

Internal Audit of WFP Operations in Namibia

Office of the Inspector General
Internal Audit Report AR/25/11



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I. Executive summary

WFP in Namibia

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP operations in Namibia. The audit focused on organizational structure and staffing, risk management and oversight, programme design and implementation, procurement, resource management and monitoring. It also included tailored reviews of the strategic planning and performance and structured interviews with government counterparts, the Resident Coordinator, UN agencies and donors.
2. The audit covered the period from 1 January 2024 to 31 March 2025. During this period, WFP's direct operational expenses in Namibia were USD 2.3 million, reaching approximately 27,036 beneficiaries.

Audit conclusions and key results

3. 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 needed 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.
4. In response to organizational and financial challenges, WFP conducted a structural review in 2023, leading to the adoption of a "one integrated Global Headquarters" model in October 2024 to ensure better support to country offices and streamline services through global hubs. The new structure came into force on 1 May 2025. As part of this review, in February 2025, WFP decided to close the regional bureau for Southern Africa. Following a pause in a donor's foreign development assistance and declining funding projections, WFP initiated cost-efficiency measures; in April 2025, WFP announced plans to cut its global workforce by 30 percent compared to 2024, due to a projected 40 percent funding reduction. Subsequently, WFP launched a country footprint review to assess its operational presence across 31 countries, including Namibia. The results of this audit should be read in the context of these organizational measures.

Positive findings

5. In Namibia, WFP aligned its strategic focus with government priorities, supporting resilient food systems while remaining responsive to the national drought relief programme. WFP also collaborated with other United Nations entities on food systems transformation. The Office of the Prime Minister acknowledged WFP's contributions to vulnerability analysis, cost-effective transfer modalities, and digital transformation, including technical assistance for the commodity and beneficiary management information system and Namibia's integrated digital assistance service.
6. As part of the United Nations Country Team, the country office led the United Nations business operating strategy by launching expressions of interest to consolidate procurement across United Nations entities in country, aiming to improve cost-efficiency and collaboration; it also introduced a booking hub to support carpooling for field missions.



7. To strengthen staffing capacity, the country office implemented an on-the-job training programme and temporarily boosted staffing through the corporate surge mechanism.

Improvement areas

8. WFP operations in Namibia faced strategic and operational challenges due to planning gaps, leadership transitions, weak governance and management override of controls. WFP's initial strategic direction was based on a country capacity mapping without a subsequent assessment and clear articulation of WFP's comparative advantages in food systems. Gaps in geographic prioritization and the logistical challenges of operating from Windhoek limited the effective implementation of activities. Reliance on junior staff for oversight roles and the absence of detective controls, such as real-time dashboards, hindered timely detection of anomalies indicative of potential control overrides, thereby limiting effective risk management in procurement and advance management processes. Externally, a limited non-governmental organisation landscape and weak operational capacity constrained effective crisis response delivery. A gap analysis against global assurance benchmarks identified targeting, identity management, non-governmental organization management and community feedback mechanisms as priority process areas for improvement in 2025.

9. The audit report includes four observations with high-priority actions that require urgent management attention, explained below. The report further raised four observations with medium priority actions, in the areas of organisational structure and staffing, identity management and digital solutions, budget and programming, and risk-based monitoring

10. **Observation 1: Strategic planning and positioning:** Food systems were piloted without assessing WFP's comparative advantages, and the rapid rural transformation programme did not fully align with the country strategy plan, with unsupported linkages to the home-grown school feeding programme. The absence of geographical prioritization criteria led to dispersed operations across nine regions with limited results. There is an opportunity for WFP to review its comparative advantages; update the country strategic plan; and establish clear criteria for regional prioritization.

11. **Observation 3: Risk management and oversight:** During the period audited, there were instances of former WFP staff in managerial roles who did not adhere with the procurement and advance process controls. This coupled with key staff vacancies; limited staffing, leading to the same individuals serving on multiple committees; reliance on junior staff for critical functions – such as procurement without proper segregation of duties, as well as decision-making outside formal governance structures, collectively undermined risk management and management oversight. While preventive controls are established, WFP should continue its efforts to enhance the timely detection of anomalies, including potential override of controls; conduct a fraud risk assessment; and develop clear guidance for operationalising management oversight committees in small country offices.

12. **Observation 4: Programme design and operational delivery:** Pilot food systems projects did not have defined milestones and documented lessons learned and results were inconsistent from 2022 to 2024. WFP faced challenges in targeting smallholder farmers and achieving project sustainability due to weak community governance structures. The 2024 drought response was hindered by planning and operational capacity gaps, with stakeholders highlighting the need for improving planning, coordination, and regional prioritisation to better demonstrate and evidence results. To address these challenges, WFP should set timelines to conclude pilot projects; conduct



lessons-learned exercises; ensure timely consultations with stakeholders; and update its crisis response approach.

13. **Observation 6: Procurement and management of vendor and staff advances:** Food systems activities and rapid rural transformation programme procurements waived without adequate justification, and purchase orders split to bypass approval thresholds. Poor oversight of vendor contracts and advances led to unpaid dues and potential write-offs. To address these challenges, WFP should enforce competitive procurement; monitor procurement patterns and trends, including waived procurement and post-factum purchase orders; and improve vendor and advance management.

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

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

II. Country context and audit scope

Namibia

16. Namibia achieved upper-middle-income status in 2009 and, in July 2025, the World Bank reclassified the country as lower-middle income status. Despite attaining its income status, Namibia continues to face significant socioeconomic challenges and high levels of inequality, particularly in rural and marginalised communities, making it one of the world's most unequal countries.¹ With a population of approximately 3 million people spread over 824,000 km², the country has low population density and sparsely populated regions. It ranked 136 of 193 countries in the 2023–2024 Human Development Index,² and 59 of 180 countries in the 2024 Transparency International Corruption Perceptions Index.³

17. Namibia is one of the driest countries in sub-Saharan Africa and is highly vulnerable to climatic shocks impacting crop and livestock production due to unsustainable land management practices and deterioration of rangelands. The local food systems only meet half of the staple food demand, leading to a heavy reliance on imports.

18. In May 2024, Namibia declared a state of emergency due to an El Niño-induced drought. The Government scaled up its drought relief programme, targeting 340,000 households with food, water, livestock, and seeds. As government resources were insufficient to meet the needs of the affected populations, UN organizations, including WFP, UNICEF, UNFPA,⁴ and the UN Resident Coordinator's Office, supported the national response and climate resilience efforts.

19. Namibia's November 2024 elections resulted in the election of its first female President and a change in government, including the appointment in March 2025 of a former WFP Deputy Country Director as Minister of Finance.

WFP operations in Namibia

20. WFP's operations in Namibia were guided by two country strategic plans (CSPs). The first (July 2017 to December 2024) underwent six budget revisions, totalling USD 51.0 million. It was followed by a new five-year plan (January 2025 to December 2029) with a revised budget of USD 23.6 million.

21. WFP's operations in Namibia focused on crisis response to the El Niño-induced drought, strengthening smallholder farmer productivity and national capacity in sustainable food systems, emergency preparedness and response, social protection, including school feeding, while also providing on-demand service provision.

22. WFP supports Namibia's crisis response by using the Government's social registry to target vulnerable people, including indigenous peoples, with cash-based assistance. WFP works to enhance national social protection systems, including school feeding, by promoting policy coherence, regional coordination of safety nets, and the use of digital tools such as the commodity and beneficiary information system and the Namibia school feeding information management system.

¹ Source: [Namibia country strategic plan \(2025–2029\)](#)

² [Human Development Report 2025](#)

³ [Corruption Perceptions Index 2024](#)

⁴ United Nations Children's Fund; United Nations Population Fund respectively.



23. WFP integrates home-grown school feeding by linking smallholder farmers to schools and supports integrated food systems by strengthening the capacity of smallholder farmers, youth, Indigenous people, and people living with human immunodeficiency virus (HIV). This includes support to farmer organisations, value chain development, and climate-resilience practices such as irrigation and shade nets.

WFP's organizational redesign funding context and country presence review

24. The results of this audit, and specifically the agreed action plans, should be read in the context of the organizational changes ongoing in WFP at the time of audit reporting.

25. In the second half of 2023, WFP conducted a review of its organizational structure. Following this exercise, in October 2024, WFP announced adopting a "one integrated Global Headquarters" model, which came into force on 1 May 2025, aiming to ensure better support to country offices, through consolidating the delivery of key enabling services via a network of global hubs.

26. In February 2025 and in response to the 90-day pause in a donor's foreign development assistance, WFP implemented cost-efficiency measures in view of projected donor forecasting and the overall widening resource gap.

27. In March 2025, WFP issued a Management Accountability Framework, aimed at enhancing accountability, authority, performance, and results across country offices and the 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.⁵

28. In April 2025, WFP's funding projection for 2025 was set at USD 6.4 billion, a 40 percent reduction compared to 2024. As a result, senior management communicated the need for a 25-30 percent reduction in the worldwide workforce, potentially impacting up to 6,000 roles across all geographies, divisions, and levels in the organization.

29. Concurrently, WFP examined the role and configuration of its six regional bureaux, as part of the overall review of its organisational structure and decided to consolidate two of them: the one for Southern Africa, located in Johannesburg (hereafter referred to as "the regional bureau", which was overseeing Namibia), and that for Eastern Africa, to form the Eastern and Southern Africa Regional Office (ESARO), located in Nairobi, Kenya, operational since 1 May 2025.

30. In March 2025, WFP also launched a Global Footprint Review Exercise to critically assess WFP's operational presence, to maximise WFP's impact in an environment with reduced global resources. The exercise focussed on WFP's value addition, strategic operational opportunities, and role in supporting national governments to achieve Sustainable Development Goal 2. The redefinition of country strategies coincides with the country strategic plan cycle, with the goal of implementing tailored country operational models in the subsequent country strategic plan.

31. The audit results are not intended to inform the country office footprint review exercise. Yet, the outcome could influence a country office's capacity to implement agreed actions. In such an instance, the country office management indicated that it will reassess the relevance of each action and report its findings to Global Headquarters and the Office of Internal Audit.

⁵ WFP Management Accountability Framework, March 2025.

Objective and scope of the audit

32. 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 Namibia. Such audits contribute to an annual overall assurance statement to the Executive Director on governance, risk management and internal control.

33. During the period audited, the country office transitioned from its previous country strategic plan (July 2017 to December 2024), revised six times to a total budget of USD 51.0 million, to a new five-year plan (January 2025 to December 2029) with a revised budget of USD 23.6 million. The audit focused on crisis response, food systems and school feeding activities under both the old and new country strategic plans.

34. Table 1 below summarizes the direct operational costs and beneficiaries reached in 2024 through these activities. These activities represent 89 percent of the total direct operational costs, and nearly 100 percent of the beneficiaries reached in 2024.⁶

Table 1: **Direct operational costs and beneficiaries assisted in 2024**

Activity	Direct Operational Costs (USD millions)	Percentage of total direct costs	Beneficiaries	Percentage of total beneficiaries
Activity 2: Provide capacity strengthening and technical assistance to the government entities responsible for school feeding	0.4	14 %	0	0 %
Activity 5: Provide food assistance to vulnerable people affected by shocks	0.4	16 %	26,868	99 %
Activity 7: Support government entities to strengthen food systems in the country	1.5	59 %	168	1 %
Sub-total: activities in scope	2.3	89 %	27,036	100 %
Other activities not in scope	0.3	11 %	0	0 %
Total Country Strategic Plan in 2024	2.6		27,036	

35. In defining the audit scope, the Office of Internal Audit considered coverage by second- and third-line oversight providers, including: the 2021 external audit, the October 2023 evaluation of Namibia's Country Strategic Plan (2017-2023) and the evaluation synthesis conducted by WFP's Office of Evaluation from June 2024 to February 2025. There was also oversight coverage by the regional office; these included the 2023 finance and oversight mission, the 2024 cross-functional reviews of cash-based transfers and human resources and the 2025 procurement oversight mission.

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

⁶ Source: WFP Namibia 2024 annual country report, available at: [2024 Namibia report](#)



Figure 1: Areas in the audit scope

Full audit coverage



Partial audit coverage



37. The audit mission took place from 26 May to 13 June 2025 at the country office in Windhoek and remotely from Rome. It included visits to food systems and crisis response sites in Omaheke, Hardap and Ondangwa. The audit team also conducted a tailored review of strategic planning, programme design, and performance and structured interviews with Government Ministries (Office of the Prime Minister and the Ministry of Agriculture, Fisheries, Water and Land Reform), the Resident Coordinator, UN entities, and donors. The draft audit report was shared on 12 August 2025, and final comments were received from the country office on 29 August 2025.

38. The audit was conducted in conformance with the *Global Internal Audit Standards* issued by the Institute of Internal Auditors.



III. Results of the audit

Audit work and conclusions

39. Eight observations resulted from the audit, relating to strategic planning and performance, organizational structure and staffing, risk management and oversight, programme design and implementation, procurement, resource management and monitoring. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Strategic planning and performance

40. In response to government requests, WFP strategically shifted its focus to pilot food systems interventions. In 2021, with WFP support, the Government piloted a home-grown school feeding programme (HGSFP) in 29 schools across seven of Namibia's 14 regions to complement the national school feeding programme (NSFP). In 2022, the country office launched 35 integrated food systems projects in 12 regions to strengthen food value chains through smallholder farmers and farmer organizations.

41. The regional bureau advocated for agricultural innovation through the rapid rural transformation (RRT) model, implemented in five countries in the Southern Africa region. In 2024, the country office introduced the RRT programme in two regions in Namibia to improve rural access to energy, water, and food, and to provide health, education, and information technology services through government-run rural development centers.

42. WFP adapted its strategic focus to resilient food systems in alignment with government priorities and Namibia's upper-middle-income context, while maintaining flexibility to respond to the May 2024 El Niño-induced drought. WFP continues to serve as a key partner in supporting national food systems initiatives and collaborates with UN entities to advance food systems transformation.

43. The audit undertook a tailored review of strategic planning and performance and held structured interviews with government ministries (Office of the Prime Minister and the Ministry of Agriculture, Fisheries, Water and Land Reform), the resident coordinator, UN agencies, and donors.

44. During the audit reporting phase, WFP management at both the global headquarters and country office levels engaged in ongoing consultations with stakeholders as part of the global footprint review exercise.

Observation 1. Strategic planning and positioning

WFP comparative strengths

45. The country office in 2021 shifted its strategic focus to piloting food systems interventions, (which accounted for 73 percent of direct operational costs in 2024), without conducting a comprehensive assessment of WFP's comparative strengths in sustainable food systems to inform CSP implementation, thus limiting its ability to clearly articulate WFP's strategic positioning and rationale for engaging in food systems. The country office faced operational challenges integrating poultry and horticultural practices within communities primarily focused on livestock production, and in determining and allocating appropriate land sizes for food system sites across schools, health centres, resettlement farms, and correctional facilities. These challenges led to inconsistent



outcomes in pilot initiatives, limiting WFP's ability to demonstrate scalability and strengthen food value chains in line with CSP objectives.

46. The RRT programme's scope extended beyond food systems, to include energy, water, health, education, information technology, and entrepreneurship services at the Government's rural development centre, albeit without an analysis of WFP's comparative strengths in delivering these services. In the Kunene region, the planned provision of solar-powered irrigation overlapped with a similar initiative by another UN organization, indicating potential duplication. During the audit fieldwork, the country office indicated that it was reviewing its comparative strengths to better articulate WFP's role and strategic focus in Namibia.

47. Between June 2024 and February 2025, the Office of Evaluation synthesized 73 evaluations⁷ conducted from 2019 to 2024 across 25 middle-income countries. The synthesis assessed WFP's evolving strategic positioning, partnerships, results and transition to national ownership. It highlighted limited clarity in the rationale for WFP's engagement in these contexts and recommended that by September 2025, the Deputy Executive Director and Chief Operating Officer define a clearer rationale for WFP's presence, positioning and resourcing, especially in upper-middle-income countries. The implementation of this recommendation is expected to influence any revisions to the Namibia Country Strategic Plan 2025-2029.

Food systems and crisis response geographical prioritisation

48. The country office did not establish clear criteria for geographical prioritization, limiting its ability to make systematic and evidence-based decisions on where to implement food systems and crisis response activities. In 2024, the country office implemented crisis response in nine regions and piloted 18 food systems in eight regions. The decisions to select the geographical sites for food systems activities were not risk-informed or guided by the systematic application of clear criteria. Some locations were identified through stakeholder inputs, and others were selected solely by country office management. Additionally, there was no documented rationale for the phase-out of pilot projects or reduced geographical coverage.

49. The absence of geographical prioritization criteria created operational challenges under constrained funding. The country office operated from Windhoek, requiring extensive travel across sparsely populated regions. Crisis response efforts faced additional constraints due to difficulties in onboarding non-governmental organization (NGO) partners with sufficient regional presence. Stakeholder interviews confirmed these challenges and corroborated the need for WFP to better prioritize its geographical presence.

Rapid rural transformation programme strategic alignment

50. The country office implemented the RRT programme in Omaheke and Kunene regions to support community-driven horticultural and poultry production and access to essential services. The RRT food systems implementation approach in Omaheke region aimed to support community-led food systems. However, this approach was not fully aligned with the CSP as it did not support the intended entry point for the HGSFP through water-efficient irrigation and internet connectivity for schools.

51. The RRT components were single-sourced from a vendor without a competitive procurement process, as detailed in [Observation 6: Procurement and management of vendor and staff advances](#). On 4 September 2025, during the audit reporting phase, the WFP Vendor Sanction Committee,

⁷ "Summary report of the synthesis on evaluations of WFP's engagement in middle-income countries (2019-2024)" (WFP/EB.A/2025/7-G/3/Rev.1)

following work undertaken by the Office of Inspections and Investigations, issued a corporate notice suspending all current and future payments to the RRT vendor and its subsidiaries and added them to the United Nations ineligibility list.

Underlying cause(s):

<i>Organizational direction, structure and authority</i>	Unclear direction for planning, delivery or reporting (absence of comprehensive assessment to refine WFP's programme design and interventions)
<i>Process and planning</i>	Inadequate process or programme design (systematic process to prioritize geographical presence and knowledge management gaps due to staff turnover) Insufficient coordination internal or external (insufficiently timely coordination with government stakeholders)
<i>Management override of controls</i>	Former regional bureau management instructions to include projects in the CSP and to single source the vendor

Agreed Actions [High priority]

The country office will:

- (i) Conduct a structured review of WFP's comparative advantages, results and strategic collaboration opportunities with the government and relevant stakeholders. Based on this analysis, the country office will revise its strategic positioning and clarify WFP's value proposition to align with national priorities.
- (ii) Develop and implement a clear process and set of criteria that incorporates input from WFP and stakeholders to identify priority regions for WFP activities.

Timeline for implementation

30 June 2026

Organisational structure and staffing

52. Between January 2021 and May 2025, staffing increased from 18 to 32. In January 2021, five staff held fixed-term or continuing contracts, while 13 were on short-term contracts. By May 2025, four staff held fixed-term or continuing contracts, and 28 were on short-term contracts, with most profiles at a junior level.

53. Following a 2021 external audit⁸ that highlighted the need for long-term positions and training of newly recruited staff, the country office identified technical capacity gaps in risk management, information technology, reporting, and budget and programming. This led to the recruitment of four international consultants to strengthen national staff capacity through tailored development plans implemented under an understudy programme, which provided on the job training to facilitate technical skills transfer. During the audit fieldwork, the programme was at varying stages of implementation; training was completed in one functional area, ongoing in two and suspended in one due to the departure of a consultant from the organisation.

54. The audit tested the organisational review, including contract composition and vacancies in senior positions.

⁸ Management Letter to the Namibia Country Office: Financial Year 2021 (WFP-2021-8).



Observation 2. Organisational structure and staffing

Country office organizational review

55. In April 2024, the country office conducted a review of its organizational structure and introduced changes to reporting lines and position titles without carrying out a strategic workforce planning exercise or a comprehensive skills capacity assessment, as required by WFP’s organizational redesign and workforce planning guidelines. These assessments are essential for identifying the skills, profiles, and job grades needed for effective implementation of the CSP. This gap was also noted in the 2023 CSP evaluation,⁹ which highlighted the challenges faced by the country office in establishing an appropriate staffing structure with the requisite skill set to achieve the CSP objectives.

Staffing gaps

56. The country office implemented both CSPs during a leadership transition, including a gap in dedicated leadership during the review and approval of the 2025-2029 CSP. The then country director exited WFP in July 2024, and delays in visa processing and government accreditation hindered the timely appointment of a replacement. Consequently, the regional bureau deployed an interim country director in July 2024 before a country director was formally appointed in March 2025.

57. The country office also had senior position vacancies, including the Head of Programme (since October 2024), Head of Finance (since February 2025), and Deputy Country Director (since March 2025), which may have affected operational management and oversight. Additionally, a junior staff member simultaneously acted as procurement assistant and supply chain staff, handling procurement activities, retailer contracting and reconciliation processes, posing risks of segregation of duties and conflicts of interest.

Underlying cause(s):

Resources – People	Inadequate succession and workforce planning (leadership transitions) Insufficient skills and/or competencies (absence of skills capacity assessment)
Resources – Funds	Inadequate funds mobilisation
External factors – beyond the control of WFP	Political – governmental situation

Agreed Actions [Medium priority]

Pending the strategic positioning review, the outcome of the global footprint review exercise, and given funding prospects, as outlined in [Observation 1: Strategic planning and positioning](#), the country office, with support from the Human Resources Division, will conduct an organizational realignment exercise and a workforce planning exercise, to assess staffing needs in line with strategic priorities and available resources to ensure an efficient and sustainable organizational structure.

Timeline for implementation

30 September 2026

⁹ Evaluation of Namibia WFP Country Strategic Plan 2017–2023. Office of Evaluation, October 2023.



Risk management and management oversight

58. During the audit period, the country office's risk and compliance consultant served as the risk management focal point. Due to funding gaps, the consultant exited WFP in May 2025, after which the Head of Research Assessment and Monitoring and Finance Associate assumed the risk focal point responsibilities.

59. The country office also proactively conducted a gap analysis against global assurance project benchmarks. This exercise identified priority areas to strengthen assurance in 2025, such as targeting, identity management, NGO management and community feedback mechanisms.

60. The audit assessed the existence and effectiveness of risk government structures, including risk identification, assessment, implementation, and monitoring of mitigation measures.

Observation 3. Risk management and oversight

Fraud risk assessment

61. The country office did not conduct a fraud risk assessment while related risks were high, given the sub-optimal control environment and elevated fraud risks elaborated later in [Observation 6: Procurement and management of vendor and staff advances](#). These risks arose from management overrides that compromised procurement controls, including weakly justified waivers, regional bureau pressures (from May 2022) to single-source RRT kits, purchase order splitting to bypass regional approval thresholds, retrospective approvals beyond delegated authority and inadequate control of vendor advances.

62. As described in [Observation 2: Organisational structure and staffing](#), the country office faced vacancies in key roles (Heads of Finance and Programme) and relied on junior or short-term staff for critical functions and roles, some of whom acting as Head of Procurement or chaired procurement committees.

63. The audit acknowledged the regional bureau's coordination with the country office to conduct a fraud risk assessment in November 2024. Delays in securing required approvals postponed the regional mission to January 2025. The assessment was subsequently deprioritised due to corporate cost-efficiency measures, including travel restrictions and the planned closure of the regional bureau.

Governance committees in small-sized country offices

64. The country office faced challenges in operating eight oversight committees due to limited staffing, with the same staff members serving on multiple committees, creating competing demands between programme delivery and oversight. Junior staff chaired procurement committees overseeing high-risk activities, increasing the risk of management influence and potential override of controls.

65. Additionally, key operational decisions were made through parallel governance structures, such as weekly management meetings, without input from the formal oversight committees like the business resource management committee (BRMC) as described in [Observation 8: Budget and programming](#), resulting in unclear accountability and a fragmented decision-making process.

66. These governance gaps highlight an opportunity for global headquarters to adapt the oversight framework for small country offices, particularly in the context of funding constraints and anticipated staffing reductions.

Underlying cause(s):

<i>Resources – people</i>	Insufficient staffing levels
<i>Management override of controls</i>	Management override (linked to the previous country office and regional bureau leadership)
<i>External factors – beyond the control of WFP</i>	Funding context and shortfalls

Agreed Actions [High priority]

1. The country office, in coordination with the Risk Management Division, will conduct a fraud risk assessment for the Namibia country office to identify potential fraud vulnerabilities, including risks related to management override of controls and breaches of segregation of duties and recommend appropriate mitigation measures.
2. The Risk Management Division will develop corporate guidance on the optimal operationalization of oversight committees in small country offices, considering staffing levels and functional capacities.

Timeline for implementation

1. 31 March 2026
2. 31 July 2026

Programme design and implementation

67. The country office implemented food systems and school feeding pilot projects that targeted smallholder farmers, providing them with capacity strengthening and agricultural inputs for horticultural and poultry production in resettlement farms, health centers, schools, and correctional facilities. These initiatives aimed to boost food systems, human capital development, and market access for smallholder farmers.

68. In May 2024, the Government of Namibia declared a state of emergency due to drought. WFP supported the national drought relief programme by assisting 72,246 beneficiaries between October 2024 and March 2025 with food transfers and nutritional assistance delivered through commodity and value vouchers and soup kitchens. These efforts complemented the Government's plan to assist 341,855 drought-affected households with food, water, livestock, and seed support.

69. The country office supported Government capacity strengthening in food security, social protection, nutrition, and disaster risk management. The Office of the Prime Minister acknowledged WFP's contributions to vulnerability analysis, cost-effective transfer modalities, and consistent engagement, as well as WFP's support in the digital transformation of government systems through technical assistance on the commodity and beneficiary management information system and the Namibia integrated digital assistance service.

70. The audit reviewed the activity delivery process, including programme design and implementation, assessment and beneficiary targeting, and identity management. It also conducted structured interviews with government ministries (Office of the Prime Minister and the Ministry of Agriculture, Fisheries, Water and Land Reform) and donors.

Observation 4. Programme design and operational delivery

Smallholder farmers targeting

71. The integrated food systems pilots used a service provider model to manage implementation, including integrating targeted households, schools, and health centers into the local food system, strengthening community capacity, transition planning, input procurement, and promoting market access through linkages to schools, health centers, and local markets.

72. The country office did not establish a defined targeting process for smallholder farmers under the integrated food system pilot projects. The criteria for targeting community members for food gardens and transitioning to farmer cooperatives were unclear. The audit field visits to sampled project sites identified instances where the service provider targeted community members without a formal targeting and verification process. The WFP-led feasibility study on the HGSFP also identified a similar issue due to the absence of a clear definition of the smallholder farmers targeted to pilot HGSFP activities.

Food system pilot milestones and results

73. The country office did not establish key pilot milestones such as pilot duration and end dates, nor systematically document lessons learned from the integrated food system projects. This limited the country office's ability to assess performance and inform scaling decisions, particularly amid fluctuations in project scale. In 2022, 35 projects supported 117 farmers, with two flagship projects producing 12.5 metric tons of wheat and generating USD 1,500 in sales.¹⁰ In 2023, project numbers decreased to 12, but results improved, yielding over 100 metric tons of horticulture produce, USD 28,000 in sales, 368 jobs created, and training provided to 205 farmers.¹¹ In 2024, 18 projects supported 168 farmers, but sales declined to USD 7,600, which the country office attributed to adverse weather events.⁶

74. A November 2024 feasibility study led by the country office on the HGSFP pilot implemented in 29 schools across seven regions highlighted the effectiveness of the programme and identified strategic and operational gaps hindering its objectives and scale-up. The study recommended defining feasibility indicators to measure expected results, setting clear short and long-term goals, and developing a structured implementation plan.

Food systems phase-out strategies

75. The country office's 2023 priorities, as outlined in the annual country report,¹¹ included implementing food system governance structures and formulating phase-out strategies in 2024 for existing food system sites.

76. In 2024, the country office contracted service providers to design and implement phase out strategies for food system sites. The country office's reliance on the service provider's phase-out strategy and timelines did not sufficiently consider the time required to establish effective community governance structures and achieve sustainability goals. While the country office began transitioning away from the service provider model, audit field visits to sampled pilot sites identified persistent challenges, including low gardener incomes, small-scale gardens, and weak community governance structures.

¹⁰ Source: [WFP Namibia 2022 annual country report](#)

¹¹ Source: [WFP Namibia 2023 annual country report](#)



Crisis response planning and delivery

77. The country office activated its drought response plan in October 2024, targeting 172,693 beneficiaries across 9 of the 14 regions. Due to WFP’s limited operational footprint, the country office onboarded one NGO partner in November 2024 to cover four regions, expanding to seven by December. The country office faced challenges in onboarding a second NGO partner, which led to the country office temporarily conducting direct beneficiary registration in two regions, a process it discontinued in February 2025. During the audit fieldwork, the country office was in the process of onboarding a second NGO partner to cover these remaining two regions.

78. The country office’s drought response plan faced disruptions in monthly distribution cycles due to planning gaps, limited geographical presence, capacity of NGO partners and retailers and operational constraints in managing activities from Windhoek across sparsely populated regions. These issues led to consistent underachievement of beneficiary targets, including delayed registration, low beneficiary reach and no food assistance delivered in three of seven planned months. A key government stakeholder noted that addressing these challenges, particularly by prioritizing geographical presence and ensuring timely consultation on coverage and targeting, would improve the impact of WFP’s response and support alignment with the national drought relief programme.

Underlying cause(s):

Process and planning	Inadequate process or programme design <i>(defined pilot milestones, end-phase timelines, and a lesson learned process as well as smallholder targeting framework)</i> Insufficient planning <i>(limited operational presence and capacity due to sparsely populated areas)</i> Insufficient coordination - external <i>(untimely coordination with government stakeholders)</i>
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Agreed Actions [High priority]

1. The country office will, in coordination with relevant stakeholders, set clear timelines to conclude food system pilot initiatives and conduct a structured lessons-learned exercise. The findings will guide decisions on WFP’s future engagement in food systems, including its strategic roles, implementation approach, and scale-up or phase-out strategies.
2. The country office will establish a structured process for timely consultations with key stakeholders, including the Government, United Nations partners, donors, and community representatives during the programme design phase.
3. The country office will develop a crisis response approach by integrating key lessons learned from the after-action review with a focus on WFP’s comparative advantage and geographical prioritization as described in [Observation 1: Strategic planning and positioning](#). This approach will consider national implementation capacity, available corporate surge support and coordination with Government and humanitarian partners.

Timeline for implementation

1. 30 June 2026
2. 30 June 2026
3. 30 September 2026



Observation 5. Identity management and digital solutions

79. Since 2021, the country office has been strengthening government systems by developing an offline solution for the commodity beneficiary management information systems (CBMIS), owned by the Office of the Prime Minister, to address limitations of its web-based platform. It also supported the Ministry of Gender Equality, Poverty Eradication, and Social Welfare in transitioning its food bank and special feeding programmes from in-kind assistance to cash-based transfer (CBT) through an e-voucher modality. In partnership with Mobile Telecommunications Limited (MTC), a government majority-owned provider, the country office co-developed the Namibia integrated digital assistance services (NIDAS), piloted the system, and registered 3,000 households.

80. During the period audited, identity management was conducted through NIDAS and CBMIS as part of national government programmes. The country office provided complementary assistance using established targeting criteria with beneficiary verification at registration and distribution points to ensure data integrity and compliance with targeting requirements. The CBT preparedness oversight mission from the regional bureau conducted in October 2024 identified shortfalls in both systems relating to manual processes for registration and reconciliations in some regions for CBMIS and reliability of the card printing process for NIDAS. The country office implemented one recommendation, while seven were in progress during the audit fieldwork phase.

Beneficiary registrations

81. The CBMIS lacked an offline module, resulting in manual beneficiary registration and redemption processes. The system’s use was therefore limited to two regions with stable network connectivity while the NIDAS system was fully digitalized.

82. At the time of the audit fieldwork, 149,362 beneficiaries were registered in the digital systems against a target of 172,693, resulting in a shortfall of 23,331 beneficiaries. These shortfalls and delayed registrations impacted the effective delivery of the crisis response as described in [Observation 4: Programme design and operational delivery](#).

Digital solutions transition strategy

83. The country office had not developed formal transition strategies for the handover of both NIDAS and CBMIS systems to the Government. While a roadmap for NIDAS was initiated through a joint workshop with the Ministry of Gender Equality, Poverty Eradication and Social Welfare in January 2025, to outline a transition plan for scaling up CBT implementation under the special feeding programme, a comprehensive transition strategy for both systems remained pending. This strategy is essential to manage transition risks amid funding constraints and to support the Government’s broader digital transformation efforts.

Underlying cause(s):

Organizational direction, structure and authority	Strategic and operational plans not developed, approved, or not SMART (lack of a transition strategy)
Tools, systems and digitization	Inappropriate implementation or integration of tools and systems



Agreed Actions [Medium priority]

Following the cash-based transfers rollout, the country office will conduct after-action reviews and develop a transition strategy for the government-owned systems. The strategy will include a detailed plan, clear timelines and budget requirements to finalize and transfer ongoing capacity strengthening efforts to relevant government counterparts.

Timeline for implementation

31 December 2026

Non-governmental organization management

84. In the audited period, the country office contracted one NGO to implement programmatic activities for the crisis response. The value of purchase orders for distribution agreements with the NGO partner in the audit period was USD 359,292.

85. The country office faced challenges in using the United Nations Partner Portal (UNPP) to source NGO partners and assess their capacity against corporate requirements. Prior to October 2024, the country office did not use the UNPP as programmatic activities did not require NGO contracting. In preparation for the emergency response, the country office, with support from global headquarters, strengthened the NGO capacity to use the UNPP as per corporate requirements.

86. The country office operated within a limited NGO landscape, with only one of four NGOs responding to an expression of interest, with three NGOs citing operational constraints and limited regional coverage. As a result, one NGO operated in seven regions, while the country office temporarily conducted direct beneficiary registration in two regions, a practice discontinued in February 2025. Additional efforts led to a second NGO being onboarded at the time of the audit fieldwork to cover the remaining two regions.

87. The audit also reviewed the NGO selection and performance evaluation processes.

88. Overall, there are no reportable observations on NGO management.

Procurement and management of vendor and staff advances

89. In December 2022, the country office adopted a strategic framework for engaging vendors under the integrated food systems pilots, shifting from field-level agreements (FLAs) to procuring service contracts in line with the revised operational approach. Following this shift, the country office did not benefit from procurement oversight missions, limiting assurance until one such mission took place in January 2025 after a change in leadership.

90. During the period reviewed, the country office procured goods and services totaling USD 3.2 million, of which 15 percent involved waivers, 11 percent post-factum purchases, and 3 percent micro-purchase orders with operational advances amounting to USD 633,632. Post-factum procurements declined from USD 295,000 in 2024 to USD 50,992 in March 2025. Analysis of the 2024 procurement plan indicated unplanned procurements amounting to USD 156,000. In response to the 2025 procurement oversight recommendations, the country office initiated an expression of interest process to establish long-term agreements (LTAs) to phase out micro-purchase orders, minimise operational advances and established quarterly procurement plans reviews. During the audit fieldwork phase, implementation of four of the eight recommendations was in progress.



91. As part of the UN Country Team (UNCT), the country office led the advancement of the UN Business Operating Strategy (UN BOS) by launching expressions of interest for 36 categories of goods and services to consolidate procurement activities across UN entities in country. This joint approach is expected to enhance cost efficiency, reduce duplication, and strengthen inter-agency collaboration. In the UNCT, the country office also led the use of a booking hub to support carpooling for field missions, promoting operational efficiency and sustainability through shared services.

92. WFP had well established preventive controls that included segregation of duties and delegation of authority in its procurement and vendor/ staff advance processes. Key initiatives on detective analytics, underway during the audit reporting phase for these processes pertained to strengthening timely detection of red flags and anomalous patterns, in order to proactively support corrective actions. These include (i) the 2021 launch and ongoing development of the country office financial dashboard to strengthen corporate financial oversight, and (ii) the 2024 global rollout of SmartSourcing, a digital solution for the procurement of goods and services, designed to consolidate data from multiple systems, digitize the end-to-end procurement process and support key risk indicator analysis.

93. The audit reviewed goods and services procurement sourcing, vendor selection, and contracting.

Observation 6. Procurement and management of vendor and staff advances

Waived procurement and delegation of authority

94. The procurement manual initially prescribed an approach for procuring goods and services through a competitive process with exceptions, such as single source contracting, permitted at the discretion of the procurement authority and justifiable in emergency circumstances, such as crisis response. In December 2024, WFP revised the process, transferring accountability for evaluating and processing waiver requests from business units to the procurement unit.

95. During the audit period, the country office recorded a total waived procurement of USD 510,768 of which 68 percent (USD 348,743) related to food system activities. These activities were single-sourced without adequate justification, bypassing procurement processes despite their non-urgent nature. In response to the high level of waivers noted in the procurement oversight report, the country office commenced processing all procurement through competitive processes.

96. Acting on direct instructions from the then regional bureau management, the regional bureau procured two RRT kits in 2023 for the country office at a cost of USD 466,000 through international single sourcing, without conducting a local or regional market assessment that could potentially reduce costs. The procurement process bypassed standard procedures, including the required expression of interest and competitive tendering, citing urgency and prior stakeholder commitments. The country office also incurred USD 18,736 in storage and port clearing demurrage fees, due to delays from post-factum procurement.

97. On 4 September 2025, during the audit reporting phase, the WFP Vendor Sanction Committee following work undertaken by the Office of Inspections and Investigation, issued a corporate notice suspending all current and future payments to the RRT vendor and its subsidiaries and added them to the United Nations ineligibility list.



Cost extensions, post-factum awards and management of purchase orders

98. A sample review of resilience related vendor procurements indicated instances of single sourcing without sufficient justification. In one case, a tender was launched to a single vendor, resulting in a non-competitive, single-source award, while another service provider was single-sourced without documented evidence of market research, due diligence or adequate waiver justification. These procurements exceeded the delegated authority of the country office; hence, purchase orders were split to bypass regional bureau approval, a practice also flagged in the procurement oversight report. One contract was approved retrospectively by the country office local procurement contracts committee (PCC), breaching WFP's delegation of authority, which requires the regional bureau's approval for service contracts waivers exceeding USD 100,000 at the time.

99. The PCC documented exceptions related to post-factum procurements; however, quarterly analysis of such cases, as required by the corporate manual, was not conducted. A vendor's contract and two cost extensions addenda were not signed by the appropriate delegated authorities, bypassing procurement accountability protocols. The former country director authorised post-factum partial payment after the vendor exceeded the contractual scope and value without prior approval. At the time of the audit fieldwork, the outstanding amount remained unsettled, and the subcontractor had initiated legal proceedings against the vendor for approximately USD 97,000, with the case still unresolved.

Management of vendor and staff advances

100. The country office single-sourced a vendor in 2021 for agricultural extension services under the food systems activities without conducting a market assessment or due diligence. The country office relied on and issued vendor advances of 70 percent of the total contract value of USD 611,789. The contracts did not include bank guarantees to mitigate non-performance risks. Further, the country office did not adequately follow up on long outstanding vendor advances to ensure timely accountability and resolution, resulting in USD 19,000 being considered for write-off in 2025.

101. A field visit to a site constructed by the same vendor revealed that the site was non-functional, raising concerns about site selection, strategic planning and achievement of intended results as described in [Observation 4: Programme design and operational delivery](#). The site showed significant deterioration, including decaying steel sheets compromising its structural integrity. Additionally, the vendor invoiced USD 26,933 with only a single line description of agricultural inputs, limiting transparency over the actual value and scope of work delivered.

102. Further, the country office implemented weak control over staff advances. In 2022, the country office issued salary advances for short-term staff on contractual breaks without adequate recovery mechanisms and deviated from corporate guidance. As a result, USD 1,120 remains outstanding and is under review for write-off.

Underlying cause(s):

<i>Process and Planning</i>	Inadequate risk management (regarding contract management, advance management)
<i>Oversight and performance</i>	Insufficient oversight from headquarters / regional bureau management
<i>Resources – People</i>	Insufficient staffing levels Absence of/insufficient staff training
<i>Resources – Third parties</i>	Insufficient due diligence of third parties



Management override of controls	Management override of procurement controls (by the former country office and regional bureau management)
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Agreed Actions [High priority]

- The country office will:
 - Monitor and oversee the implementation of procurement controls such as the consistent application of competitive processes, due diligence checks during vendor sourcing in accordance with corporate requirements, and quarterly monitoring of post-factum purchase orders.
 - Implement and enforce financial risk management controls and vendor accountability through structured follow-up mechanisms in the head of unit meetings, with actionable items to address outstanding advances.
- The Chief Financial Officer Division, in coordination with relevant functions, will review and enhance the process governing the granting of advances. This will include reinforcing procedures and guidelines while simultaneously enhancing oversight tools to facilitate early identification of non-compliance, emerging risks and strengthen assurance over internal controls.

Timeline for implementation

- 31 August 2026
- 30 June 2026

Monitoring and community feedback mechanisms

103. In 2024, the country office reported 88 percent monitoring coverage across 53 active sites. The country office deployed six monitoring staff, including four short-term field monitors, and outsourced selected crisis response data collection activities to a cooperating partner as a cost-efficiency measure. The country office drafted a monitoring strategy and community feedback mechanism standard operating procedures to guide the implementation of these processes.
104. As part of its community feedback mechanism, in December 2024, the country office introduced suggestion boxes for physical submissions of complaints. The office provided the open data kit (ODK) application to the cooperating partner to log the issues. It was noted that the number of cases received is low compared to the number of beneficiaries assisted. To strengthen the process, the country office developed, locally, an online case management platform to automate the escalation of issues to the mailboxes of responsible units. During the audit fieldwork phase, the procurement of software and hardware to operationalize a hotline was in progress.
105. Triangulation of post-distribution monitoring and community feedback mechanisms enabled a rapid handling of a food safety issue in the Kunene region. While these efforts aimed to strengthen monitoring and community feedback mechanisms, their effectiveness could not be assessed at the time of the audit due to their recent implementation.
106. The audit reviewed the monitoring processes, including monitoring plans, tools, data quality, progress made on reporting and escalation procedures. It also assessed the progress of the community feedback mechanism, focusing on accessibility, data collection, case handling, and reporting.



Observation 7. Risk-based monitoring

Risk-based monitoring approach

107. Nine sites out of the 18 food system pilot sites were not monitored as they were considered dormant due to the absence of activity implementation or donor funding. Despite this, the country office reported them as active from a programme perspective, leading to inconsistencies between programme and monitoring units and limiting effective monitoring planning and coverage.

108. The country office did not adopt a risk-based monitoring approach to support effective site prioritization, despite the planned expansion of crisis response sites from three to nine regions after the July 2025 launch of the early childhood development (ECD) activities by United Nations Children’s Fund (UNICEF), the Ministry of Education and the Ministry of Gender. A review of the ECD monitoring budget revealed that USD 11,335 was allocated for approximately 500 sites, combined with Namibia’s vast geography and dispersed population, the budgeted resources pose a risk to achieving minimum monitoring coverage.

Underlying cause(s):

Process and Planning	Rules and processes, including for decision making, not established or unclear
Tools, systems and digitization	Absence or late adoption of tools and systems (risk-based planning tool)

Agreed Actions [Medium priority]

The country office will implement a risk-based approach through the risk-based tool to track and prioritize active sites, considering operational expansion. Where site visits are not feasible, the country office will apply remote monitoring to ensure continued oversight.

Timeline for implementation

30 June 2026

Resource management

109. During the audit fieldwork, the country office forecasted USD 5.4 million in 2025 contributions, of which USD 5.1 million (94 percent) was classified as low probability. The country office’s 2025 resourcing requirements were not significantly impacted, due to a USD 6 million carryover from the previous CSP for crisis response activities. Additionally, the integrated food systems activity reported a decreasing implementation shortfall from USD 271,980 (47 percent of its USD 583,570 requirement for the period June to November 2025) to USD 50,000 (11 percent of the revised USD 470,000 requirement for the period July to December 2025).

110. The country office undertook efforts to diversify partnerships and implement actions under the UNCT joint resource mobilization task force. These included developing and operationalizing a partnership and resource mobilization strategy aligned with the United Nations Sustainable Development Cooperation Framework (UNSCDF) to strengthen collaboration and secure sustainable funding.

111. The audit reviewed the country office processes for resource mobilisation, managing and monitoring resource availability, and the functioning of the resource management committee.



112. There are no reportable observations on resource mobilization. The ongoing country office presence review and agreed actions on strategic planning and performance are expected to influence WFP’s partnership and resource mobilization strategy in the country.

Observation 8. Budget and programming

Implementation of resource management committee decisions and follow-up actions

113. The BRMC serves as the country office oversight body for resource allocation, aiming to enhance accountability through collaborative and realistic planning aligned with operational needs and available resources.

114. From January 2024 to April 2025, the BRMC recommended actions did not have defined implementation deadlines, weakening accountability for action follow-through and implementation. The country office missed an opportunity to enhance cost-effectiveness by not finalizing expenditure plans and monitoring spending, a gap that became more critical when the country office opted for direct crisis response implementation in two regions, following challenges in onboarding an NGO partner, as described in [Non-governmental organization management](#).

Escalation of critical resource allocation issues

115. The country office relied on multiple parallel decision-making structures for the crisis response, including the cash working group, weekly management meetings, and cross-functional mechanisms. There was no process to escalate key resource management issues discussed within these structures to the BRMC for decision making and corrective action, limiting the BRMC’s oversight function.

116. As a result, two critical expenditure monitoring issues were not addressed at the BRMC level: (i) higher than planned implementation costs from direct activity implementation in two regions, which were not reflected in the implementation plan; and (ii) delayed fund commitments, which affected timely resource utilization and hindered the closure process of the CSP.

Underlying cause(s):

<i>Oversight and performance</i>	<i>Performance measures and outcomes inadequately measured / established (no defined implementation timelines and implementation status monitoring)</i>
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Agreed Actions [Medium priority]

The country office will:

- (i) Establish clear target implementation dates for business resource management committee actions and implement a systematic tracking and oversight process to monitor progress, ensure timely completion and report status to relevant stakeholders.
- (ii) Establish a systematic expenditure monitoring mechanism with defined escalation criteria to enable the business resource management committee to take timely action and make decisions on critical budget and expenditure issues.

Timeline for implementation

30 June 2026

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, with three actions at the headquarters division level.

#	Observation title	Area	Owner	Priority	Due date for implementation
1	Strategic planning and positioning	Strategic planning and performance	Country office	Medium	30 June 2026
2	Organizational structure and staffing	Organizational structure and staffing	Country office	High	30 September 2026
3	Risk management and oversight	Risk management and management oversight	Country office Risk Management Division	High	31 March 2026 31 July 2026
4	Programme design and operational delivery	Programme design and implementation	Country office	High	30 June 2026 30 June 2026 30 September 2026
5	Identity management and digital solutions	Programme design and implementation	Country office	Medium	31 August 2026 30 June 2026
6	Procurement and management of vendors and staff advances	Procurement	Country office CFO Division	High	31 August 2026 30 June 2026
7	Risk-based monitoring	Monitoring	Country office	Medium	30 June 2026
8	Budget and programming	Resource management	Country office	Medium	30 June 2026

Annex B – List of figures and tables

Table 1: Direct operational costs and beneficiaries assisted in 2024.....7

Figure 1: Areas in the audit scope8



Annex C – Acronyms used in the report

BRMC	Business Resource Management Committee
CBMIS	Commodity beneficiary management information systems
CBT	Cash based transfers
CFM	Community feedback mechanisms
CFO	Chief Financial Officer
CSP	Country Strategic Plan
ECD	Early childhood development
ESARO	Eastern and Southern Africa Regional Office
FLA	Field level agreement
HGSFP	Home grown school feeding programme
HIV	Human immunodeficiency virus
LTA	Long term agreement
MGEPEWSW	Ministry of Gender Equality, Poverty Eradication & Social Welfare
MODA	Mobile Operational Data Acquisition
MTC	Mobile Telecommunications Limited
NIDAS	Namibian integrated digital assistance system
NGO	Non-governmental organization
NSFP	National school feeding programme
ODK	Open data kit
OPM	Office of the Prime Minister
PCC	Procurement contracts committee
PO	Purchase order
RRT	Rapid rural transformation
UN	United Nations
UN BOS	United Nations business operations strategy
UNCT	United Nations Country Team
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Funds
UNPP	United Nations Partner Portal
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States dollars
WFP	World Food Programme

Annex D – Root cause categories

Category	Root Cause
Organizational direction, structure 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 inadequacy of corporate policies/guidelines
	Absence or inadequacy of local policies/guidelines
Process and planning	Inadequate process or programme design
	Rules and processes, including for decision making, not established or unclear
	Unclear roles and responsibilities
	Insufficient planning
	Inadequate risk management
	Insufficient coordination - internal or external
Oversight and performance	Insufficient oversight from global headquarters / local management
	Insufficient oversight over third parties
	Oversight plans not being risk-informed
	Performance measures and outcomes 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, financial service providers, Vendor, etc.)
	Insufficient due diligence of third parties
	Insufficient training/capacity building of cooperating partners 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 and 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.¹²

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.

¹² 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.