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Internal Audit of WFP Operations in Cuba

Office of the Inspector General
Internal Audit Report AR/25/08



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I. Executive summary

WFP in Cuba

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Cuba. The audit focused on the crisis preparedness and response activity (Activity 1) of the country strategic plan¹ and covered the following process areas: strategic planning and performance; risk management and oversight; finance; programme design and implementation; monitoring activities; and community feedback mechanisms.
2. The audit covered the period from 1 January to 31 December 2024. During this period, WFP's direct operational expenses in Cuba were USD 8.2 million, reaching approximately 1.3 million beneficiaries.

Audit conclusions and key results

3. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **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 objectives of the audited entity/area should be achieved. Issues 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.
4. At the time of the audit fieldwork, the country office was developing compensating controls and supporting Government efforts to enhance their capacity and digitalize their processes. It was conducting a logistics capacity assessment to map out storage locations and optimize the logistics support for the crisis response activity. It was also revising its monitoring procedures and capacity. These revisions aimed to enhance internal controls and to mitigate risks specific to the Cuban context. Stakeholders interviewed for the audit highlighted WFP's proactive collaboration and implementation capacity.
5. WFP's crisis response activity in Cuba follows a distinct model based on agreements with the Government. Food assistance is delivered through the distribution mechanisms of national social protection programmes. The Government is responsible for managing the individual identity of beneficiaries, applying the agreed eligibility criteria, and reporting the total number of individuals assisted at the end of the distribution cycle. Upon arrival at Cuban ports, food purchased by WFP with donor funding is donated to the Government and specifically designated for the Cuban population. Ownership transfers at that point, and Government entities handle the logistics, including transportation, storage, and distribution to eligible beneficiaries. WFP coordinates planning and monitoring activities with the Government and retains full access to warehouses and distribution points to observe the process.

Actions agreed

6. The audit report contains one observation with a high-priority action regarding risk acceptance and communication for the crisis response activity ([Observation 1](#)). As noted in paragraph 5, WFP operates within defined parameters and relies on government counterparts, which limits the full application of key WFP standards of accountability and risk management, including the WFP Global

¹ Activity 1: Provide timely food assistance to shock-affected people while strengthening national and local capacity relevant to emergency preparedness and response.



Assurance Framework. These contextual factors exposed WFP to higher residual and reputational risks than in comparable operations, including: limited beneficiary verification and detailed information on food distributions; reliance on Government-managed community feedback channels; and limited traceability of stock movements. To address these challenges, the country office should provide regular updates on its operational model and potential residual risks to both internal and external stakeholders, ensuring alignment of expectations.

7. The audit report also includes three observations with medium priority actions. Notwithstanding the limited available data, there is an opportunity for the country office to leverage available data to conduct trend analysis and visualization to identify potential inconsistencies, to better inform programmatic decisions and planning. The country office should also further enhance its monitoring strategy and procedures, including implementing adequate tools and systems, to strengthen coverage tracking, standardized escalation of monitoring findings, and adequate activity performance assessments.

8. To mitigate the risks associated with the use of alternative payment mechanisms to overcome in-country restrictions, the country office should strengthen its monitoring and management of operational advances. This will improve the identification of outstanding balances and enhance traceability of how funds are used.

9. Management has agreed to address the reported observations and implement the agreed actions by their respective due dates.

Thank you!

10. The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation.



II. Country context and audit scope

Cuba

11. Cuba, the largest island in the Caribbean, ranks 97th among 193 countries in the 2025 Human Development Report,² a position supported by its social protection programmes and universal access to basic services.³ Food security and nutrition are high priorities for the Cuban Government, as outlined in its national plan for economic and social development through 2030. The new constitution approved in 2019 established the people's right to food, and it also sets the goal of achieving food security for all.⁴

12. According to WFP's 2024 Annual Country Report for Cuba,⁵ access to basic goods, especially food, remains a pressing concern for the Cuban population due to rising prices and limited household purchasing power. Challenges persist in domestic food production, including low production volumes, limited access to necessary inputs, poor yields, and minimal diversification. This has led to a growing gap between import requirements and local production, compounded by export and foreign investment targets not achieved. Cuba is also one of the Caribbean countries most exposed to hurricanes, droughts, and unseasonal rains.

WFP operations in Cuba

13. WFP's operations in Cuba are guided by the country strategic plan covering the period from July 2021 to December 2025. After four budget revisions, the plan's budget reached USD 112 million over the entire period. In 2024, WFP's operations in Cuba focused on supporting emergency preparedness and response capacity, food security and nutrition needs, improving food production systems, and enhancing national and local capacities.

14. Under the country strategic plan, WFP pursued four key strategic outcomes. Strategic outcome 1 provided food assistance to people living in vulnerable conditions and areas affected by shocks. Strategic outcome 2 focused on distributing micronutrients to prioritized populations and promoting nutrition education and social communication. Under strategic outcome 3, WFP supported local food systems by linking locally produced food to social protection programmes, including connecting schools with local producers for the school feeding programme. Strategic outcome 4 aimed to strengthen national and local capacities to promote a more comprehensive and integrated national approach to food security and nutrition.

15. As part of the efforts to strengthen national capacities,⁶ through the ProSocial project, WFP supports the Government in enhancing targeting methodologies and mechanisms using multidimensional vulnerability criteria, as well as improving the interoperability of the social protection information systems. WFP also assists in conducting a national supply chain and logistics capacity analysis, especially for food distribution, aiming to identify gaps and implement an action plan to address inefficiencies and optimize the system.

² Source: [Human Development Report 2025](#)

³ Refer to: <https://www.wfp.org/countries/Cuba>

⁴ [Cuba country strategic plan \(2021-2025\)](#)

⁵ Refer to: [WFP Cuba 2024 Annual Country Report](#)

⁶ Ibid



16. At the time of audit reporting, the country office was in the process of implementing a revised organizational structure that included the creation of new positions and adjustments to existing grade levels. The main changes were within the programme area, including additional field monitors and the upgrade of a vacant programme associate position performing vulnerability analysis and mapping.

WFP's organizational redesign

17. Following the organizational structure review in 2023, WFP announced in October 2024 the adoption of a "one integrated global headquarters" model, put in operations on 1 May 2025. This model aims to ensure better support to country offices, consolidating the delivery of key enabling services via a network of global hubs. Further, in February 2025 WFP emphasized the implementation of cost efficiency measures, in view of projected donor forecasting and the overall widening resource gap.

18. In March 2025, WFP issued a Management Accountability Framework, aimed at enhancing accountability, authority, performance, and results across country offices, regional levels, and global operations - the latter two being now part of Global Headquarters. The framework outlines functional roles and responsibilities at various levels, including country directors, regional directors, and global functions. It establishes a support structure with a defined chain of command and explicit accountability, aiming at ensuring flexibility and operational efficiency.⁷

Objective and scope of the audit

19. The objective of the audit was to provide assurance on the effectiveness of governance, risk management and internal control processes related to WFP operations in Cuba. Such audits contribute to an annual overall assurance statement to the Executive Director on governance, risk management and internal control.

20. The audit focused on Activity 1 of the country strategic plan under strategic outcome 1: *Provide timely food assistance to shock-affected people while strengthening national and local capacity relevant to emergency preparedness and response*. This activity reported USD 5.4 million in direct operational costs and approximately 1 million beneficiaries assisted in 2024 representing 66 percent of the total direct operational costs, and 81 percent of the beneficiaries reached in 2024.⁸

21. In defining the audit scope, the Office of Internal Audit considered coverage by second- and third-line oversight providers as follows:

- a) Joint oversight and support mission conducted by the Latin America and the Caribbean Regional Office (LACRO, formerly the Regional Bureau for Latin America and the Caribbean) in May 2024.⁹
- b) The Office of Evaluation's evaluation of the country strategic plan for Cuba, issued in January 2024.¹⁰

⁷ WFP Management Accountability Framework, March 2025.

⁸ Source: [WFP Cuba Annual Country Report 2024](#).

⁹ The mission covered: governance (risk management, segregation of duties, committee management, oversight mechanisms, country office assurance plan); programme (implementation of technical assistance activities through the Government); management services (assets, facilities and light vehicle fleet, travel management, alignment to the Management Services strategy 2022-2026); finance; budgeting and programming; supply chain (procurement and logistics); and information technology.

¹⁰ Refer to the [Evaluation Report](#).

22. The areas in the audit scope are included in Figure 1 below.

Figure 1: Areas in audit scope



23. The audit mission took place from 19 to 30 May 2025 at the country office in La Habana. It included visits to field operations in the provinces of Artemisa and Villa Clara. The audit team also conducted a tailored review of data privacy arrangements, to inform a separate thematic assignment of the Office of Internal Audit. The country office's operations had not been previously audited as a whole; yet specific interventions at the country level were reviewed as part of the internal audit of WFP's Country Capacity Strengthening in 2016.

24. The audit was conducted in conformance with the *Institute of Internal Auditors' Global Internal Audit Standards*.



III. Results of the audit

Audit work and conclusions

25. Four observations resulted from the audit, relating to risk management and oversight, programme design and implementation, monitoring, and finance. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Operational model – Activity 1

National food assistance programme

26. WFP delivers food assistance in Cuba by complementing the national food assistance programme's food basket, leveraging the logistics and distribution channels of the social protection system, among them the *canasta familiar normada*, which provides a subsidized monthly food basket for every Cuban citizen. The entitlement consists of a monthly ration of selected items, managed via a ration booklet (*libreta de abastecimiento*). These items are distributed through local state grocery stores, known as *bodegas*.

WFP's food assistance under Activity 1

27. WFP supports this programme by providing food assistance in provinces with the lowest levels of economic development and high exposure to natural shocks.¹¹ In 2024, the country office expanded its assistance from 5 to 10 provinces.¹² Under the current operational model, the country office procures the food internationally and transfers its ownership to the Government upon arrival in Cuba. Following nationalization, custody is transferred to the relevant Government entity responsible for its storage, logistics and distribution. In this context, the food is moved through Government warehouses and distributed via the established subsidized monthly food ration network, reaching eligible beneficiaries through the *bodegas*.

28. The Government counterparts identify the beneficiaries based on the agreed WFP eligibility criteria, primarily considering pregnancy status, gender, and age. Identification of eligible beneficiaries is carried out using the Government's databases and the national consumer registry. The Government then shares aggregated figures with the country office, providing the total number of vulnerable individuals and pregnant women per province, which are used to plan for stock movements. At the end of the distribution cycle, the government is responsible for reporting actual distributions, using standard WFP distribution reports.

29. Following this operational model, WFP provides mainly two types of food assistance as follows:

- a) *Bi-monthly food basket distribution*: the country office provides every two months food baskets, containing rice, pulses, and vegetable oil, to vulnerable groups including pregnant women.
- b) *Emergency food assistance following natural disasters*: the country office prepositions stocks of food and non-food items for rapid deployment in the event of a disaster. Food stocks include the same items used in the bi-monthly food baskets. The non-food items aim to strengthen the emergency food storage capacity of Cuban institutions. Prepositioned food stocks stored in Government warehouses can be regularly rotated with Government food stocks

¹¹ Source and additional information on beneficiary targeting: [Cuba country strategic plan \(2021-2025\)](#)

¹² Source: [WFP Cuba Annual Country Report 2024](#)



designated for the subsidized monthly food ration, if in line with WFP's quality standards.¹³

Strategic planning and performance

30. WFP implements its country strategic plan under a basic agreement with the Cuban Government signed in 1993 and a letter of understanding with the Ministry of Foreign Trade and Investment signed in 2021.

31. The audit reviewed the governance arrangements supporting the delivery of the country strategic plan and consulted with selected donors and government counterparts to inform its conclusions. The results of this review are reported in [Observation 1](#).

Risk management and oversight

32. The audit reviewed the risk management structure in place to address country-specific risks, including risk management of data privacy, a thematic area that WFP's Office of Internal Audit is reviewing in its 2025 country office audits.

33. In April 2025, LACRO issued a "position paper" aimed to define the country office's risk appetite and address potential assurance issues related to WFP's ability to uphold its core humanitarian principles. The document was not intended for stakeholder engagement, and the mitigations proposed in the position paper were for consideration by the country office. In June 2025, at the time of audit reporting, WFP's Risk Management Division released a risk escalation guidance outlining steps for escalating risks outside corporate risk appetite to higher management and decision-making bodies. Due to their recent release, the audit could not assess the effectiveness of either document in supporting risk management.

Observation 1. Risk acceptance and communication

34. The operational model for implementing the crisis response activity in Cuba (Activity 1) entails elevated residual risks compared to standard WFP operational contexts. The country office provided overall descriptions of its operational model to stakeholders via funding proposals and field visits. The extent of acceptance or sharing of residual risks was not adequately documented to ensure alignment of expectations. It also escalated some of the key risks internally via its risk register; in the absence of guidelines on escalation of risks outside the corporate risk appetite (refer to paragraph 33 above), there was limited assurance as to the effectiveness of escalation done through the risk registers.

35. Key residual risks resulting from the limited ability to fully implement standard WFP procedures included: (a) limited opportunities for comprehensive beneficiary verification and distribution reconciliations at the individual level; (b) reliance on Government-managed community feedback mechanisms, with reduced opportunities to collect direct feedback from beneficiaries; and (c) difficulties in ensuring traceability of food stocks from origin to distribution.

36. To address these risks, the country office began implementing compensating controls, including a new operational agreement with the Government outlining roles in food stocks management, and a workplan to strengthen monitoring capacity and procedures for food commodities. It also supported Government efforts to digitalize processes, improve beneficiary targeting and registration, and enhance the Government's community feedback channels.

¹³ Source: [Cuba country strategic plan \(2021-2025\)](#)



Additionally, a supply chain and logistics capacity assessment was underway to consolidate storage locations for better stock monitoring and traceability. As these activities were still in progress and not yet completed at the time of audit reporting, their effectiveness could not be assessed.

Underlying causes:

<i>Policies and procedures:</i>	Absence or inadequate corporate policies/guidelines
<i>External factors beyond the control of WFP:</i>	Political – governmental situation

Agreed Action [High priority]

Leveraging the recently issued position paper and guidance on risk escalation, the country office will provide regular updates on its operational model and potential residual risks to both internal and external stakeholders, ensuring alignment of expectations and risk mitigating actions.

Timeline for implementation

30 June 2026

Programme design and implementation

37. In 2024, LACRO's oversight and support mission issued four programme-related recommendations to the country office. By the time of the audit, LACRO reported as implemented two recommendations concerning evidence generation, Government collaboration, and targeting. The other two recommendations on building Government capacity and incorporating crosscutting themes into programme design were still under implementation.

38. The audit reviewed the activity delivery process, including programme design and implementation, assessment and beneficiary targeting, and identity management under the operational model (refer to the [Operational model](#) section). This involved understanding the end-to-end operational model and assessing its alignment with formal agreements such as the country strategic plan, the operational agreement with the local Government, and relevant donor agreements.

Observation 2. Use of available beneficiary data and reports

39. Under the current operational model for Activity 1, the country office has limited access to detailed beneficiary data. As noted in paragraph 28, prior to distribution, the country office receives only aggregated beneficiary figures for planning purposes, specifically the number of pregnant women and vulnerable individuals per province. After distribution, the Government provides reports indicating the total number of actual beneficiaries, disaggregated by sex, and indicating the number of pregnant women.

40. Using the information available, the country office did carry out aggregate-level reconciliation processes with Government counterparts of stocks provided by WFP and distributed to beneficiaries.

41. Yet, it could better leverage available beneficiary data to conduct analyses that could inform and strengthen programmatic decisions. For instance, it could conduct trend analyses of the number of eligible beneficiaries over time by location to identify potential significant variances or analyze



discrepancies between planned and actual figures (beneficiaries and stock movements) for more effective planning. Receiving beneficiary data disaggregated by eligibility criteria would improve the country office's ability to refine its targeting strategies and to identify potential cases of overlapping assistance.¹⁴

Underlying causes:

<i>Resources - third parties:</i>	Insufficient third-party capacity (related to lack of automated data processing systems and procedures in the government)
<i>External factors beyond the control of WFP:</i>	Political – governmental situation (with respect to the operational model in the country)

Agreed Actions [Medium priority]

The country office will:

- (i) Conduct regular data analyses and visualization to identify trends and detect anomalies, to better inform programmatic decisions and planning.
- (ii) Engage with Government counterparts to advocate for access to more detailed and disaggregated beneficiary data, and to support the Government's digital solutions.

Timeline for implementation

31 December 2026

Monitoring activities

42. In 2025, the country office began enhancing its monitoring structure and procedures. It created a new field monitor position and planned to create additional positions to increase coverage, subject to funding availability. At the time of audit reporting, the country office was also reviewing its programme monitoring tools and questionnaires and developing standard operating procedures.

43. LACRO indicated that implementation of the oversight recommendations relating to monitoring was ongoing and not yet completed. The audit reviewed the country office's monitoring structure, planning, coverage tracking, escalation, and reporting processes.

Observation 3. Monitoring planning, tracking, and reporting

44. Monitoring is the country office's primary detective control and management oversight mechanism. Following its review, three areas require management action.

Planning, coverage tracking and escalation of process monitoring issues

45. The field monitors did not consistently apply standardized practices for monitoring planning and coverage tracking, and monitoring plans were primarily informed by past issues. For example, one outposted field monitor followed a structured process to plan for and conduct monitoring activities, while two others, in different locations, organized monitoring based on daily operational

¹⁴ Beneficiaries meeting more than one of the eligibility criteria and potentially receiving two types of food assistance described in paragraph 29.



needs. The country office indicated that availability of fuel was one key factor driving the feasibility and organization of monitoring activities.

46. In addition, the large number of food distribution points and storage warehouses, coupled with the absence of an updated, consolidated list of these sites, challenged effective tracking and documentation of monitoring visits. The need to coordinate monitoring activities with government counterparts was an additional factor to take into account in developing monitoring plans.

47. Monitoring findings were not systematically tracked and escalated due to inconsistent approaches among field monitors, reliance on informal ad-hoc methods, and absence of clear criteria for the types of issues requiring escalation.

Tools and systems

48. At the time of audit reporting, the country office was preparing to roll out WFP's primary data collection tool¹⁵ and was in the process of updating its monitoring questionnaires.

49. Upon review, the parameters of what should be monitored and the appropriate monitoring frequency, based on the specificities of the operational model, need to be more clearly defined. Other tools used for planning, coverage tracking, and issue logging and escalation also required harmonization to ensure consistency and strengthened effectiveness.

Outcome monitoring

50. The country strategic plan established one quantitative indicator¹⁶ as the sole outcome indicator to measure the crisis response activity's performance. Further, WFP is not allowed to conduct surveys directly with beneficiaries, in the form of post-distribution or other monitoring procedures. As a result, the country office had limited ability to measure the short- to medium-term effects of its crisis response activity and the effectiveness of its implementation.

Underlying causes:

<i>Oversight and performance:</i>	Performance measures and outcomes inadequately measured/ established
<i>Tools, systems and digitization:</i>	Absence or late adoption of tools and systems
<i>External factors beyond the control of WFP:</i>	Political – governmental situation (related to conducting surveys directly with beneficiaries)

Agreed Actions [Medium priority]

The country office, with the support of the relevant Global Headquarters units, will:

- (i) Implement a monitoring framework in alignment with the operational model, defining the key objectives of the monitoring process, the frequency and type of monitoring activities to be conducted, and the reporting requirements.

¹⁵ The Mobile Operational Data Acquisition or MODA system.

¹⁶ Defined as the percentage of eligible population that participates in the activity.



- (ii) Consolidate a full list of warehouses and food distribution points to support effective monitoring planning and coverage tracking.
- (iii) Standardize monitoring processes and tools, by implementing structured procedures and tools for monitoring planning, coverage tracking, issue recording and escalation.

Timeline for implementation

- (i) 30 June 2026
- (ii) 30 June 2026
- (iii) 31 December 2026

Community feedback mechanisms

51. For its emergency preparedness and response activities under Activity 1, the country office did not have an established community feedback mechanisms as per WFP corporate standards. The audit reviewed the country office's alternative procedures in place. At the time of audit reporting, the country office had yet to implement the recommendation issued by LACRO in 2024 to address gaps in its community feedback mechanisms.

52. The country office primarily relied on Government-established channels, such as complaint and suggestion boxes, to collect beneficiary feedback. The country office also obtained information from beneficiaries during monitoring activities and participation in local committee meetings.

53. The set-up, and therefore the absence of a direct feedback mechanism, limited the country office's ability to maintain a log of beneficiary complaints, manage cases effectively from intake to resolution, and analyse data to enhance programme delivery.

54. The root causes for the absence of a direct feedback mechanism relate to the operational model in the country and are addressed in [Observation 1](#) and the related agreed action.

Finance

55. Due to Cuba's unique operational context characterized by high inflation, a limited financial sector and ongoing fuel shortages, the country office implemented alternative solutions to address financial and operational challenges, including the processing of operational advances and fuel payments.

56. During its 2024 oversight and support mission, LACRO raised a recommendation for the country office to update its delegation of authority matrix taking into account recent staffing changes. At the time of the audit, LACRO reported it as implemented.

57. The audit reviewed the controls over the payment processes for operational advances and fuel, including procedures for approving, utilizing, clearing, and monitoring these transactions within the country office.



Observation 4. Use of operational advances and fuel payments

Operational advances

58. The country office issues operational advances in both the local currency, Cuban Pesos (CUP), and *Moneda Libremente Convertible* (MLC), a foreign currency digital account accessed via prepaid cards issued by Cuban banks.

59. Due to the significant budgetary impact of making payments in the local currency at the official exchange rates, the country office uses operational advances in MLC primarily to cover accommodation and food expenses for national and local counterparts. These funds are transferred to staff members' personal MLC cards, and since cash withdrawals from MLC cards are not permitted in the country, any unused advance balances remain on the card until the country office instructs the staff member to transfer it to another staff requiring a new advance.

60. In 2024, the country office approved approximately USD 46,000 in operational advances. A review of sampled operational advances revealed that some controls over their management required streamlining and strengthening.

- a. Roles and responsibilities between the programme and finance teams in approving and clearing the operational advances need to be clearly defined.
- b. The country office has to establish standardized accommodation and meal rates for government counterparts. In some cases, the supporting documentation made it difficult to trace the use of funds, particularly when invoices included mixed expenses for both government counterparts and country office staff.
- c. The monitoring of outstanding operational advances was neither systematic nor structured.

61. At the time of the audit fieldwork, the country office developed standard operating procedures to guide the use and management of operational advances. It also introduced a tracking sheet to monitor the status of operational advances and outstanding balances.

62. Due to their recent implementation, the audit could not assess the effectiveness of these controls.

Fuel payments

63. The country office uses two modalities to pay for fuel. For fuel payments in USD, it utilizes Zinli cards,¹⁷ typically used for cash transfers, which are topped up with USD and distributed to field monitors and drivers.

64. For payments in local currency, the country office relies on the only authorized local fuel provider, using CUP-denominated fuel cards that are similarly topped up as needed. However, this second modality has been used less frequently due to the ongoing shortage of fuel available for purchase in CUP across the country.

65. Monitoring controls over the use of Zinli cards were effective. The country office was able to extract reports and maintained records for drivers and field monitors, which supported proper tracking of fuel usage and card balances.

¹⁷ Zinli is a digital dollar wallet that offers free international transfers and a Visa-branded prepaid card.



66. In contrast, for fuel payments in local currency, the country office relied on payment vouchers that were often difficult to read, making it challenging to track consumption and balances accurately. Although an internal tracking file was maintained, it was not consistently updated.

67. In addition, the country office had not assessed the reasonableness of fuel consumption or its alignment with monthly activity plans, limiting its ability to identify potential discrepancies.

Underlying causes:

<i>Policies and procedures:</i>	Absence of local policies/guidelines
<i>External factors beyond the control of WFP:</i>	Political – governmental situation (related to the financial limitations in the country to make payments)

Agreed Actions [Medium priority]

For operational advances, the country office will:

- (i) Clarify the roles and responsibilities for programme and finance personnel in the approval and clearing process of operational advances in the standard operating procedures.
- (ii) Work with the United Nations Operations Management Team to establish cost ceilings for the accommodation and food expenses by government counterparts and improve traceability of the use of the operational advances by requesting separate invoices for expenses related to government counterparts, where feasible.
- (iii) Establish a tracking tool for following up on the use of operational advances for effective and timely clearance and closure.

For fuel matters, the country office will:

- (iv) Conduct monthly analyses of fuel consumption against approved field activities to identify and follow up on any significant discrepancies from average usage.

Timeline for implementation

31 December 2025



Annex A – Agreed action plan

The following table shows the categorization, ownership and due date agreed with the audit client for all the 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	Risk acceptance and communication	Risk management and oversight	Country office	High	30 June 2026
2	Use of available data and reports	Programme	Country office	Medium	31 December 2026
3	Monitoring planning, tracking, and reporting	Monitoring	Country office	Medium	(i) 30 June 2026 (ii) 30 June 2026 (iii) 31 December 2026
4	Use of operational advances and fuel payments	Finance	Country office	Medium	31 December 2025

Annex B – List of figures

Figure 1 – Areas in audit scope: 7

Annex C – Acronyms used in the report

CUP	Cuban Peso
LACRO	Latina America and the Caribbean Regional Office
MLC	<i>Moneda Libremente Convertible</i> , a digital currency denomination available in Cuba
MODA	Mobile Operational Data Acquisition
USD	United States dollars
WFP	World Food Programme



Annex D – Root cause categories

Strategy, mandate and authority

- Unclear direction for planning, delivery, or reporting
- Insufficient authority and/or accountability
- Strategic and operational plans not developed, approved, or not SMART

Policies and procedures

- Absence or inadequate corporate policies/guidelines
- Absence of local policies/guidelines

Process and planning

- Rules and processes, including for decision making, not established or unclear
- Unclear roles and responsibilities
- Insufficient planning
- Inadequate process or programme design
- Inadequate risk management
- Insufficient coordination - internal or external

Oversight and performance

- Insufficient oversight from HQ / RB / management
- Insufficient oversight over third parties
- Oversight plans are not risk-informed
- Performance measures and outcomes are inadequately measured/established

Resources – People

- Insufficient staffing levels
- Insufficient skills and/or competencies
- Absence of/insufficient staff training
- Inadequate succession and workforce planning
- Inadequate hiring, retention, and/or compensation practices
- Inadequate supervision and/or performance appraisal processes

Resources – Funds

- Inadequate funds mobilization
- Insufficient financial / cost management

Resources – Third parties

- Insufficient third-party capacity (NGO, Government, FSP, Vendor, etc.)
- Insufficient due diligence of third parties
- Insufficient training/capacity building of CP staff

Tools, systems and digitization

- Absence or late adoption of tools and systems
- Inappropriate implementation or integration of tools and systems

Culture, conduct and ethics

- Deficient workplace environment
- Insufficient enforcement of leadership and/or ethical behaviours



External factors - beyond the control of WFP

Conflict, security & access

Political – governmental situation

Funding context and shortfalls

Donor requirements

UN or sector-wide reform

Unintentional human error

Management override of controls



Annex E – 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.¹⁸

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.

¹⁸ 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.