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Internal Audit of WFP Operations in Mali

Office of the Inspector General
Internal Audit Report AR/24/13



World Food
Programme

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I. Executive summary

WFP Mali Country Office

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP's operations in Mali. The audit focused on risk management and oversight, assessment and beneficiary targeting, identity management, cooperating partner management, monitoring, community feedback mechanisms, cash-based transfers, and humanitarian access management. The audit covered the period from 1 January 2023 to 31 March 2024 during which WFP expenses in Mali were USD 120.0 million. The office reached approximately 2.4 million beneficiaries.

Audit conclusions and key results

2. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **major improvement needed**. The assessed governance arrangements, risk management and controls were generally established and functioning but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.

3. In Mali, drought, socio-political instability, conflicts, and increased insecurity have contributed to a progressive deterioration of livelihoods. In this context, stakeholders met during the audit fieldwork recognized WFP as a partner of choice, valuing its leadership and different programmes to address the root causes of crises and underdevelopment.

4. The country office's efforts since the last audit conducted in 2021 included recruiting local and international staff proficient in programme and support activities and implementing corrective actions to mitigate operational risks. The country office, in coordination with Headquarters units and the Regional Bureau for Western Africa, also initiated pilot projects to digitize certain processes and enhance existing automated systems. There were ongoing efforts to address gaps in risk management, support and programme activities.

5. As part of WFP's Global Assurance Project, the country office developed a costed assurance action plan to address critical gaps in the five main and two cross-cutting focus areas. Several actions initiated in 2024 contributed in their design to address the gaps although the audit could not assess, their operating effectiveness in mitigating risks at the time of the audit reporting phase.

6. WFP staff can only access 37 percent of the regions where it operates in Mali, limiting the country office's ability to implement adequate processes and controls, consistent oversight, and capacity to proactively identify and mitigate strategic and operational risks and achieve its strategic objectives.

7. The audit report contains the following three high-priority observations:

8. High Priority Observation 3: There were weaknesses in implementing targeting procedures, including consolidation of the final list of targeted households and door-to-door verification in some regions. In the absence of a robust national identification system to enable verification and deduplication of identities, the country office faced challenges with identity management and assistance based on actual verified household sizes as recommended by corporate guidance and the Mali food cluster.

9. High Priority Observation 5: Operational risks related to non-governmental organizations remained unmitigated, especially regarding due diligence, performance management, and oversight activities. Programme implementation, monitoring, and performance management processes did not adhere to corporate standards, particularly regarding segregation of duties, field-level agreements, oversight, and reporting of activities.



10. High Priority Observation 6: The country office did not have a risk-based monitoring approach to adjust to minimum monitoring requirements. There was no consistent process to triangulate and validate monitoring data. At the time of the audit reporting, context-specific weights for protection risks regarding safety, dignity and data protection were not in place. There was no evidence of protection-based capacity assessments for cooperating partners during their onboarding and selection process.

11. The audit also identified three medium-priority observations in risk management, cash-based transfer, and targeting (see observations 1, 2, and 4 and Annex A for details).

12. The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.



II. Country context and audit scope

Mali

13. Mali is a landlocked, low-income Sahelian country with a population of 22 million, ranking 188 of 193 countries on the Human Development Index of the United Nations Development Programme.¹ Frequent drought and increased insecurity have contributed to the country's progressive deterioration of livelihoods. Beyond recurrent natural and human-caused shocks, other key challenges include high demographic growth, widespread poverty and underemployment, and the degradation of the agro-ecological resource base.

14. The United Nations (UN) Security Council Resolution 2690 terminated the mandate of the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) effective 31 December 2023, ten years after its establishment.² The MINUSMA withdrawal has had wide-ranging repercussions in the humanitarian landscape, including the loss of strategic security and access clearances, valuable governance, protection, and humanitarian aid resources for Mali humanitarian actors.

15. On average 3.6 million people or 18 percent of the population are food insecure each year.³ Malnutrition in its various forms exacts a high human and economic toll. The estimated annual loss in productivity due to malnutrition is equivalent to more than 4 percent of the national gross domestic product. Following decreasing displacement trends since the 2012–2013 regime change, the number of internally displaced persons is on the rise again.

16. Although food prices remained relatively stable in 2023, the price of some commodities such as locally grown and imported rice increased. The disruption of the supply chain caused by the insecurity in the northern part of Mali and in neighbouring countries and the block imposed by non-state armed actors also led to an increase in the price of food commodities and shortages in local markets.

WFP operations in Mali

17. As of November 2023, and following the sixth budget revision to the Country Strategic Plan (CSP) 2020-2024, the country office planned to assist 12 million beneficiaries with a needs-based budget of USD 1.3 billion. In 2023, the country office assisted 2.4 million beneficiaries through various cash-based interventions, representing approximately 80 percent of its programme, with in-kind assistance representing 20 percent.

18. The CSP comprises three pillars: Pillar 1 focuses on assisting shock and crisis-affected vulnerable people; Pillar 2 relates to building the resilience of individuals, households, and communities; and Pillar 3 aims to leverage WFP's expertise and operational capacity to help shape and institutionalize the emerging social protection system and reinforce national emergency response and preparedness systems.

19. Following MINUSMA's termination at the government's request in 2023, WFP drafted a concept of operations note outlining potential scenarios and established an adaptation to context taskforce to oversee implementation of actions to ensure continuity of operations. The note considered the foreseen possibility of a deterioration in security and the economic situation, potentially leading to increased humanitarian needs.

20. In 2023, the county office made significant progress in digitizing information for assisted people across various programme activities through registrations in SCOPE, the corporate personal information and transfer management platform. This included the use of MoDA⁴ for vulnerability data collection and assessments before uploading them into SCOPE and the roll-out of SCOPE for the school feeding programme in February 2024.

¹UNDP, Human development report 2023/2024, (<https://hdr.undp.org>)

² United Nations, 9365th meetings (AM) SC/15341 30 June 2023 (<https://press.un.org/en/2023/sc15341.doc.htm>)

³ Mali country strategic plan 2020-2024- (<https://www.wfp.org/operations/ml02-mali-country-strategic-plan-2020-2024>)

⁴ WFP's primary tool for data collection, helping staff make evidence-based decisions.



21. The country office delivered over USD 95 million in cash-based transfers to more than 2.1 million beneficiaries during the audit period. The main delivery mechanism for the transfers was through e-vouchers, representing more than 75 percent of total assistance. Other delivery mechanisms include paper voucher, mobile money, and cash in hand. Mobile money was provided by one mobile money operator and cash in hand is delivered by two financial services providers (FSPs).

22. In March 2024, the country office implemented beneficiary-level automated reconciliation using the DARTS application (data assurance and reconciliation tools simplified) for direct cash and e-voucher transfers.

Objective and scope of the audit

23. The audit focused on WFP's programme implementation under Strategic Outcomes 1 and 2 of the CSP, representing 64 percent of the plan's expenditure over the audit period:

- **Activity 1** *Provide an integrated food assistance package to vulnerable men, women, boys and girls affected by crisis based on a needs assessment and ensure that preparedness measures are taken to support a response that is timely, effective, efficient and in line with the national safety nets strategy.*
- **Activity 3** *Provide school meals to girls and boys during the school year in targeted areas in a way that supports local markets and promotes girls' enrolment.*

24. To minimize duplication of efforts and leverage the assurance work of the second line, the audit partially relied on the 2024 support mission from the Regional Bureau for Western Africa that covered all support and programme functions of the country office.

25. The Office of Internal Audit performed audit tests on essential controls outlined for eight predetermined areas: (i) risk management and management oversight; (ii) assessment and beneficiary targeting; (iii) identity management; (iv) cooperating partner management; (v) monitoring; (vi) community feedback mechanisms; (vii) cash-based transfers; and (viii) humanitarian access management.

26. This current audit also informed the following corporate/thematic assignments in the Office of Internal Audit's plan for 2024: (i) Country Office Assurance Plan; (ii) Monitoring; (iii) Humanitarian Access Management; (iv) Security in Field Offices; and (v) the internal audit of WFP's Regional Bureau for Western Africa. Actions required to address organization-wide risks that also impact Mali will be raised at the corporate level in the corresponding audit reports.

27. In 2023, WFP launched the Global Assurance Plan project to ensure that the right people receive the assistance they need safely, fully and without interference. Globally, 31 WFP operations were identified as high-risk and were prioritized for developing and implementing augmented assurance plans in five key process areas.⁵ The Office of Internal Audit's 2024 revised workplan includes a consolidated report on the results of the Global Assurance Plan, which will be informed by country office audits in 2024, including the audit of WFP operations in Mali.

28. In reporting the results of this assignment, the Office of Internal Audit adopted new WFP terminology: "beneficiary management" is replaced by "targeting and identity management". Results from testing on community feedback mechanisms are reported in the monitoring section.

29. The audit team conducted the fieldwork in Bamako from June 10, 2024, to June 21 2024 and visited operations in the Segou field office.

30. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

⁵ Targeting, Monitoring and Community Feedback Mechanisms, Identity Management, Cooperating Partner Management and Supply Chain.



III. Results of the audit

Audit work and conclusions

31. Seven observations resulted from the audit relating to risk management and oversight, targeting and identity management, cash-based transfers, management of cooperating partners, monitoring and community feedback mechanism as well as humanitarian access management. Other audit issues assessed as low priority were discussed directly with the office and are not reflected in the report.

Risk management and oversight

32. The country office continues to face operational challenges, including access constraints that impacted the targeting, implementation and monitoring in some regions, requiring greater reliance on third parties for programmatic delivery.

33. In line with the corporate global assurance plan initiative, the country office prepared key deliverables, including a costed assurance action plan. The plan highlights actions that the country office is implementing to meet the WFP's global assurance standards by the end of 2024.

Observation 1. Access limitation and gaps in risk management and oversight

Risk management and oversight

34. The country office's risk register did not consider critical risks or outline mitigation actions for key areas such as cash-based transfers, protection and human resources management. Although the register addressed access-related logistical constraints, it overlooked protection issues during programmatic deliveries in conflict-sensitive areas, particularly when using armed convoy escorts. In 2023, the country office employed three escorts to deliver nutritious food in remote areas. The access strategy, last updated in November 2022, did not consider significant changes, such as the withdrawal of MINUSMA, making initial assumptions and dilemmas outdated.

35. The country office's Assurance Action Plan was not aligned with the required standards and the identified risks in the office's risk register. For example, beneficiary identification and protection risks have not been integrated into the plan. Audit fieldwork confirmed discrepancies between the control self-assessment results and the observed control weaknesses. Finally, control gap assessments were not documented as per Global Assurance Plan guidelines to identify specific control weaknesses and plan appropriate mitigating controls.

36. Although the country office established governance structures and processes to manage operational risks, limited oversight processes were in place to maintain effective internal controls and continuously execute risk and control procedures. Examples include a lack of reviews of WFP distribution reports, weaknesses in spot-checks of non-governmental organizations' expenditures, and insufficient tracking and validation of monitoring data.

Distribution planning and access limitations

37. The same cooperating partners carried out the end-to-end process of vulnerability assessment, targeting, data collection, registration, and distribution. At the time of the audit fieldwork, the country office initiated rotating cooperating partners from region to region. The risk exposure remained high due to access constraints that limited independent oversight of programme activities. For example, in-kind distribution tracking at food distribution points was weak, and the country office had not set up minimum mechanisms to consolidate and reconcile transfers at the last mile. These controls are necessary, especially for cooperating partners undertaking both targeting and registration.

38. Due to inadequate planning and security concerns, approximately 25 percent of the 8000 distributions planned in 2023 were cancelled or postponed, prompting the country office to conduct double distributions to



bridge gaps in cycles, further hindering the traceability of assistance. Of 3,465 mapped access operational sites, over 2,000 (58 percent) were inaccessible to staff and 199 (5 percent) to cooperating partners and monitors. This limited oversight of operations and disrupted distributions in localities with people in need.

39. The evolving security situation and reported incidents also restricted road access, resulting in delays in obtaining security clearances for field travel by both staff and United Nations Humanitarian Air Service operations. Aviation security limitations at landing sites, delays in government authorization and fuel shortages also impacted United Nations Humanitarian Air Service operations, with only 20 percent of monthly planned flights operational in certain months. Given the evolving context, these risks could potentially increase, requiring tailored risk management approaches.

Underlying cause(s): Security and access challenges limiting cooperating partners' choices and options in the field; evolving operational context with security incidents that impacted programme delivery and the programme cycle; late fund confirmations to support activities expenditure plans; and operational context changes requiring specific risk escalation and mitigation.

Agreed Actions [Medium priority]

- 1) The country office will:
 - (i) Update the country office risk register to include all related high and medium risks, including mitigation measures. Establish continuous management oversight processes to assess critical programme and support activities.
 - (ii) Examine the current Assurance Action Plan to integrate identified risks from the risk register and determine if further updates are required to achieve the global standards and minimum measures required.
- 2) The country office will:
 - (i) Establish segregation of duties between cooperating partners in managing WFP operations, including rotating partners on beneficiary registration/verification, distribution, and reporting.
 - (ii) Review and monitor the programme and expenditure plans, considering access, operational risks, and challenges where necessary.
- 3) The country office, in collaboration with HQ and regional bureau, will formalize the risk escalation and risk sharing protocols for adaptation to access constraints.

Timeline for implementation

- 1) 31 December 2024
- 2) 30 June 2025
- 3) 30 June 2025



Targeting and identity management

40. The country office relied on both the geographical targeting Cadre Harmonisé analysis and community-based targeting to reach the most vulnerable households. It targeted both vulnerability-based and status-based people in need through direct registration and through the use of data from the government and other actors.⁶

41. While WFP registered 1.1 million people and implemented almost 98 percent of interventions through SCOPE (as indicated in the annual country report),⁷ there were gaps in targeting, data collection, registration and identity verification processes, compounded by limitations of access and security constraints in some regions.

Observation 2. Inadequacies in vulnerability assessment and targeting

Beneficiary targeting

42. A review of the 2023 country office post-targeting assessments indicated gaps in implementing community-based targeting procedures. There were no targeting committees in certain localities, which impacted the adequate implementation of procedures, including the consolidation of the final list of targeted households and door-to-door verification in some regions.

43. While exclusion error rates were generally within acceptable bounds (10 percent), there were issues with inclusion error rates of up to 14 percent. There was insufficient awareness among the people targeted of the criteria for the type of assistance, distribution cycle and distribution modalities in various localities.

Beneficiary data management

44. Analysis of vulnerability assessment data of the beneficiaries digitalization questionnaire on MoDA indicated data quality check anomalies in the application's initial implementation and use. These anomalies included variations in enumerator device usage, such as multiple logins of the same enumerators in various geo points; data collection duration time lags; and irregular data entry records, all of which impact data quality and integrity.

45. The beneficiary's digitalization questionnaire (comprising numerous data fields) contained repetitions, and data minimization strategies were not adequately considered prior to roll-out. There were irregularities in household size and age; some data fields had not been completed; and there were inconsistencies in the socioeconomic indicator data collected.

Beneficiary household size

46. Targeted people were registered and identified at the household level, with only the name of the head of the household and the number of members of the household (no details of dependants such as names, age, etc.). This increases the risk of duplications, especially if beneficiaries know how to circumvent existing processes.

47. The food basket transfer value was based on the national census average of six members per household rather than on actual verified household sizes as per the country office's targeting guidelines. This practice risks reducing the effectiveness of the assistance provided by not adequately meeting the needs of some households or providing excess assistance to others. In 2022, the food cluster recommended the application of defined multipliers for household size and thresholds for assistance. This recommendation was not implemented because it requires biometric identification for all beneficiaries to minimize the risk of duplication.

Underlying cause(s): Insufficient training of partners and delayed dissemination of targeting criteria and guidelines for assistance to vulnerable communities; inadequate sensitization on data quality management to enumerators for vulnerability data collection; consolidation of multiple food security assessment data within

⁶ Rapid Response Mechanism Partners

⁷ <https://www.wfp.org/publications/annual-country-reports-mali>



the vulnerability assessment questionnaire; and operational challenges and delay in implementing biometrics technology for identity management.

Agreed Actions [Medium priority]

- 1) The country office will strengthen community-level targeting and conduct regular awareness campaigns via multiple channels to educate both cooperating partners and affected people on the assistance criteria and distribution cycles.
- 2) The country office will implement data minimization strategies in vulnerability data collection processes, train enumerators on data collection practices, and perform data quality checks to improve assurance and detect anomalies.
- 3) The country office will implement the 2022 food cluster recommendation on targeting based on actual household size in new regions where biometrics or data is available.

Timeline for implementation

- 1) 30 June 2025
- 2) 30 June 2025
- 3) 30 June 2025

Observation 3. Limited effectiveness of identity verification and registration

Beneficiary registration and biometrics

48. The targeting registration processes were not integrated and were manually recorded in spreadsheets until March 2024, when the country office initiated the use of MoDA prior to upload into SCOPE. As of June 2024, 79 percent of SCOPE registrations were import files of registrations carried out outside the application, potentially increasing the risk of unauthorized changes during the data sharing and transfer process.

49. Registration data primarily included biographic information without unique documentation references. Much of the targeted population lacked civil identification documents or they presented various types of ID such as vaccination cards, voting cards, professional cards and birth certificates. These variations made it challenging for the country office to accurately identify individuals in need before registration. Data analysis in SCOPE also revealed data quality issues, including anomalies in dates of birth and instances of duplicate phone numbers.

50. In 2022, the country office privacy assessment identified differing perceptions and sensitivities among the affected population on collecting biometric information driven by cultural and security concerns. At the time of the audit fieldwork, the country office was in the initial stages of rolling out a pilot biometric registration process to aid identification. Given the short assistance cycle (up to six months) and potential high cost of implementation, the country office needs to define a biometric registration strategy, which may exclude beneficiaries receiving temporary or limited emergency assistance, and include assumptions, risks to project implementation, budget and timeline for implementation.

Payment instrument tracking

51. The process for printing, distributing and tracking SCOPE cards was ineffective, with roles inadequately segregated. The country office opted for paper-based printing of easily falsifiable cards for short-term interventions. The Office of Internal Audit noted that sections of the affected population, unable to read and write, depended on cooperating partners to redeem their entitlements, weakening the assurance that the cards and entitlements reached targeted people effectively.

Underlying cause(s) Absence of an appropriate risk-based identification mechanism for short term interventions; the processes to track the distribution of assistance cards was pending implementation as part



of the country office digitization strategy; and payment instrument tracking tool limitation, which does not allow for the tracking of paper voucher and SCOPE cards light.

Agreed Actions [High priority]

- 1) The country office, with the assistance of the regional bureau and relevant Headquarter units, will work to determine a scale-up plan for where biometrics can be used and alternate solutions for where biometrics are not feasible.
- 2) The country office will implement mechanisms for the distribution and tracking of assistance cards as applicable, including the sensitization of the assisted population and cooperating partners on the management of personal identification numbers.

Timeline for implementation

- 1) 30 September 2025
- 2) 31 March 2025

Cash Based Transfer

52. Key controls were tested in the cash-based transfer process including governance, set-up and delivery.

Observation 4. Insufficient financial guarantees and gaps in cash based-transfers reconciliations and delivery

Absence of financial guarantee

53. The country office did not obtain a financial guarantee (performance bond) from two FSPs for direct cash and mobile money assistance. These two FSPs are the largest providers by cash transfer amount and footprint in the country, with total cash assistance transferred amounting to USD 7.8 million and USD 4.8 million during the audit period. This represents 13 percent of the total amount of cash transfer to beneficiaries during the audit period. The absence of a financial guarantee increases the risk of being unable to recover funds from an FSP in case of non-performance. In 2021, the country office also failed to obtain a valid performance bond from an FSP. To mitigate this risk, the country office has limited the amount of cash transferred to the FSP to USD 800,000 per distribution cycle.

E-voucher, direct cash, and paper voucher transfer reconciliation

54. While recognizing the country office's efforts to adopt automated reconciliation and improvements in 2024, distribution reconciliations were not performed in 2023 at the beneficiary level for e-vouchers and direct cash. Hence, the assurance that assistance was provided to the right beneficiaries was limited in 2023. The country office's multifunctional reconciliation task force focused mainly on global reconciliation.

55. As part of the caretaker programme in the nutrition activity, the country office transferred USD 800,000 to beneficiaries using paper vouchers. Reimbursement of the vouchers was based only on the reports provided by the Ministry of Health, with no independent verification of the beneficiaries' redemption. Redeemed paper voucher counts were not reconciled with the report issued by the Ministry of Health, increasing the risk of misuse and fraud.

Retailer performance evaluation

56. The country office does not use a standardized approach for retailer performance evaluation. The office adopted in May 2024 the retailer performance monitoring and evaluation tool (RPME) for tracking and monitoring retailer performance. At the time of the audit fieldwork, its implementation was incomplete.



Absence of dashboards and analytics for redemption anomaly detection

57. E-voucher redemption data are not analysed for detection of anomalies. There were several instances of transactions with close time stamps or outside business hours, which could constitute red flags for further review. In addition, the country office does not analyse inactive and dormant accounts of beneficiaries who receive cash assistance through mobile money. This limits visibility on those wallets that are not actively used or are no longer in use and may not be retrieved by the country office. The country office and HQ finalized in June 2024, a proposal for the creation of a dashboard for anomaly detection and consistency checks.

Weaknesses in cash redemptions

58. Operational challenges hindered the efficiency and secure delivery of cash assistance. Mobile network and internet coverage are limited in many areas of the country (less than 16 percent in some areas) resulting in distribution delays and disruption in the distribution process.

59. Three large retailers captured 70 percent of beneficiary redemptions, while others received limited and fewer redemptions. This high concentration of retailers in some areas of the country limits beneficiary choice.

60. Controls over the management of SCOPE cards were not adequate and effective. During a field visit, beneficiaries wrote their PIN code on the card and disclosed it to third parties for redemption.

61. In some cases, beneficiaries walked several hours to reach the distribution centre, which creates additional costs to transport their assistance home.

Absence of segregation of duties and weaknesses in school meal cash transfer

62. From January 2023 to March 2024, the country office provided USD 4.6 million, in cash assistance to the centres d'animation pedagogique to implement school meal activities. This transfer represents 5 percent of the total cash assistance in the audit period.

63. Cash was directly transferred to the centres d'animation pedagogique, which disbursed the assistance to schools and verified and reported actual expenses without third-party verification. Instances were also noted where cash assistance was transferred to schools which then were not open at the time of the transfer. The country office acknowledged these control weaknesses and has identified mitigating controls, such as transferring the cash to an FSP instead of the Centre d'animation pedagogique.

Underlying cause(s): Non acceptance of financial services providers to provide financial guarantees; Inadequate process design to verify that beneficiaries receive assistance and for reconciling paper vouchers; insufficient skill and absence of tools to analyse the complexity and volume of redemption transactions; external factor which include legal constraint that prevent the country office from requesting a list of inactive and dormant accounts; absence of guidelines for inviting retailers to distribution centres; inadequate process design in cash transfer to school meal program.



Agreed Actions [Medium priority]

- 1) The country office, in collaboration with the Business Development Cash-Based Transfer Unit, will establish required financial guarantees when current financial services providers' contracts expire.
- 2) The country office will:
 - (i) Implement procedures to verify that beneficiaries receive assistance through third-party and establish a periodic reconciliation of paper voucher assistance.
 - (ii) Expand the pool of retailers and update the criteria for selecting on-site retailers at distribution centres.
- 3) The country office, in collaboration with HQ, will:
 - (i) finalize the implementation of data analytic tools, processes, and dashboards to periodically monitor and detect anomalies related to redemption transactions.
 - (ii) Establish a process to enforce school monitoring and implement risk-based spot checks for school meal expenses check.

Timeline for implementation

- 1) 31 December 2024
- 2) 30 June 2025
- 3) 31 July 2025

Cooperating partner management

64. Between January 2023 and March 2024, the country office contracted 37 cooperating partners involved in general food distribution, cash-based transfers, nutrition, and resilience activities. These organizations received approximately 14,000 metric tons of food and distributed USD 93 million of cash transfers to beneficiaries.

65. Ten corporate partners were sampled to test their activities, selection (including due diligence and capacity assessments), compliance with field-level agreements, performance evaluation across area and field offices, spot checks, and reporting processes.

Observation 5. Gaps in cooperating partners' assessment, assurance, and reporting

Capacity assessments

66. Capacity assessments predominantly relied on self-reported information from partners. The country office's Cooperating Partners unit was not sufficiently trained in using the corporate Capacity Assessment Tool. No improvement plans had been established based on the cooperating capacity and/or performance assessments, resulting in weaknesses not being addressed.

Assurance activities

67. Assurance and oversight activities covering programmatic, financial, and administrative spot checks necessary for effective programme implementation and to ensure cooperating partners' efficient use of resources were limited. Only four spot checks were carried out of the 80 field-level agreements with 37 cooperating partners during the audit period. At the time of the audit fieldwork, the country office had developed an annual plan for cross-functional spot checks in 2024, which includes vetting 12 partners.



Financial reconciliation and payments

68. The country office did not address the partners' feedback collected on WFP's operations and processes (e.g. issues with distribution planning and delays in invoice payment). Resolving these concerns is crucial to addressing key gaps/issues and demonstrating WFP's commitment to maintaining high-quality partnerships.

69. In 2023, the country office delivered USD 85.55 million according to the WINGS⁸ system and USD 80.87 million according to the COMET⁹ system. This gap of USD 4.68 million, representing a 5.5 percent difference. The country office explained the gap resulted from differences in the timing of data entry between the two systems.

70. The country office did not always carry out a comprehensive and detailed reconciliation of files (invoice, monthly financial report and activity reports) before proceeding with payments.

Underlying cause(s): Understaffing and inadequate training in the cooperating partners management unit, compounded by inconsistent oversight and assurance processes, result in challenges in conducting capacity assessments and spot checks.

Agreed Actions [High priority]

- 1) The country office will:
 - (i) Address staffing, capacity, and training issues to support all cooperating partner management cycle activities.
 - (ii) Establish new processes to identify cooperating partner risks and weaknesses and systematically follow up on recommendations from capacity assessments (including financial, administrative, programmatic and protection assessments).
- 2) The country office will:
 - (i) Implement periodic financial and programmatic spot checks to assess the accuracy of financial transactions, the status of programme activities and changes to internal controls.
 - (ii) Define a process between functional units for carrying out periodic, comprehensive, and detailed reconciliations files (invoice, monthly financial report, and activity reports) before proceeding with payments.

Timeline for implementation

- 1) 30 June 2025
- 2) 30 June 2025

⁸ WINGS is WFP's tailored SAP enterprise resource planning (ERP) platform designed to integrate the organisation's various critical business functions such as procurement, supply chain, finance, travel and human resources.

⁹ COMET is WFP's comprehensive online database tool to design, implement and monitor programmes and to improve organisational performance.



Monitoring and community feedback mechanism

71. The Office of Internal Audit reviewed the country office's monitoring strategy planning, coverage, escalation protocols and reporting. It also examined the country office's community feedback mechanism, including a toll-free hotline and on-site/in-person mechanisms. The multilayered monitoring process involved WFP staff monitors and six contracted third-party monitors dedicated to different regions.

Observation 6. Inadequate monitoring and community feedback mechanism

Monitoring governance and coverage

72. The country office's monitoring strategy does not consider changes in programmatic priorities and delivery modality mechanisms, the impact of security and access constraints, and other contextual challenges needed to inform a risk-based monitoring approach and to adjust to the minimum monitoring requirements. Field offices carried out less than 80 percent of the required and planned visits for various activities.

73. Roles and responsibilities at the field office level were not adequately segregated between programme implementation and monitoring. Although the country office reported staff training initiatives, there was no effective capacity development programme at the field level that covered all programme activities and ensured a comprehensive analysis of needs and the use of corporate monitoring tools.

Monitoring data validation

74. No structured process was in place to regularly triangulate and validate the monitoring data reported by field offices against distribution plan figures, actual physical counts and data in monitoring reports. Additionally, there were no data quality and validation checks on the information reported by third-party monitors.

Community feedback mechanism and protection

75. The escalation and assessment of complaints, feedback and monitoring issues reported at the field office level were inadequate. Multiple data sources were not consolidated to establish common categories for escalation and validation to inform programme implementation and decision-making. Complaints and feedback collected by cooperating partners were not tracked and resolved systematically.

76. The Sugar CRM database had data quality issues. For example, some cases were marked as closed without resolution details, and others were inaccurately categorized, impacting adequate escalation. Several hotline calls related to fraud allegations were not escalated to the Office of the Inspector General investigation function. In addition, the country office's standard operating procedures for its community feedback mechanisms have not been updated since 2017.

77. The country office did not conduct an analysis to identify and assign context-specific weights to protection risks regarding safety, dignity and data protection. There was also no evidence of a protection-based capacity assessment for cooperating partners during their onboarding and selection process.

Underlying cause(s): Security and access constraints limiting the country office's ability to achieve the planned monitoring coverage; staffing constraints at the field office level, increasing the risks of field monitors performing conflicting roles; inconsistent processes and tools to validate monitoring data; country office reliance on cluster-wide protection assessments; and absence of processes to consolidate feedback and complaints from multiple sources into the same database and establish common categories for escalation, validation and decision making.



Agreed Actions [High priority]

- 1) The country office will:
 - (i) In preparation for the upcoming country strategic plan, implement an integrated risk-based monitoring strategy that includes guidelines, plans, minimum monitoring requirements and standard operating procedures for data triangulation and validation.
 - (ii) Address the staffing issues in field offices and establish roles and responsibilities and segregation of duties in collecting, managing, and reporting monitoring data.
- 2) The country office will:
 - (i) Conduct a comprehensive and risk-based protection assessment in areas where WFP operates.
 - (ii) Consolidate complaints from multiple sources into the same database using corporate tools, updating standard operating processes, and applying categorization criteria and escalation processes for reporting allegations to the appropriate channels.

Timeline for implementation

- 1) 30 June 2025
- 2) 30 June 2025



Annex A – Agreed action plan

The following table shows the categorization, ownership and due date agreed with the audit client for all the audit observations raised during the audit. This data is used for macro analysis of audit findings and monitoring the implementation of agreed actions.

The agreed action plan is primarily at the country office level.

#	Observation (number / title)	Area	Owner	Priority	Timeline for implementation
1	Access limitation and gaps in risk management and oversight	Risk management and oversight	CO	Medium	1. 31 December 2024 2. 30 June 2025 3. 30 June 2025
2	Inadequacies in vulnerability assessment and targeting	Assessments and targeting	CO	Medium	1. 30 June 2025 2. 30 June 2025 3. 30 June 2025
3	Limited effectiveness of identity verification and registration	Identity management	CO	High	1. 30 September 2025 2. 31 March 2025
4	Insufficient financial guarantees and gaps in cash- based transfer reconciliations and delivery	Cash-based transfers	CO	Medium	1. 31 December 2024 2. 30 June 2025 3. 31 July 2025
5	Gaps in cooperating partners' assessment, assurance, and reporting	Cooperating partner management	CO	High	1. 30 June 2025 2. 30 June 2025
6	Inadequate monitoring and community feedback mechanism	Monitoring and CFM	CO	High	1. 30 June 2025 2. 30 June 2025



Annex B – Definitions of audit terms: ratings & priority

1 Rating system

The internal audit services of UNDP, UNFPA, UNOPS and WFP adopted harmonized audit rating definitions, as described below:

Table B.1: Rating system

Rating	Definition
Effective / satisfactory	The assessed governance arrangements, risk management and controls were adequately established and functioning well, to provide reasonable assurance that issues identified by the audit were unlikely to affect the achievement of the objectives of the audited entity/area.
Some improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objective of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
Major improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.
Ineffective / unsatisfactory	The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. Urgent management action is required to ensure that the identified risks are adequately mitigated.

2 Priority of agreed actions

Audit observations are categorized according to the priority of agreed actions, which serve as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

Table B.2: Priority of agreed actions

High	Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity.
Medium	Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity.
Low	Action is recommended and should result in more effective governance arrangements, risk management or controls, including better value for money.

Low priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low priority actions are not included in this report.

Typically audit observations can be viewed on two levels: (1) observations that are specific to an office, unit or division; and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.¹⁰

¹⁰ An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.



3 Monitoring the implementation of agreed actions

The Office of Internal Audit tracks all medium and high-risk observations. Implementation of agreed actions is verified through the corporate system for the monitoring of the implementation of oversight recommendations. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe to manage and mitigate the associated risks identified, thereby contributing to the improvement of WFP's operations.

The Office of Internal Audit monitors agreed actions from the date of the issuance of the report with regular reporting to senior management, the Independent Oversight Advisory Committee and the Executive Board. Should action not be initiated within a reasonable timeframe, and in line with the due date as indicated by Management, the Office of Internal Audit will issue a memorandum to management informing them of the unmitigated risk due to the absence of management action after review. The overdue management action will then be closed in the audit database and such closure confirmed to the entity in charge of the oversight.

When using this option, the Office of Internal Audit continues to ensure that the office in charge of the supervision of the unit who owns the actions is informed. Transparency on accepting the risk is essential and the Risk Management Division is copied on such communication, with the right to comment and escalate should they consider the risk accepted is outside acceptable corporate levels. The Office of Internal Audit informs senior management, the Independent Oversight Advisory Committee and the Executive Board of actions closed without mitigating the risk on a regular basis.



Annex C – Acronyms

COMET	Country Office Tool for Managing (programme operations) Effectively
CSP	Country strategic plan
FSP	Financial service provider
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MoDA	WFP's primary tool for data collection, helping staff make evidence-based decisions.
NGO	Non-governmental organization
SCOPE	WFP beneficiary information and transfer management platform
SIM	Subscriber identity module
SUGAR CRM	Customer Relationship Management System
USD	United States dollar
WFP	World Food Programme
WINGS	WFP information network and global systems