensuring effective stewardship of resources

## Main areas of intervention:

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### **Implemented International Public Sector Accounting Standards**

- Strengthening statutory and internal financial reporting

### **Strengthening managerial control and accountability**

- Mainstreamed Statement on Internal Control/Letter of Representation process

### **Embedding monitoring, performance and risk management in WFP**

- Providing tools, IT systems and guidance for performance planning, review, monitoring, reporting and risk analysis

### **Use of evidence to influence effective management of resources**

- On-going work on beneficiary counting

# Keeping the wheels turning smoothly

## Main areas of intervention:

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### **Budgeting & Programming**

- Project budgeting; Resource Programming; PSA management

### **Finance & Treasury**

- Financial management, control and reporting, treasury management, payments and payroll

### **Business Innovation & Support**

- Support to change management

### **Management Services**

- HQ building services, security, and administration

### **Performance management**

- Continued support to performance planning, monitoring and reporting

## Key Resource Data

# WFP operates in a unique and challenging context

- **Operational uncertainty, difficult working environment**
- **Global uncertainty of markets (currencies and commodity prices)**
- **100% voluntary funding (Full Cost Recovery)**
- **Project based funding model, with 7.0% Indirect Support Cost rate to cover Programme Support and Administrative costs**
- **UN and donor regulatory frameworks**
- **New intervention types (e.g., cash & vouchers)**

# WFP's 2014 Budget

## 2014 Budget per Approved Management Plan

	USD million	
Operational Requirements	5,857.0	} Approved by the Executive Board or under the Executive Director's delegated authority. Implementation is subject to funding.
Regular PSA	281.8	
Non-recurring PSA investments	9.2	
Security funding (from the General Fund)	10.0	} Approved by the Executive Board in the Management Plan.
Treasury Management System (from the General Fund)	-	
Special Accounts and Trust Funds	438.0	} Established by the Executive Director under Financial Regulation 5.1.
<b>Total</b>	<b>6,596.0</b>	

# Key Resource Data I

- **Contribution revenue**
  - WFP received approx. USD 4.0 billion in 2012 and USD 4.2 billion in 2013
  
- **Expenses**
  - 2013 expenses include approx.:
    - 17% on Salaries, employee benefits and other staff costs
    - Growing proportion for C&V (2010: 1%; 2011: 3%; 2012: 4%; 2013: 11%)
  
- **Programme Support and Administrative costs (PSA)**
  - 2013 approved PSA was USD 249.1 million
  - 2013 PSA income exceeded the budget
  - Surplus/deficit go into a PSA Equalisation Account (PSAEA)
  - 2013 year-end balance of PSAEA exceeds 4 months' expenditure

# Key Resource Data II

- **Key Assets held by WFP**
  - Cash and Investments:
    - From the donors and for projects which are in the process of implementation
    - Balance exceeds USD1.5 billion approx.
  - Contributions Receivable:
    - Monies to be received from the donors
    - Balance is approx. USD 2.0 billion
  - Inventories (Food and NFI):
    - Inventory held by WFP in WFP warehouses around the world; balances held are consistent year to year
    - Balance is approx. USD 700 million

# Key Resource Data III

- **Personnel**
  - Headcount is approx. 13,895
    - International Professional – 1,536
    - National Staff and GS – 3,834
    - Consultants – 777
    - Temporary Staff – 7,748
  
- **Premises**
  - WFP current premises - 1475
    - HQ - 1
    - Country Offices – 83
    - Regional Bureaus – 6
    - Liaison Offices – 14
    - Guesthouses – 80
    - Land – 272
    - Sub-offices – 347
    - Warehouses – 565
    - Other - 107

# Thank You

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