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## Note by the Executive Director on the annual report of the Inspector General

### Introduction

1. This document presents the Executive Director's comments on the annual report of the Inspector General,<sup>1</sup> taking into consideration the work of the Inspector General and Oversight Office (OIG) and its two units, the Office of Internal Audit (OIGA) and the Office of Inspections and Investigations (OIGI).
2. The Executive Director welcomes the work carried out by OIG and the essential role that the office plays in providing oversight and ensuring the effective and efficient use of WFP's resources and the safeguarding of its assets. The Executive Director expresses her appreciation of the annual report of the OIG with its insights and identification of possible areas of concern, particularly at a time when WFP faces the challenge of increasing humanitarian needs around the world, while operating in an unfavourable funding environment.
3. In line with previous years, this note focuses primarily on selected actions taken by WFP to mitigate the issues and concerns noted by OIG, and any future plans for addressing those issues. The note should be read in conjunction with the comprehensive management review of significant risk and control issues for 2024,<sup>2</sup> which incorporates findings from the Executive Director's annual assurance exercise and various oversight documents.

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<sup>1</sup> "Annual report of the Inspector General" (WFP/EB.A/2025/7-C/1).

<sup>2</sup> "Management review of significant risk and control issues, 2024" (WFP/EB.A/2025/7-D/1).

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4. The comprehensive management review outlines significant risk and internal control issues and, in greater detail, the steps that WFP management is taking to address them. This note does not therefore address all the themes outlined in the annual report of the Inspector General but focuses instead on the overall organizational response to the issues and concerns highlighted in that report.

#### **Assurance statement**

5. The Executive Director takes note of the report's overall conclusion that some issues in WFP's governance, risk management or control processes may, in the future, compromise the organization's strategic and operational objectives. While recognizing the areas that require management's attention, which include some recurring issues, the Executive Director reasserts the high priority that the organization places on clear accountability, transparency in resource use, and strong assurance and risk management processes. She also expresses her appreciation of OIG's recognition of the many positive practices deployed across WFP, a testament to the work of WFP's employees, who continue to deliver assistance to the people most in need.
6. Following the organizational changes that commenced in 2024, the Executive Director has continuously endeavoured to design an organizational structure that is fit for purpose and efficient and effective in delivering assistance to the people in greatest need. Building on the organizational review, and subsequent decisions implemented during 2024, the introduction of a new management accountability framework in early 2025 is driving the creation of a new organizational structure comprising a consolidated global headquarters and empowered country offices, with clear lines of reporting and accountability. This will further strengthen processes and accountability throughout WFP.
7. The Executive Director supports the audit strategy, which centres on proactive risk management practices that identify the areas of greatest risk to the organization. The strategy's focus on material risk to WFP also informs and guides the annual assurance workplan. The Executive Director expresses her approval of the plans for 2025, building on the comprehensive work carried out in recent years.
8. The Executive Director also expresses her appreciation of OIG's continuing contribution to the strengthening of WFP's controls, governance and risk management. The Executive Director takes note of the findings in the 2024 report and welcomes the recommendations for addressing the issues identified. WFP assures its donors and stakeholders that robust processes are in place and that follow-up on identified issues is continuous.

#### **Statement of independence**

9. The Executive Director is pleased to note OIG's confirmation of its independence, the absence of management interference in its work planning and reporting, and the absence of resource constraints and other issues affecting the independence of oversight activities and the assurance opinion.

#### **General comment**

10. In 2024, OIG once again observed an increase in the overall workload for both OIGA and OIGI. The overall budget for OIG increased by about 2 percent, allowing the office to carry out its increasing workload and its ongoing recruitment efforts aimed at ensuring adequate personnel, in accordance with established standards. The number of allegations reported to OIGI continues to increase. The increase is a result of WFP's focus on addressing and preventing fraud, corruption and misconduct, combined with its efforts to sensitize employees to the importance of reporting concerns, and employees' confidence and trust in the investigation process.

11. Despite a continuous focus on audits and the actions that are derived from them, it is regrettable to note that the number of overdue management agreed actions rose during 2024. Throughout 2025, reducing this number will be a focus of senior management, in close coordination with OIGA. It is also noted that the overall number of open actions has increased, not least because of the high number of audits carried out by OIGA during 2024.
12. The Executive Director appreciates the extensive consultations conducted by OIG in developing the annual assurance workplan, which have resulted in a comprehensive plan that takes into account possible areas of risk or concern. The Executive Director welcomes the plan, including the continuing focus on field operations, and encourages OIGA to continue working closely with the respective offices, particularly country offices, in order to help ensure that the actions stemming from audits are as specific and focused as possible, in an environment where resources are limited and at a time when WFP is finalizing its realignment.
13. The assurance work to be undertaken in 2025 should continue to take into account work under the global assurance project (GAP), which commenced in 2023 and is being mainstreamed and expanded beyond high-risk operations. This project covers many of the thematic areas raised in OIG's annual report and will contribute greatly to further enhancing and strengthening oversight processes.
14. It is expected that both country office and thematic audits will provide opportunities for WFP to strengthen its processes and for OIG to work in close coordination with other oversight functions, such as the External Auditor, the Independent Oversight Advisory Committee and the Office of Evaluation.
15. As noted in the OIG annual report, there are numerous reasons for the increased number of allegations reported to OIGI in 2024 – which rose by 20 percent compared with 2023 – not least the size and geographical reach of WFP and the greater awareness of issues among employees and other parties. Nonetheless, the Executive Director is concerned about the continuous year-on-year increases in allegations of fraud, harassment, abuse of authority, discrimination, sexual exploitation and abuse committed by WFP's partners, vendors and employees. Together with the senior management team, the Executive Director will continue to prioritize efforts to address these issues and ensure that WFP and its operations provide a safe environment for employees, beneficiaries, partners and vendors alike.
16. The organization maintains its strong focus on protection from sexual exploitation and abuse (PSEA), particularly in a year when the Executive Director is continuing to serve as the Inter-Agency Standing Committee Champion for protection from sexual exploitation and abuse and sexual harassment (PSEAH), for a second year. The Executive Director has also decided to bring the PSEA Unit into her own office in order to highlight the importance of this topic, and its cross-cutting nature.

## **Overview of the activities of the Office of Internal Audit**

17. The Executive Director wishes to reiterate management's appreciation of OIGA's strong focus on field operations during the reporting year, continuing the trend from recent years. Of the 23<sup>3</sup> audits conducted in 2024, 14 – or about 61 percent – were country office audits, with 6 thematic audits, which include inputs from operations, and 3 information technology audits accounting for the remaining 39 percent. An additional 15 audits consisted of advisory opinions, proactive integrity reviews, consolidated insights, and other audit products. OIGA continues to focus on operations in the thematic and geographical areas of

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<sup>3</sup> One of the country office audits was conducted, but no rating was issued.

highest risk to the organization, and the country office operations audited in 2024 together accounted for USD 3.1 billion.

18. OIGA's proactive integrity reviews and advisory opinions are highly appreciated by management, as they offer timely and constructive inputs that assist functions and management in steering decisions, particularly during these turbulent times. Proactive integrity reviews and advisory opinions can offer forward-looking solutions that allow a function to test systems and processes, as occurred with the global payment solution in Budapest.
19. A significant portion of the country office audits – 46 percent – issued ratings of “major improvements needed”, but none were listed as “unsatisfactory”; the trend was similar in thematic and information technology audits. Only one audit report issued a ranking of “satisfactory” in 2024. While acknowledging that some audits are carried out in high-risk settings, and these percentages are not dissimilar to trends in recent years, the Executive Director makes a commitment to prioritizing the issues identified in audits, together with her senior management team.
20. Audits, whether internal or external, provide an excellent opportunity for country offices and WFP functions to identify the weaknesses and areas for improvement that they need to address in order to ensure that WFP maintains its ability to deliver on its commitments to donors, beneficiaries and other stakeholders. Audits, and evaluations, are essential in informing and guiding programme activities, policies and systems.
21. The OIG annual report outlined persistent issues and new areas that require management's attention. The Executive Director recommends that OIGA maintain its focus on identifying common trends and continue to issue consolidated insight reports, which allow greater knowledge sharing between offices.
22. The Executive Director takes note of the main themes and key issues identified during 2024. While some of these are recurring, such as those related to identity management, monitoring and technology, progress is being made in all the areas identified, despite current funding challenges. The following paragraphs highlight some of the ways in which WFP offices are addressing the concerns raised by audits and other oversight reports.
23. The OIG annual report acknowledges that WFP implements its activities in very challenging environments, often marked by conflict and security and access issues. Moreover, WFP is consistently seen as a reliable partner among its various counterparts, with employees who have strong knowledge. However, the report also notes that a root cause of recurring issues is the inadequacy of policies and procedures, and the misalignment between WFP's existing organizational structure and the structure best suited to addressing these issues.
24. As stated in paragraph 6, in the second half of 2024 the Executive Director commenced the next phase of the organizational realignment. With the introduction of the management accountability framework, which came into full effect on 1 May 2025, the organization has moved from a three-layered structure to a more simplified and efficient two-layered structure consisting of a global headquarters – incorporating central headquarters in Rome, global offices and regional offices – and country offices. The focus is on supporting country offices, with consolidated global functions providing strategic, technical and normative guidance as needed. This will ensure clearer reporting lines and accountabilities, which will strengthen decision-making, risk “escalation”,<sup>4</sup> and overall performance management.

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<sup>4</sup> Throughout this document, the term “escalation” refers to the reporting of risks or other issues to the level of management responsible for responding to them.

25. This is in alignment with the Executive Director's stated priorities, which are to accelerate efforts to make WFP an even more efficient, effective and streamlined organization by directing maximum resources to frontline operations, while continuing the implementation of the "one integrated global headquarters" model in the year ahead.
26. As acknowledged in the annual report, declining funding levels may make it challenging to establish and maintain robust governance and accountability frameworks while prioritizing operational response capacity. However, senior management has already taken the necessary steps to implement the new framework and is undertaking efficiency and effectiveness measures to ensure that WFP remains robust and able to respond. The global consolidation of functions will further strengthen WFP's processes and controls and be supported by an integrated information technology structure.
27. The annual report notes that the GAP will play a key role in addressing aspects of the recurring issues. An extensive lessons learned exercise, carried out in the spring of 2025, will guide the rollout of the global assurance framework to all operations throughout 2025 and beyond. Additional planned activities include the publication of assurance frameworks for cooperating partner management and targeting, and guidance on working with governments and ensuring operational independence. The project has significantly heightened awareness of risk in the operations where it has been applied. This has led to the design and implementation of clear activities that reduce risks, and an understanding that the solution in a high-risk environment does not need to be the same solution as in a lower-risk environment. In addition, once the management accountability framework is fully implemented, it will ensure that functional directors are held accountable for the oversight of country offices, which will further strengthen assurance.
28. Risk management was highlighted as a cross-cutting issue in the audit products, and includes the maintenance of correct risk registers. While 100 percent of country offices completed risk registers in 2024, there is a need to carefully review those registers and carry out quality checks of their contents. Acknowledging that risk management is an issue, the Risk Management Division is developing standard operating procedures for risk management, which will provide enhanced guidance on risk escalation. The organization will continue to build on the implementation of the GAP, which places a strong emphasis on incident reporting. In 2024 a new overarching "incident escalation protocol" was established to expedite responsiveness and the activation of additional capacity in support of country offices, while reinforcing timely and transparent communication on risk-related issues to relevant stakeholders – Member States, host governments, donors, etc. – in line with risk-sharing principles. In 2024, a dedicated risk committee was established at the headquarters level, chaired by the Deputy Executive Director and Chief Operating Officer and tasked with overseeing WFP's enterprise risk management process and advising on corporate and operational risk mitigation strategies and priorities.
29. One outcome of the GAP is that all operations are required to include an update on risk during donor briefings. WFP frequently operates in volatile environments, where risk management is more challenging. The findings of the annual report are well noted and will be addressed, while the management accountability framework will make risk escalation procedures clearer. Despite the uncertain funding outlook, dedicated risk prevention and management capacity is available in all regions and in the most critical operations, with 78 dedicated risk officers in 30 country offices. WFP will continue to invest in embedding a culture of risk prevention in order to enhance operational performance and assurance.

30. Targeting has been identified as a recurring issue in recent years, and constitutes a workstream in the GAP. Much progress has been made in this area. The targeting assurance framework<sup>5</sup> issued in March 2025 includes the targeting benchmarks, quality measures and risk-management practices that should be implemented in all country offices going forward. It supports the operationalization of the operational guidance on targeting and prioritization<sup>6</sup> issued in March 2025, guiding employees on WFP's approach to needs-based targeting.
31. The framework supports evidence-based, people-centred and context-specific targeting by mandating community engagement throughout the targeting process – which facilitates the validation of eligibility criteria – the verification of beneficiary lists, and access to responsive community feedback mechanisms and appeal systems. The framework also mandates the strengthening, monitoring and oversight of partners. Efforts are being undertaken to share lessons learned across operations, including through the greater use of digital solutions. In the meantime, the targeting function is engaging with the monitoring and community feedback mechanism functions to strengthen tools and guidance for ensuring that communities' concerns are reflected in targeting approaches, corrective actions and risk management in a timely manner.
32. The persistent challenges identified by OIG regarding identity management are acknowledged, and the situation in this critical area is improving, especially through implementation of the GAP, which has shown identity management to be a key area of assurance in ensuring that the right assistance is given to the right people at the right time for all assistance modalities – cash, vouchers or in-kind. Significant investment in identity management has resulted in the development of guidance on norms and standards to support country offices in understanding corporate requirements and the key principles of identity management. In December 2024, an overarching governance framework for identity management was issued, which clarifies roles and responsibilities. This has been augmented with specific guidance on priority areas such as the use of biometrics in WFP operations, a concern raised in the OIG annual report. Existing assurance benchmarks for identity management, detailed in the cash assurance framework, have been complemented by an identity management assurance framework for in-kind commodities, which will be released in 2025. Additional efforts are under way to strengthen the use of technology, and collaboration among business and technical functions.
33. The annual report noted several concerns related to the use of cash-based transfers (CBTs), which emerged from the audits conducted on field operations and include the lack of digitalization, potential exposure to fraud, and an inadequate process for selecting financial service providers. In 2024, 60 percent of CBT entitlements were transferred digitally, including through electronic vouchers, “building blocks”, mobile money, bank accounts and digital wallets. Hence, while operations are not fully digital, given the variable technological and regulatory conditions in which country offices operate, significant progress is being made towards digitalization and strengthened assurance.
34. The 2022 cash assurance framework<sup>7</sup> makes it easier for country offices to carry out effective assurance in their CBT operations, regardless of the CBT modality, whether operations are digital or analogue, and whatever the setting, including emergencies. The cash assurance technical note<sup>8</sup> details the components of an end-to-end cash assurance framework and is intended to support country offices in determining whether important risk mitigation measures have been implemented or need enhancement. The objective of

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<sup>5</sup> WFP. 2025. [Targeting Assurance Framework](#).

<sup>6</sup> WFP. 2025. [Targeting and Prioritization: Operational Guidance Note](#).

<sup>7</sup> Programme and Policy Development Department directive (PD2022/001). [WFP Cash Assurance Directive](#).

<sup>8</sup> WFP. 2024. [Choice Model: principles and technical note for country offices](#).

the framework is to ensure that the right beneficiaries receive the right entitlements and that the risks of fraud and error are mitigated to the extent possible. The components include identity management, beneficiary selection and the selection of financial service providers, cooperating partners and retailers in addition to performance monitoring, transfer reconciliation, segregation of duties, data management, community feedback mechanisms and onsite monitoring.

35. There are well-established processes in place for declaring CBT losses stemming from fraud and error, and work is ongoing to further strengthen and simplify these processes, recognizing the large amount of funds transferred through CBT modalities. The selection of financial service providers is a robust process, which comprises financial sector analysis, due diligence and competitive tendering. The process is being streamlined by a new procurement process and the gradual implementation of the "choice model", in which the selection process takes into consideration only those financial service providers that are preferred by the people assisted.
36. The management of cooperating partners has been a recurrent issue in OIG annual reports in recent years. Acknowledging the challenges associated with this area, cooperating partner management has been a workstream within the GAP. Capacity building and mandatory training have increased compliance in the management of cooperating partners. Use of the United Nations Partner Portal<sup>9</sup> is now mandatory and has strengthened oversight. WFP has improved its onboarding processes and strengthened the capacity of cooperating partners, particularly local and national entities. The adoption of the internal digital solution, Partner Connect, has streamlined engagement with partners, provided better operational data, and enhanced accountability. Moreover, the guidance on non-governmental organizations (NGOs) has been updated, and in March 2024 the field-level agreement – the contract that governs WFP's engagement with a cooperating partner or NGO – was revised and now includes data protection conditions. In 2025, the Operational Partners Unit is working on an assurance framework for WFP's partnerships with NGOs, and capacity strengthening for local NGOs. WFP currently works with more than 1,000 NGOs which vary greatly in size and capacity and include international, national and community-based organizations.
37. As a result of audit recommendations, guidance has been disseminated on transferring resources through government systems. This guidance outlines the criteria for engaging governments in direct assistance activities, and lays out the requisite risk management and assurance processes, minimum monitoring requirements, and the applicability of corporate resources. The guidance will be complemented by a revised template to govern these efforts.
38. Regarding monitoring, the OIG annual report notes several challenges, some of which are recurrent and linked largely to the inadequate resources available for this priority area in the past. Starting in 2023, there has been a renewed focus on monitoring norms, as outlined in the GAP.
39. WFP has worked to update its minimum monitoring requirements, which serve as guidelines on the minimum coverage and frequency of monitoring activities, and outline the segregation of duties between WFP field monitors and programme officers so as to limit possible bias in data collection. In July 2024, as part of the GAP framework, WFP issued a

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<sup>9</sup> The United Nations Partner Portal is maintained by several United Nations entities, including the Food and Agriculture Organization of the United Nations, the Office of the United Nations High Commissioner for Refugees and the United Nations Children's Fund. It allows civil society organizations to view opportunities for working with various United Nations entities and complete a comprehensive registration process.

circular<sup>10</sup> on minimum monitoring requirements and community feedback mechanisms in country offices in order to support their operationalization in the field. Minimum monitoring requirements define the essential set of data collection activities and site visits, and the minimum frequency with which they are expected to take place in order to ensure adequate monitoring coverage. The circular also recommended that more frequent monitoring at high-risk distribution sites be considered, following a risk-based approach and using a statistically representative sample for site selection. To further support the operationalization of these standards, WFP issued standard operating procedures for programme monitoring<sup>11</sup> by country offices, which consolidate key procedures, guidelines and tools for monitoring and reporting.

40. WFP has carried out significant investments in community feedback mechanisms in recent years. The comprehensive community feedback mechanism toolkit was launched in January 2024 in four languages and covers all aspects of such mechanisms, from setting them up to ensuring that they provide robust assurance. The new toolkit ensures that WFP is accessible to the people it serves through an efficient system that treats users in a dignified manner and ensures proper case-handling procedures. Country offices are also encouraged to adopt the corporate solution, SugarCRM, which aims to ensure the appropriate escalation of concerns and reports to management, clear accountability for addressing those concerns, and strong case management.
41. Acknowledging the inadequate integration of programme monitoring with community feedback mechanisms, in 2024 the community feedback mechanism and process monitoring teams were merged into a unified field monitoring unit to foster closer collaboration. This integration aims to improve WFP's responsiveness to operational challenges and community feedback, mitigate risks and enable robust, triangulated data analysis to support informed decision-making.
42. The OIG annual report notes that some areas of information technology and data management continue to face challenges, raising overall concerns related to information technology management and highlighting issues with the fragmented development of information technology solutions, third-party management, data privacy, and cybersecurity. The Executive Director recognizes the complexity of these challenges, and concerted efforts are being undertaken to address them with a view to ensuring the continuous optimization of technology and data processes, improved data security, and systems efficiency throughout WFP.
43. In line with recommendations stemming from internal audit products, the External Auditor and the Independent Oversight Advisory Committee, work is under way to more clearly outline the accountabilities and responsibilities of the Chief Information Officer and the information technology function through an Executive Director's circular expected to be issued in mid-2025. The organizational transformation positions the global information technology function as being responsible for end-to-end information technology management, which will address many of the concerns raised in the annual report. This is also part of the management accountability framework, in which a more robust information technology oversight and integrated architecture is expected.

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<sup>10</sup> Executive Director's circular (OED2024/006). *Minimum Monitoring Requirements (MMRs) and Community Feedback Mechanism (CFM) Standards in WFP Country Offices*.

<sup>11</sup> WFP. 2025. *WFP Programme Monitoring Standard Operating Procedures (SOPs) for Country Offices*.

44. In February 2024, WFP launched its global data strategy, which is aimed at instilling and enabling access to high-quality data and robust analytics and insights, and reducing the fragmentation of WFP's data landscape. A complementary artificial intelligence strategy, issued in early 2025, will further shape WFP's use of data, artificial intelligence and machine learning in a responsible manner.
45. In addition, WFP's coherent and efficient application of technology solutions will further enhance organizational and operational efficiency, especially in the face of budget constraints; working closely with trusted partners, internally and externally, is also critical. To this end, WFP is working on an information technology vendor management framework, which will support field operations while retaining central oversight of risks and mitigation measures.
46. With cybersecurity remaining a potent threat to the resilience and continuity of its business operations, WFP is investing in threat prevention, identification and remediation. It is also developing a cybersecurity framework, backed by the right skills and capabilities, as a means of strengthening the organizational cybersecurity function.
47. As noted above, WFP continues to deploy technological solutions for identity management, and there is cross-functional collaboration between the relevant business units and the Technology Division.
48. The Executive Director sees the use of technology as one of her key priorities, and emphasizes that this entails innovation, digitalization and the provision of more efficient support to field operations. The ways in which WFP applies technological solutions will play a key role in the achievement of much-needed organizational and operational efficiency, especially in the current environment of budget constraint.
49. The annual report raised other issues stemming from OIG's assurance and advisory work. Some of these are addressed in the following.
50. A number of issues are related to school meal programmes, and more specifically the transition of WFP's programmes to national systems and the use of cash transfers and digital tools. Recognizing the challenges in transitioning school meal programmes, WFP has worked closely with the World Bank to incorporate a capacity strengthening strategy and action plan into the jointly managed Systems Approach for Better Education Results tool. Transition guidelines are under development, with completion expected by mid-2025. WFP is currently reassessing the transition timelines and objectives of countries identified in the school feeding strategy for 2020–2030 as likely to be ready for the transition, with a view to informing the formulation of plans and support for that transition.
51. Corporate guidance on the use of commodity vouchers has been drafted under the leadership of the Supply Chain and Delivery Division with functional inputs from the School Meals and Social Protection Service. The guidance will provide direction on how to transfer cash to schools and reconcile the transfers. Based on this, the functionality of the digital monitoring tool, School Connect, will be updated to ensure alignment and consistency before a planned rollout, which is likely to be affected by funding constraints.
52. Another group of issues emerged from the audit of humanitarian access management. Humanitarian access constraints continue to be among the main challenges to WFP's ability to deliver humanitarian assistance to the people who need it the most. The obstacles faced in many complex settings – such those in as the Democratic Republic of the Congo, the Gaza Strip and the Sudan, to name but a few – prevent WFP's response from reaching the necessary scale owing to the targeting of humanitarian workers, and obstruction from parties to the conflict.

53. Building on a recent audit report, WFP remains committed to strengthening its capacity to navigate some of the most complex operational environments in the world. Actions include strengthening the organization's humanitarian diplomacy capacity and analysis, which started in early 2025 and is being led by a team located in the Office of the Executive Director. The objective is to amplify the voice of country offices and strengthen partnerships with Member States in order to unlock humanitarian access and protect WFP's employees.
54. In terms of governance, since early 2025, the corporate access framework has been undergoing a review aimed at strengthening coordination among the different functional areas so as to better leverage a "whole-of-WFP" approach in addressing access challenges. The overall organizational realignment will also streamline support for humanitarian access for country offices, including by establishing more direct escalation pathways for the risks associated with humanitarian access that require full corporate backup and decision-making by WFP's leadership.
55. A proactive integrity review assessed procurement in terms of possible fraud exposure and controls, as WFP's new digital procurement system, Smart Sourcing, is about to be launched. The timing of the review was agreed between OIG and the procurement function such that the design and configuration of the new digital system can be strengthened by the findings. The objective was to strengthen fraud prevention through stronger controls, smarter monitoring and better governance.
56. During the design and phased rollout of Smart Sourcing, significant components of the procurement process will be digitized, thereby enhancing the mitigation of fraud risks through the system's key functionalities, including automated workflows, access controls, and comprehensive audit trails. In addition, vendor registration and validation functionalities will help to detect duplicated or fraudulent vendor profiles, and strengthen due diligence processes. Integrated conflict of interest declarations, and analytics and dashboards will enable the real-time monitoring of risk indicators, such as unusual patterns and trends in procurement transactions. Key actions stemming from the proactive integrity review are being tracked as part of WFP's broader oversight and monitoring mechanisms.
57. OIGA was requested to undertake an advisory assignment to assess the Global Payment Solution Centre in Budapest. While the advisory opinion was largely positive, improvements were recommended in some areas, including the strengthening of governance structures, and the development of business continuity measures. The Office of the Chief Financial Officer is working closely with the Risk Management Division to address these findings, while the action to enhance business continuity will ensure effective planning, guaranteeing that the services of the global payment centre can be maintained under all eventualities. Assessment of fraud risk helps to ensure that sufficient and appropriate risk mitigation measures are in place to address potential fraud.
58. As stated in paragraph 5, the Executive Director acknowledges that improvements are needed in several areas, as outlined in the annual report, but appreciates the substantial progress made in addressing the weaknesses identified. Recognizing the size and scale of WFP, with operations in often volatile, high-risk settings, the Executive Director applauds the commitment of all employees to maintaining high standards. As WFP navigates through a more uncertain funding environment, and with the number of concurrent emergencies unlikely to decrease, the year ahead will be even more challenging than the past year. However, WFP has robust procedures and processes in place which will be further strengthened through the adoption of the new organizational structure and the management accountability framework. This will ensure that WFP continues to meet its commitments to all stakeholders.

59. In light of the current funding situation, the assurance workplan for 2025 will be reduced, but the Executive Director is certain that, even at the reduced level, the audits conducted in 2025 will further strengthen WFP's robust processes and demonstrate that resources are being used in the correct manner.

#### **Audit agreed actions**

60. At the end of 2022, the number of outstanding audit actions was at an all-time low after extensive follow-up by WFP's leadership. However, in 2024, a negative trend that had started in 2023 continued. By the end of 2024, the number of open actions had increased by 22 percent compared with the end of 2023. As acknowledged in the OIG report, this is mainly owing to the high number of audit reports issued in 2024, at a time when operational demands were increasing. The number of high-risk audit actions increased by 29 percent from 2023 to 2024, and now such actions account for 47 percent of all outstanding audit actions, compared with 45 percent in 2023.
61. The highest numbers of audit actions were issued in the areas of risk management, security and access, monitoring, targeting and identity management. Some of these areas are covered by the GAP or other frameworks that are being implemented.
62. Despite a continuing strong focus on the follow-up to audits, the number of overdue audit actions also increased in 2024. The OIG report notes that 198 audit actions were overdue at the end of 2024, a substantial increase compared with 159 in 2023, which was already substantially higher than in previous years.
63. To ensure continued accountability and transparency, the Executive Director will work closely with OIG and other relevant offices to address the issue of outstanding actions, particularly those that are overdue. The Executive Director expects that senior management will continue to prioritize this area. However, it is also essential that OIGA continue to work closely with WFP offices, providing guidance and assistance as needed, including by jointly establishing realistic timelines and clearly defined agreed actions.

#### **Overview of the activities of the Office of Inspections and Investigations**

64. In recent years OIGI has seen a marked increase in the allegations it receives. In 2024, the caseload increased by 20 percent compared with 2023, which itself saw an increase of 32 percent compared with 2022. To support this increased workload, the budget for OIG, and particularly OIGI, was slightly increased in 2024. However, with cases carried over from 2023, and the addition of new allegations, OIGI's caseload stood at 2,830 cases at the end of the year. It is therefore essential that OIGI continue to look for opportunities to strengthen its procedures for the intake of allegations, and its use of technology.
65. As acknowledged in the OIG annual report, the increase in new allegations should not necessarily be seen as a negative development considering the scale of WFP's operations, including the numbers of countries, employees, vendors and partners involved. Over the years, WFP has sought to develop a culture in which people, whether employees, beneficiaries, partners or vendors, are empowered and feel safe in reporting issues, and have several avenues through which to do so.
66. While numbers are once again increasing, the number of cases closed should be noted. In 2023, OIGI closed 1,335 cases, which rose to 1,942 cases in 2024, an increase of 45 percent. A total of 408 investigations were concluded in 2024, most of which were related to the anti-fraud and anti-corruption policy or to sexual exploitation and abuse.

67. The Executive Director notes that in line with previous years, the majority of the cases reported in 2024 relate to the anti-fraud and anti-corruption policy, while the numbers of cases related to sexual exploitation and abuse, and to harassment, abuse of authority and discrimination are relatively stable. It should be noted that cases of alleged sexual violence and sexual harassment take priority over others.
68. On completion of an investigation where disciplinary action is advised, OIGI transfers the case to the Human Resources Division (HRM). In 2024, HRM received 75 investigation reports from OIGI for disciplinary action, closing 54 matters and imposing 24 disciplinary measures, including 21 dismissals. The division also received 155 complaints and referrals relating to inappropriate or abusive behaviour or integrity issues and requiring a process known as a "management intervention", rather than formal investigation or a disciplinary process. This marks an exponential increase in disciplinary cases, from 17 cases in 2022 and 23 in 2023, and in management interventions, from 107 cases in 2022 and 112 cases in 2023. Management interventions were introduced in 2021 as a "mid-way" solution that complements informal resolutions by the Office of the Ombudsperson and Mediation Service and formal investigations by OIGI.
69. Work is under way to further strengthen coordination among these functions with a view to enhancing efficiency in case management, reducing duplication, and ensuring timely and effective resolution. To further promote a culture of accountability and psychological safety, HRM launched the "Leading with safety and accountability" initiative, engaging 1,184 managers in 15 offices around the world by end of 2024. Since 2022, more than 16,500 employees have participated in Speak Up!, an HRM-led initiative aimed at raising awareness of WFP's internal justice system and the various channels available for reporting abusive conduct. Finally, in 2024, HRM introduced a new step in the employee reassignment process, with a confidential briefing to the Director of HRM aimed at ensuring that sensitive and behaviour-related issues are considered in reassignment decisions, while safeguarding candidates' rights in regard to any WFP accountability processes.
70. As noted in paragraph 16, the Executive Director continues to serve as the Inter-Agency Standing Committee Champion for PSEAH for a second year, which will increase the attention directed to the important issue of preventing sexual exploitation and abuse. WFP will work to operationalize the victim-centred approach and promote change in its organizational culture, while continuing to support a policy of zero tolerance for inaction in cases of alleged sexual exploitation or abuse. The PSEA Unit has been moved from the Ethics Office to the Office of the Executive Director in line with recommendations from the strategic evaluation on PSEA.
71. In line with international best practices, in 2025, WFP is prioritizing the development of a three-year corporate strategy for addressing sexual exploitation and abuse and sexual harassment, thereby promoting a comprehensive and integrated approach to sexual misconduct. The strategy will be accompanied by a detailed implementation plan and is being jointly developed by the PSEA Unit and the Staff Relations Branch in HRM.
72. Cases related to the anti-fraud and anti-corruption policy accounted for 60 percent of new cases in 2024, with allegations directed against the employees of cooperating partners. This is in line with the findings in previous years and demonstrates the appropriateness of the global assurance plan's focus on cooperating partners.

73. WFP employees accounted for 50 percent of the alleged perpetrators in the 303 investigations in progress at the end of 2024. The Executive Director notes that the percentage of those employees who were at D-1 level or above remained steady at about 4 percent, a slight increase from 3 percent in 2023. She counts on the senior management team to continue prioritizing performance management and setting the right “tone at the top”.
74. The Executive Director reaffirms WFP’s strong commitment to the policy of zero tolerance of inaction on matters of fraud, corruption, sexual exploitation or abuse and any form of harassment, including sexual harassment, in the workplace.

## Acronyms

CBT	cash-based transfer
GAP	global assurance project
HRM	Human Resources Division
NGO	non-governmental organization
OIG	Inspector General and Oversight Office
OIGA	Office of Internal Audit
OIGI	Office of Inspections and Investigations
PSEA	protection from sexual exploitation and abuse
PSEAH	protection from sexual exploitation and abuse and sexual harassment