

Financial Overview

Finance Seminar

May 16, 2007



Introduction

Areas to be covered:

1. Financial Governance
2. Financial Policies
3. Financial Processes



1 Financial Governance

A. Executive Board:

1. Policy direction
2. Programme Approval
3. Performance Review



1 Financial Governance

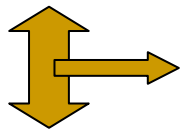
B. Executive Director:

1. Accountable to the Board
2. Responsible for directing the Secretariat
3. Responsible for implementation
4. Approves projects:
 - ▶ Development projects in line with Country Prog.
 - ▶ Other: jointly with Dir. Gen., FAO

1 Financial Governance

C. Audit and Oversight:

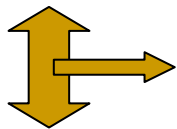
Executive Board



External Oversight

External Audit (*)
Budgetary Oversight and Financial Reporting (*)

Executive Director



Internal Oversight

Internal Audit and Audit Committee
Inspection & Investigation reports
Evaluation reports
Management performance reports

Managers

(*) Oversight of ACABQ & FAO Finance Committee



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2. Financial Policies



2 Financial Policies

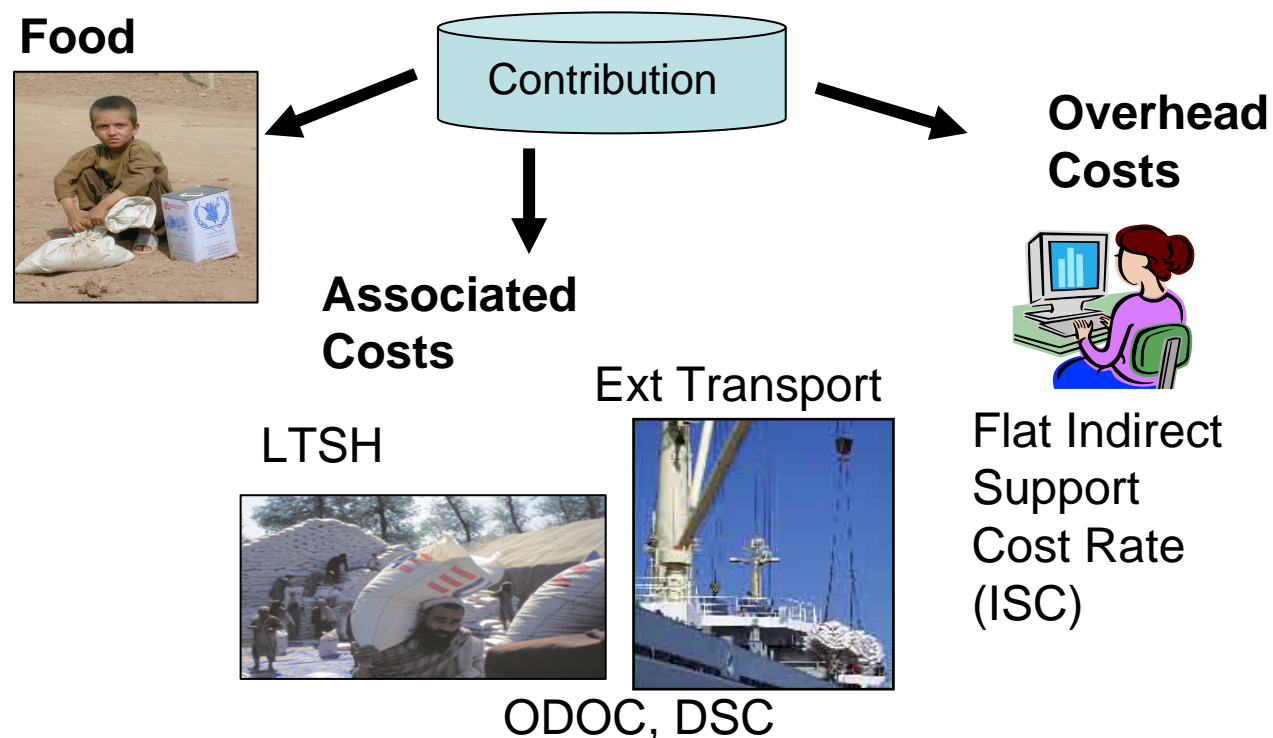
Financial Policy Framework:

1. 'Programme Category' concept
2. 'Funding Window' concept
3. 'Cost Components' concept
4. Principle of Full Cost Recovery

2 Financial Policies

4. Full Cost Recovery:

- ▶ WFP is 100% voluntary funded
- ▶ All costs associated with the implementation of a contribution to be covered



Full Cost Recovery

Recovery of ALL operational and support costs from all contributions

- Food commodities – actual cost
- External Transport – estimated actual cost
- LTSH / DSC / ODOC – pro-rata share of budgeted amount
- ISC – percentage of direct costs, set by the Board

Exceptions:

- Contributions designated to IRA or PSA related
- Some contributions from emerging donors
- Waiver by the Executive Director for DSC In-kind



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3 Financial Processes

