



External Audit

Chief Financial Officer's Seminar

6 May 2026

Mr. Lutz Hoffmann, Director of External Audit

≡ Outline

- Audit results - overview
- Status of open recommendations
- Audit results - details
 - Restructuring of Global Headquarters
 - Human resources management
 - Finance, accounting and internal controls
 - Cash-based transfers
 - Cooperating partner management
 - Downsizing of operations
 - Self-insurance scheme (Captive)

≡ Audit results - overview

→ Unmodified audit opinion

- “In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WFP as at 31 December 2025 and its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).”

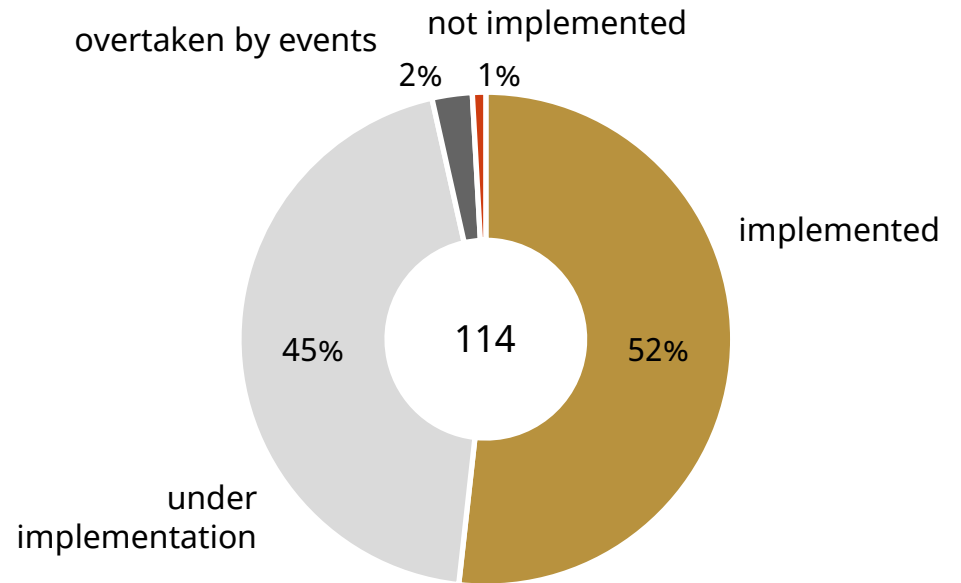
→ 41 new recommendations incl. 11 key recommendations

- Restructuring of Global Headquarters, Human resources management, Finance, accounting and internal controls, Cash-based transfers, Cooperating partner management, Downsizing of operations, Self-insurance scheme (Captive)

≡ Status of open audit recommendations

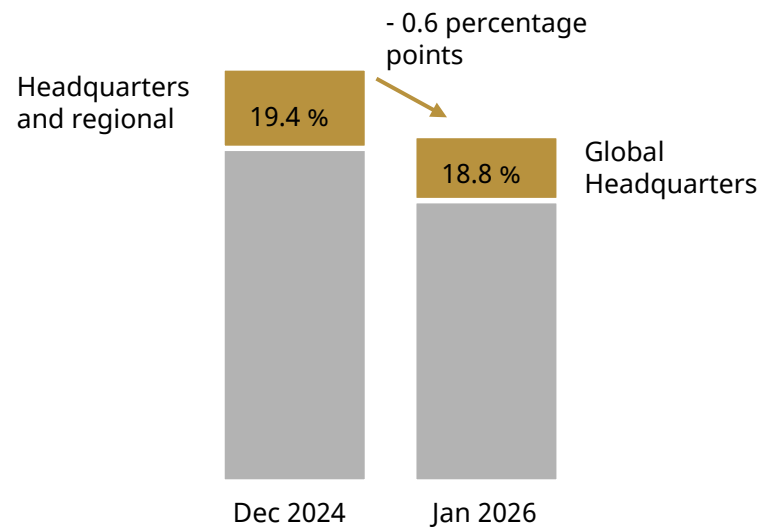
→ 114 open recommendations

- 59 implemented (52 percent)
- 51 under implementation (45 percent)
- 3 overtaken by events (2 percent)
- 1 not implemented (1 percent)



≡ Audit results - Restructuring of Global HQ

Shift to two-layer structure




WFP should continue to reduce the ratio of Global HQ employees to the total number of employees.

≡ Audit results - Restructuring of Global HQ

Roles and accountability

- New Management Accountability Framework, new “Compact”
- Regional directors expected to contribute to oversight, technical support and performance management



WFP should clarify the responsibilities and accountability of regional directors and their relationship with global functions including outposted employees.

≡ Audit results - Restructuring of Global HQ

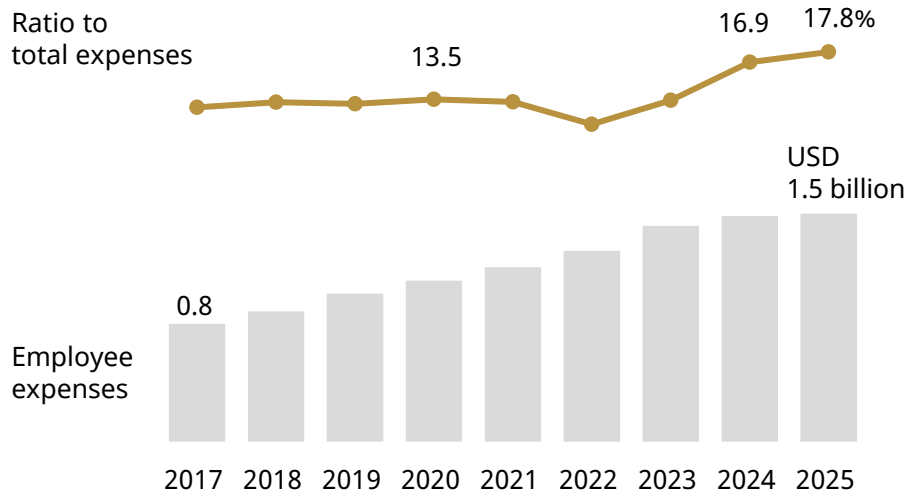
Service catalogues

- Inform country offices about services and whom to contact
- Format, content and contact information differed; service catalogue of one division missing
- Only TEC with comprehensive ticketing system

WFP should evaluate the different service catalogues including ticketing systems to determine the best, harmonized format and approach.

≡ Audit results - Human resources

Employee reductions




WFP should reduce the ratio of employee expenses to total expenses; WFP should review its employee needs/positions in light of the reduced funding.

≡ Audit results - Finance, accounting and internal controls

ED Assurance Exercise

- Management self-assessment tool
- Basis for the Management Review of Significant Risk and Control Issues
- Increasing number of cases of non-compliance with WFP' regulations



WFP should systematically promote the use of the ED Assurance Exercise's results to mitigate identified shortcomings and risks.

≡ Audit results - Finance, accounting and internal controls

Expense recognition

- IPSAS 1 requests verifiable documentation for expense recognition
- Country offices recognized expenses without required documentation

WFP should ensure that country offices always recognize expenses based on verifiable supporting documents as required by IPSAS 1.

≡ Audit results - Finance, accounting and internal controls

Controls in payroll systems

- A unique WINGS ID for each employee
- Duplicate employee records in WINGS and PASPort
- WFP paid employee twice and later corrected the overpayment

WFP should implement controls to prevent the creation of separate IDs for the same employee in WINGS and PASPort.

≡ Audit results - Finance, accounting and internal controls

Cash to government employees for attending trainings

- One country office paid government employees USD 1.7 million for participating in trainings through a cooperating partner

WFP should ensure that country offices do not pay government employees for participating in trainings.

≡ Audit results - Cash-based transfers

Performance evaluation of FSP


- Country offices must evaluate the performance of FSP annually and six months before contract expiry
- No performance evaluation for 30 percent of active FSP, an additional 27 percent outdated

WFP should ensure that country offices conduct FSP performance evaluations as required.

≡ Audit results - Cooperating partners

Advance payments

- Advance payments shall not exceed the projected operational costs of the next three months and USD 100,000
- WFP has no internal guidance
- Advances agreed in FLAs are not based on operational needs



WFP should ensure that country offices base their advance payments on the partner's operational costs.

≡ Audit results - Downsizing of operations

Lessons learned from closure process


- WFP closed Moldova Country Office at the beginning of 2026
- WFP guidance on office closure does not contain detailed hands-on explanations for offices

WFP should use lessons learned from the Moldova Country Office to improve guidance to facilitate further office closures.

≡ Audit results - Self-insurance scheme (Captive)

Food loss claims

- The Captive insures commodity movements in possession of WFP
- Country offices filed 25 percent of claims to the Captive later than 180 days after the loss
- WFP did not provide relevant documentation



WFP should enforce country office compliance through effective escalation mechanisms to ensure timely loss recording.



Thank you.