

# 2011 Financial Statements



# Financial Statements, 2011 presented and discussed in detail in the following forum

---

**4<sup>th</sup> year IPSAS-compliant Financial Statements**

**Clean external audit opinion**

***Thorough review process consisting of:-***

- WFP Audit Committee**
- FAO Finance Committee**
- Executive Board Financial Seminar**
- UN ACABQ**

# Statement I - Statement of Financial Position

US\$ million	31.12.2011	31.12.2010
Cash and cash equivalents	659.6	550.5
Short-term investments	996.3	778.6
Contributions receivable	1,625.7	2,352.6
Inventories	776.6	700.2
Other receivables	122.0	186.4
<b>TOTAL Current Assets</b>	<b>4,180.2</b>	<b>4,568.3</b>
Contributions receivable	199.4	117.9
Long-term investments	281.1	248.2
Property, plant and equipment	100.9	85.1
Intangible assets	30.8	36.5
<b>TOTAL Non-current Assets</b>	<b>612.2</b>	<b>487.7</b>
<b>TOTAL Assets</b>	<b>4,792.4</b>	<b>5,056.0</b>
Payables and accruals	535.2	522.0
Provisions	7.8	19.0
Employee benefits	19.9	22.2
Current portion of long-term loan	5.8	-
<b>Total Current Liabilities</b>	<b>568.7</b>	<b>563.2</b>
Employee benefits	329.1	286.4
Long-term loan	107.1	112.3
<b>Total Non-current Liabilities</b>	<b>436.2</b>	<b>398.7</b>
<b>Total Liabilities</b>	<b>1,004.9</b>	<b>961.9</b>
<b>TOTAL NET ASSETS</b>	<b>3,787.5</b>	<b>4,094.1</b>
Fund Balances	3,550.2	3,834.7
Reserves	237.3	259.4
<b>TOTAL FUND BALANCES AND RESERVES</b>	<b>3,787.5</b>	<b>4,094.1</b>

Decrease in **contributions receivable** and increase in overall **cash and investment levels** due to collection of significant receivables outstanding in 2010

**Short-term investment levels** increased due to cash management investment policy decisions

**Food commodity inventory** held represent 4.1 months of current level of operations

**Employee benefit liability** increased by 13% due to a decrease in the discount rate used and an increase in entitlements earned.

**Fund balance and reserves** decreased by US\$306.6m in 2011 due to the **deficit** made in the year of 280.7m and 25.9m of **unrealized losses on long-term investments**.

# Statement II - Statement of Financial Performance

(US\$ million)	01.01.2011 to 31.12.2011	01.01.2010 to 31.12.2010
<b>REVENUE</b>		
Monetary contributions	2,979.0	3,546.7
In-Kind contributions	617.5	583.1
Other revenue	139.6	136.4
<b>TOTAL REVENUE</b>	<b>3,736.1</b>	<b>4,266.2</b>
<b>EXPENSES</b>		
Cash and vouchers distributed	120.7	60.3
Food commodities distributed	2,061.2	2,254.6
Distribution and related services	532.9	659.0
Wages, salaries, employee benefits and other staff costs	680.4	646.4
Supplies, consumables and other running costs	148.1	152.5
Contracted and other services	387.2	374.3
Finance Costs	2.7	2.7
Depreciation and amortization	37.1	25.1
Other expenses	46.5	62.8
<b>TOTAL EXPENSES</b>	<b>4,016.8</b>	<b>4,237.7</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(280.7)</b>	<b>28.5</b>

Contribution revenue fell by 13%

Total expenses decreased by 5%

Cash and vouchers expenses doubled

Cost of food commodities distributed and distribution and related services decreased by 11%

# Surplus (Deficit) 2008-2011

2008-2011 Fund Balances and Reserves (US\$ million)	2008	2009	2010	2011
Opening fund balance and reserves	2,516.0	3,900.1	4,058.1	4,094.1
Revenue	5,114.7	4,373.3	4,266.2	3,736.1
Expenses	3,725.0	4,228.1	4,237.7	4,016.8
<b>Surplus (Deficit)</b>	<b>1,389.7</b>	<b>145.2</b>	<b>28.5</b>	<b>(280.7)</b>
Other movements during the period	(5.6)	12.8	7.5	(25.9)
<b>Closing fund balance and reserves</b>	<b>3,900.1</b>	<b>4,058.1</b>	<b>4,094.1</b>	<b>3,787.5</b>

After the surplus in periods 2008-2010, WFP made a deficit in 2011

# Statement V - Comparison of Budget and Actual Amounts

US\$ million	Budget Amount		Actual on comparable basis	Difference: final budget and actual
	Original	Final		
<b>Cost components</b>				
Food	2,006.8	2,897.6	1,827.8	1,069.8
External transport	349.9	434.0	194.0	240.0
Landside transport, storage and handling	892.3	991.2	588.8	402.4
Other direct operational costs	283.2	617.4	363.1	254.3
Direct support costs	530.5	770.7	509.0	261.7
<b>Subtotal direct costs</b>	<b>4,062.7</b>	<b>5,710.9</b>	<b>3,482.7</b>	<b>2,228.2</b>
Regular PSA	238.0	237.7	235.9	1.8
Capital and capacity funds	45.9	39.8	34.8	5.0
<b>Indirect costs</b>	<b>283.9</b>	<b>277.5</b>	<b>270.7</b>	<b>6.8</b>
<b>TOTAL</b>	<b>4,346.6</b>	<b>5,988.4</b>	<b>3,753.4</b>	<b>2,235.0</b>

Prepared on a Commitment basis - 'Actual' includes goods and services received and commitments outstanding at year end



# Statement on Internal Control introduced in 2011

## Supported by tools to help managers reflect on internal control

### Statement on Internal Control



For 2011 a 'Statement on Internal Control' (SIC) was introduced in WFP

### Mandatory form: The Assurance Statement

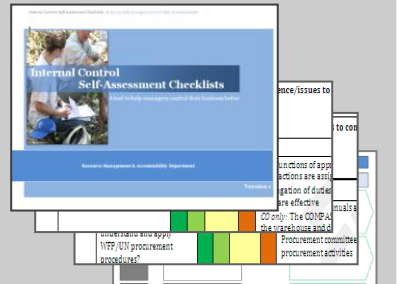
Question	Reference to overall assessment checklist	Reference to Manager's guide to internal control	Clarification	Confirmation	Your comments (if needed, please report exceptions (a), reasons, or follow-up (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), (ab), (ac), (ad), (ae), (af), (ag), (ah), (ai), (aj), (ak), (al), (am), (an), (ao), (ap), (aq), (ar), (as), (at), (au), (av), (aw), (ax), (ay), (az), (ba), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bk), (bl), (bm), (bn), (bo), (bp), (bq), (br), (bs), (bt), (bu), (bv), (bw), (bx), (by), (bz), (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ch), (ci), (cj), (ck), (cl), (cm), (cn), (co), (cp), (cq), (cr), (cs), (ct), (cu), (cv), (cw), (cx), (cy), (cz), (da), (db), (dc), (dd), (de), (df), (dg), (dh), (di), (dj), (dk), (dl), (dm), (dn), (do), (dp), (dq), (dr), (ds), (dt), (du), (dv), (dw), (dx), (dy), (dz), (ea), (eb), (ec), (ed), (ee), (ef), (eg), (eh), (ei), (ej), (ek), (el), (em), (en), (eo), (ep), (eq), (er), (es), (et), (eu), (ev), (ew), (ex), (ey), (ez), (fa), (fb), (fc), (fd), (fe), (ff), (fg), (fh), (fi), (fj), (fk), (fl), (fm), (fn), (fo), (fp), (fq), (fr), (fs), (ft), (fu), (fv), (fw), (fx), (fy), (fz), (ga), (gb), (gc), (gd), (ge), (gf), (gg), (gh), (gi), (gj), (gk), (gl), (gm), (gn), (go), (gp), (gq), (gr), (gs), (gt), (gu), (gv), (gw), (gx), (gy), (gz), (ha), (hb), (hc), (hd), (he), (hf), (hg), (hh), (hi), (hj), (hk), (hl), (hm), (hn), (ho), (hp), (hq), (hr), (hs), (ht), (hu), (hv), (hw), (hx), (hy), (hz), (ia), (ib), (ic), (id), (ie), (if), (ig), (ih), (ii), (ij), (ik), (il), (im), (in), (io), (ip), (iq), (ir), (is), (it), (iu), (iv), (iw), (ix), (iy), (iz), (ja), (jb), (jc), (jd), (je), (jf), (jg), (jh), (ji), (jj), (jk), (jl), (jm), (jn), (jo), (jp), (jq), (jr), (js), (jt), (ju), (jv), (jw), (jx), (jy), (jz), (ka), (kb), (kc), (kd), (ke), (kf), (kg), (kh), (ki), (kj), (kk), (kl), (km), (kn), (ko), (kp), (kq), (kr), (ks), (kt), (ku), (kv), (kw), (kx), (ky), (kz), (la), (lb), (lc), (ld), (le), (lf), (lg), (lh), (li), (lj), (lk), (ll), (lm), (ln), (lo), (lp), (lq), (lr), (ls), (lt), (lu), (lv), (lw), (lx), (ly), (lz), (ma), (mb), (mc), (md), (me), (mf), (mg), (mh), (mi), (mj), (mk), (ml), (mm), (mn), (mo), (mp), (mq), (mr), (ms), (mt), (mu), (mv), (mw), (mx), (my), (mz), (na), (nb), (nc), (nd), (ne), (nf), (ng), (nh), (ni), (nj), (nk), (nl), (nm), (nn), (no), (np), (nq), (nr), (ns), (nt), (nu), (nv), (nw), (nx), (ny), (nz), (oa), (ob), (oc), (od), (oe), (of), (og), (oh), (oi), (oj), (ok), (ol), (om), (on), (oo), (op), (oq), (or), (os), (ot), (ou), (ov), (ow), (ox), (oy), (oz), (pa), (pb), (pc), (pd), (pe), (pf), (pg), (ph), (pi), (pj), (pk), (pl), (pm), (pn), (po), (pp), (pq), (pr), (ps), (pt), (pu), (pv), (pw), (px), (py), (pz), (qa), (qb), (qc), (qd), (qe), (qf), (qg), (qh), (qi), (qj), (qk), (ql), (qm), (qn), (qo), (qp), (qq), (qr), (qs), (qt), (qu), (qv), (qw), (qx), (qy), (qz), (ra), (rb), (rc), (rd), (re), (rf), (rg), (rh), (ri), (rj), (rk), (rl), (rm), (rn), (ro), (rp), (rq), (rr), (rs), (rt), (ru), (rv), (rw), (rx), (ry), (rz), (sa), (sb), (sc), (sd), (se), (sf), (sg), (sh), (si), (sj), (sk), (sl), (sm), (sn), (so), (sp), (sq), (sr), (ss), (st), (su), (sv), (sw), (sx), (sy), (sz), (ta), (tb), (tc), (td), (te), (tf), (tg), (th), (ti), (tj), (tk), (tl), (tm), (tn), (to), (tp), (tq), (tr), (ts), (tt), (tu), (tv), (tw), (tx), (ty), (tz), (ua), (ub), (uc), (ud), (ue), (uf), (ug), (uh), (ui), (uj), (uk), (ul), (um), (un), (uo), (up), (uq), (ur), (us), (ut), (uu), (uv), (uw), (ux), (uy), (uz), (va), (vb), (vc), (vd), (ve), (vf), (vg), (vh), (vi), (vj), (vk), (vl), (vm), (vn), (vo), (vp), (vq), (vr), (vs), (vt), (vu), (vv), (vw), (vx), (vy), (vz), (wa), (wb), (wc), (wd), (we), (wf), (wg), (wh), (wi), (wj), (wk), (wl), (wm), (wn), (wo), (wp), (wq), (wr), (ws), (wt), (wu), (wv), (ww), (wx), (wy), (wz), (xa), (xb), (xc), (xd), (xe), (xf), (xg), (xh), (xi), (xj), (xk), (xl), (xm), (xn), (xo), (xp), (xq), (xr), (xs), (xt), (xu), (xv), (xw), (xx), (xy), (xz), (ya), (yb), (yc), (yd), (ye), (yf), (yg), (yh), (yi), (yj), (yk), (yl), (ym), (yn), (yo), (yp), (yq), (yr), (ys), (yt), (yu), (yv), (yw), (yx), (yy), (yz), (za), (zb), (zc), (zd), (ze), (zf), (zg), (zh), (zi), (zj), (zk), (zl), (zm), (zn), (zo), (zp), (zq), (zr), (zs), (zt), (zu), (zv), (zw), (zx), (zy), (zz), (aa), (ab), (ac), (ad), (ae), (af), (ag), (ah), (ai), (aj), (ak), (al), (am), (an), (ao), (ap), (aq), (ar), (as), (at), (au), (av), (aw), (ax), (ay), (az), (ba), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bk), (bl), (bm), (bn), (bo), (bp), (bq), (br), (bs), (bt), (bu), (bv), (bw), (bx), (by), (bz), (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ch), (ci), (cj), (ck), (cl), (cm), (cn), (co), (cp), (cq), (cr), (cs), (ct), (cu), (cv), (cw), (cx), (cy), (cz), (da), (db), (dc), (dd), (de), (df), (dg), (dh), (di), (dj), (dk), (dl), (dm), (dn), (do), (dp), (dq), (dr), (ds), (dt), (du), (dv), (dw), (dx), (dy), (dz), (ea), (eb), (ec), (ed), (ee), (ef), (eg), (eh), (ei), (ej), (ek), (el), (em), (en), (eo), (ep), (eq), (er), (es), (et), (eu), (ev), (ew), (ex), (ey), (ez), (fa), (fb), (fc), (fd), (fe), (ff), (fg), (fh), (fi), (fj), (fk), (fl), (fm), (fn), (fo), (fp), (fq), (fr), (fs), (ft), (fu), (fv), (fw), (fx), (fy), (fz), (ga), (gb), (gc), (gd), (ge), (gf), (gg), (gh), (gi), (gj), (gk), (gl), (gm), (gn), (go), (gp), (gq), (gr), (gs), (gt), (gu), (gv), (gw), (gx), (gy), (gz), (ha), (hb), (hc), (hd), (he), (hf), (hg), (hh), (hi), (hj), (hk), (hl), (hm), (hn), (ho), (hp), (hq), (hr), (hs), (ht), (hu), (hv), (hw), (hx), (hy), (hz), (ia), (ib), (ic), (id), (ie), (if), (ig), (ih), (ii), (ij), (ik), (il), (im), (in), (io), (ip), (iq), (ir), (is), (it), (iu), (iv), (iw), (ix), (iy), (iz), (ja), (jb), (jc), (jd), (je), (jf), (jg), (jh), (ji), (jj), (jk), (jl), (jm), (jn), (jo), (jp), (jq), (jr), (js), (jt), (ju), (jv), (jw), (jx), (jy), (jz), (ka), (kb), (kc), (kd), (ke), (kf), (kg), (kh), (ki), (kj), (kk), (kl), (km), (kn), (ko), (kp), (kq), (kr), (ks), (kt), (ku), (kv), (kw), (kx), (ky), (kz), (la), (lb), (lc), (ld), (le), (lf), (lg), (lh), (li), (lj), (lk), (ll), (lm), (ln), (lo), (lp), (lq), (lr), (ls), (lt), (lu), (lv), (lw), (lx), (ly), (lz), (ma), (mb), (mc), (md), (me), (mf), (mg), (mh), (mi), (mj), (mk), (ml), (mm), (mn), (mo), (mp), (mq), (mr), (ms), (mt), (mu), (mv), (mw), (mx), (my), (mz), (na), (nb), (nc), (nd), (ne), (nf), (ng), (nh), (ni), (nj), (nk), (nl), (nm), (nn), (no), (np), (nq), (nr), (ns), (nt), (nu), (nv), (nw), (nx), (ny), (nz), (oa), (ob), (oc), (od), (oe), (of), (og), (oh), (oi), (oj), (ok), (ol), (om), (on), (oo), (op), (oq), (or), (os), (ot), (ou), (ov), (ow), (ox), (oy), (oz), (pa), (pb), (pc), (pd), (pe), (pf), (pg), (ph), (pi), (pj), (pk), (pl), (pm), (pn), (po), (pp), (pq), (pr), (ps), (pt), (pu), (pv), (pw), (px), (py), (pz), (qa), (qb), (qc), (qd), (qe), (qf), (qg), (qh), (qi), (qj), (qk), (ql), (qm), (qn), (qo), (qp), (qq), (qr), (qs), (qt), (qu), (qv), (qw), (qx), (qy), (qz), (ra), (rb), (rc), (rd), (re), (rf), (rg), (rh), (ri), (rj), (rk), (rl), (rm), (rn), (ro), (rp), (rq), (rr), (rs), (rt), (ru), (rv), (rw), (rx), (ry), (rz), (sa), (sb), (sc), (sd), (se), (sf), (sg), (sh), (si), (sj), (sk), (sl), (sm), (sn), (so), (sp), (sq), (sr), (ss), (st), (su), (sv), (sw), (sx), (sy), (sz), (ta), (tb), (tc), (td), (te), (tf), (tg), (th), (ti), (tj), (tk), (tl), (tm), (tn), (to), (tp), (tq), (tr), (ts), (tt), (tu), (tv), (tw), (tx), (ty), (tz), (ua), (ub), (uc), (ud), (ue), (uf), (ug), (uh), (ui), (uj), (uk), (ul), (um), (un), (uo), (up), (uq), (ur), (us), (ut), (uu), (uv), (uw), (ux), (uy), (uz), (va), (vb), (vc), (vd), (ve), (vf), (vg), (vh), (vi), (vj), (vk), (vl), (vm), (vn), (vo), (vp), (vq), (vr), (vs), (vt), (vu), (vv), (vw), (vx), (vy), (vz), (wa), (wb), (wc), (wd), (we), (wf), (wg), (wh), (wi), (wj), (wk), (wl), (wm), (wn), (wo), (wp), (wq), (wr), (ws), (wt), (wu), (wv), (ww), (wx), (wy), (wz), (xa), (xb), (xc), (xd), (xe), (xf), (xg), (xh), (xi), (xj), (xk), (xl), (xm), (xn), (xo), (xp), (xq), (xr), (xs), (xt), (xu), (xv), (xw), (xx), (xy), (xz), (ya), (yb), (yc), (yd), (ye), (yf), (yg), (yh), (yi), (yj), (yk), (yl), (ym), (yn), (yo), (yp), (yq), (yr), (ys), (yt), (yu), (yv), (yw), (yx), (yy), (yz), (za), (zb), (zc), (zd), (ze), (zf), (zg), (zh), (zi), (zj), (zk), (zl), (zm), (zn), (zo), (zp), (zq), (zr), (zs), (zt), (zu), (zv), (zw), (zx), (zy), (zz)
Internal Environment	4.1	4.1	The CO ensures assurance that managers are aware of both the importance and the main principles of internal control. This includes the extent to which they are aware of the importance of setting the right tone at the top.		
Managers and staff are aware of and apply WFP ethical standards and anti-Fraud policy	1.1	4.1.1	All staff should be aware of and follow the ethical standards expected of them.		

All Directors are required to answer an "Assurance Statement" on the operation of internal control in their offices/ divisions for the SIC

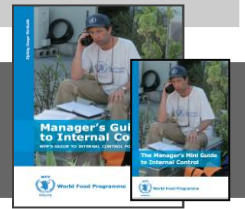
### Support tools to help managers review internal control

#### Internal Control self-assessment checklists

- Overall IC self-assessment checklist
- Functional area IC self-assessment checklists (CO only)
- Overview Office/Division



#### Manager's Guide to Internal Control (and "Mini guide")



- OS checklists
- Audit checklists
- Inspection checklists



# Findings from Assurance Statements - overall satisfactory systems of internal control but improvement areas identified

---

Overall satisfactory responses derived from Assurance Statements 2011 of offices/divisions

The Assurance Statements together with other sources highlight 5 improvement areas:

- 1 Full enterprise risk management strategy implementation
- 2 Further emergency preparedness initiatives
- 3 Improving operational monitoring & evaluation systems
- 4 Timely staff performance appraisal
- 5 Embedding segregation of duties in corporate IT systems