

# 2015 Audited Annual Accounts

*Executive Board Annual Session*

13-17 June 2016



**World Food Programme**

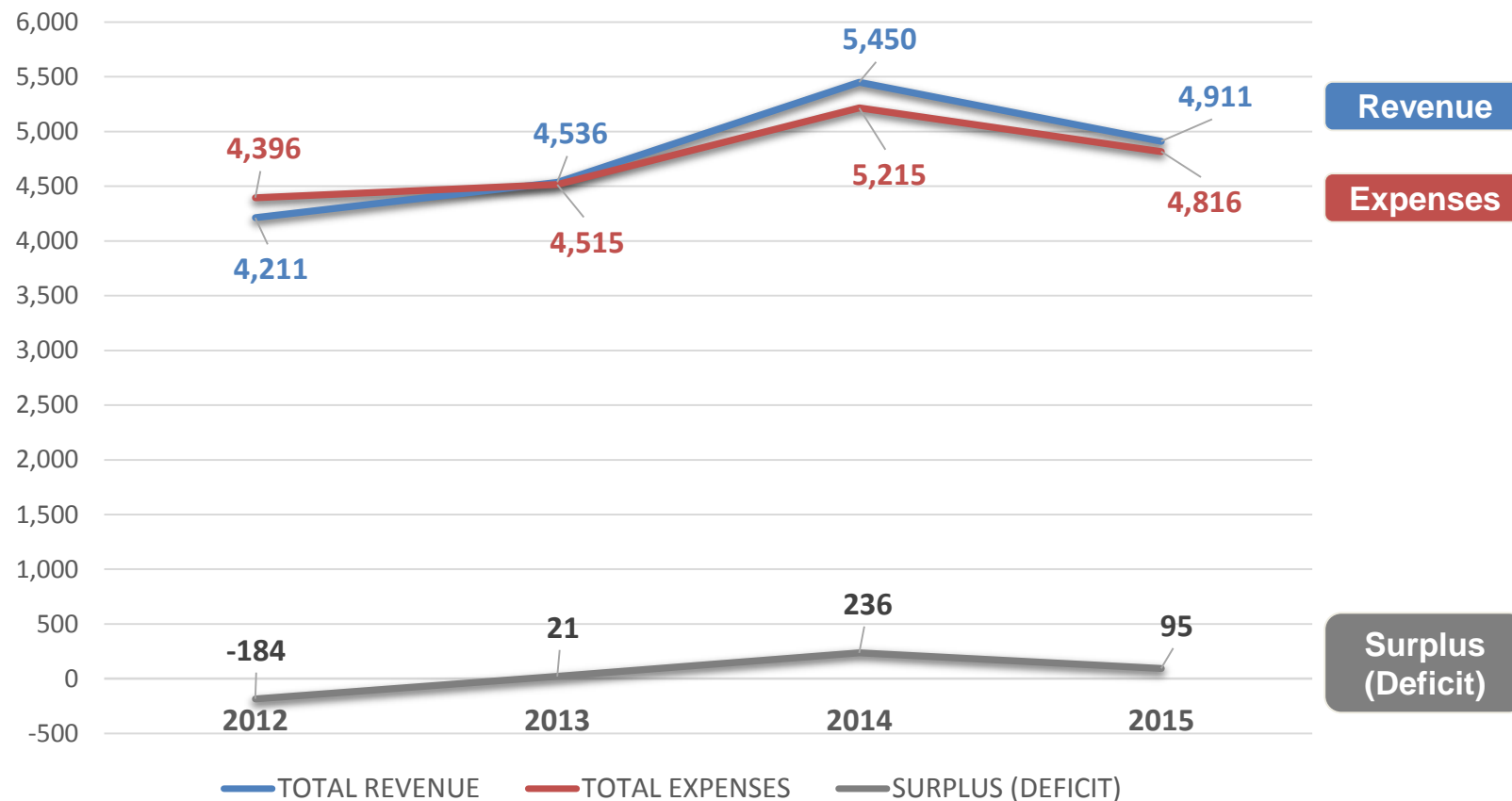
# Highlights



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# Financial Performance 2012-2015

(USD million)



# Statement II - Statement of Financial Performance

(Audited Annual Accounts 2015, page 19)



USD million	2015	2014
<b>REVENUE</b>		
Monetary contributions	4,247.9	4,877.8
In-Kind contributions	559.8	503.3
Other revenue	103.2	69.3
<b>TOTAL REVENUE</b>	<b>4,910.9</b>	<b>5,450.4</b>
<b>EXPENSES</b>		
Cash-based transfers distributed	679.1	845.6
Food commodities distributed	1,784.1	1,988.5
Distribution and related services	635.9	650.4
Wages, salaries, employee benefits and other staff costs	770.6	850.6
Supplies, consumables and other running costs	167.3	183.5
Contracted and other services	645.0	572.8
Finance Costs	2.2	2.4
Depreciation and amortization	52.4	50.3
Other expenses	79.7	70.5
<b>TOTAL EXPENSES</b>	<b>4,816.3</b>	<b>5,214.6</b>
<b>SURPLUS FOR THE YEAR</b>	<b>94.6</b>	<b>235.8</b>

Contribution revenue decreased by USD573.4m (11%)

Cash-based transfers distributed decreased by USD166.5m (20%), mainly due to decrease in Syria emergency

Cost of food commodities distributed decreased by USD204.4m (10%) reflecting the decrease in food tonnage distributed from 3.2m mt in 2014 to 3.1m mt in 2015 (in large part, Syria emergency decrease)

Wages decreased by USD80.0m (9%) as 2014 included the expense related to the comprehensive valuation of post-employment benefits of the National Staff

Contracted and other services Increased by USD72.2m (13%), mainly increase in aviation costs in South Sudan and Nepal operations

Total expenses decreased by USD398.3m (8%)

# Statement I - Statement of Financial Position

(Audited Annual Accounts 2015, page 18)

USD million	31.12.2015	31.12.2014
Cash and cash equivalents	772.2	822.0
Short-term investments	817.2	854.0
Contributions receivable	2,233.4	2,099.8
Inventories	650.1	578.6
Other receivables	109.4	122.2
<b>TOTAL Current Assets</b>	<b>4,582.3</b>	<b>4,476.6</b>
Contributions receivable	36.5	93.1
Long-term investments	462.3	448.9
Property, plant and equipment	144.5	125.2
Intangible assets	5.2	8.9
<b>TOTAL Non-current Assets</b>	<b>648.5</b>	<b>676.1</b>
<b>TOTAL Assets</b>	<b>5,230.8</b>	<b>5,152.7</b>
Payables and accruals	513.8	535.9
Provisions	5.7	6.2
Employee benefits	10.6	10.4
Loans	5.8	32.8
<b>Total Current Liabilities</b>	<b>535.9</b>	<b>585.3</b>
Employee benefits	601.9	555.1
Long-term loan	83.8	89.6
<b>Total Non-current Liabilities</b>	<b>685.7</b>	<b>644.7</b>
<b>Total Liabilities</b>	<b>1,221.6</b>	<b>1,230.0</b>
<b>TOTAL NET ASSETS</b>	<b>4,009.2</b>	<b>3,922.7</b>
Fund Balances	3,710.7	3,591.3
Reserves	298.5	331.4
<b>TOTAL FUND BALANCES AND RESERVES</b>	<b>4,009.2</b>	<b>3,922.7</b>

Cash and STI decreased USD86.6m (5%), mainly from operational activities (decrease in contribution revenue)

Contribution receivables increased USD77.0m (4%) mainly due to timing of cash receipts

Inventory increased USD71.5m (12%), due to increase in tonnage held from 0.9m mt in 2014 to 1.1m mt in 2015.

Employee benefit liability increased USD47.0m (8%) primarily due to the increase in earned benefit entitlement

Funding status reflecting assets sets aside to cover total gross long-term liability went from 64% to 70%

# Statement V – Comparison of Budget and Actual Amounts

(Audited Annual Accounts 2015, page 22)



USD Million	Budget Amount		Actual on comparable basis	Difference: final budget and actual	Prioritized Plan
	Original	Final			
Food and related direct operational costs (DOC)	4,522.6	4,957.5	2,673.9	2,283.6	2,446.0
Cash-based transfers and related DOC	1,746.7	1,541.2	779.2	762.0	798.0
Capacity augmentation	418.6	617.1	404.3	212.8	211.0
Direct support costs	758.0	1,003.9	610.5	393.4	402.0
<b>Subtotal direct project costs</b>	<b>7,445.9</b>	<b>8,119.7</b>	<b>4,467.9</b>	<b>3,651.8</b>	<b>3,857.0</b>
Regular PSA	281.8	281.8	280.7	1.1	281.8
Critical corporate initiatives	9.2	27.2	17.5	9.7	27.2
<b>Subtotal indirect costs</b>	<b>291.0</b>	<b>309.0</b>	<b>298.2</b>	<b>10.8</b>	<b>309.0</b>
<b>TOTAL</b>	<b>7,736.9</b>	<b>8,428.7</b>	<b>4,766.1</b>	<b>3,662.6</b>	<b>4,166.0</b>

Original budget is expanded by USD691.8m, mainly due to increase in emergencies.

Utilization of final budget in 2015 is 57%, due to the constraints of amount, timing and predictability of contributions, as well as operational constraints.

Actual is higher than Prioritized Plan, due to higher than expected contribution revenue mainly driven by Ebola response and Central African republic regional operations.

The Prioritized Plan includes the Provisional Prioritized Programme of Work for the direct costs portion and the Final Budget for the indirect costs portion (MP 2016-2018).

# Overview of Statement on Internal Control



## **2015 is fifth year for which a Statement on Internal Control is being produced**

- Global best practice to assure stakeholders and demonstrate accountability
- In 2015, WFP revised the internal control framework to reflect COSO 2013 guidance
- SIC, signed by Executive Director, to be published with Annual Financial Statements (June 2016)

## **Completed Assurance Statements on internal control for each Office/Division form the basis of ED Statement**

- Directors of WFP offices and HQ divisions submitted to RDs and DED/AEDs
- RDs and DED/AEDs cleared submissions by Directors reporting to them
- Evidence from other sources was also considered

## **100% of Directors, managing 136 WFP HQ divisions and field offices, submitted an Assurance Statement and Letter of Representation**

## **Evidence indicates progress in strengthening internal control within WFP compared to last year; however, there is still room for improvement**

- Area related to enhancement of staff performance appraisals has been closed
- Other two areas previously reported (Monitoring & Review and the impact of the high level of emergencies) need further improvement
- No new significant risk or internal control issue arose during 2015

**World Food Programme**

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**13-17 June 2016**