

# EB.A/2021 items

Resource,  
Financial and  
Budgetary  
Matters

Executive Board  
Annual session  
Rome, 21–25 June  
2021



World Food  
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## Resource, Financial and Budgetary Matters

Report of the External Auditor on critical corporate initiatives and WFP management response to the External Auditor's recommendations

# External audit on critical corporate initiatives

## Main Findings

1

### **The selection process of the CCI is not appropriate for assessing their relevance.**

- CCI have not been defined with sufficient precision as to the operational application.
- All strategic investments financed by the Programme Support and Administrative Budget should be visible to the Board.

2

### **The governance process lacks transparency and standardization.**

- The process involves same people proposing and selecting the CCI before approval.
- CCI are approved in very general terms, with no detailed presentation of the expected deliverables and impacts.

3

### **The tools for assessing CCI performance are neither systematic nor fully consistent.**

- The outcomes of approved CCI should be described in the Annual Performance Reports.
- The lack of clear and measurable performance criteria is needed to align the results to set targets.

4

### **The financial framework in which CCI are implemented required clarification.**

- CCI are referred to as "investments", which they are not from a financial perspective.
- CCI need to be seen more as an expenditure for organizational change, not just as supplements to regular resources.

5

### **The centralized way in which CCI are conceived is not favorable to the field.**

- A greater involvement of the field in the governance process might be appropriate as they are the main beneficiaries, and some projects require local adaptations.





# External audit on critical corporate initiatives

WFP welcomes the recommendations summarized and will build on several key improvements:

1

The **Bottom Up Strategic Budgeting Exercise (BUSBE)**:

- Budget governance review commenced in January 2021
- Align funding sources to activities by HQ and regional bureaux via a holistic baseline budget presentation
- Align use of funding with management and operational priorities

2

The **Strategic Resource Allocation Committee (SRAC)** prioritization process introduced in Q4, 2020 with Regional Director engagement and scoring

3

Defining **WFP's corporate priorities**, including expected results, budget and expenditure, which needs further definition to strengthen operational application

4

Improvement of management reporting in 2020 Annual Performance Report, but results reporting needs strengthening

# Q & A



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**THANK YOU**