



External Audit

Annual session of the Executive Board

24 June 2025

Mr. Kay Scheller, President of the Bundesrechnungshof



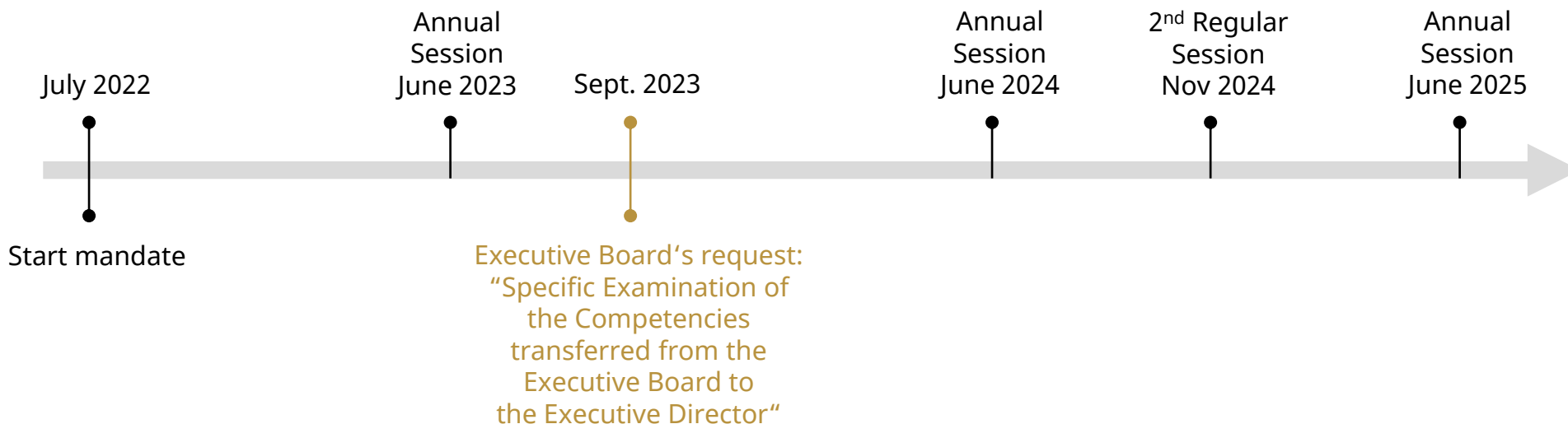


Outline

- Three years' audit achievements
- Current audit results
- Outlook

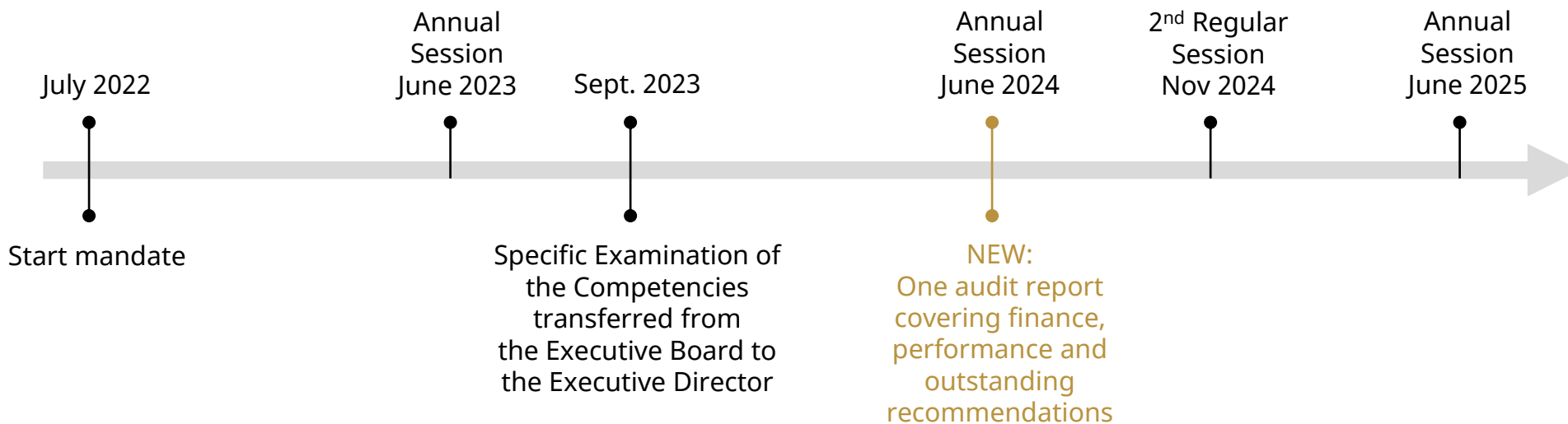


Achievements - Specific Examination Report requested by Executive Board



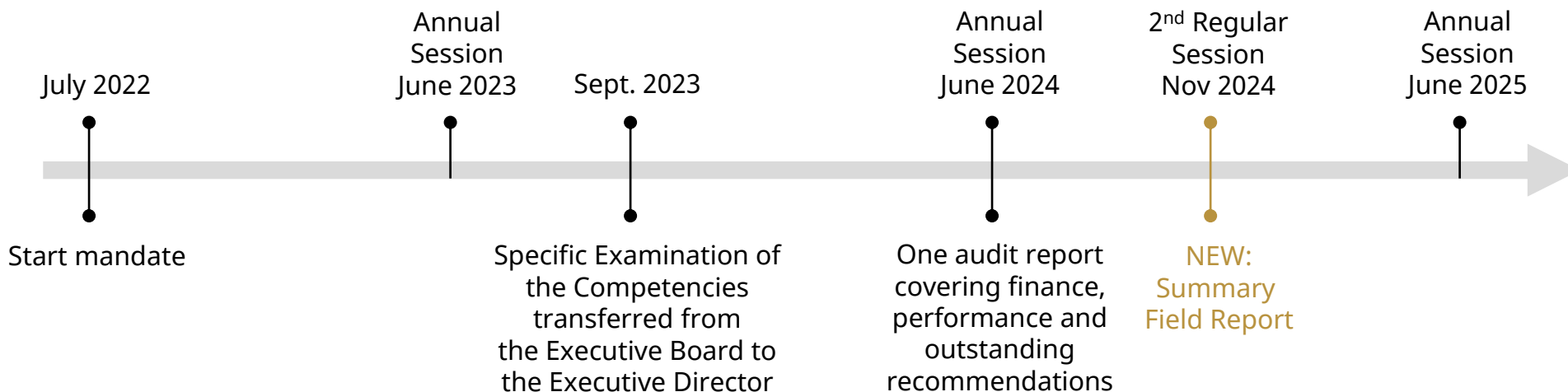


Achievements - One comprehensive audit report with recommendations' assessment





Achievements - New report on field audit results and recommendations





Achievements - Audit impact

- Accounting policy aligned with IPSAS - unmodified audit opinion
- Commodities distributed by partners - WFP policy to be revised
- WFP budget definitions and processes - under review and Management Plan amendments initiated
- Delegation of authority - WFP review ongoing
- Financial Statements' informative value - more detailed notes disclosures included, further disclosures required



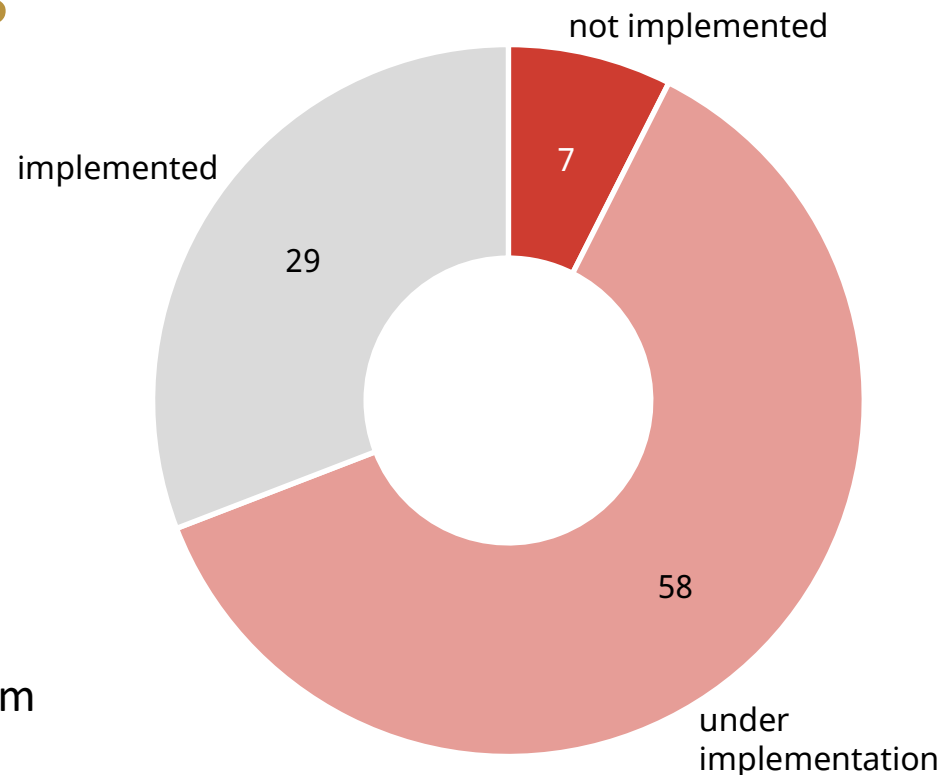
2024 Audit - Reporting

- Audit Report - Annual session
 - Contradictory procedure - WFP comments included
 - 49 new recommendations
 - Focus areas: Finance, Human Resources, Cooperating Partner Management, Global Assurance Project, Cash-based Transfers and Information Technology
- Summary Field Report - 2nd Regular Session



2024 Audit - Implementation status of audit recommendations

- External Audit
 - 94 recommendations from 2022-2024 reports
 - 65 recommendations remain open
 - Internal Audit
 - Vital part of WFP's internal control system
 - 420 open internal audit recommendations
- WFP needs to strengthen its internal control system





2024 Audit - Key results

- Unmodified audit opinion for the 2024 Financial Statements
- Cooperating Partner Management
 - Expenses for partner commodity distributions not sufficiently disclosed, no partner-related accounting policy, accounting data insufficient to support audit trail
 - No clear responsibility for governmental partners at headquarters
- Global Assurance Project
 - Open recommendations still not implemented



2024 Audit - Key results (cont'd)

- Human resources management
 - Additional disclosures of staff costs required
 - New human resources management system procured but payroll process still fragmented
 - USD 11.6 million paid to 144 staff members on special leave with full pay
 - Ex-gratia payments of USD 9.2 million for termination indemnities without legal basis



2024 Audit - ACABQ report

- External Auditor's findings
 - Essential pillar of WFP's oversight framework
 - Valuable tool to improve the management, efficiency and effectiveness
- External Auditor's recommendations
 - Executive Board's endorsement provides firm guidance to WFP
 - Full and timely implementation important



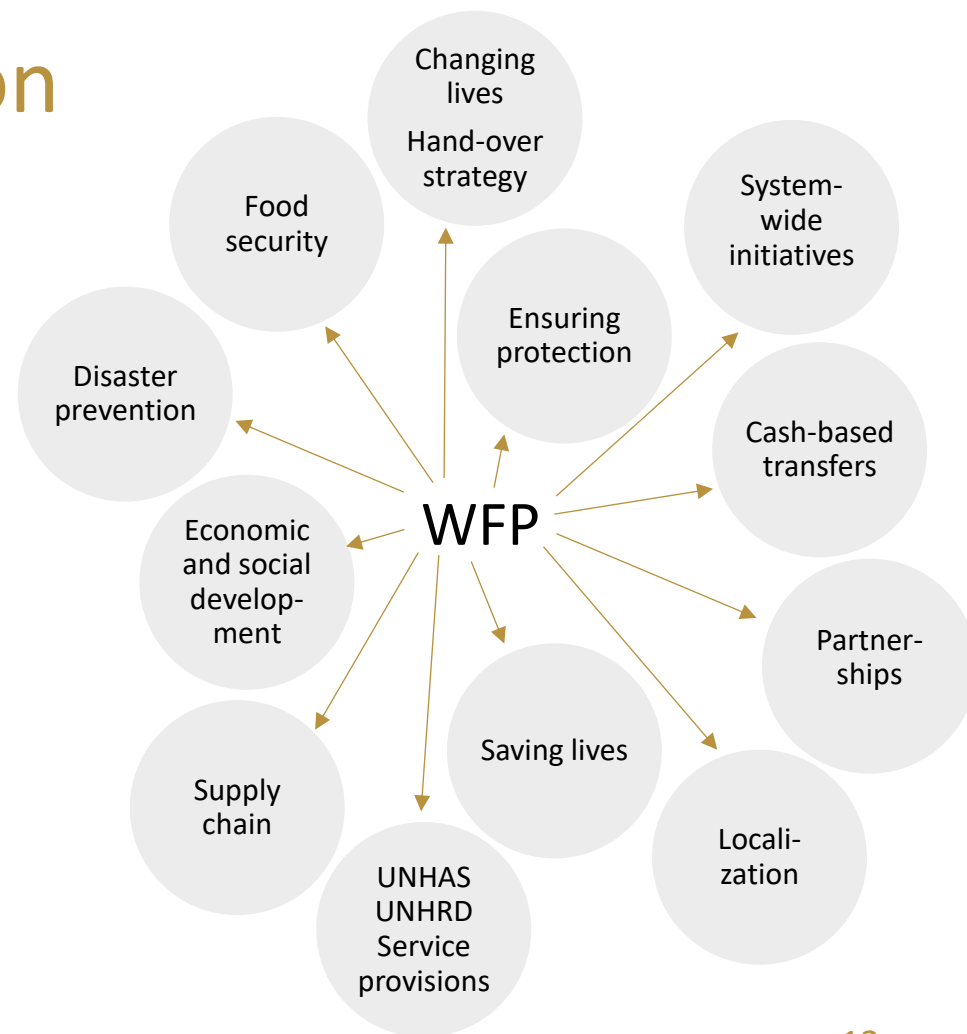
Outlook – WFP's response plan

- Planned reduction of 6,000 employees
 - Reduction of employees or abolishment of positions?
 - Costs of terminations/separations?
 - Terminations in line with regulatory framework?
- Roll-out of Global Headquarters - cost savings?
- Closure of country offices?



Outlook - Strategic direction and focus needed

- New Strategic Plan 2026-2029
 - Cooperation with other United Nations entities
- Increase efficiency
 - Standardization
 - Oversight
- Sharpen focus, prioritize





Thank you.