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EXTERNAL AUDIT

PRESENTATION & WORK PLAN

INDUCTION SESSION FOR NEW MEMBERS AND
OBSERVERS OF THE EXECUTIVE BOARD

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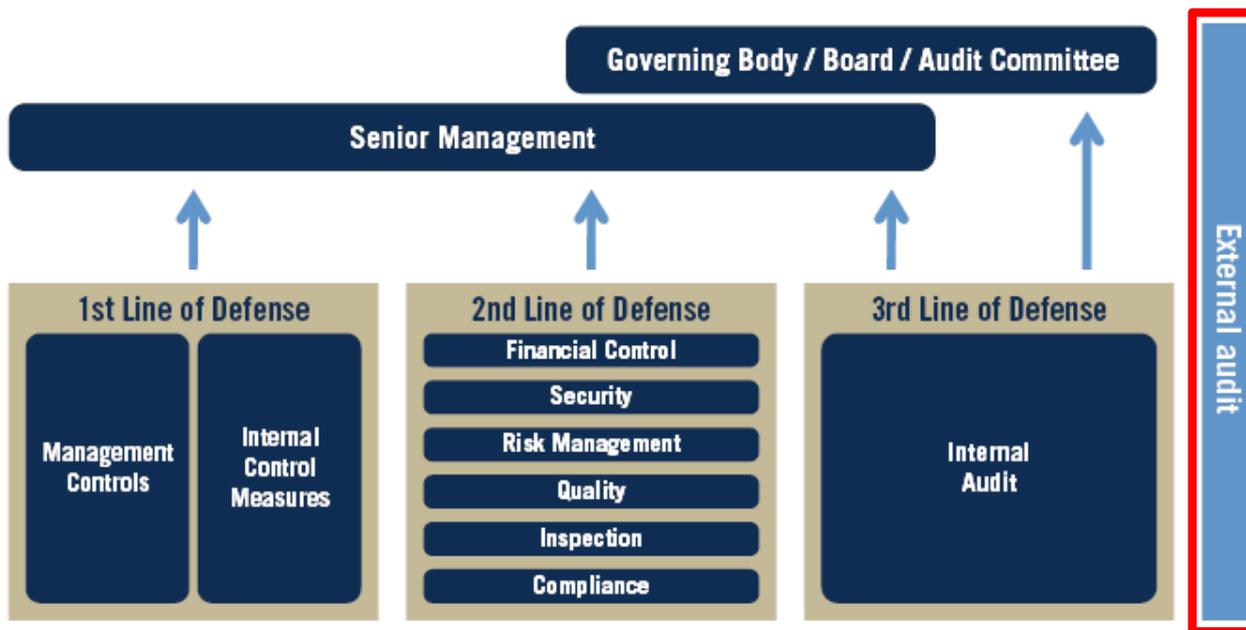
World Food Programme



EXTERNAL AUDIT



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.



MULTISOURCE RISK ASSESSMENT



Areas	Main risk factors	Possible topics
Resource mobilization & Public-private partnership	consistency of action; challenging funding environment; skills discrepancy; partners capacity; coordination; strategic & operational changes	<ul style="list-style-type: none"> NGO partnerships  Fundraising strategies and communication  Learning effect and synergies 
Cash-Based Transfers	Fraud; cyber security; data availability; internal control; strategic & operational changes	<ul style="list-style-type: none"> Beneficiaries targeting and monitoring  Control mechanisms  Cooperation (local capabilities, partners training) 
Emergency management	Operational changes, overstretch, security & safety, fraud, decentralized structure, resources adequacy, internal control	<ul style="list-style-type: none"> Scale-up and scale-down of resources  Coordination among WFP's entities and partners  WFP Aviation 
Procurement	Fraud; monitoring & data availability; decentralized structure; internal control; security and safety; reputation	<ul style="list-style-type: none"> Food quality, tracking and losses  Suppliers' management  Procurement of goods and services 
Internal control	Oversight tools; fraud; overstretch; lack of skills for new initiatives; decentralized structure	<ul style="list-style-type: none"> Premises  Fraud Prevention, Detection and Repression  Senior staff management 
Cyber security	Internal control; decentralized structure; lack of skills for new initiatives; data availability	<ul style="list-style-type: none"> Harmonization of systems & compliance with regulations  Automatization of transactional processes  Innovation 
Resource allocation & budget planning	Funding flexibility; demonstrating impact; reporting; overstretch; monitoring; strategic changes	<ul style="list-style-type: none"> Human resources  Corporate results framework  Country Portfolio Budgets and cost structure 
Food systems	Price volatility; resource & data availability; capability assessment; cooperation; skills discrepancy	<ul style="list-style-type: none"> Local markets development strategies  Environmental and economic assessment  decentralization 

 Past audits
  Upcoming audits
  Possible upcoming audits



2019 WORK PLAN



- ❑ **Financial Audit : WFP Financial statements**
- ❑ **Performance audit 1 : WFP Premises**
- ❑ **Performance audit 2 : WFP Aviation Services**
- ❑ **Eight field audits**



WFP PREMISES



CURRENT VALUE OF WFP PREMISES (MUSD)

	2017		2018	
	Gross	Net	Gross	Net
PERMANENT BUILDINGS	25,3	21,4	43,1	39,0
TEMPORARY BUILDINGS	103,1	31,7	109,8	31,4
TOTAL VALUE OF BUILDINGS	128,4	53,1	152,9	70,4
TOTAL PROPERTY PLANT & EQUIPMENT	398,6	128,4	451,8	162,2
PREMISES / PROPERTY PLANT & EQUIPMENT RATIO	32,2 %	41,3 %	33,8%	43,4%

KEY NUMBERS ON WFP PREMISES

- 423 offices
- 560 warehouses
- 0 audits so far

AUDIT QUESTIONS

1

- Is the inventory of WFP's real estate assets exhaustive, accurate, sufficiently detailed and up-to-date?

2

- Is the Organization's real estate strategy effective, and in line with its objectives (especially in terms of space control, trade-offs between ownership and rental, etc.)?

3

- Is the financial management of the premises efficient and economical? Do host States contribute enough to their funding?

4

- Is the Headquarters expansion project mastered from the point of view of its usefulness, its legal structure and the investments to be made, etc.?

5

- A Member State resolution of 31 May 2018 supports the proposal to establish common premises for United Nations institutions. How is WFP preparing for this goal?



WFP AVIATION SERVICES



AUDIT QUESTIONS

COUNTRY	2017	2018	Number of aircrafts used in 2018		Number of regular destinations in 2018
			Airplane s	Helicopters	
Afghanistan	18 667	24 828	3	1	23
Cameroon	7 467	8 454	1		5
CAR	20 005	21 984	4		24
Chad	19 338	16 040	3		22
DRC	23 121	45 992	7	2	48
Ethiopia	5 840	5 421	2		8
Libya (ended 31/12/18)	-	594	1		3
Mali	10 295	10 177	2		8
Mauritania	2 061	2 038	1		7
Niger	12 673	13 374	2		7
Nigeria	46 086	62 944	1	4	14
Somalia/Kenya	44 069	41 843	7		44
South Sudan	87 707	98 561	10	4	56
Sudan	22 725	22 341	3	3	36
Yemen	9 229	12 079	2		4

- How does the Organization ensure compliance with the rules associated to its air transport activities, the selection of air operators, the training of staff, and its legal responsibility?

- Does the decision-making process leading to plan, organize and deploy an air operation enable maximal control, relevance and cost-effectiveness?

- Are WFP flight operations organized in a sufficiently efficient way, both logistically and environmentally?

- Does WFP Aviation communicate in a sufficiently transparent and clear manner with WFP Member States, so as to ensure that the services and the air operations' economic model are in line with the Board's will?



FIELD VISITS FOR 2018



Entity	Location	Choice determinant
Regional Bureau	Dakar	Oversight-Premises
Regional Bureau	Bangkok	Oversight-Premises
Country Office	Philippines	Overall management-Premises
Country Office	Senegal	Overall management-Premises
Country Office	Kenya	Air operations-Premises
Country Office	Côte d'Ivoire	Overall management-Premises
Country Office	DPRK	Overall management-Premises
Country Office	Mali	Air operations-Premises

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THANK YOU FOR YOUR ATTENTION



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