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

WFP management response to the recommendations in the report of the External Auditor on findings from field audits

1. Management welcomes the summary field report for 2025 and appreciates the External Auditor's commitment to transparency, accountability and continuous improvement. Management notes that the report highlights cross-cutting findings arising from field audits and the insights provided by the External Auditor on issues that may impede the efficiency of WFP's financial procedures, accounting system and internal controls, and its general administration and management at the field level.

2. Country offices have accepted the recommendations issued through the 2025 management letters and, supported by global headquarters, have initiated the necessary actions. The implementation status of these recommendations will be monitored and reported on until the related issues are fully resolved, with updates included in the annex to the summary field report from 2027 onwards. Consequently, this management response does not delve into individual recommendations but instead concentrates on WFP's overarching response to findings presented in the summary field report in the following areas: supply chain; cash-based transfers; cooperating partner management; human resources; and finance and administration.

3. **Supply chain.** WFP acknowledges the observations in the summary field report regarding the management of transport service providers and warehouses. WFP is digitizing warehouse and inventory controls through the Logistics Execution Support System (LESS) Digital Stack Cards and Simplified Warehouse System, with 91 percent of country offices having implemented digital stack cards. Country offices are expected to update LESS data daily, conduct monthly physical counts and maintain warehouse records in line with standard operating procedures and track and trace objectives. WFP has also expanded commodity management tools for cooperating partners: 85 percent of country offices and 46 percent of cooperating partners have been trained on the tools and 41 percent of

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cooperating partners are using the tools to manage active stock. For transport and other logistics services, the 2024 logistics manual introduced guidance on performance evaluations, service-specific indicators and corrective action for underperformance. Country offices update shortlists of service providers annually and use an online evaluation tool for transport services and standardized templates for other core logistics services.

4. **Cash-based transfers.** Management recognizes the importance of maintaining strong oversight of financial service providers and ensuring that cash-based transfer operations remain supported by current risk assessments and market intelligence. WFP continues to strengthen its control framework through enhanced financial sector intelligence guidance, due diligence requirements and systematic monitoring of financial service provider performance. This includes updating financial sector intelligence assessments where required and strengthening follow-up actions arising from due diligence recommendations and provider evaluations to support effective risk mitigation and informed decision-making. Corporate functions continue to provide risk-based oversight and technical support to country offices, ensuring that assessment findings are translated into operational procurement and contracting strategies.

5. **Cooperating partner management.** Management acknowledges the findings related to field-level agreement modalities and cooperating partner management and accounting. WFP has updated corporate guidance on the management of field-level agreements, including the requirements set out in the programme guidance manual in relation to amendments and extensions, financial monitoring and compliance oversight. Country offices are required to apply the updated guidance when deciding whether to amend or extend an agreement or initiate a new selection process, and to align standard operating procedures for partner reporting, invoice processing, expense and advance payment recording and expenditure monitoring with the corporate guidance on partnerships with non-governmental organizations. WFP has also issued guidance on the proper recording of cooperating partner expenditures and strengthened WINGS controls for field-level agreement obligation and expenditure management. Automated validations now require correct linkages between outline distribution agreements and distribution purchase orders; restrict approved material groups; align general ledger accounts with cost categories; and prevent non-compliant transactions.

6. **Human resources.** Management acknowledges the recommendations concerning the implementation of Workday and personnel file management. Country offices are expected to progressively discontinue parallel human resource workflows and transition to standardized human resource processes within Workday, leveraging embedded system controls and approval workflows. WFP has issued corporate guidance for personnel record management and continues to support offices in digitizing personnel files and harmonizing records. This includes the adoption of standard approaches for the management of current and historical personnel records through appropriate corporate systems and repositories. Regional human resource initiatives are supporting this transition, including personnel file digitization activities under way across country offices. Global headquarters will continue to support country offices in utilizing Workday and strengthening record management practices to ensure consistency with corporate standards.

7. **Finance and administration.** Management accepts the recommendations relating to accrual reporting, asset management and fleet management. WFP continues to emphasize the importance of accurate and complete accrual submissions through year-end closure guidance, training and targeted support from the Chief Financial Officer function. In asset management, WFP continues to strengthen the quality and completeness of financial reporting while reinforcing accountability through enhanced systems, inventory verification processes, reconciliation exercises and strengthened disposal controls. In parallel, the Management Services Division continues to strengthen fleet governance through system

enhancements, strengthened oversight arrangements and optimization initiatives to ensure the efficient stewardship of assets and transport resources.

8. Management further notes the positive progress made in implementing recommendations issued over the period 2018 to 2024, with 109 recommendations assessed as implemented and 11 recommendations closed as a result of being overtaken by events. This reflects management's sustained commitment to accountability and timely corrective action, with only 12 recommendations remaining under implementation.

9. WFP remains committed to sustaining this level of timely implementation and closure in future reporting cycles. Efforts continue on addressing the remaining recommendations, several of which are linked to ongoing corporate initiatives and require longer-term implementation. These initiatives include the Staffing Framework 2.0, WFP's redesign of its workforce and contract architecture to support simplicity, flexibility and duty of care, which is under development and planned for rollout in 2027; continued improvement in cooperating partner spot checks, monitored through a dedicated key performance indicator; and the Risk Management Division's ongoing review of the Executive Director's Circular on business continuity management.

10. Building on the positive progress made in addressing external audit recommendations from previous years, WFP has launched a corporate initiative, endorsed by the Leadership Team in July 2026, to reduce the backlog of overdue oversight actions by 50 percent by December 2026. Key elements of that initiative include targeted engagement with high-priority country offices; the identification of "quick wins" and priority actions for closure; the provision of additional capacity support to regional offices; and the introduction of a dashboard with daily system updates to accelerate closure and strengthen oversight monitoring. Management will continue to report progress through established oversight and governance channels, including regular updates to the Executive Board, the Independent Oversight Advisory Committee and the Risk Committee.