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EXTERNAL AUDIT **PRESENTATION & WORK PLAN**

INDUCTION SESSION FOR NEW MEMBERS
AND OBSERVERS OF THE EXECUTIVE BOARD

OCTOBER 2020

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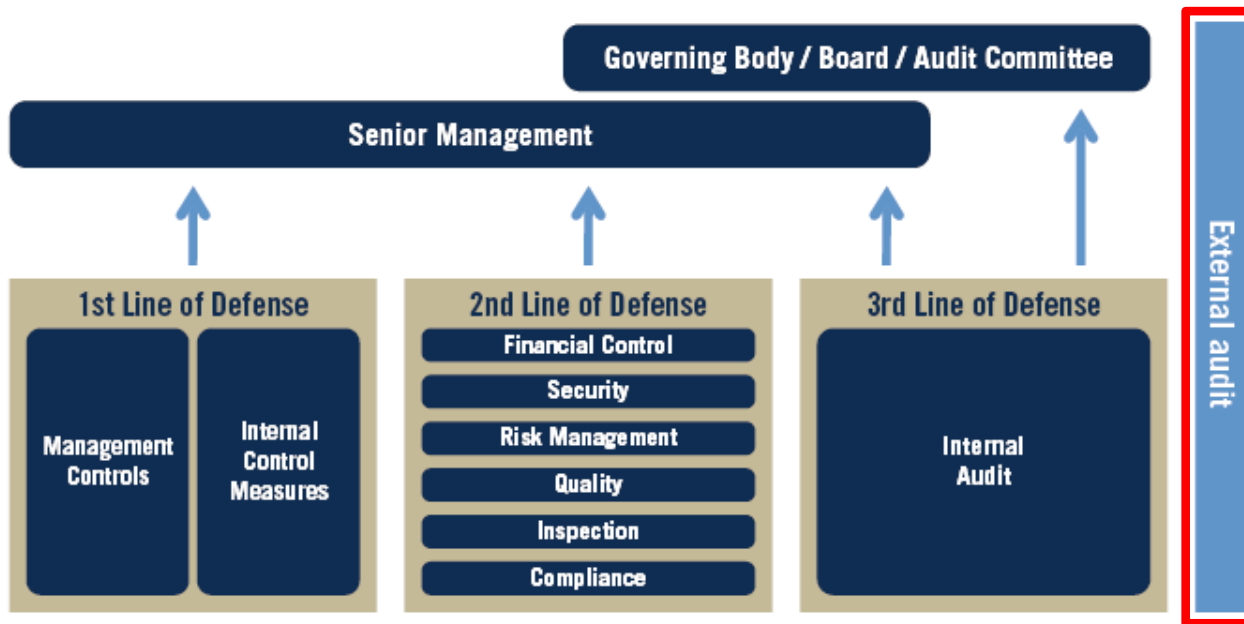
World Food Programme



WHERE THE EXTERNAL AUDIT IS



The Three Lines of Defense Model



Adapted from Institute of Internal Auditors



EXTERNAL AUDIT



Positioned outside the organization's structure

**Total independence
from WFP's
management**

**Capacity to audit
overall governance
and control structure**

**Less extensive scope
than WFP's Three
Lines of defense**



EXTERNAL AUDIT



Financial Audit

The responsibilities of the External Auditor consist of auditing the financial statements of WFP (Article 14.1 of the Financial Regulations) and making observations, if he sees fit, regarding the effectiveness of the financial procedures, the accounting system, and internal financial controls.

Field Audits

Each year, the External Auditor undertakes 10 field visits, mainly to country offices and regional bureaux. These audits address the regularity of offices' management and also contribute to the performance audits according to the themes selected. They may also involve the checking of samples selected in line with risks in areas affecting the financial statements.



Performance Audits

Performance audits aim to determine whether, in the areas reviewed, activities are carried out in accordance with the principles of economy, efficiency and effectiveness and whether there is scope for improvement. They also aim to ensure that activities, financial transactions and information are, in all material respects, in conformity with the provisions of WFP's basic texts.



2020-2021 WORK PLAN



- ❑ **Financial Audit : WFP Financial statements**
- ❑ **Performance audit 1 : WFP Critical Corporate Initiatives**
- ❑ **Performance audit 2 : Beneficiaries monitoring and reporting**
- ❑ **Eight field audits and impact of COVID-19**



COUNTRY OFFICES SELECTED FOR VISIT (2020)



Locations	COVID-19 restrictions (so far)
Madagascar	No international flights + 14 days quarantine
Nicaragua	Very limited but possible (no quarantine) + PCR
Egypt	Limited but possible + PCR + 14 days quarantine
Lesotho	Only allows entry for essential commerce + 14 days quarantine
Sri Lanka	No international flights + 14 days quarantine
Zambia	Limited but possible (no quarantine) + PCR
Mauritania	No international flights + 14 days quarantine
India	No international flights + 14 days quarantine

As the COVID-19 situations in each of the countries may **improve** or **worsen**, there remains **uncertainty** on the feasibility of the audits.

There is also a question of the **availability** and **willingness** of the staff on the field to welcome an external audit team in the current context.



WFP CRITICAL CORPORATE INITIATIVES



DEFINITION CCIs

- non-recurring investments intended to strengthen WFP's capacities in the areas of programming, operations and administration
- Funding comes from the PSAEA (Programme Support and Administration Equalization Account)

CRITICAL CORPORATE INITIATIVES APPROVED FOR 2020 (MUSD)

Title	USD million	Timeframe
Continuation of 2019 critical corporate initiatives		
Systems integration and IT-enabled efficiencies	11.0	1 year
United Nations reform	8.1	2 years
New critical corporate initiatives for 2020		
Programme and partnership support initiative	2.5	2 years
Private sector strategy	13.1	1 year*
Workplace culture and ethical climate	5.0	1 year
Total	39.7	

AUDIT QUESTIONS

1. CCI Governance

- Do the selection process and allocation of resources ensure that CCIs meet WFP critical needs? Do the planned actions correspond to the definition of CCIs? Are the CCIs financed by the equalization account complementary to the corporate priorities financed by the administrative and support budget? How does the implementation of CCIs fit into WFP's organizational structure?

2. CCI Funding

- Is the CCI financing mechanism, being outside the programme administrative and support budget, justified and relevant, from the point of view of its impact on the readability of the management plan and the understanding of WFP's policy on transversal investments? Are the amounts withdrawn from the equalization account and the level of the standard rate of recovery of indirect support costs justified in view of the importance of the CCIs?

3. CCI Performance

- Are the investment cases and concept notes drawn up in support of the CCIs systematic and are they sufficiently detailed, particularly for the Member States? Are the CCIs clear and measurable? What is the degree of achievement of the objectives pursued and how are they measured? How is this reflected, notably in the annual performance plans?



WFP BENEFICIARIES MONITORING AND REPORTING



KEY NUMBERS ON BENEFICIARIES

- Prior to COVID-19, **690 M people** (8.9% of global pop.), were undernourished. COVID-19 may add 83 to 132 M in 2020.
- 135 M of acutely food-insecure across 55 countries in 2020 but may **double** because of COVID-19.
- WFP supported **97 094 509 beneficiaries in 2019**

Source : Global Report on Food Crisis 2020 (FSIN)



BENEFICIARY MANAGEMENT CYCLE

AUDIT QUESTIONS

1. Beneficiary definition and counting

- What are the criteria for defining a WFP beneficiary? What is WFP's strategy for targeting, prioritizing, frequency and duration of aid? What is the methodology for identifying and counting direct and indirect beneficiaries? How does it vary between programs?

2. Monitoring and data management

- How is the counting of beneficiaries and the different methods and systems for collecting information? Are the types of information collected and transmitted sufficient to ensure relevant monitoring? Do these methods respect WFP's responsibilities towards beneficiaries in terms of data security and protection? What is WFP's capacity to track beneficiaries over time and to know recurring beneficiaries over the course of a lifetime? How effective are the accountability mechanisms to beneficiaries?

3. Performance evaluation

- What indicators does WFP use to measure its performance with regard to the targeted beneficiaries? Do the targets and objectives set make it possible to evaluate all of WFP's services? What is the relation between the number of targeted beneficiaries and the number of beneficiaries actually reached (evaluation of results)? What is the reference for the evaluation of the results? Is there a proven correlation between the performance of aid and the significant increase in contributions recorded in recent years?

4. Reporting process

- What are reports to contributors and to the Board? Is consistency between the texts defining the indicators and the texts setting out the results ensured? How to reconcile existing reporting tools, such as Annual Performance Report, Annual Country Reports, Corporate Results Framework, Management Plan, which each contain key information and indicators? Is it possible to improve reporting so that contributors can more clearly see the impact of donations?

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THANK YOU FOR YOUR ATTENTION



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