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Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

Report on the implementation of the External Auditor's recommendations

Draft decision*

The Board takes note of the report on the implementation of the External Auditor's recommendations (WFP/EB.A/2023/6-H/1).

- i) This report describes WFP's progress in implementing recommendations made by the External Auditor. It covers recommendations outstanding at the Board's 2022 annual session (WFP/EB.A/2022/6-J/1/Rev.1) and recommendations from the 2022 reports of the External Auditor on the management of cooperating partners (WFP/EB.A/2022/6-H/1); oversight by management (WFP/EB.A/2022/6-I/1); and audited annual accounts of WFP for 2022 (WFP/EB.A/2023/6-A/1).
- ii) Table 1 shows WFP's progress in implementing the External Auditor's outstanding recommendations since the 2022 annual session of the Board. Table 2 provides an update on each of the outstanding recommendations and the External Auditor's comments on closed recommendations.

* 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.

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TABLE 1: STATUS OF IMPLEMENTATION OF THE EXTERNAL AUDITOR'S RECOMMENDATIONS				
Year report issued	Report name	Outstanding recommendations at the 2022 annual session	Closed	Outstanding recommendations at the 2023 annual session
2017	Changes in human resources	1	1	0
	Subtotal - 2017	1	1	0
2018	Food-related losses	1	1	0
	Subtotal - 2018	1	1	0
2020	WFP's real estate portfolio	1	1	0
	Air transport services	4	2	2
	Subtotal - 2020	5	3	2
2021	Beneficiary information management	4	2	2*
	Critical corporate initiatives	4	4	0
	Subtotal - 2021	8	6	2
2022	2021 audited annual accounts	4	1	3
	Management of cooperating partners	15	4	11*
	Oversight by management	12	5	7*
	Subtotal - 2022	31	10	21
Total: Previously reported		46	21	25
2023	2022 audited annual accounts			27
Outstanding as at 2023 annual session				52

* Includes one recommendation implemented after the External Auditor's validation deadline 31 March 2023.

TABLE 2: UPDATE ON OUTSTANDING RECOMMENDATIONS, WITH EXTERNAL AUDITOR'S COMMENTS

Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Changes in human resources 2017	Recommendation 2 The External Auditor recommends that remuneration for newly recruited consultants be thoroughly reviewed to better align it with market practices, while maintaining it slightly above market rates to attract the best candidates when needed.	Human Resources Division (HRM)	WFP issued a memorandum effective 1 November 2022 on the policy changes on consultant remuneration in the WFP Human Resources Manual (Section III.2). Changes include: a) the increase of the minimum remuneration for consultants by 5 percent at all levels to align with market practices and other United Nations organizations; and b) the clarification of other aspects related to remuneration such as the determination of consultancy levels, the educational and professional experience requirements, the conditions to deviate from established rates, and the eligibility to a monthly subsistence living sum. The changes will ensure that WFP's consultancy rates remain competitive to attract the best candidates.	Implemented	Agreed
Food-related losses 2018	Recommendation 2 The External Auditor recommends continuing to strengthen the order management procedures: a) by implementing a tool to manage international, regional, and local vendors as soon as possible, to allow WFP to have a global view of vendors and their services; b) by upgrading the WINGS software or developing an alternative solution to have a global view of the performance of its contracts and be able to	Supply Chain Operations Division (SCO)	As noted in the External Auditor's report on support services (2023) , WFP is working on a supplier management project since 2021 to address gaps identified in this area. While these gaps include matters related to the other management procedures described in recommendation 2, the project is also addressing relevant areas, such as supplier risk management, supplier segmentation, supplier sustainability, among others. To manage this project, the Supply Chain Operations Division has created a Supplier Relationship Management Unit to promote a strategic approach to managing WFP relationships with suppliers, which represents a substantial improvement from the transactional approach of the previous Vendor Management Unit. In this context, WFP is conducting a tendering process to acquire a comprehensive end-to-end (from procure to pay) digital solution that will include supplier relationship management functions, allowing WFP to have a global view of vendors and of their performance against contracts, as recommended in the food-related losses report.	Closed – overtaken by events	Agreed In the audit report on the performance in the financial year 2022, the External Auditor included a new recommendation: para. 23, procurement services, supplier roster. This reflects the newer findings under consideration of the 2018 recommendation. Thus, the 2018 will be followed up in the context of the new recommendation in

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	perform extractions with a view to effective management.		Noting that recommendation 2 has been overtaken by the comprehensive approach adopted to overhaul the management of suppliers, WFP commits to report on progress of the supplier management project through updates on the implementation of the new recommendation from the External Auditor's report on support services related to procurement services and inclusion of suppliers in the roster.		para. 23 of the 2022 performance report.
WFP's real estate portfolio 2020	Recommendation 6 The External Auditor recommends that an annual review of the overall change in facilities management costs be conducted in order to strengthen oversight of this activity.	Management Services Division (MSD), Corporate Finance Division – General Accounts Branch (FING)	Partially accepted. Following the results of a 2021 assessment showing that the WFP Information Network and Global System (WINGS) platform does not support the integration of data on the running and lease costs of WFP facilities, MSD, FING and SCO developed the “Guidance on Facilities Management Costs” to improve the accuracy of expenditures in WFP accounting records and facilitate analysis and reporting on rental, utilities, maintenance and renovations, upkeep and other services, security, fuel, and insurance.	Implemented	Agreed
Air transport services 2020	Recommendation 1 The External Auditor recommends that an aviation operations policy document be prepared for presentation by the Executive Director and approval by the Executive Board.	Aviation Service (SCOA)	The Executive Board approved the WFP aviation policy at its first regular session in February 2023. The policy states the objectives, principles, and partnerships that frame WFP's aviation operations, and describes the governance, accountability, reporting framework and essential enablers to ensure sustainability of WFP's aviation activities and continued delivery of humanitarian assistance. The policy also describes common services such as United Nations Humanitarian Air Service (UNHAS) and specialized and on-demand services to partners. SCOA will report on policy implementation through the key performance indicators established as part of WFP's corporate results framework and annual performance planning and reporting process.	Implemented	Agreed

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Air transport services 2020	Recommendation 3 The External Auditor recommends that WFP management: a) update and revise the financial and budgetary framework for aviation activities to ensure a comprehensive and transparent presentation of the financial flows arising from such activities; and b) reconsider the rationale for a special account for aviation services in light of the desired degree of autonomy in determining the operating resources for such services.	SCOA	The draft directives on the administrative and accounting procedures for the aviation special account and for UNHAS operations have been developed and are under review. The directives update guidelines on the administration, management, accounting, and reporting of financial transactions for the aviation special account and UNHAS operations.	July 2023	
Air transport services 2020	Recommendation 6 The External Auditor recommends that the modalities for funding OSCA administrative and staff costs be re-examined, with consideration being given to reducing the MCR fee and instead allocating a larger share of the PSA budget to OSCA.	SCOA	SCOA re-examined its financing model and as approved in the Decision Memorandum (RD7937) dated 9 January 2023 signed by the Deputy Executive Director a.i., Supply Chain and Emergencies Department, the activities of the aviation special account are transactional by nature therefore the SCOA administrative and staff costs should be funded by the respective special account and not through the programme support and administrative (PSA) budget. The Decision is aligned with the corporate analysis of cost recovery and the guiding principles for the proper appropriation of direct costs agreed upon during a discussion of the WFP	Implemented	Agreed

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
			<p>management plan (2022-2024)¹ by the Bottom-Up Strategic Budget Exercise Review Committee held in 2021.</p> <p>Accordingly, the management cost recovery (MCR) fee rate is linked to the PSA budget allocation, therefore the decision to continue funding SCOA administrative and staff costs through the aviation special account does not necessitate a re-evaluation of MCR fee for possible reduction.</p>		
Air transport services 2020	<p>Recommendation 16</p> <p>The External Auditor recommends that further consideration be given to the introduction in the Takeflite flight management system of a system for verifying authorizations of organizations that use UNHAS and individual lists of authorized persons provided by those organizations.</p>	SCOA	<p>SCOA promotes the United Nations Booking Hub as a comprehensive online booking platform for UNHAS flights and rolled out the information webpage functionality to all UNHAS field operations. About 50 percent of UNHAS country operations (10) have implemented the online booking functionality, which will be rolled out to all UNHAS country operations by end-2023. The onboarding portal for the online booking functionality supporting the registration process has improved mechanisms for eligibility verification of UNHAS flights passengers and user organizations and automatically compiles verified passenger details into the database. WFP will finalize the technical solution to integrate the onboarding portal and Takeflite by end-2023, enabling full implementation of the portal's functions.</p>	December 2023	

¹ WFP management plan (2022–2024) – Annex VI: Update on the budget governance, cost recovery analysis and country office budget analysis workstreams of the bottom up strategic budgeting exercise ([WFP/EB.2/2021/5-A/1/Rev.1](#)).

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Beneficiary information management 2021	Recommendation 2 The External Auditor recommends that a country office rating based on the ten information quality criteria listed, be established and included in the information provided to the Executive Board.	Corporate Planning and Performance Division (CPP), Risk Management Division (RMD)	<p>WFP country offices assess the quality of beneficiary information provided in their reports through the annual Executive Director Assurance Exercise (the "Exercise") taking into consideration the ten information quality criteria proposed in the recommendation. The Exercise includes the assessment of the effectiveness of relevant controls such as the quality of estimated beneficiary data reported in annual country reports; effectiveness of corporate due diligence process of non-governmental organizations; handling of beneficiary information; effective use of WFP's digital beneficiary information and transfer management platform (SCOPE) and the country office tool for managing (programme operations) effectively (COMET); existence of complaint feedback mechanism; and conduct of third-party assessments and monitoring and evaluation.</p> <p>In 2022, 133 senior managers of country offices, regional bureaux, headquarters divisions and departments and independent offices completed the Exercise, and the results informed the 2022 management review of significant risk and control issues to be presented at the annual session of the Executive Board in June 2023. In addition, SCOPE-COMET integration (see management's update to recommendation 10) enhances WFP's capabilities for reporting on beneficiaries and increases the quality of beneficiary data.</p>	Implemented	Agreed

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Beneficiary information management 2021	Recommendation 6 The External Auditor recommends that a directive enabling better account to be taken of qualitative beneficiary targeting criteria in the registration and reporting phases be adopted.	Research, Assessment and Monitoring Division (RAM), Programme – Humanitarian and Development Division (PRO)	RAM and PRO developed the directive on the management of targeting processes by WFP offices and disseminated to all employees in December 2022 through Executive Director's circular OED2022/026 . The circular recognizes the cross-cutting nature of targeting and introduces a process that puts the people that WFP serves at the centre of decision-making. The document defines the roles and responsibilities within headquarters, regional bureaux, and country offices as well as procedures to support with planning, coordination, and execution of targeting. WFP conducted workshops with relevant personnel in three regional bureaux (Eastern Africa; Southern Africa; and Middle East, Northern Africa and Eastern Europe), aiming to adapt the actions proposed in the circular to specific regional contexts. Workshops for the regional bureaux of Asia and the Pacific, Latin America and the Caribbean, and Western Africa will take place in 2023.	Implemented	Agreed
Beneficiary information management 2021	Recommendation 9 The External Auditor recommends that a central plan for deployment and harmonization of beneficiary information management systems in target countries be established and that, in particular, a timetable for the deployment of SCOPE be set.	Programme and Policy Development Department, Technology Division (TEC)	WFP is assessing the existing corporate systems relative to operational needs for beneficiary information management in support of cash-based transfers and in-kind operations. In parallel, an external assessment will help guide the way forward for SCOPE and its various components. Depending on the business need, country offices will be able to select from a range of hardware and software tools that meet their needs. As such, WFP no longer has a target number of country offices for SCOPE deployment, rather it will define the assurance standards and controls essential to country operations and will ensure implementation through regular monitoring and follow up. Nonetheless, in 2022, SCOPE was used for cash-based and in-kind operations in 56 country offices.	December 2023	

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Beneficiary information management 2021	Recommendation 10 The External Auditor recommends that SCOPE and COMET be linked in 2021.	TEC, CPP	In April 2023, WFP completed the integration of SCOPE and COMET through the implementation of an automated data flow from the cash-based transfers dataset that is aligned with the WFP corporate results framework (2022-2025) data elements and allows country offices to import monthly cash-based transfers data from SCOPE to COMET maintaining data quality and accuracy.	June 2024 (for External Auditor validation in next reporting cycle)	
Critical corporate initiatives 2021	Recommendation 2 The External Auditor recommends that more attention be paid to how CCIs contribute to the strengthening of WFP's organizational capacity to achieve its strategic goals and objectives, including by configuring the framework used to prioritize investment cases to that end.	CPP	<p>Following the Leadership Group's (LG) prioritization of four out of seven corporate results from the WFP corporate results framework (2022-2025), the Global Budget Committee used the following prioritization criteria to rank critical corporate initiatives proposed for funding as part of the WFP management plan (2023–2025) preparation exercise:</p> <ul style="list-style-type: none"> - alignment with LG priorities; - support to strengthening WFP's programming, operational and administrative capacity; - focus on organizational change; - transformative; - one-off nature; - improbability to generate investment from donors through corporate trust funds. <p>Taking into account the aforementioned criteria, the best-ranked critical corporate initiatives were approved by the Executive Director and included in the WFP management plan (2023–2025). Annex V, Concept notes for the proposed critical corporate initiatives, provides detailed budget information, expected results, key performance indicators and implementation schedules of the selected critical corporate initiatives, as noted in management's response (WFP/EB.A/2022/6-J/1/Rev.1) to recommendation 5.</p>	Implemented	Agreed

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Critical corporate initiatives 2021	Recommendation 4 The External Auditor recommends that a standardized and more demanding format for significant investment cases (for investments in general and CCIs in particular) be established to ensure traceability of the decisions of the Strategic Resource Allocation Committee.	CPP	WFP introduced a standard template for investment cases and critical corporate initiatives that requires information on expected deliverables, key performance indicators, budget (including planned staffing) and implementation schedules. The Secretariat to the Global Budget Committee documents deliberations on such budget requests to ensure traceability of decisions, as required in the Executive Director's circular OED2022/001 related to budget governance.	Implemented	Agreed
Critical corporate initiatives 2021	Recommendation 6 The External Auditor recommends that monitoring of the implementation of CCIs and of investment cases in general be strengthened by introducing, for the most significant cases, a standardized quarterly report to the fiscal governance bodies that allows expenditures to be tracked against the budget, performance indicators and expected outcomes.	CPP	WFP simplified the quarterly reporting template on critical corporate initiatives requiring budget holders to provide to the Global Budget Committee an overview of progress, overall and current year budget, quarterly expenditures, status of implementation and/or achievements and outstanding deliverables.	Implemented	Agreed

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Critical corporate initiatives 2021	Recommendation 9 The External Auditor recommends that internal controls be strengthened to ensure that the expenditures charged to CCIs are directly related to their purpose.	CPP	As noted in management's update on recommendation 9 presented at the annual session of the Executive Board in June 2022 (WFP/EB.A/2022/6-J/1/Rev.1), the Secretariat reinforced the allotment instructions statement for critical corporate initiatives, reminding budget holders of their responsibility and authority to ensure the strict usage of resources for critical corporate initiative activities only. The quarterly report template for the extension of critical corporate initiatives is being used since 2022 and includes a dedicated field for budget holders to certify whether funds are used strictly for the purposes intended by the critical corporate initiative.	Implemented	Agreed
2021 audited annual accounts 2022	Recommendation 1 The External Auditor recommends to update all documents relating to the management of funding agreements, in particular with regard to delegations of authority and agreement templates.	Partnerships and Advocacy Department (PA) – Public Partnerships and Resourcing Division (PPR), Strategic Partnerships Division (STR), with support from Legal Office (LEG)	The new Executive Director's circular on delegation of authority for signing and accepting contribution agreements has been reviewed by the Oversight and Policy Committee and will be circulated for management's consideration. The Legal Office will support the Corporate Finance and Public Partnerships and Resourcing divisions to update the contribution agreement templates based on the outcome of the review on the accounting treatment of multi-year contributions conducted with the External Auditor.	December 2023	

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<p>2021 audited annual accounts 2022</p>	<p>Recommendation 2 The External Auditor recommends to revise the directives, circulars and guidance documents on the management of funding agreements to ensure consistency and to include, as appropriate, a decision tree that specifies the consultations and decisions at each stage, depending on the circumstances and types of contributions.</p>	<p>PA – PPR/STR, with support from LEG and Management Department (MD)</p>	<p>The Executive Director's circular on delegation of authority for signing and accepting contributions will provide high-level guidance on the decision-making process at different levels. In addition, the Changing Donor Landscape project was launched in June 2022 to, among others, develop a structured and coordinated approach to the management of contribution agreements, including a streamlined decision-making process supported by agreement management guidance for country directors, deputy country directors, and partnerships officers, and policy instruments on: a) roles and responsibilities for clearance of non-standard clauses (in line with updated delegations of authority for signing contribution agreements); and b) funding source options in case of ineligible expenditures. The contribution agreement templates will also be updated, as noted in management's response to recommendation 1.</p> <p>The Changing Donor Landscape project presented its diagnostic report to the Assistant Executive Director, Management Department, and Chief Financial Officer, and the Assistant Executive Director, Partnerships and Advocacy Department in May 2023 and supported by a core working group and several sub-working groups, during 2023 the project plans to continue assessing non-standard contractual obligations requiring consultations and adapting internal processes to adjust to this changing landscape, under the leadership of PPR.</p>	<p>December 2023</p>	

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2021 audited annual accounts 2022	Recommendation 3 The External Auditor recommends to formally include in applicable directives, circulars and guidance documents the requirement to seek the advice of the Chief Financial Officer, prior to any decision to offer a donor a reduced rate of indirect support cost recovery and prior to the approval of any contribution with such a reduced rate.	PA (PPR, STR – with support from CPP, LEG and MD)	PA and LEG are finalizing the Executive Director's circular and directive on delegation of authority. Meanwhile, CPP is also preparing an Executive Director's circular on full cost recovery which will reinforce the Chief Financial Officer role in clearing non-standard indirect support cost recovery rates.	September 2023	
2021 audited annual accounts 2022	Recommendation 4 The External Auditor recommends to estimate at reasonable intervals, for example every three years, the impact on the actuarial valuation of changes in the workforce in the last quarter of the year.	Corporate Finance Division	WFP engaged an actuary to update the 2022 employee benefits valuation based on the census data for the fourth quarter of 2022 and reported an increase of USD 1 million (0.1 percent) to the employee benefit liabilities valuation, which is deemed not significant.	Implemented	Agreed

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Management of cooperating partners 2022	Recommendation 1 The External Auditor recommends that the registration of cooperating partners by country offices be made more reliable by completing the clean-up of their identifiers by the end of 2022 and preparing a guide for country offices on how to record data.	NGO Partnerships Unit, TEC	<p>In parallel to the digitalization of end-to-end cooperating partner management processes, the NGO Partnerships Unit is building DOTS use-case models to form a master database of cooperating partners. To manage this database and ensure data quality, the NGO Partnerships Unit is developing standard operating procedures for data governance, in partnership with regional bureaux and country offices.</p> <p>In addition, the NGO Partnerships Unit will develop a field-level agreement (FLA) tracker to integrate FLA data from corporate systems (WINGS, Logistics Execution Support System, and COMET) and to improve monitoring and oversight through automated cooperating partners data, including performance and budget metrics. In the meantime, a Tableau dashboard completed in February 2023 provides a 360° view of operational and financial data of non-governmental partners. The unit is recruiting a data analyst to continue upgrading dashboard data quality.</p>	September 2023	
Management of cooperating partners 2022	Recommendation 2 The External Auditor recommends that a database of cooperating partners be created in order to facilitate their administration and reporting on their management.	NGO Partnerships Unit, TEC	In line with the management's update to recommendation 1, the master database of cooperating partners and automated data integration will address the functional needs of country offices, regional bureaux and headquarters divisions, including administration and reporting.	September 2023	

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Management of cooperating partners 2022	Recommendation 3 The External Auditor recommends that the WFP central governance arrangements for cooperating partnerships be clarified and unified by consolidating responsibilities in a single unit or division at headquarters and by adapting the Corporate Guidance on WFP Management of non-governmental organization partnerships and the contractual agreement template to take into account government partners.	Technical Assistance and Country Capacity Strengthening Service (PROT), NGO Partnerships Unit	WFP is concluding discussions to integrate government cooperating partners management into a central governance structure and will develop guidelines for this purpose.	September 2023	
Management of cooperating partners 2022	Recommendation 4 The External Auditor recommends the preparation of memoranda of understanding with international non-governmental organizations, taking into account their internal control mechanisms, so as to make the process of concluding agreements at the country office level more flexible.	NGO Partnerships Unit	As noted in management's response to recommendation 4 (WFP/EB.A/2022/6-H/1/Add.1), WFP considers that global memoranda of understanding with international non-governmental organizations would not necessarily capture the varied capacity and operational priorities of their country chapters, thus, these would not replace local due diligence conducted by WFP country offices. Meanwhile, WFP led the harmonization of non-governmental organizations' due diligence processes through the United Nations Partner Portal (UNPP) with several United Nations agencies including the United Nations Development Programme, United Nations Population Fund (UNFPA), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), United Nations	Closed – overtaken by other actions	Agreed With the adoption of the UNPP, WFP aims to standardize the process and the requirements with NGOs and to enable a more flexible conclusion of agreements at country level. The External Auditor will review if UNPP is applied appropriately and

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			<p>Secretariat, United Nations Entity for Gender Equality and the Empowerment of Women and WFP. The harmonized due diligence process through the UNPP is a corporate element of WFP's cooperating partner management mechanism and contributes to streamlining the processes of concluding agreements with non-governmental organizations.</p> <p>In addition, WFP engages in regular dialogue with international non-governmental organizations through multiple policy fora (e.g., the WFP Annual Partnership Consultations, Inter-Agency Standing Committee meetings and various operational consultations) to improve and streamline FLA processes.</p> <p>WFP notes that these actions address the recommendation in a more practical manner and will continue to work alongside local and international non-governmental partners to improve FLA-related processes.</p>		across all country offices.
Management of cooperating partners 2022	Recommendation 5 The External Auditor recommends that a partner capacity strengthening strategy be proposed as of 2022.	PROT	<p>WFP presented an update on the country capacity strengthening policy to the Executive Board through an informal consultation in June 2022. The update outlines WFP's strategic framework for country capacity strengthening adopting a "whole-of-society" approach for multi-stakeholder representation and engagements to address problems and deliver solutions from different perspectives. The whole-of-society approach advocates for the involvement of government, civil society, private sector, and community representation, recognizing their diverse and crucial roles.</p> <p>In line with the management's response to recommendation 9 of the Joint Inspection Unit's Review of the management of implementing partners in United Nations system organizations presented in the Reports by the Joint Inspection Unit relevant to</p>	August 2023	

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			<p>the work of WFP, a strategy will be developed to strengthen the capacities of cooperating partners and enable national ownership.</p>		
<p>Management of cooperating partners 2022</p>	<p>Recommendation 6 The External Auditor recommends that the United Nations organizations that are members of the food security cluster be invited to engage in a dialogue on the management of cooperating partners and the use of the United Nations Partner Portal.</p>	<p>NGO Partnerships Unit</p>	<p>WFP promotes inter-agency dialogue on the management of cooperating partners through UNPP and other fora. UNPP has been corporately adopted to facilitate partnership selection and due diligence by country offices, building on a harmonized approach with participating United Nations agencies (UNFPA, UNHCR, UNICEF, United Nations Secretariat), and allowing country offices to effectively coordinate the country-level partnership agenda.</p> <p>As noted in the Reports by the Joint Inspection Unit of the United Nations System relevant to the work of WFP, WFP is also an active member of global mechanisms for inter-agency coordination on matters related to cooperating partners, including the Inter-Agency Standing Committee's Task Force 5 on Localization, the United Nations Sustainable Development Group Advisory Group on Joint Programmes, and UNPP's governance structures and working groups.</p>	<p>Implemented</p>	<p>Agreed</p>
<p>Management of cooperating partners 2022</p>	<p>Recommendation 7 The External Auditor recommends that a dialogue with partner United Nations organizations be initiated at headquarters with a view to establishing a common contractual instrument for cooperating partners.</p>	<p>NGO Partnerships Unit, LEG, Global Privacy Office (GPO), Ethics Office (ETO), PROT</p>	<p>In line with management's update to recommendation 6, WFP emphasizes the use of the UNPP platform as the main inter-agency initiative for the standardization of some partnership processes with participating United Nations organizations including specific contractual requirements.</p> <p>In lieu of establishing a common contractual instrument for cooperating partners, which would constrain an otherwise flexible and continuously evolving process, WFP prioritizes the progressive incorporation of standard terms and requirements for partnering with non-governmental organizations into the UNPP, thus, harmonizing specific contractual elements among the UNPP participating United Nations system entities.</p>	<p>Closed – overtaken by other actions</p>	<p>Agreed With the adoption of the UNPP, WFP aims to standardize the contractual process and requirements (e.g., through new mandatory declaration of honour of non-governmental organization partners). The External Auditor</p>

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			Examples of these efforts include the upcoming incorporation of the United Nations Implementing Partner PSEA (Protection from Sexual Exploitation and Abuse) Capacity Assessment and the integration of a declaration of honour of non-governmental organization partners into the UNPP function.		will review if UNPP is applied appropriately and across all country offices.
Management of cooperating partners 2022	Recommendation 8 The External Auditor recommends that consideration be given to extending the duration of field-level agreements to match that of country strategic plans, including both a framework agreement and a financing addendum.	NGO Partnerships Unit, PROT	WFP's regulatory and legal framework allows country offices to approve long-term FLAs considering operational, legal and budgetary factors. WFP will develop and disseminate guidance to describe steps for the negotiation and approval of long-term agreements.	September 2023	
Management of cooperating partners 2022	Recommendation 9 The External Auditor recommends that the "digital transformation roadmap" for cooperating partners be presented to the Digital Business and Technology Committee and that steps be taken to ensure that all conditions necessary for this project to be continued are met.	TEC, NGO Partnerships Unit	The NGO Partnerships Unit digital road map was presented to the Digital Business and Technology Committee (DBTC) and endorsed as part of WFP's corporate digital transformation road map in July 2022. The NGO Partnerships Unit provided an update on the road map's progress to the Digital Business and Technology Committee at its May 2023 meeting. Upon securing a budget of approximately USD 1.7 million for 2022/2023 through the Building Effective Management of WFP Cooperating Partners' Risks fund and WFP's PSA equalization account for critical corporate initiatives (CCIs), the NGO Partnerships Unit is advancing the implementation of the digital road map while providing regular updates to relevant stakeholders.	Implemented	Agreed

TABLE 2: UPDATE ON OUTSTANDING RECOMMENDATIONS, WITH EXTERNAL AUDITOR'S COMMENTS

Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Management of cooperating partners 2022	Recommendation 10 The External Auditor recommends that risk analyses be conducted systematically in the selection of cooperating partners and that the results be shared at the regional and central levels.	NGO Partnerships Unit (with support from RMD)	Inter-agency discussions to launch the risk and capacity module within UNPP are under way. In line with the digitalization of harmonized risk information in UNPP, the NGO Partnerships Unit is mapping risk and control mechanisms within WFP's cooperating partner management framework, including due diligence, verification, capacity assessment, spot-checks and performance evaluation, and will update operational guidance for country offices.	September 2023	
Management of cooperating partners 2022	Recommendation 11 The External Auditor recommends that provision be made for the review by the local cooperating partner committees of any difficulties encountered in monitoring distributions.	NGO Partnerships Unit	The NGO Partnerships Unit will update the terms of reference of the cooperating partners committee in the NGO Partnership Guidance to incorporate the review of cooperating partner's monitoring and reporting performance, including difficulties encountered during project implementation.	September 2023	
Management of cooperating partners 2022	Recommendation 12 The External Auditor recommends that an improvement plan be presented to the cooperating partner committees for any partner with weaknesses, before any renewal of an agreement.	NGO Partnerships Unit	In line with the management's update to recommendation 11, the NGO Partnerships Guidance will include the review of cooperating partners' improvement plan as a required procedure for the renewal of agreements.	September 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Management of cooperating partners 2022	Recommendation 13 The External Auditor recommends strengthening the role of the regional bureaux in training, facilitation, verification and reporting to headquarters with regard to cooperating partners.	NGO Partnerships Unit	WFP allocated additional funding to reinforce the cooperating partner management function at regional bureaux in 2023, establishing the staffing structure and building appropriate capacity. The NGO Partnerships Unit is assisting regional bureaux to identify and evaluate their needs and priorities based on the regional bureaux terms of reference agreed upon at the peer-to-peer cooperating partner management conference in 2021. The new cooperating partner management positions will have functional reporting line to the NGO Partnerships Unit at headquarters, ensuring uniformed capacity strengthening of the new staff and adherence to corporate standards.	September 2023	
Management of cooperating partners 2022	Recommendation 14 The External Auditor recommends that annex IX of the annual performance report, insofar as it relates to cooperating partners, be supplemented.	CPP, NGO Partnerships Unit	The NGO Partnerships Unit, with support from CPP, upgraded annex VIII - "Collaboration with non-governmental organizations and the International Red Cross and Red Crescent Movement" of the annual performance report (formerly annex IX), which now provides enhanced quantitative and qualitative information including: <ul style="list-style-type: none"> – total number of global and local non-governmental partners; – insights on the percentage of funding channelled via local actors; – overview of all cooperating partners by entity type (international and local non-governmental organizations, government counterparts, academia, private sector); and, – percentage of cooperating partners by programme area. 	June 2024 (for External Auditor validation in next reporting cycle)	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Management of cooperating partners 2022	Recommendation 15 The External Auditor recommends that quantitative data on partnerships with local non-governmental organizations be included in annual country reports.	CPP, NGO Partnerships Unit	The DOTS dashboards of cooperating partners data will enhance corporate and country office reporting capacity. The NGO Partnerships Unit and CPP are determining the specific data elements, including the number of global and local non-governmental partners, to improve quantitative and qualitative content of annual country reports. Guidelines and training will be provided to country offices in 2023 to facilitate the development of annual country reports in the first quarter of 2024.	March 2024	
Oversight by management 2022	Recommendation 1 The External Auditor recommends that the concept of oversight as used at WFP be clarified and standardized.	RMD	As noted in the management's response to recommendation 1 in May 2022 (WFP/EB.A/2022/6-I/1/Add.1), WFP will clarify the definition of oversight in relation to first, second and third line responsibilities in an updated oversight framework to be presented to the Executive Board for approval. WFP expects that the Review of Accountability Frameworks in the United Nations system organizations, to be released in 2023 by the Joint Inspection Unit, and the Executive Board's ongoing governance review will further inform the revision of the framework.	February 2025	
Oversight by management 2022	Recommendation 2 The External Auditor recommends that the roles performed by the various oversight structures be clarified.	Office of the Executive Director (OED), Office of the Chief of Staff	The Office of the Chief of Staff is updating the Executive Director's circular on executive management for policy, operations and strategy (OED2020/017) covering LG, the Senior Management Group (SMG), and the Oversight and Policy Committee (OPC). This circular will be split into two separate circulars, one covering LG and SMG and one dedicated to OPC. The circulars will provide further clarity on the oversight roles performed by management.	June 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Oversight by management 2022	Recommendation 3 The External Auditor recommends that the Enterprise Risk Management Division be repositioned at a level better suited to the role it plays in respect of risk management.	OED, with support from MD	As part of the WFP management plan (2023-2025) approved by the Executive Board in November 2022, the Chief Risk Officer post was upgraded from Director level 1 to Director level 2 (D-2), effective January 2023. This upgrade better positions the Risk Management Division to enable risk leadership throughout WFP and to ensure the embedding of risk management in decision-making especially at senior levels. The upgrade also addresses a similar recommendation from the Advisory Assignment Report on Enterprise Risk Management Review and Assessment (AA-22-01) commissioned by the Office of the Inspector General and conducted by Baldwin Global Risk Strategies which noted that, comparable or peer positions in the United Nations system (about 50) were at the D-2 level. In addition, WFP will evaluate the positioning of the Risk Management Division in the organizational re-structuring that will take place as part of the WFP management plan (2024–2026) formulation process underway.	September 2023	With the recommendation, the External Auditor targeted an assignment of risk management at a level that allows more organizational-wide approach, such as Deputy Executive Director or Chief of Staff
Oversight by management 2022	Recommendation 4 The External Auditor recommends that the meaning of the term “monitoring” be clarified in order to better distinguish the responsibilities of the three lines of defence.	RMD	In line with management’s update to recommendation 1, RMD will clarify the use and understanding of the word “monitoring” from the perspective of the first and second lines through the update of the 2018 WFP oversight framework.	February 2025	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Oversight by management 2022	Recommendation 5 The External Auditor recommends that high-risk issues be defined and, when referred to in the oversight reports of regional bureaux, systematically escalated to headquarters and subject to centralized monitoring.	RMD, Operations Management Support (OMS)	WFP issued Executive Director's circular (OED2023/007) on Framework for Management Oversight at WFP (hereinafter the "Framework") in March 2023, clarifying the expectations for oversight conducted by regional bureaux and global functions in their second line capacity, and outlining the principles and responsibilities for delivery, reporting, review and follow-up of management oversight findings. The Framework requires second-line actors to share high risk issues with relevant regional management and functional directors and to escalate and track related recommendations through the corporate governance, risk and compliance risk and recommendation tracking tool (R2).	Implemented	Agreed
Oversight by management 2022	Recommendation 6 The External Auditor recommends that the modalities for following up on recommendations made by the regional bureaux be clarified and formalized.	RMD, OMS	As noted in the Executive Director's circular (OED2023/007) on Framework for Management Oversight at WFP , the modalities for following-up on management oversight recommendations, including those issued by the regional bureaux, have been defined. In addition to the follow-up arrangements for high priority recommendations, as described in management's response to recommendation 5, medium priority recommendations are managed at the regional or division director level and may be uploaded into R2 for tracking and accountability purposes. Lower priority recommendations remain at the country level, but functions and regional bureaux are expected to support countries on their resolution.	Implemented	Agreed

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Oversight by management 2022	Recommendation 7 The External Auditor recommends that the scope and modalities of the performance oversight to be carried out by the regional bureaux be more precisely defined.	RMD, with support from CPP, RAM, OMS	<p>The modalities for performance oversight are defined in the Framework for Management Oversight at WFP and in the Annual Performance Planning guidelines updated by relevant headquarters functions. While second-line actors are responsible for overseeing mandatory performance metrics as defined in the WFP corporate results framework (2022-2025), they are also encouraged to annually plan and define context-specific performance metrics in line with programme commitments and high-level workplans.</p> <p>The Framework also notes that key performance indicators must be updated/reviewed at least twice per year as part of the annual performance planning exercise, and second-line actors must regularly report against agreed internal performance targets. Regional bureaux and larger country offices are recommended to establish risk committees, which should meet regularly (e.g., at least quarterly) and serve to oversee performance, given the interrelation of performance and risk. Risk committees can act as escalation fora for performance and risk issues and support regional or country directors in risk decision-making and mitigation planning.</p>	Implemented	Agreed The External Auditor will audit the impact of the framework as deemed necessary.
Oversight by management 2022	Recommendation 8 The External Auditor recommends that the regional bureaux more accurately and reliably measure the number of oversight missions they undertake and the respective weight of their oversight, technical support and strategic direction activities.	RMD, with support from OMS	Taking into consideration the External Auditor's acknowledgement that a cost accounting system would be too onerous for estimating regional bureaux activities, WFP is endorsing a method to estimate the weight of the regional bureaux activities according to the three responsibilities defined in the February 2019 WFP Headquarters and Regional Bureaux Terms of Reference, namely strategic direction and guidance, technical support and management oversight, enabling a better allocation of resources to meet such responsibilities by informing regional bureaux' annual oversight and resource planning exercises.	June 2024 (for External Auditor validation in next reporting cycle)	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
			Further, the monitoring and accounting for the number of oversight missions is embedded in the annual oversight planning exercise of the regional bureaux. In March 2023, WFP issued the Executive Director's circular (OED2023/007) on Framework for Management Oversight at WFP clarifying the expectations for oversight conducted by regional bureaux and global functions in their second line capacity and provided that oversight is not only delivered during periodic on-site visits but also enabled by other continuous/remote activities such as performance and risk metrics monitoring, findings from the annual Executive Director Assurance Exercise and functional self-assessments, among others. The regional bureaux are advised to develop an oversight plan that is strategic, risk-based, consulted internally, updated at least annually and adequately resourced.		
Oversight by management 2022	Recommendation 9 The External Auditor recommends the conduct of a review of the oversight missions carried out by the regional bureaux during the pandemic in order to identify opportunities to improve the system, including the possibility of increasing the use of remote oversight methods to complement on-site missions.	RMD	RMD conducted a review of oversight engagements performed remotely by regional bureaux during the coronavirus disease 2019 pandemic and consolidated good practices, tools and resources for remote oversight. RMD, in coordination with OMS, uploaded these practices to WFPgo and disseminated them to the Risk Officer's Network in regional bureaux and country offices, noting that remote oversight can complement on-site oversight in areas where physical verification is not deemed critical or is not feasible (e.g., due to security concerns).	Implemented	Agreed

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
Oversight by management 2022	Recommendation 10 The External Auditor recommends the introduction in all country offices of a mechanism for following up recommendations made by the regional bureau, as is done for recommendations from internal and external audits, for example in the R2 risk and recommendation management tool.	OMS with regional bureaux, with support from RMD	In line with the 2022 management response (WFP/EB.A/2022/6-I/1/Add.1), all regional bureaux have dashboards to follow-up management oversight recommendations made at the regional level. Work is ongoing to incorporate the management oversight workflow into the R2 tracking tool across all regional bureaux, including a pilot of the tool's functionality in the regional bureaux for Western Africa and for Southern Africa. R2 enables the consolidation of management oversight recommendations in a single platform, producing dashboard reports where regional bureaux can check implementation status per country office, with emphasis on high and medium priority recommendations, as established in the Executive Director's circular (OED2023/007) on Framework for Management Oversight at WFP .	December 2023	
Oversight by management 2022	Recommendation 11 The External Auditor recommends listing, item by item, the tasks to be performed by the risk and compliance advisor network focal points, specifying the work time to be spent on each activity.	RMD	WFP updated the generic job profiles for international professional staff level 2 (P-2) to level 5 (P-5) risk officers based in the field. The new job profiles, reclassified in collaboration with HRM, enhance and clarify accountabilities of risk officers (previously known as "risk and compliance advisors"), in particular regarding their roles in risk performance, analysis and oversight, anti-fraud and anti-corruption, and in the annual Executive Director Assurance Exercise, among others. The second Risk Management Division Future International Talent pool was launched in November 2022 and is in process through the second quarter 2023. It considered the new job profiles, which have been uploaded to the Professional Job Profiles' section of WFPgo . In addition, at the recommendation of the External Auditor (Cour des comptes), in April 2020 RMD and the Corporate Finance Division agreed that, in regional bureaux or country offices where	Implemented	WFP described the responsibilities of a risk focal point. The decision about time-portions is left with the Country Directors. Through the report on the implementation of the recommendations, the issue is brought to their attention, so they can regulate in a way that considers the local specifics.

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
			<p>there is no dedicated risk officer or designated risk focal point, the finance officer in place is the de facto risk focal point with minimum responsibilities covering the annual performance plan, risk register and the annual Executive Director Assurance exercises in addition to, where applicable, follow-up on internal audit recommendations [see Risk Network onboarding PowerPoint Presentation (wfp.org)]. The generic job profiles for finance officers contain provisions related to their risk management roles.</p> <p>The decision to determine the focal point is nonetheless a prerogative of the country director who determines the allocation of time spent on risk management, considering the annual work planning process.</p>		
Oversight by management 2022	Recommendation 14 The External Auditor recommends that automated risk reporting be strengthened through the use of data input forms that make it possible to transfer information to the R2 software and to track successive changes.	RMD	RMD continues to work with the R2 vendor to advocate further automation of the data input process. RMD reviewed the risk management system and enhancements to the R2 functionality are under way, including the automation of risk register uploads and the implementation of additional functionalities allowing risk mitigation actions tracking and a fully decentralized use and access to the R2 risk management module by country offices.	September 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
2022 audited annual accounts 2023	Recommendation 1 paragraph 24 The External Auditor recommends that WFP show in Statement V of the financial statements a comparison of the final budget with the final implementation plan and not only with the implementation plan at the beginning of the year.	CPP, FING	Agreed. WFP notes that the implementation plan is primarily a tool for country office operational and financial planning and the additional efforts must be weighed against the benefits of using this tool for reporting. Notwithstanding, WFP will explore mechanisms to ensure that the final implementation plan is included in Statement V – Statement of Comparison of Budget and Actual Amounts.	January 2024	
2022 audited annual accounts 2023	Recommendation 2 paragraph 38 The External Auditor recommends that WFP ensure a comprehensive data management of all contribution agreements including annexes and make them electronically available to all relevant staff.	PPR	Agreed. WFP notes that the recommendation is aligned with a recommended output from the Changing Donor Landscape exercise and consultations between TEC and PA, including PPR, the Private Partnerships and Fundraising Division, STR and global offices, to improve knowledge management solutions particularly for handling contribution agreements are underway.	December 2024	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
2022 audited annual accounts 2023	Recommendation 3 paragraph 43 The External Auditor recommends that WFP ensure a coherent and more standardized wording for future contribution agreement negotiations to facilitate the management of and accounting for contribution	PA	Agreed. As part of the Changing Donor Landscape exercise, WFP will develop a clear and coherent process to streamline donor negotiations, reduce ambiguity, and enhance overall efficiency. WFP will evaluate the extent to which the contribution agreement clauses can be standardized while ensuring alignment with WFP regulations and rules and relevant Executive Board decisions to facilitate the management and accounting for contribution agreements.	December 2024	
2022 audited annual accounts 2023	Recommendation 4 paragraph 49 The External Auditor recommends that WFP improve its internal control over locally negotiated contribution agreements by requesting a sign-off procedure at the country offices.	PPR	Agreed. WFP notes that the recommendation aligns with guidance in updated delegation of authority instruments, which are expected to be issued in the second quarter of 2023. Under that guidance, only contribution agreements with standard terms and conditions may be signed at regional bureau and country office level (thereby reinforcing existing requirements), while all contribution agreements with exceptions or non-standard terms and conditions will require pre-approval by the designated director in the Partnerships and Advocacy Department and the Assistant Executive Director, Management Department, and Chief Financial Officer, where applicable. WFP will reinforce this requirement through the issuance of the new delegation of authority instruments and strengthen communication on exceptions in the contribution agreements requiring approval from relevant headquarters divisions.	December 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
2022 audited annual accounts 2023	<p>Recommendation 5 paragraph 53</p> <p>The External Auditor recommends that WFP consider the development of an identifier for contribution payments to automatically match incoming payments with open contributions receivable.</p>	Contribution Accounting and Donor Financial Reporting Branch	<p>Agreed.</p> <p>WFP recognizes the amount of manual effort required in assigning incoming payments to donor receivables and notwithstanding the complexity of the varying contribution agreements and corresponding donor's payment processes, WFP may be able to find solutions to automate the majority of the scenarios and streamline some of the processes.</p> <p>To reduce the manual process of matching incoming payments with open contributions receivable, WFP is in the process of reviewing business requirements for the possible cross-functional standardization of the contribution receivable registration process; implementation of common identifiers to be indicated in the donor bank instructions for payments; and the automation of the open receivable clearance process to the extent possible.</p>	December 2024	
2022 audited annual accounts 2023	<p>Recommendation 6 paragraph 64</p> <p>The External Auditor recommends that WFP change its accounting policy on the expense recognition of food commodities handed over to cooperating partners and record these commodities as inventories and expense them only when distributed to beneficiaries.</p>	SCO, FING	<p>Agreed.</p> <p>WFP acknowledges that end-to-end traceability from farm to fork (including the last mile) increases transparency and accountability over commodities handled by WFP and is committed to implementing this approach. Provided that resources are fully secured, and a project team is established at the corporate level by no later than December 2023, SCO estimates that assessment will be complete and system solution will be identified by December 2024, after which, the implementation timeframe will also be determined. Discovery process to unpack recommendations and assessment of systems for the end-to-end solution will be ongoing.</p> <p>Once the system solution that supports inventory control up to the point of distribution to beneficiaries is identified and process is re-engineered, the integration in the WFP's Enterprise Resource</p>	December 2024 (for the completion of the traceability project and identification of the recommended solution. Roll out of a new solution will be estimated following the traceability project completion.)	

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			Planning (ERP) system will follow, supported by the new accounting model and the change in accounting policy.		
2022 audited annual accounts 2023	<p>Recommendation 7 paragraph 73</p> <p>The External Auditor recommends that WFP disclose in the notes to the financial statements the quantity and value of the major material groups of food commodities.</p>	FING	<p>Agreed.</p> <p>WFP will evaluate the usefulness of providing additional and more detailed information in the financial statements in light of their overall length and the interest of the Executive Board and other oversight entities in such information and common disclosure practices adopted by other United Nations agencies.</p>	March 2024	
2022 audited annual accounts 2023	<p>Recommendation 8 paragraph 80</p> <p>The External Auditor recommends that WFP improve the process of inventory revaluation to lower of cost or market price and consider applying an item-by-item valuation as feasible based on clearly defined parameters.</p>	FING	<p>Agreed.</p> <p>WFP notes that given the fungible nature of its food commodities inventory, the inventory revaluation method at the commodity type and location levels remains to be the only feasible approach. Notwithstanding, WFP will re-assess its inventory revaluation methodology to minimize applied simplifications and assumptions.</p>	February 2024	
2022 audited annual accounts 2023	<p>Recommendation 9 paragraph 87</p> <p>The External Auditor recommends that WFP enhance the disposal process of unused, broken, or outdated tangible assets and perform an analysis to identify the root cause for the high percentage of fully</p>	Infrastructure and Facilities Management Branch (MSDI), FING	<p>Agreed.</p> <p>In 2022 and prior, WFP instituted measures to enhance the disposal of tangible assets no longer needed in WFP's operations and ensure that these assets are disposed promptly and sold at the best price and value, where possible. In addition, starting from 2023, WFP strengthened the capacity of the team supporting asset disposal activities in all WFP offices, including country offices,</p>	December 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
	depreciated property, plant, and equipment.		<p>global offices, headquarters, and regional bureaux, and is taking steps to digitize the asset disposal process.</p> <p>Moreover, WFP will analyse and identify the root cause for the high percentage of fully depreciated property, plant and equipment in its records to evaluate the reasonableness of estimated useful life applied as well as the effectiveness of the disposal process.</p>		
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 10 paragraph 94</p> <p>The External Auditor recommends that WFP review the asset management processes and applications in use to simplify data input, reduce manual workload and enhance its asset management reports by adding the aging, residual useful life, accumulated and current depreciation and net book value as a standard functionality to support the monitoring and asset management processes.</p>	MSDI	<p>Agreed.</p> <p>MSDI, in coordination with TEC, will assess the feasibility of enhancing the Global Equipment Management System to capture and report critical asset information for better monitoring and asset management.</p>	June 2024	

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<p>2022 audited annual accounts 2023</p>	<p>Recommendation 11 paragraph 101</p> <p>The External Auditor recommends that WFP enhance controls to safeguard equipment of country offices and emphasise to country offices the need to perform annual physical count and reconciliation exercises in a complete and accurate manner.</p>	MSDI	<p>Agreed.</p> <p>WFP acknowledged the importance of instituting appropriate controls to safeguard WFP assets from theft or misuse. WFP will review and enhance existing controls, as necessary and ensure strict implementation of these controls by all WFP offices, including country offices, global offices, headquarters, and regional bureaux.</p>	December 2023	
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 12 paragraph 109</p> <p>The External Auditor recommends that WFP review its solar power systems and ensure that systems with an aggregate value of more than USD 5,000 are capitalized as items of property, plant and equipment and that WFP review the useful life of such systems and align it with the actual use.</p>	MSDI, FING	<p>Agreed.</p> <p>WFP will consider the capitalization of solar panel systems based on aggregated function and value and analyse the system components and associated costs, as well as issue accounting treatment guidelines to ensure proper capitalization method is applied.</p> <p>Also, WFP will review the useful of life of the solar panel systems and necessary changes will be implemented and disclosed in the financial statements based on the outcome of the review.</p>	December 2023	

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<p>2022 audited annual accounts 2023</p>	<p>Recommendation 13 paragraph 118</p> <p>The External Auditor recommends that WFP conduct a comprehensive cost-benefit analysis of the outsourcing of parts of the payroll process to an external service provider considering the risks involved and the benefits achieved.</p>	<p>HRM, Corporate Payroll Unit (FINP)</p>	<p>Agreed.</p> <p>WFP will perform a cost-benefit analysis of outsourcing parts of the payroll process, taking into account the risks and parameters of the partnership. The analysis will include a technical feasibility assessment of integrating the currently outsourced payroll process into WFP ERP system; a review of the current payroll business processes, roles and responsibilities; and the possibility of using the Human Capital Management system (Workday) as a single payroll system for all WFP employee categories and contract types.</p>	<p>December 2024</p>	
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 14 paragraph 124</p> <p>The External Auditor recommends that WFP assess how it can record a staff member's prior enrolment in medical plans recognized by the United Nations correctly and ensure that the employee benefit liability is based on appropriate data.</p>	<p>HRM, FING</p>	<p>Agreed.</p> <p>WFP acknowledges that employee benefit liability should be based on appropriate data and is finalizing the development of a report to merge WFP and United Nations Joint Staff Pension Fund data, providing a more accurate record of prior in-service participation in the medical plans with respect to eligibility towards after service health insurance.</p>	<p>August 2023</p>	

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<p>2022 audited annual accounts 2023</p>	<p>Recommendation 15 paragraph 134</p> <p>The External Auditor recommends that WFP improve the danger pay process in terms of automatization, certification, calculation, and monitoring in the country offices to ensure that danger pay is calculated correctly and only paid for eligible days.</p>	<p>HRM, FINP</p>	<p>Agreed.</p> <p>WFP recognizes the importance of accurately computing danger pay and paying for eligible days only and notes that improvements to the danger pay process are underway. WFP is implementing the Human Capital Management Workday platform which, among other purposes, aims to introduce a standardized, fully auditable process and workflow for danger pay across country offices and eligible employee categories, including the following functionalities:</p> <ul style="list-style-type: none"> a) Attendance sheet for the purpose of danger pay completed by employees, duly certified by relevant danger pay focal points and submitted to HR for validation against eligibility criteria and approval. Workday will generate a report merging self-declared attendances at the duty station and any absence/leave taken in the period to facilitate the review and approval of the danger pay focal point or HR. b) Applicable danger pay rates to be stored in Workday for each location and updated on a monthly basis. c) Automated computation of danger pay for eligible employees per month. 	<p>June 2024</p>	

TABLE 2: UPDATE ON OUTSTANDING RECOMMENDATIONS, WITH EXTERNAL AUDITOR'S COMMENTS

Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
2022 audited annual accounts 2023	<p>Recommendation 16 paragraph 136</p> <p>The External Auditor recommends that WFP enhance documentation requirements and establish detective controls to review in predetermined intervals the correctness of entitlements disbursed.</p>	HRM	<p>Agreed</p> <p>WFP supports the recommendation to further enhance documentation requirements and detective controls.</p> <p>WFP has a project in its workplan to benchmark similar human resource administrative service deliveries across other organizations to help define an error and fraudulent activity detection programme (including development of a system-based control and reporting mechanism), noting that there are particular parameters and limitations in our international context and that any result for additional measures would need to be balanced with a consideration of the efforts required.</p>	June 2024	
2022 audited annual accounts 2023	<p>Recommendation 17 paragraph 146</p> <p>The External Auditor recommends that WFP compile and share with country offices good practices and examples of cash-based transfer reconciliations for coherent data management and documentation of transfer reconciliations.</p>	Cash-based Transfers Division (CBT)	<p>Agreed.</p> <p>CBT will gather examples of best practices and effectively designed cash-based transfer reconciliation standard operating procedures from country offices adhering to the internal controls and other relevant guidelines and share widely across all country offices for possible implementation, where applicable.</p>	December 2023	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 18 paragraph 151</p> <p>The External Auditor recommends that WFP further roll out and enhance corporate standard technical solutions for cash-based transfer reconciliation at country office level.</p>	<p>CBT</p>	<p>Agreed.</p> <p>WFP will create a detailed roll out plan to enhance corporate standard solutions for cash-based transfer reconciliation at the country office level, outlining the implementation strategy, timeline, and resource requirements while ensuring that the plan is flexible enough to accommodate variations in local contexts.</p>	<p>December 2023</p>	
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 19 paragraph 156</p> <p>The External Auditor recommends that WFP strengthen the oversight activities related to cash-based transfer delivery processes to ensure coherent corporate transfer reconciliations.</p>	<p>CBT</p>	<p>Agreed.</p> <p>WFP headquarters will work with regional bureaux to align their oversight activities with the Cash Assurance Framework while escalating high-priority recommendations for formal follow-up in R2. In 2023, the cash assurance monitoring exercise will be enhanced, allowing country office and regional bureau access to more detailed information about the priority controls embedded in the cash assurance framework, including transfer reconciliation to strengthen their oversight processes and ongoing monitoring.</p> <p>CBT and the Office of Internal Audit will organize sessions to harmonize the current audit approach, including transfers reconciliation, as well as to agree on knowledge sharing and training sessions by the end of the second quarter of 2023.</p> <p>In addition, CBT will continue to support country offices to address issues related to cash-based transfers identified by the Office of Internal Audit through their third-line work.</p>	<p>July 2024</p>	

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2022 audited annual accounts 2023	<p>Recommendation 20 paragraph 164</p> <p>The External Auditor recommends that WFP revisit the definition of commodity vouchers and establish an appropriate accounting category to record this type of distribution activity.</p>	SCO, Business Development Cash-Based Transfers Unit	<p>Agreed.</p> <p>In March 2023, WFP formed a working group which consists of members from various stakeholders, including the Programme and Policy Development Department, Corporate Finance Division, Legal Office, and Supply Chain Operations Division to review the definition of commodity vouchers, consider modality redesign, and revisit the corporate regulatory instruments governing the commodity voucher modality. The outcome of the working group, including its decisions and observations, will inform the implementation of this recommendation.</p>	March 2024	
2022 audited annual accounts 2023	<p>Recommendation 21 paragraph 175</p> <p>The External Auditor recommends that WFP analyse the amounts of goods or services received but not yet recorded as at reporting date and use this analysis to establish a standing accrual for unrecorded liabilities. The analysis should be based on the trend of a five years' period before each reporting date.</p>	FING	<p>Agreed.</p> <p>WFP performed periodic adequacy assessments of the expense accruals processes in the past and accrual misstatements identified were considered immaterial for financial statement reporting purposes and, therefore, no adjustments to the existing accrual process were deemed necessary. WFP will perform another assessment using more recent financial data and evaluate whether there is a need for accrual process enhancements and additional standing accrual for goods and services based on the outcome.</p>	February 2024	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 22 paragraph 177</p> <p>The External Auditor recommends that WFP enhance the awareness of country offices and headquarters' units to improve the accuracy and completeness of accrual submission forms by country offices at year-end.</p>	<p>FING</p>	<p>Agreed.</p> <p>WFP conducts awareness-raising and refresher activities related to accrual accounting and cut-off reporting on a continuous basis. Notably, WFP's interim and annual financial closure processes include webinars and year-end financial closure simulations focusing on data quality control and reporting and emphasizing the timely recognition of goods and services receipts, as also noted in the guides for accounts closure. WFP will enhance these efforts during 2023 through additional guidance, informed by relevant audit observations and recommendations</p>	<p>December 2023</p>	
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 23 paragraph 183</p> <p>The External Auditor recommends that WFP define due dates for analysing open item clearing accounts and instruct country offices to clear open items in a timely manner.</p>	<p>FING, Accounts Payable Unit</p>	<p>Agreed.</p> <p>WFP's procedures to clear open items, including payables, consist of regular monitoring, analysis, and feedback by various organizational levels, as formalized through monthly financial closure reporting and oversight process. Open items are thus cleared after review and feedback and upon confirmation that sufficient basis exists. WFP will further strengthen efforts to minimize the number of aged open items.</p>	<p>December 2023</p>	
<p>2022 audited annual accounts 2023</p>	<p>Recommendation 24 paragraph 189</p> <p>The External Auditor recommends that WFP enhance awareness of country offices of the need for timely cost-recovery and establish a process to verify the completeness of cost recovery and revenue recognition on a regular basis.</p>	<p>FING</p>	<p>Agreed.</p> <p>WFP notes that existing efforts to prescribe service provision revenue recognition requirements and obtain management assurance for compliance are ongoing, including the interim and annual financial closure guidance and webinars, monthly financial closure and related oversight checklist, annual letter of representation, service provision training, among others. In addition to promoting these guidance and tools, WFP released the robotic process automation in the last quarter of 2022 to automate service provision revenue recognition and ensure completeness of cost recovery and revenue recognition posting.</p>	<p>February 2024</p>	

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Subject of report and annual session at which issued	Recommendation	Owner(s)	WFP response/action	Timeframe	External Auditor's comments (EB.A/2023)
			WFP is assessing the results of these efforts and will consider additional steps to verify the completeness of service provision revenue transactions through headquarters and regional bureaux' functional oversight.		
2022 audited annual accounts 2023	Recommendation 25 paragraph 195 The External Auditor recommends that WFP automate the process of internal transaction elimination to ensure the completeness of such eliminations, to reduce the risk of manual errors, and to make the process more time efficient.	FING, Financial Systems and Processes Support Branch (FINS)	Agreed. WFP will automate internal transaction elimination process and revise system set-up to ensure complete and accurate internal transaction eliminations. This will include revising the number of existing accounting models and related normative documents and guidance on special accounts.	December 2024	
2022 audited annual accounts 2023	Recommendation 26 paragraph 200 The External Auditor recommends that WFP ensure the meaningfulness of business areas, in particular in cases in which special accounts are used to fund expenses.	FING, FINS	Partially agreed, pending further discussion with the External Auditor. WFP considers that business areas as reporting objects in its ERP system provide meaningful information for internal financial reporting. Given that special accounts operate outside the country strategic framework, expenses from these accounts are recognized at headquarters business areas as related activities are overseen and financially managed at this level. WFP will engage in further dialogue with the External Auditor to arrive at a common view on this matter.	February 2024	

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2022 audited annual accounts 2023	Recommendation 27 paragraph 206 The External Auditor recommends that WFP enhance its control over bank signatories when changes of signatory rights occur and conduct reviews of bank signatories on spot check basis on predetermined intervals to ensure the consistency between designated and registered bank signatories.	Treasury Branch Service	Agreed. WFP will enhance control over bank signatories notwithstanding that system-generated lists of revised signatories may not be possible to obtain from most banks used by WFP across the world due to weak system sophistication. In such cases, WFP will employ a confirmation letter with full details of updated signatories and implement regular spot checking of sample updated bank signatories to ensure consistency between designated and registered bank signatories.	December 2023	

Acronyms

CBT	Cash-based Transfers Division
CCI	critical corporate initiative
COMET	country office tool for managing (programme operations) effectively
CPP	Corporate Planning and Performance Division
DOTS	WFP's Enterprise Data Management platform
ERP	Enterprise Resource Planning
ETO	Ethics Office
FAO	Food and Agriculture Organization of the United Nations
FIN	Corporate Finance Division
FING	Corporate Finance Division – General Accounts Branch
FINP	Corporate Payroll Unit
FIT	future international talent (pool)
FLA	field-level agreement
GPO	Global Privacy Office
LEG	Legal Office
LG	Leadership Group
MCR	management cost recovery
MD	Management Department
MSD	Management Services Division
MSDI	Infrastructure and Facilities Management Branch
OED	Office of the Executive Director
OMS	Operations Management Support
OPC	Oversight and Policy Committee
PA	Partnerships and Advocacy Department
PPR	Public Partnerships and Resourcing Division
PRO	Programme – Humanitarian and Development Division
PROT	Technical Assistance and Country Capacity Strengthening Service
PSA	programme support and administrative (budget)
R2	risk and recommendation tracking tool
RAM	Research, Assessment and Monitoring Division
RMD	Risk Management Division
SCO	Supply Chain Operations Division
SCOA	Aviation Service
SCOPE	WFP's digital beneficiary information and transfer management platform
SMG	Senior Management Group

STR	Strategic Partnerships Division
TEC	Technology Division
UNFPA	United Nations Population Fund
UNHAS	United Nations Humanitarian Air Service
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNPP	United Nations Partner Portal
WINGS	WFP Information Network and Global System