



World Food Programme

SAVING LIVES  
CHANGING LIVES

## Resource Management seminar on EB.A/2022 matters

23 May 2022

# AGENDA

## Part 1: Resource and budgetary documents

- I. Update on the WFP management plan (2022-2024)
- II. Report on the utilization of WFP's advance financing mechanisms, 2021
- III. Classification of private sector donors as non-traditional donors under General Rule XIII.4 (c)

Q&A

## Part 2: Accountability and reporting documents

- I. Audited annual accounts, 2021: financial statements
- II. External audit findings: 2021 financial statements and oversight by management
- III. Management response: external audit on oversight by management

Q&A

- IV. Statement on internal control
- V. Management review of significant risk and control issues, 2021

Q&A

## Key RM dates and documents in 2022

# **Part 1: Resource and budgetary documents**

I. Update on the WFP management plan (2022-2024)

# DRAFT DECISIONS

## At the 2022 Annual Session, the EB will be asked to take note of:

- The 2022 approved needs-based plan of **USD 17.1 billion** as of 31 March 2022
- The increased contribution forecast for 2022 from **USD 8.4 billion to USD 9.5 billion**
- Release of an additional PSA of **up to 2% of the USD 1.1 billion increase** of the forecasted 2022 contribution income by the ED
- The **updates** on the bottom-up strategic budgeting exercise



# DRAFT DECISIONS

## At the 2022 Annual Session, the EB will be asked to decide:

- **Expand the 4% ISC rate** in exceptional situations for IFI contributions:
  - i. revise General Rule XIII.4 (e)
  - ii. Describe the exception—government not internationally recognized or ineligible
  - iii. retroactively apply the 4% ISC to a contribution to Afghanistan

## to approve:

- USD 23.4 million from the **PSA equalization account**
  - i. USD 8 million for the Wellness Programme Fund;
  - ii. USD 15.4 million for CCI on Strategic Plan and Corporate Results Framework.
- USD 185 million from the **unearmarked portion of the General Fund**
  - i. USD 100 million to strengthen the Immediate Response Account;
  - ii. USD 55 million to establish a changing lives transformation fund; and
  - iii. USD 30 million to replenish the Emerging Donor Matching Fund.

# EXPANDING THE 4% ISC RATE

## Current

WFP as **direct recipient** of IFI financing with no national government involvement – **6.5% ISC rate applied**

WFP as **indirect recipient** via a contribution from the national government where WFP is the government's implementing partner on IFI funds provided as loans or grants to national governments – **4% ISC rate applied**

## Proposed expansion (for June Board)

**Apply 4%** when WFP is a direct recipient of IFI funds because the government is not recognized or ineligible to receive IFI funding

- IFIs consider these funds as “country owned”
- WFP aligns with UN practice in classifying IFI funds in these situations as programme country funding which are accorded preferential ISC rates



# CCI ON STRATEGIC PLAN AND CORPORATE RESULTS FRAMEWORK – USD 15.4 M

Implementation of the new **Strategic Plan and Corporate Results Framework** requires tools and systems changes. This initiative will result in:

- Alignment of planning and performance reports to the new CRF and enhanced alignment to the UN Cooperation Framework
- Digital transformation of end-to-end planning to reporting processes
- More efficient monitoring and reporting of the Strategic Plan.

Requested funding covers:

- **Business costs for 2022 and 2023**
- Technology costs for 2022 only. Additional funding for technology in 2023 will be proposed in the Management Plan 2023-2025.



# ESTABLISH CHANGING LIVES TRANSFORMATION FUND – USD 55 M

## **Objective**

Governments achieve their ambitions for national transformation

## **Problem to be addressed**

Insufficient funding to design, pilot, innovate and sustain interventions that have a transformative impact.

## **The Fund will enable Country Offices to**

- Diversify funding sources
- Support countries in meeting development objectives
- Align engagement in ways that provide catalytic support

## **Aim of the Changing Lives Transformation Fund**

- Reduce the growth of humanitarian needs





# **Part 1: Resource and budgetary documents**

II. Report on the utilization of WFP's advance financing mechanisms, 2021

# WFP'S ADVANCE FINANCING TOOLS



## Advance financing for release of funds to projects

- 1 Internal Project Lending and Macro-Advance Financing:** provides advances against forecasted contributions or overall income
- 2 Immediate Response Account:** provides allocations with no collateral for life-saving assistance which can be converted from advanced to grants



## Advance financing for food purchases prior to requests from specific countries

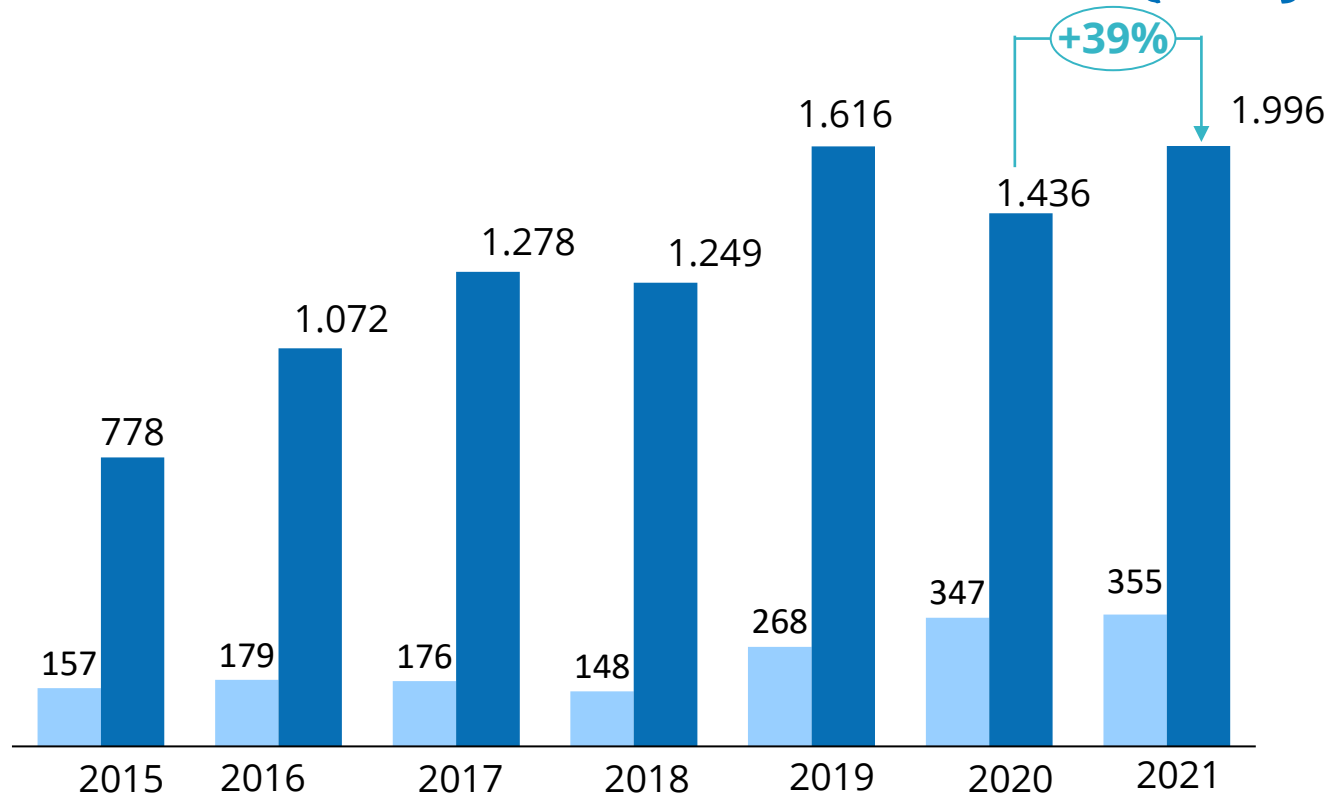
- 3 Global Commodity Management Facility:** purchasing food in advance of requests from country offices to reduce delivery lead-time



## Advance financing for Corporate Services

- 4 Capital Budgeting Facility:** allows WFP to make investments in the efficiency and quality of corporate services, where there is a need for larger upfront investments

# 1 – INTERNAL PROJECT LENDING (IPL)



Number of loans Amount advanced (USDMM)

Provides advance spending authority against forecast contributions for timely operational response.

**IPL permits timely operational response but requires donor contributions that allow advance financing.**

75 CSPs

where Internal Project Lending advances were made

+39% advanced compared to 2020.

48 days

average time when country offices received funds before contributions date

# DRAFT DECISION: INCREASE THE IPL CEILING

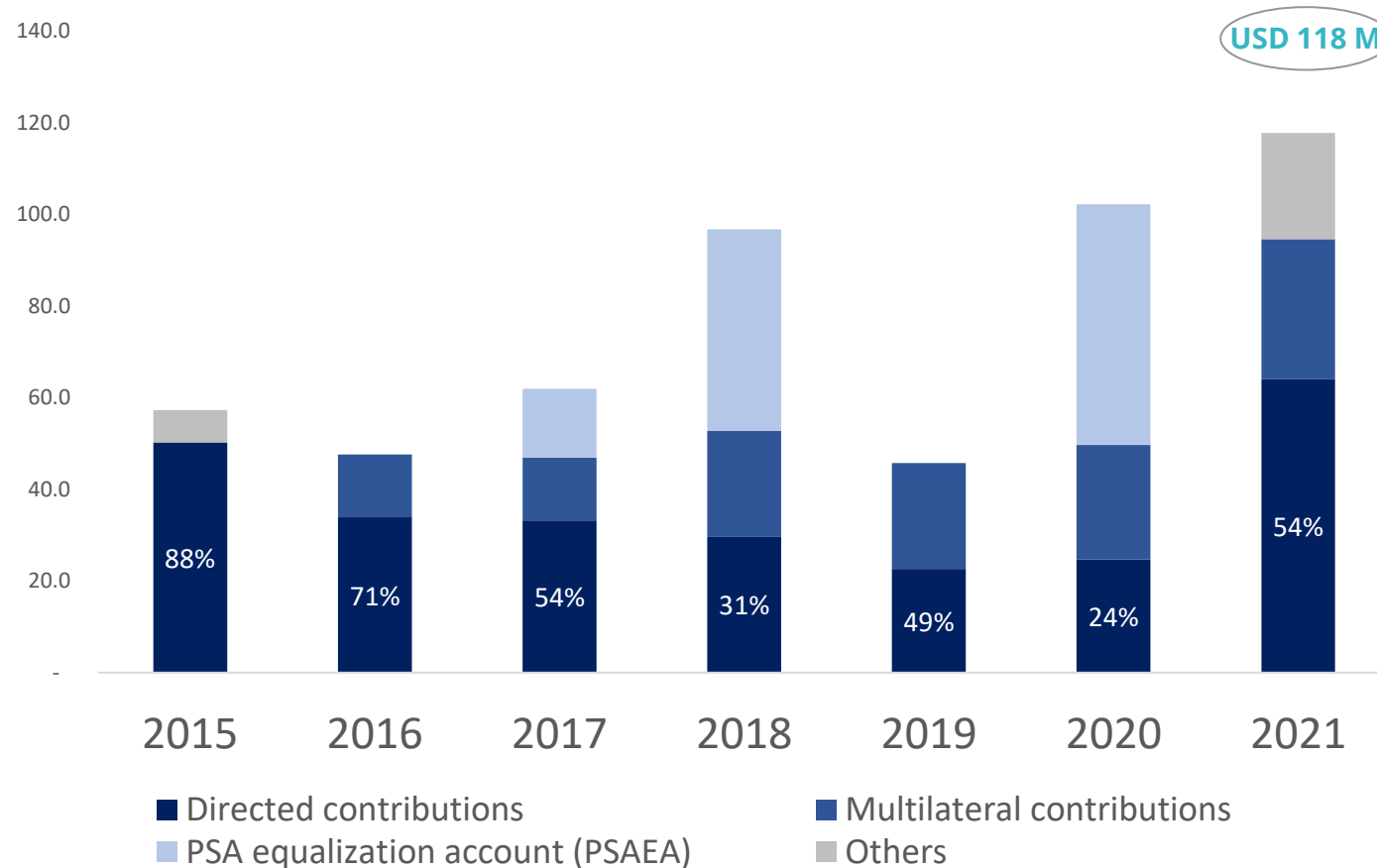
**At the 2022 Annual Session, the EB will be asked to approve:**

## **Increase the IPL ceiling to USD 950 million**

- Increasing demand for IPL appeals for maximizing the leverage available for the facility (as recommended by BCG analysis in 2014 and reconfirmed in 2021);
- The increase reflects a ceiling to reserve leverage ratio of 10:1 against the current reserve of USD 95.2 million. No new donor contribution is required to increase the ceiling;
- The higher ceiling will enable WFP's effective response in case of scale-up;
- WFP's risk mitigation measures have been effective in maintaining a low level of write-offs to date. WFP takes a systematic approach to managing IPL, which includes a robust forecasting process and trend analysis that are regularly captured in the corporate platform, Salesforce;
- This mechanism serves as an internal tool for flexibly managing operations.



# 2 – NEW CONTRIBUTIONS TO THE IMMEDIATE RESPONSE ACCOUNT (IRA)

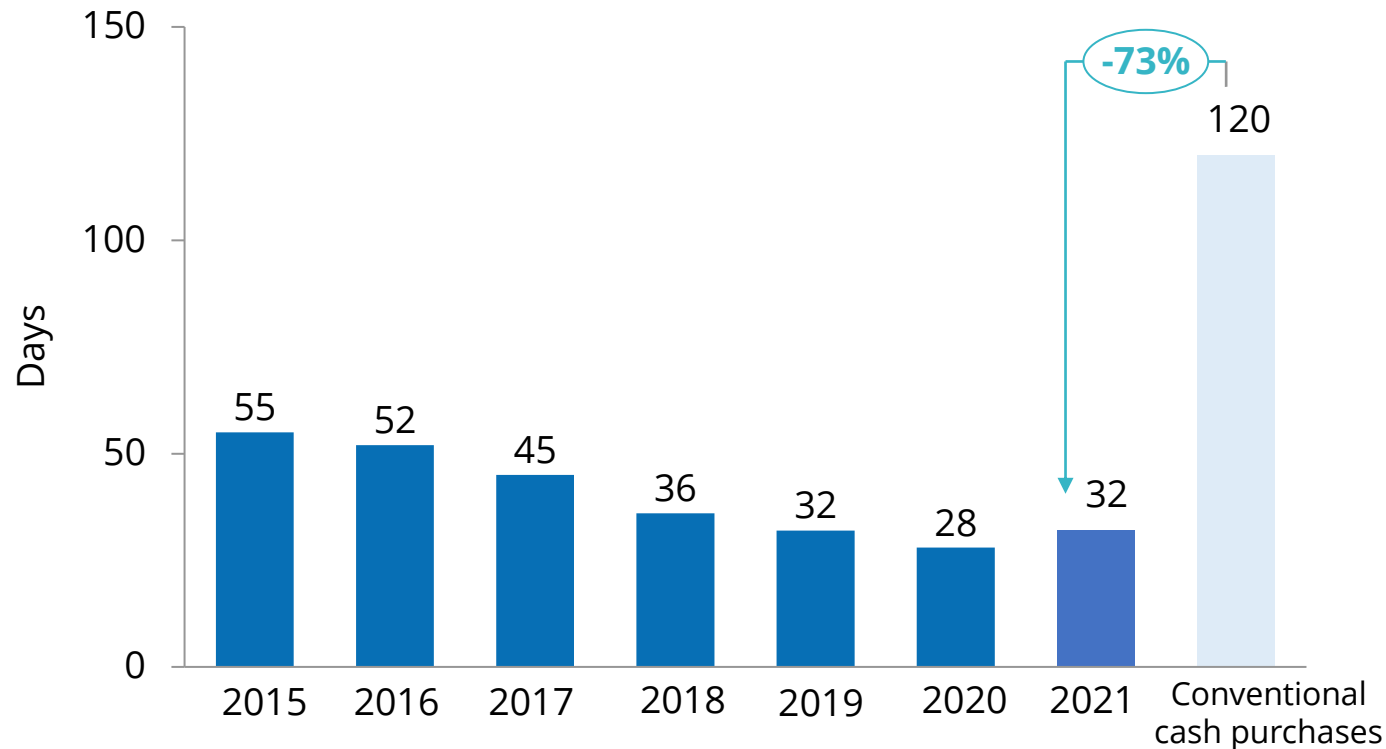


In 2021, IRA allocations totaled **USD 220 million** across 49 CSPs

In 2021, directed donor contributions was **USD 64 million**. Together with multilateral contributions and other revenues such as a surplus from self-insurance account, new contributions were **USD 118 million**

**The IRA is a critical financing tool for immediate assistance in life-threatening situations in the absence of forecast contributions. Increasing support for this mechanism is essential. The IRA fund raising target for 2023 will be defined within the upcoming Management Plan**

# 3 – GLOBAL COMMODITY MANAGEMENT FACILITY (GCMF)



**2.5 million mt  
(USD 1.5 billion)**  
Food delivered to 49 countries,  
60% of total volume purchased by  
WFP

**32 days**  
average lead-time representing  
73% reduction vs “conventional”  
process

WFP purchases food commodities in advance of contribution confirmation to reduce food delivery lead-time (especially in emergencies)

## Benefits of GCMF:

1. faster delivery of food
2. support to regional and local procurement
3. economies of scale and procurement at the right time

# DRAFT DECISION: INCREASE GCMF CEILING

**At the 2022 Annual Session, the EB will be asked to approve:**

## **Increase the GCMF ceiling to USD 950 million**

- There is increasing food insecurity worldwide and supply chain disruptions, with negative consequences on food prices and transportation costs, aggravated by the conflict in Ukraine;
- 2022 projected GCMF sales of USD 1.8 billion will overstretch the current ceiling of USD 800 million by rotating the envelope more than twice;
- To increase WFP's agility to respond quickly to unexpected sudden increased food requirements, increasing the ceiling to USD 950 million is proposed. No new donor contribution is required to increase the ceiling;
- There is minimal risk because GCMF entails an asset swap, from cash to commodities. Also, GCMF inventory is fully covered by WFP's self-insurance;
- This mechanism serves as an internal tool for flexibly managing operations.



## **Part 1: Resource and budgetary documents**

III. Classification of private sector donors as non-traditional donors under General Rule XIII.4 (c)



# UNDERSTANDING THE CHALLENGE

## WHAT IS THE CHALLENGE

- Increasingly common practice among the private sector to **engage two associated yet separate legal entities to provide contributions and meet Full-Cost Recovery (FCR).**
- WFP is currently not fully equipped to respond to these evolving business dynamics and accept contributions in an effective and timely way.



## WHY IS IT A CHALLENGE

- **Private sector donors have not, up till now, been classified as a donor category** within WFP General Rule XIII.4(c).
- UN perceived by prospects as **difficult to work with, due to long/cumbersome processes** to identify and accept contributions from private sector.

## Example



**Entity A** wants to partner with WFP and **provide a contribution** to support WFP's operations.



**Entity B offers the funds to cover associated costs** of the partnership with Entity A to make sure WFP meets full-cost recovery requirements.



Under current WFP regulations, **this arrangement**, which would consist of two separate contributions that together achieve full cost recovery, **would be considered twinning**. It is therefore **not permissible for private sector donors, as they are not currently classified as non-traditional donors**.

# THE PROPOSED SOLUTION



## What is the proposed solution?

- Private sector donors classified as **non-traditional** donors
- Enables eligibility of private sector donors for **twinning to achieve full-cost recovery**



## No recourse to WFP Fund nor monetization

- Twinning through **recourse to the WFP Fund or monetization NOT ALLOWED**
- Funds from a public or private entity with an **explicit grant to support initial contribution**



**This approach directly contributes towards expanding WFP's resource base, without relying on already-contributed multilateral funds.**

# THE RATIONALE FOR THIS PROPOSAL

## Impact of private sector donors being classified as non-traditional



Ensuring a **successful implementation of PSPF Strategy** and its **ambitious 2025 objectives**, including the commitments around impact and income partnerships;



Meeting the **ever-evolving ways of working of the business sector** and reducing the perception that United Nations agencies are difficult to work with and do not understand the business;



Enabling WFP to **engage in public-private partnerships**;



Supporting **WFP's evolving needs in emergency** contexts;



Nurturing **long-term, sustainable relationships with the private sector**, i.e. not creating cumbersome processes that could potentially damage relationships with partners or prospects.

**Q&A**

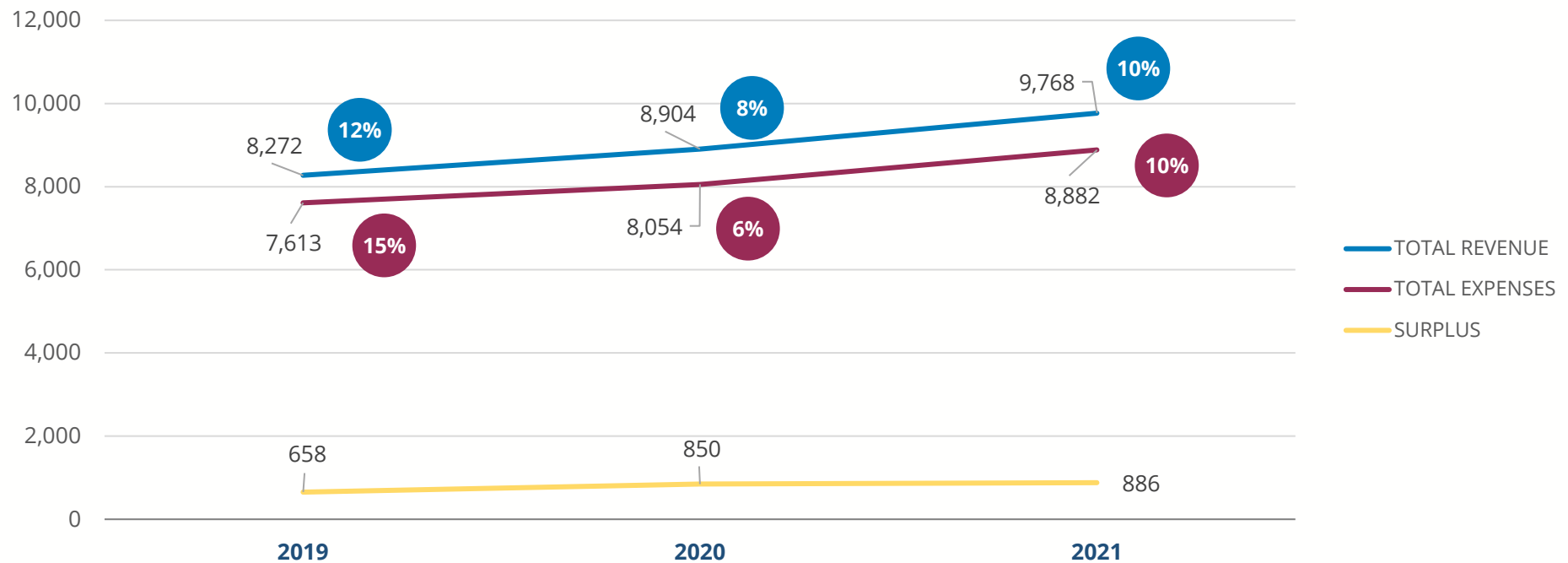
## **Part 2: Accountability and reporting documents**

I. Audited annual accounts, 2021: financial statements

# STATEMENT II – REVENUE

In 2021, revenue was at record level, reaching USD 9.8 billion. Operational spending reached USD 8.9 billion. The growth rate of both revenue and expenses was 10%.

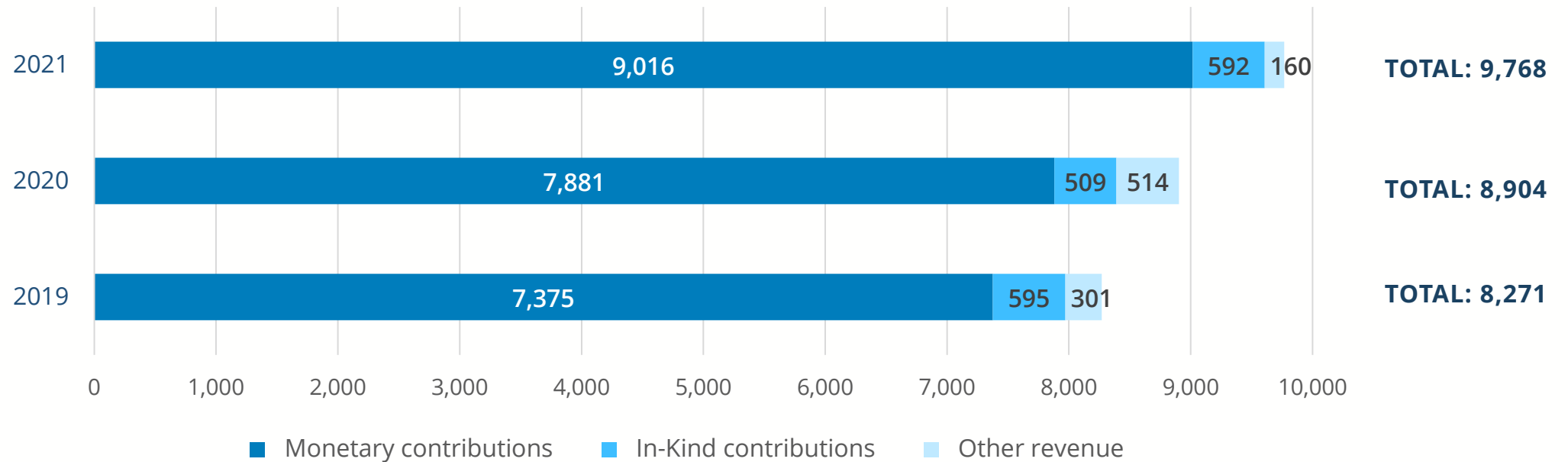
EVOLUTION OF REVENUE, EXPENSES AND SURPLUS (IN USD M)



# STATEMENT II – REVENUE

USD 9.6b or 98% of total 2021 revenue was from donor contributions, an increase of USD 1.2b or 15% compared to 2020.

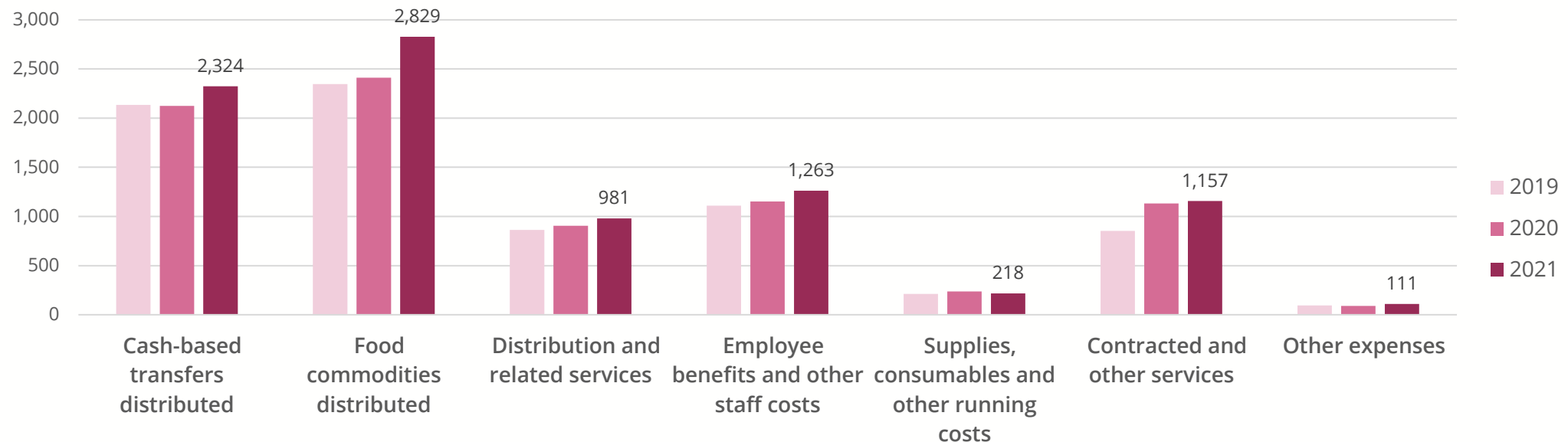
EVOLUTION AND COMPOSITION OF REVENUE (IN USD M)



# STATEMENT II – EXPENSES

CBT distributed increased by 9% to USD 2.3b. Food commodities distributed increased by 17% in value to USD 2.8b with slight decrease in mt.

EVOLUTION AND COMPOSITION OF EXPENSES (IN USD M)





# STATEMENT I – FINANCIAL POSITION

- **Total assets of USD 11,653.3 million** increased by USD 1,235.6 million (12%).  
The increase is due to the growth in contribution receivables, cash, inventories and investments driven by the growth in operations.
- **Food inventories** stand at USD 1,183.4 million, an increase of 22%, while the mt held grew from 1.5 million mt in 2020 to 1.7 million in 2021. 54 percent of inventories by quantity were held by ten operations: Yemen, Ethiopia, the Syrian Arab Republic, Afghanistan, South Sudan, Democratic Republic of Congo, Somalia, Sudan, Chad and Madagascar.
- **Total liabilities** amount to **USD 3,703.8 million** an increase of 4% compared to 2020 as a result of increase in deferred revenue which stood at USD 1,370.6 million and was 16% higher. Long-term employee benefit liabilities (EBL) amounted USD 1,046.2m. Assets set aside for the EBL represent 108% funding level of liabilities.
- **Net assets** (Fund Balances and Reserves) totalled **USD 7,949.5 million**.  
Out of total net assets, USD 6,184.7 million relate to the CSPs, representing approximately five months of operational activity, the same as in 2020.

# STATEMENT V – COMPARISON OF BUDGET AND ACTUAL AMOUNTS

**1** Final budget (USD 14.4 billion) is higher than original by USD 2.4 billion

Major increases were in Ethiopia, Sudan, Afghanistan, Syria and Nigeria

	Budget amount		Actual on comparable basis	Difference final budget and actual	Implementation on plan	Utilisation rate final budget
	Original budget	Final budget				
<b>CSP costs</b>						
SR.1 Everyone has access to food	9,048.0	10,330.4	6,668.8	3,661.6	7,060.6	65%
SR.2 No one suffers from malnutrition	843.2	876.3	456.3	420.0	610.3	52%
SR.3 to SR 7	742.2	879.1	488.5	390.6	651.2	56%
SR.8 Strengthening global partnerships	469.0	1,298.9	848.3	450.6	453.4	65%
Adjusted DSC	490.2	537.0	379.6	157.4	429.3	71%
<b>Subtotal CSP costs</b>	<b>11,592.6</b>	<b>13,921.7</b>	<b>8,841.5</b>	<b>5,080.2</b>	<b>9,204.8</b>	<b>64%</b>
Regular PSA	443.5	443.5	442.6	0.9	443.5	100%
Critical corporate initiatives	37.2	68.8	48.9	19.9	37.2	71%
<b>Subtotal indirect costs</b>	<b>480.7</b>	<b>512.3</b>	<b>491.5</b>	<b>20.8</b>	<b>480.7</b>	<b>96%</b>
<b>Total</b>	<b>12,073.3</b>	<b>14,434.0</b>	<b>9,333.0</b>	<b>5,101.0</b>	<b>9,685.5</b>	<b>65%</b>

**4** Largest CBT operations: Syrian refugees' emergency and Yemen

Largest food operations: Yemen, Ethiopia, Syria, Sudan, South Sudan and Afghanistan

**2** Actuals represent 96% of the implementation plan (the plan as at 1 January 2021)

**3** Utilisation rate of the final budget is 65% compared to 59% in 2020

## **Part 2: Accountability and reporting documents**

II. External audit findings: 2021 financial statements and oversight by management



## 2021 AUDIT ENGAGEMENTS

- 2021 Financial Statements (04-15 Oct. 2021 & 14 Feb.-04 Mar. 2022)
- Management oversight (19-23 July. 2021 & 17-28 Jan. 2022)
- Management of cooperating partners (19-23 July. 2021 & 17-28 Jan. 2022)
- Field visits : Algeria, Armenia, Central African Republic, Democratic Republic of Congo, Dominican Republic, Namibia, Pakistan, RBP



# 2021 FINANCIAL STATEMENTS

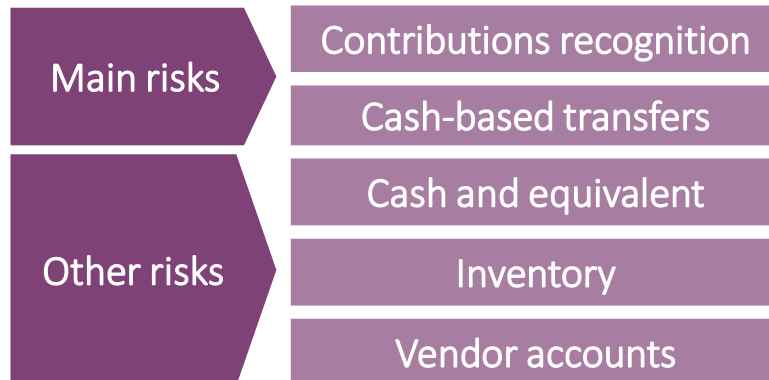
## AUDIT FINDINGS

FINANCIAL AUDIT

(04-15 Oct. 2021 & 14 Feb.-04 Mar. 2022)

## OUR APPROACH

- Our approach is a **risk-based one** and relies on **ISA standard 315** : “identifying and assessing the risks of material misstatement, through understanding the entity and its environment”.
- We identified the following risks as being the highest:



## STATEMENTS I & II

US billion	Dec 21	Dec 20	Var
Assets	11.7	10.4	+1.3
Liabilities	3.7	3.6	+0.1
Funds balances	<b>7.9</b>	<b>6.8</b>	<b>+1.1</b>

US billion	Dec 21	Dec 20	Var
Revenue	9.8	8.9	+0.9
Expenses	8.9	8.1	+0.8
Surplus	<b>+0.89</b>	<b>+0.85</b>	<b>+0.04</b>

## OBJECTIVES

- 1 - Determine whether the Financial Statement fairly reflect, in all material respects, WFP’s financial position at 31 December 2021 and results of operations recognized during the period, in accordance with IPSAS.
- 2 - Determine whether the Financial Statements were prepared in accordance with the Financial Regulations and stated accounting policies.
- 3 - Determine whether the accounting policies applied correspond to those used in the previous year.
- 4 - Determine whether the transactions were carried out in compliance with the Financial Regulations and legislative authority.

## MAIN OBSERVATIONS ON FINANCIAL AUDIT

***The decision to implement reduced rates of Indirect Support Costs should be strengthened***

- Contingent liability resulted from an incorrect application of a 4% indirect support cost (ISC) rate on three grants from the IDA (WB). Potential financial shortfall for WFP is of approximately USD 6.1 million.
- Conditions for the reduced rates of 4% can be hard to analyze and precisions need to be made to the decision-making process, and delegations of authority as well as funding agreement models need to be strengthened.

***Actuarial valuation is based on staff census data of the 30<sup>th</sup> of September, thus ignoring changes occurring in the fourth quarter of a given year***

- This year's actuarial valuation is again based on the September 30, 2020 staff census data. As a result, changes occurring in the fourth quarter of 2021 are not taken into account.
- WFP considers that the net impact of this approximation on the financial statements, which was estimated at 1.2 million in 2020, is not material.
- WFP could improve the process of validating the staff census data by submitting an analysis of staffing changes in the fourth quarter of each year to its actuary and having the actuary estimate the potential impact of these changes on the liability at regular intervals, such as every three years.

***WFP set up a long-term investment fund in bonds and equities to fund long-term employee benefits. WFP should analyze whether this funding arrangement should be discontinued or not.***

- To fund long-term staff benefits, WFP has set up a long-term financial investment in bonds and equities, financed by annual investments, in accordance with the decision taken by the Board in 2010. This is the first year that the amount of the investment exceeds the amount of long-term employee benefits.
- With the long-term benefits now fully funded by these investments, it is up to WFP to analyze whether the funding arrangement in place should be discontinued or whether an additional period of application is needed and to report on the matter to the Executive Board.



# MANAGEMENT OVERSIGHT

## AUDIT FINDINGS

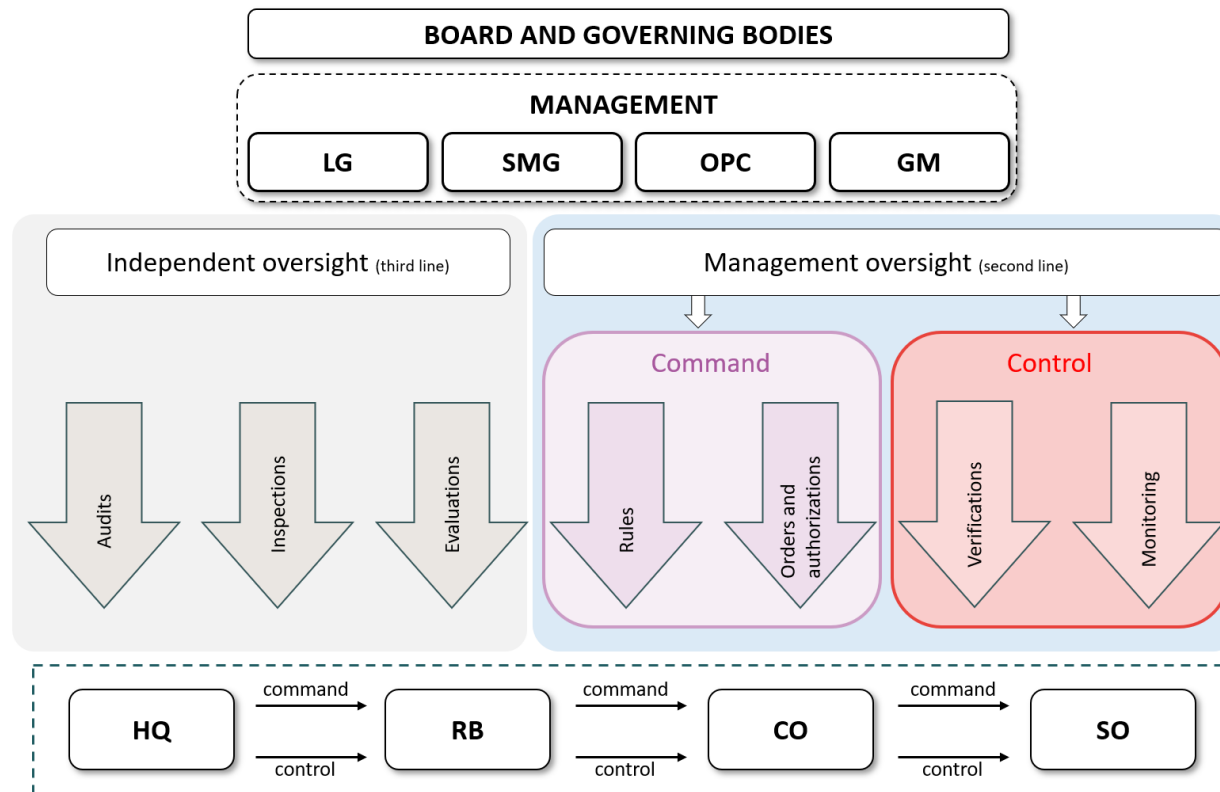
PERFORMANCE AUDIT  
(19-23 July 2021 2021 & 17-28 Jan. 2022)



# AUDIT OF MANAGEMENT OVERSIGHT

## AUDIT SCOPE

Management Oversight bodies, mainly of second line of defense (HQ Functional Divisions, Enterprise and Risk Management Division, Regional Bureaux and Country Offices management) and normative texts (such as the Terms of Reference, the Financial Management Manual, Letters of Representations, etc.).



## OBJECTIVES

- 1 – Examine the effectiveness of oversight mechanisms (operations of the second line of defense and review of management’s mechanisms for providing oversight – ERM, RCA and RCN, RB and CO oversight).
- 2 – Examine the adequacy of oversight mechanisms (complementarity and coherence between second and third lines of defense, clarity of roles and mandates of second line of defense).
- 3 – Examine the efficiency of oversight mechanisms (cost of oversight, adequacy of resources, evaluation of technological tools).

# MAIN OBSERVATIONS ON MANAGEMENT OVERSIGHT

## Main recommendations

## Underlying causes

## Field

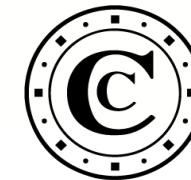
<p>Clarify terms of <b>oversight</b> &amp; clarify <b>roles and structures</b></p>	<p>There is no harmonized definition of oversight within WFP, and the existing documents make it difficult to distinguish oversight and internal control. The position of ERM is ambiguous and gives the impression that risk management is focused on financial risk alone and does not come from the top of WFP.</p>	<p>Oversight framework</p>
<p>Improve distribution of responsibilities in order to avoid <b>overlap</b></p>	<p>The Secretariat has identified persistent duplications between HQ and RBs in 11 divisions. The concept of monitoring, which is central in the context of management oversight and makes it possible to distinguish the second line of defense from the third line of defense, should be clarified.</p>	<p>Oversight framework</p>
<p>Improve the definition of the oversight role entrusted to <b>regional bureaux</b></p>	<p>Certain concepts, such as performance oversight lack substance. Figures on the distribution of work between oversight and support show large disparities between RBs, which reveals different practices and ways of recording mission costs. The Secretariat is unable to establish a reliable estimate of the budgets allocated to oversight activities.</p>	<p>Oversight framework</p>
<p>Improve the <b>flow of information</b> between RBs and HQ (i.e. centralize the oversight reports conducted by RBs, specify the procedures for follow-up on recommendations).</p>	<p>RBs do extensive oversight work which could be a major source of objective information for HQ, yet the reporting system isn't standardized. Most of the information collected and processed by the regional bureaux does not go back to HQ in a formalized manner. Similarly, HQ divisions do not benefit from the follow-up of recommendations made in RBs oversight reports, despite follow-up on recommendations being crucial.</p>	<p>Oversight by Headquarters</p>
<p>Implement the <b>automation of risk reporting</b> into R2, and the monitoring of ulterior modifications.</p>	<p>The integration of risk registers into the R2 software is done manually in two steps (input and approval) and is time-consuming. Excel spreadsheets are still widely used. Further automation would spare time and mistakes; this is also true for the monitoring and updating of mitigation actions.</p>	<p>Oversight and computer systems</p>

## **Part 2: Accountability and reporting documents**

III. Management response: external audit on oversight by management

# Report of the External Auditor on Oversight by Management

Cour des comptes  
FRANCE



## 15 recommendations

- 7 high priority, 5 medium priority, 3 low priority
- All accepted – 3 already completed
- Two-thirds of recommendations to be completed by end-2022.

### CONCEPTS – OVERSIGHT FRAMEWORK

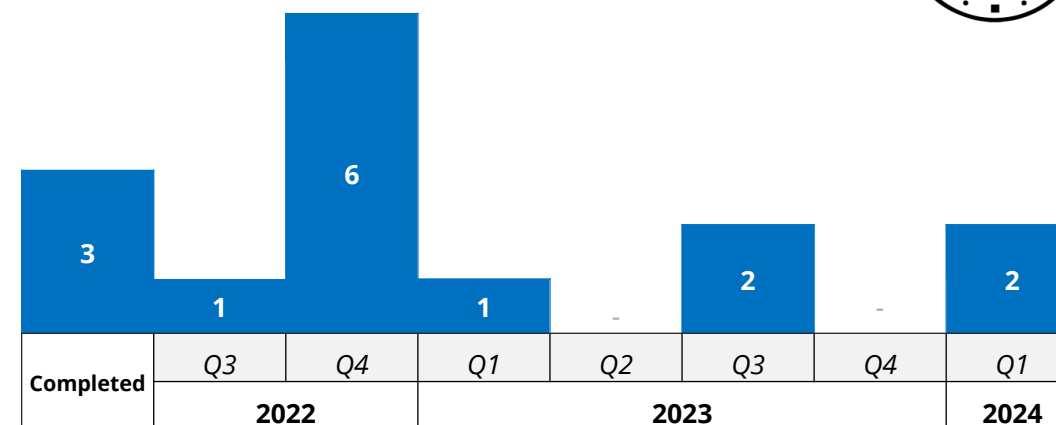
- Oversight (**rec. 1**) and monitoring (**rec. 4**)

### ORGANIZATIONAL DESIGN

- Roles of oversight structures (**rec. 2**)
- Positioning of the Enterprise Risk Management Division (**rec. 3**)

### CONDUCT AND FOLLOW-UP OF OVERSIGHT ACTIVITIES

- Number and design of oversight missions by regional bureaux (**recs. 8 & 9**)
- Follow-up of recommendations by regional bureaux (**recs. 6 & 10**)
- Definition, escalation and monitoring of high-risk issues (**rec. 5**)
- Scope and modalities of performance oversight (**rec. 7**)



### OVERSIGHT OF ENTERPRISE RISK MANAGEMENT IN THE FIELD

- Tasks of risk and compliance advisers (**rec. 11**)
- Assessment of country-level risk (**rec. 12**)
- Local adaptation of risk monitoring (**rec. 13**)

### OVERSIGHT AND IT SYSTEMS

- Automated risk reporting (**rec. 14**)
- COMET training - reconciliation (**rec. 15**)

**Q&A**

## **Part 2: Accountability and reporting documents**

IV. Statement on internal control

V. Management review of significant risk and control issues

# 2021 STATEMENT ON INTERNAL CONTROL HIGHLIGHTS (1 of 3)

The annual Executive Director's Assurance Exercise forms the Executive Director's Statement on Internal Control and the Management Review of Significant Risk and Control Issues.

## Record assurance exercise engagement in 2021:

- **99% completion on time; 16% reduction** in average survey length without compromising qualitative analysis;
- **Multilingual support** (guidance issued in **5 languages**, complemented by multilingual helpdesk and webinars).

## Issues prioritized in the Management Review for further attention:



## Sample of 2021 Executive Director's Assurance Exercise Responses

"Walk the walk, talk the talk, we talk about workplace culture but let senior managers bully staff without consequences."

- HQ respondent

"The biggest challenge remains the trust colleagues have in the system (which we feel has improved) and the fear of retaliation and that despite affirmations to the contrary, people fear WFP would not be able or willing to protect whistleblowers. The country director or OIGI are far away, and the lengthiness of the processes is also a deterrent."

- CO respondent

### Workplace culture and conduct

"One main challenge in terms of talent management is the regular turnover observed within CO staff (particularly nationals) which could be directly linked to the contract types. Indeed, staff are recruited by other agencies offering them FT contracts that are more attractive to them compared to the SCs most of them have."

- CO respondent

"Gender parity is not just about numbers but should extend to women's involvement in decision-making and leadership roles, and issues of pay equity (related to staff movement from one office to another as local hires, as well as equal pay for work of equal value)."

- HQ respondent

### Talent management and workforce planning

### Beneficiary management and IT solutions

"There was no local capacity to use corporate tools such as COMET/SCOPE/MoDa. The CO struggled all 2021 trying to sort out the best possible way to manage these tools correctly, however insufficient training support from RB/HQ led the CO to make errors and delays in our distributions."

- CO respondent

"It is important to strike the balance between the CO's technology expectations, aspirations, needs and resources available, together with the increasing demand for automation and digitalization of programmatic activities... With the new cost recovery model, if COs are asked to pay for the use of SCOPE, many may revert to using non-standardized systems."

- RB respondent

### Non-governmental organization management

"Going forward, it is clear that WFP needs to reduce investment into bureaucratic procedures and rather focus on streamlining FLA management tools, particularly the management of FLA budgets."

- RB respondent

"(...) most of our partners work with so many other organizations, this may compromise quality and timely delivery."

- CO respondent

"High staff turnover among (...) NGOs makes it difficult to maintain continuity with regards to capacity building and ensure good quality work."

- CO respondent



# 2021 STATEMENT ON INTERNAL CONTROL HIGHLIGHTS (3 of 3)

## Material incidents included in Management Review

### WFP is strengthening controls in nine countries as a result of material events that took place in 2021:

- **Nigeria:** financial liabilities;
- **Democratic Republic of Congo:** security incidents, interruption of port operations;
- **Mozambique:** misappropriation of humanitarian aid;
- **South Sudan:** security incidents, food loss;
- **Somalia:** duplicate beneficiary records, food diversion;
- **Sudan:** interruption of port operations;
- **Liberia:** cooperating partners, food loss;
- **Ethiopia:** security incidents;
- **Haiti:** allegations of corruption and harassment.

*Risk management is forward looking, but we learn from incidents and adapt our control environment accordingly.*

**Q&A**

# KEY RM DATES IN 2022

23 May	Informal consultation on the Annual Performance Report 2021
27 May	Briefing on the Management Plan (2023-2025)
1-3 Jun	192 <sup>nd</sup> session of the FAO Finance Committee
<b>20-24 Jun</b>	<b>Annual Session of the Executive Board</b>
29 Jul	First informal consultation on the Management Plan (2023-2025)
20 Sep	Second informal consultation on the Management Plan (2023-2025)
27-28 Oct	193 <sup>rd</sup> session of the FAO Finance Committee
<b>14-18 Nov</b>	<b>Second Regular Session of the Executive Board</b>

# KEY RM DOCUMENTS FOR APPROVAL IN 2022

## Annual Session of the Executive Board (20-24 Jun)

1. Audited Annual Accounts, 2021
2. Report on the utilization of WFP's advance financing mechanisms, 2021
3. Update on the WFP Management Plan (2022-2024)
4. Annual Performance Report, 2021

## Second Regular Session of the Executive Board (14-18 Nov)

1. WFP Management Plan (2023-2025)