

Cour des comptes
FRANCE



World Food
Programme



EXTERNAL AUDIT EXECUTIVE BOARD ANNUAL SESSION

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2020 AUDIT ENGAGEMENTS



- ❑ **2020 Financial Statements (05-12 Oct. 2020 & 15 Feb.-05 Mar. 2021)**
- ❑ **Information on Beneficiaries (20-24 July. 2020 & 11-22 Jan. 2021)**
- ❑ **Critical Corporate Initiatives (20-24 July 2019 & 18-29 Jan. 2020)**
- ❑ **Field visits**

**Eight Country Offices: Benin, Egypt, Ecuador, Madagascar, Nicaragua,
Rwanda, Sudan, Zambia**



2020 FINANCIAL STATEMENTS

AUDIT FINDINGS

FINANCIAL AUDIT

(05-12 October 2020 & 15 Feb.-05 Mar. 2021)

Main findings

The non-inclusion of an Implementation Plan in the Management Plan reduces the transparency of the annual budget.

- The Secretariat no longer presents in its annual Management Plan, approved at the second regular session of the Board, a prioritized Implementation Plan showing the resource forecasts for the following year, broken down by activity.
- This situation, in addition to a reduction of information provided by the Management Plan, is not, in the opinion of the External Auditor, in full compliance with the Financial Regulations.

The FRMM is not updated with satisfactory frequency.

- In view of the significant updating delays detected in the Financial Resources Management Manual, the External Auditor encourages WFP to establish a written procedure for a more frequent updating of this document.

WFP should continue efforts initiated to have adequate and effective control processes in the WINGS II ERP system, in particular for managing rights granted to users.

- The Organization should adopt a security policy without delay, including a role and user administration procedure, which have been in draft form since 2018.
- In the immediate future, the implementation of an automatic integration between the data managed by the Human Resources Division in the WINGS SAP/HCM master staff file, and the WINGS/Active Directory (AD) file would be a useful step forward for strengthening security.

The understandability of some actuarial calculations is partial.

- Long-term employee benefits amount to over 1 billion USD at the end of 2020. Most of this amount is based on actuarial calculations carried out by the actuarial firm on contract with WFP.
- The audit trail to assess the reasonable nature of the estimates could be improved by providing more complete documentation on the data and methods used.



CORPORATE CRITICAL INITIATIVES

AUDIT FINDINGS

PERFORMANCE AUDIT

(20-24 July 2020 & 18-29 Jan. 2021)

Main findings

The selection process of the CClIs is not appropriate for assessing their relevance.

- The Executive Director's corporate priorities, which set the framework for prioritizing the CClIs, have not been defined with sufficient precision as to their operational application. Under these conditions, it is difficult to ensure that the selection of the CClIs is made on the basis of their relevance to strengthening WFP's organizational structure and contributing to Strategic goals.
- In addition to the CClIs financed by the Programme Support and Administrative Equalization Account (PSAEA), WFP makes other strategic investments financed by the Programme Support and Administrative Budget, in comparable matters, without the Board having an overall view.

The governance process lacks transparency and standardization.

- The process involves the same people proposing and selecting the CClIs before their approval.
- CClIs are approved in block form by the Board in very general terms, with no detailed presentation of the expected deliverables and impacts.
- There is no uniformity in the functioning of the committees steering the CClIs' implementation.

The tools for assessing CClIs' performance are neither systematic nor fully consistent.

- CClIs' outcomes should be described in the Annual Performance Reports, but they are barely mentioned.
- The confrontation between the results and the set targets is difficult to track because of the lack of clear and measurable performance criteria. Few cost-benefit analyses have been done.

The financial framework in which CClIs are implemented requires clarification.

- The terminology used by the Secretariat refers to CClIs as "investments", which they are not from a financial and accounting perspective.
- In some cases, CClIs may have been seen as a supplement to regular resources rather than as an expenditure for organizational change.
- In the absence of robust performance evaluation, the debate about whether to allocate the surplus from the PSAE Account not to CClIs but to operations remains open.

The centralized way in which CClIs are conceived is not favorable to the field.

- Country offices are less involved than HQ in the design of the CClIs. However, they are the main beneficiaries, given the decentralized nature of WFP's action. A greater involvement of the field in the governance process might be appropriate as some projects require local adaptations.



MANAGEMENT OF INFORMATION ON BENEFICIARIES

AUDIT FINDINGS

PERFORMANCE AUDIT

(20-24 July 2020 & 11-22 Jan. 2021)

Main findings

The number of beneficiaries reached by WFP should be considered an estimate.

- The counting method is only partially arithmetic and includes approximate calculations.
- WFP should explicitly mention in its public reports these methodological constraints on the figures.

Beneficiary information is subject to multiple factors of approximation, which make it impossible to consider a perfect data quality.

- Security constraints, the emergency context or the reliance on governments or institutional partners are all factors of approximation.
- The methods for counting beneficiaries are not homogeneous across countries.
- There are weaknesses in the techniques for data correction, which are intended to eliminate duplicates in the databases.

WFP has further room to improve the usefulness of the collected data.

- The understanding of the concept of indirect beneficiaries remains fragile.
- In a lack of sufficient indicators, the targeting of the most vulnerable populations is unsatisfactory.
- No quantitative data exists to reflect the timely intensity of the support provided to a given beneficiary.
- Progress can be made in sharing data with partners, for example by providing access to COMET.
- Less than two-thirds of the country offices have implemented feedback tools from beneficiaries, even though it could be useful in making data more reliable.

The integration of information systems and their coordinated deployment need to be two priority goals.

- The main information management systems concerning beneficiaries, SCOPE and COMET, are not homogeneously implemented, and are still competing with numerous local tools, some of which are rudimentary.

The governance process over beneficiary information should be strengthened.

- WFP does not identify the quality of beneficiary information as a true strategic risk.
- The processing of the beneficiary information flow is shared by several HQ divisions. All the progress expected in terms of improving beneficiary information cannot be achieved without a real leadership and reinforced coordination.