

Internal Audit of WFP Operations in Ethiopia

Office of the Inspector General
Internal Audit Report AR/25/12



Contents

I.	Executive summary	1
II.	Country context and audit scope	4
III.	Results of the audit	8
	Audit work and conclusions	8
	Programme redesign and assurance project	8
	Risk exposures and observations by process	10
	Observation 1: Aid diversion and food sales	10
	Fraud risk management	11
	Observation 2: Incident management	11
	Needs assessment and targeting	12
	Observation 3: Data for needs analysis	14
	Identity management	14
	Observation 4: Biometrics for identity management	16
	Management of cooperating partners	17
	Observation 5: Capacity assessment and evaluation of partners	18
	Supply chain	19
	Observation 6: Commodity management	19
	Observation 7: Budget and monitoring of food transfer costs	21
	Cash Based Transfers	22
	Observation 8: Use of cash for delivery of assistance	23
	Monitoring and community feedback mechanism	24
	Observation 9: Duty segregation and monitoring coverage	24
	Observation 10: Equitable access to the community feedback mechanisms	26
	Security and access	26
	Annex A – Agreed action plan	27
	Annex B – Acronyms used in the report	28
	Annex C – List of tables and figures	29
	Annex D – Root cause categories	30
	Annex E – Definitions of audit terms: ratings & priority	31



I. Executive summary

WFP Ethiopia Country Office

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Ethiopia. The audit covered the period from 1 January to 31 December 2024 and the areas in the audit scope included: (i) risk management, assurance project and oversight; (ii) needs assessment and targeting; (iii) identity management; (iv) management of cooperating partners; (v) logistics; (vi) cash-based transfers; (vii) monitoring; (viii) community feedback mechanism; and (viii) security and access.

2. In 2024, WFP direct operational expenses in Ethiopia, amounted to USD 420.0 million, and the office reached approximately 8.6 million beneficiaries, 57 percent through unconditional resource transfers as part of activity 1 (4.1 million people assisted) and activity 3 (801,000 refugees reached). Other programme areas included nutrition (2.9 million beneficiaries), school meals (528,000 beneficiaries), capacity strengthening and livelihoods.

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. Management was aware of several issues raised in the audit report and efforts and analyses were under way to address these.

4. The Office of Internal Audit acknowledges the progress made since its last audit in 2023. The present report focusses on improvement needed going forward.

Context and Ethiopia Assurance Project

5. In June 2023, following allegations of food aid diversion and the identification of systemic gaps in controls, WFP paused its country-wide assistance for relief and refugee activities and implemented follow-up actions. To address the gaps in controls, the country office, with support from the global headquarters, developed and implemented the Ethiopia Assurance Project. The project aimed at augmenting assurance measures and redesigning the operational set-up to ensure assistance reach intended recipients and mitigate the risk of diversion. It included 37 assurance actions related to fraud risk management, needs assessment, targeting, identity management, management of cooperating partners, supply chain, monitoring and cross-functional controls. To follow-up on the alleged diversions, the Office of Inspections and Investigations, Office of the Inspector General, carried out investigations in three regions. The investigation reports identified no evidence indicating the existence of a large-scale pre-distribution diversion scheme of WFP aid involving WFP employees or cooperating partners.

6. Under the previous operating model, as indicated in the [2023 internal audit of WFP's operations in Ethiopia](#), needs assessments, targeting, registration, and last-mile distribution to beneficiaries were not under WFP's control. WFP received lists with aggregate numbers for beneficiary caseloads and delivered to local authorities for onward distributions in specific districts. WFP had limited visibility on who the beneficiaries were and who received the assistance.



7. In the 18 months since the onset of the Ethiopia Assurance Project, WFP extended its perimeter of control and made significant digitization efforts over key processes. WFP now leads, in coordination with Government authorities, non-governmental organizations and local communities, processes such as vulnerability-based targeting, identity management and last mile distribution to beneficiaries. The country office rolled out the use of new digital solutions for identity management and last mile distributions, which enhanced visibility and control checks on identities and commodity tracking. WFP engaged non-governmental organizations and divested from local authorities in the last mile distribution of general food assistance. The country office also improved its fraud risk management practices, the use of feedback mechanisms and increased its monitoring coverage for general food distributions.

8. The country office reported that as of May 2025, the implementation rate for the actions included in the assurance project was 97 percent; global headquarters validated as implemented 75 percent of these actions. Audit results highlighted that some actions marked as implemented will still require improvements, for example the performance evaluation of cooperating partners and the use of bag marking solutions. In addition, the measurement of progress in the implementation of some actions would benefit from the use of additional standardized key performance indicators. The Office of Internal Audit already raised this issue in the 2024 Consolidated Insights on the Global Assurance Project.

9. The audit report contains four high-priority observations, three to the country office and one at a corporate level to the Risk Management Division, and six medium-priority observations. The high-priority observations are related to: (i) aid diversion and food sales (addressed corporately to the Risk Management Division); (ii) needs assessment; (iii) management of cooperating partners and (iv) food transfer costs.

10. **Conflating food aid diversion with food sales by beneficiaries** ([Observation 1](#)): WFP designed the actions in the Ethiopia Assurance Project to mitigate the risk of pre-distribution diversion and enhance detective controls on post-distribution issues. Nonetheless, this does not prevent post-distribution food sales by beneficiaries. Country office market monitoring highlighted that food sales continue, a matter also observed by the Office of Inspections and Investigations in its investigations. The Office of Internal Audit acknowledges that donor appetite for using cash is limited, despite the opportunity to reduce food transfers and sales.

11. Feedback received during audit interviews with key donors, cooperating partners and beneficiaries, highlighted that a primary cause of food sales is that beneficiaries have other unmet needs, such as access to health, sanitation and transport services. Beneficiaries monetize part of the food assistance to buy other items and services and meet these needs. As the monetization may result in allegations of food aid misuse, the Risk Management Division will need to define and differentiate between food aid diversion and beneficiary resales as well as provide guidance on risk information sharing with donors.

12. **Needs assessment** ([Observation 3](#)): The Government of Ethiopia remains the main source of evidence on the food security needs in Ethiopia. As described in the key framework for identifying areas, the Household Economy Approach is a livelihood-based framework and the basis for numbers and types of people in need of assistance. It is led by the Ethiopia Disaster Risk Management Commission and has been applied to needs assessment and geographical targeting since 2006.

13. The review of key documents, such as the 2025 Global Humanitarian Overview and the inter-agency evaluation of the crisis response in Northern Ethiopia, highlights challenges in determining and reaching consensus on the number of people in need and food insecure. Humanitarian data quality is weaker in conflict-affected areas, such as Tigray and Amhara regions. WFP worked with the Humanitarian Country Team and other relevant actors to agree on an improved framework and



mitigate risks related to inconsistent data. It also complemented the existing data gathering process with its own food security assessment and monitoring analysis. The country office will need to continue its efforts to advocate, in coordination with relevant stakeholders, for the implementation of an improved analytical framework for needs analysis.

14. **Management of cooperating partners** ([Observation 5](#)) and **increased food transfer costs** ([observation 7](#)) relate to challenges which emerged with the assurance project's implementation. The augmented scope of activities for non-governmental organizations increased the cost of WFP operations and pressured the country office to strengthen cooperating partner management which, to date, still requires significant improvement.

15. In 2024, the value of agreements signed with cooperating partners was higher than the original budget. The country office extended these contracts in January 2025, which resulted in an estimated allocation shortfall of USD 15.4 million, later addressed through internal resource reallocations. The competitive selection and evaluation of non-governmental organizations was not systematic and there were insufficient mitigations for risks related to partnership with the local authorities for school meals and nutrition activities. Additional work is required to monitor cooperating partner costs and strengthen the selection and oversight processes.

16. The six medium-priority observations related to:

- a. Incident management – The country office has a backlog of open incidents from 2023 and the first quarters of 2024 for which the office should take necessary actions and close as appropriate;
- b. Identity management – The country office should finalize beneficiary registrations into the corporate system;
- c. Cash-based transfers – The office should improve the reconciliation processes and reassess roles and responsibilities between the capital and area offices; and
- d. Logistics; monitoring and community feedback mechanism.

17. Observations related to the last three areas point to nutrition and school meals activities, programme areas not fully covered by the national and global assurance projects and accounting for around 40 percent of the total number of beneficiaries assisted in 2024. In some instances, the focus was on improving the digitization and controls for general food distributions while nutrition and school meals did not benefit from assurance actions. For example, sub-optimal controls in the management of partnerships with local authorities for these activities and limited monitoring coverage augment opportunities to sell high-value commodities such as special nutritious food.

18. There is an opportunity to strengthen distribution planning for food with short shelf-life, enhance the roll-out of the new systems such as Track and Trace, further monitor and build capacity of cooperating partners. With reference to monitoring and community feedback mechanisms, there were opportunities to increase coverage for nutrition and school meals as well as strengthen duty segregation.

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

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



II. Country context and audit scope

Ethiopia

21. Ethiopia is a vast land-locked country with a population of over 126 million people, the second largest in Africa. The country ranked 175, both in the 2021 Human Development Index and Gender Inequality Index, out of 191 countries and territories assessed. As measured by the nominal Growth Domestic Product in sub-Saharan Africa, Ethiopia is the third biggest economy after Nigeria and South Africa.¹

22. The strong growth rate has decelerated in recent years due to multiple shocks, including COVID-19, soaring prices of food and energy in the global market and conflict in Northern Ethiopia. The conflict reversed progress made in achieving food security and caused a humanitarian crisis as 15.8 million people were acutely food insecure as of 2024.² The number of refugees, including people fleeing from the Sudan conflict, continues to increase. As of January 2025, Ethiopia was hosting around 1.0 million refugees and asylum seekers.³

WFP operations in Ethiopia

23. The country office launched the Country Strategic Plan (CSP) 2020–2025 in July 2020 with a budget of USD 2.6 billion. It subsequently increased the budget to USD 6.5 billion through 10 budget revisions, the last issued in July 2025. Through its strategic plan, WFP aimed to continue addressing the short-term needs of refugees, internally displaced persons, and other food-insecure people, and planned for a gradual expansion of resilience and livelihood diversification initiatives at the humanitarian–development–peace nexus.

24. In June 2023, following allegations of food aid diversion and the identification of systemic gaps in controls, WFP paused its country-wide assistance for relief and refugee activities and implemented follow-up actions. To address the gaps in controls, the country office, with support from global headquarters, developed and implemented the Ethiopia Assurance Project (EAP). The project aimed at augmenting assurance measures to ensure assistance reach intended recipients and, through these measures, mitigate the risk of diversion.⁴ To follow-up on the alleged diversions, the Office of Inspections and Investigations, Office of the Inspector General, (OIGI) carried out investigations in three regions, Tigray, Gambella and Somali.⁵ The investigations identified no evidence indicating the existence of a large-scale pre-distribution diversion scheme of WFP aid by WFP employees or cooperating partners while noting other factors that contributed to substantial post-distribution resale of aid. Aid diversion and food sales are covered in [observation 1](#).

25. The EAP included 37 assurance actions related to fraud risk management, needs assessment, targeting, identity management, management of cooperating partners, supply chain, monitoring and cross-functional controls. The implementation of these actions, through increased ownership and digitization of processes such as beneficiary targeting and registration, triggered a significant

¹ [World Bank National Accounts Data](#).

² [OCHA Ethiopia Humanitarian Need Overview 2024](#).

³ [UNHCR Ethiopia | Operational Update | January 2025](#).

⁴ Other activities, such as school meals and nutrition (i.e. equivalent to 40 percent of the caseload), were not in the EAP scope and, as such, do not have augmented assurance measures for some processes such as targeting and identity management.

⁵ Investigation into Allegations of Aid Diversion in Ethiopia (Tigray Region, report issued 31 January 2024), Investigation into Allegations of Aid Diversion in Ethiopia (Gambela Region, report issued 23 December 2024), Investigation into Allegations of Aid Diversion in Ethiopia (Somali Region, report issued 19 May 2025).



redesign of WFP's operating model for general food distributions in Ethiopia. The project significantly increased operations costs. The estimated increase, based on country office calculation as of June 2024, was USD 88.9 million,⁶ 71 percent of which related to recurring costs for operating through non-governmental organizations (NGOs) rather than regional government partners.

26. In response to the allegations of widespread food diversion, WFP also launched the Global Assurance Project (GAP) as a corporate initiative. In 2025, the Office of Internal Audit will provide feedback on this project through a Consolidated Insights of the issues identified through relevant audit exercises, including the Ethiopia Country Office internal audit.

WFP operations in 2024 and recent events

27. In 2024, WFP in Ethiopia assisted 8.6 million beneficiaries, 57 percent through unconditional resource transfers as part of activity 1 (4.1 million people assisted) and activity 3 (801,000 refugees reached). Other programme areas included nutrition (2.9 million beneficiaries) and school meals (528,000 beneficiaries). The main modality used was in kind, the country office distributed around 360,000 metric tons of food, food transfer costs represented 57 percent of country office total expenditures. The country office transferred USD 38.0 million through cash assistance; cash-based transfers (CBT) represented 10 percent of country office total expenditures.⁷

28. Food delivery in Ethiopia is provided by three main actors, the Ethiopian Disaster Risk Management Commission (EDRMC), the Ethiopia Joint Emergency Operation Program (JEOP) and WFP. Each actor is responsible for food provision in specific geographic regions and woredas (the equivalent of a district). At the time of audit reporting, WFP was finalising the hand-over to JEOP of the relief assistance in Tigray woredas. WFP will remain the main relief actor in all other regions besides Northern Ethiopia, including Gambella, Adama, Dire Dawa and Somali region.

29. At the time of the audit fieldwork, the country office had approximately 1,200 staff across Ethiopia, based in the capital city, Addis Ababa, as well as in area and field offices, mainly located in the Tigray, Somali, Gambella, Amhara and Afar regions. Following a mission from headquarters in December 2024, the country office was implementing an organizational alignment review. The exercise is expected to result in a workforce and a field footprint reduction. The magnitude of the downsize, mainly driven by funding levels, is estimated to decrease positions by at least 37 percent. Following a pause in a donor's foreign development assistance in March 2025 and declining funding projections, WFP also initiated corporate cost-efficiency measures.

30. As of August 2025, WFP in Ethiopia was facing a funding shortfall of USD 187.0 million for the period between August 2025 and January 2026.

WFP's organizational redesign and funding context

31. 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.

32. 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.

⁶ Source: Assurance Project and Pause Costs Analysis developed by the Ethiopia country office.

⁷ Annual Country Report 2024 – Ethiopia



33. 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.

34. 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.

35. 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.

Objective and scope of the audit

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

37. To minimize duplication of efforts, the audit relied to the extent possible on the results of oversight and support mission conducted by the then Regional Bureau for Eastern Africa (RBN).⁸ RBN conducted missions in 2024, covering identity management, management of cooperating partners, CBT, monitoring, finance, budget and programming, food safety and quality and management services. The audit also considered outcomes of the evaluation of the Country Strategic Plan finalized in October 2024.

38. The audit focused on activity 1 *"provide unconditional and conditional, nutrition-sensitive, in-kind and cash-based food assistance to crisis-affected populations"* and on activity 3 *"provide unconditional, nutrition-sensitive, cash-based and in-kind food assistance, school feeding and nutritional support to refugees"*, representing USD 255.0 million or 61 percent of the 2024 direct operational expenses and 4.9 million beneficiaries or 57 percent of 2024 caseload. Table 1 below summarizes the direct operational costs and beneficiaries assisted in 2024 under these activities.

Table 1: Direct operational costs and beneficiaries assisted in 2024

Activity	Direct Operational Costs (USD millions)	Percentage of total	Beneficiaries	Percentage of total
Activity 1: Provide unconditional and conditional, nutrition-sensitive, in-kind and cash-based food assistance to crisis-affected populations.	148,075	35%	4,100,000	48%
Activity 3: Provide unconditional, nutrition-sensitive, cash-based and in-kind food assistance, school feeding and nutritional support to refugees.	106,707	26%	801,000	9%
Sub-total: activities in the audit scope	254,782	61%	4,901,000	57%
Other activities not in the audit scope	165,253	39%	3,655,000	43%
Total annual country report in 2024	420,035		8,556,000	

⁸ WFP, from May 2025, transitioned to a two-layer structure, with headquarters and regional bureaux integrated to form One Global Headquarters. As part of this process, technical teams previously within the regional bureaux shifted to being part of the new global function.

39. The audit covered the period from 1 January to 31 December 2024. The areas in audit scope, as identified in the audit engagement plan, are included in Figure 1 below.

Figure 1: Areas in audit scope

Full audit coverage



Risk management
assurance project and
oversight



Need assessment,
targeting and identity
management)



Management of
cooperating partners



Logistics



Monitoring and
Community Feedback
Mechanisms

Partial audit coverage



Cash-based transfers



Security and access

40. Process areas under scope included a review of key changes in programmatic and operational set-up, digital solutions introduced following the 2023 pause in distributions as well as testing of cross-cutting aspects relevant to processes and activities under other categories. The audit also considered outcomes of key investigation reports finalized by OIGI.

41. Results of audit testing on identity management in the WFP operations in Ethiopia are contributing to the thematic assignment on the Internal Audit for IT Controls for SCOPE In-Kind under finalization at the time of audit reporting.

42. The audit mission took place from 12 to 30 May 2025 at the country office in Addis Ababa and included visits to the field offices and operations in Somali and Gambella regions. The audit mission's plan to cover the Tigray region was cancelled at the onset of the field mission following restrictions imposed to travels to Northern Ethiopia on 12 May 2025. The draft report was shared on 11 August 2025 and final comments received on 14 September 2025.

43. 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

44. The audit report contains four high-priority observations and six medium-priority observations. Any other audit issues assessed as low priority were discussed with the office directly and are not reflected in the report. Observations 1 and 2 cover results of risk management testing, outcomes of the review of assurance actions and residual risk exposure by process are described in observations 3 to 10.

Programme redesign and assurance project

45. As highlighted in past internal audit reports,⁹ the Government of Ethiopia was and continues to be the most important humanitarian and development actor, defining and leading all policy processes, institutional structures, and organizational arrangements at federal, regional and sub-regional levels.

46. Under the previous operating model (see the 2023 internal audit of WFP's operations in Ethiopia), needs assessments, targeting, registration, and last-mile distribution to beneficiaries were not under WFP's control. WFP received lists with aggregate numbers for beneficiary caseloads and delivered food to local authorities for onward distributions in specific districts. WFP had limited visibility on who the beneficiaries were and who received the assistance.

47. In June 2023, following allegations of food aid diversion and the identification of systemic gaps in controls, WFP Ethiopia paused its country-wide assistance. To address these gaps, the country office developed and implemented the EAP, with support from the global headquarters. The project aimed at augmenting assurance measures and redesigning the operational set-up to ensure that assistance reach intended recipients and to mitigate the risk of diversion.

48. In the 18 months since the EAP onset, WFP Ethiopia revised its operating model, extended its perimeter of control and made significant digitization efforts over key processes. While the Government remains the main source of evidence on food security needs, WFP now leads, in coordination with government authorities, NGOs and local communities, key processes such as vulnerability-based targeting, identity management and last mile distribution to beneficiaries. The country office rolled out the use of new digital solutions for identity management and last mile distributions which enhanced visibility and control checks on identities and commodity tracking. WFP engaged NGOs and divested from local authorities in the last mile distribution of general food assistance.

49. The country office also improved its fraud risk management practices, the use of feedback mechanisms and increased its monitoring coverage for general food distributions. Details on roles and responsibilities changes (upstream/ downstream) are provided in Tables 2 and 3 below.

50. The EAP included 37 actions related to fraud risk management, needs assessment, targeting, identity management, management of cooperating partners, supply chain, monitoring and cross-functional controls. The country office reported that, as of May 2025, the implementation rate for these actions was 97 percent, the remaining actions were related to reconciliations ([observation 4](#) and [observation 8](#)) and monitoring coverage ([observation 9](#)). Audit results highlighted that some actions marked as implemented will still require improvements. For example, the performance evaluation of cooperating partners ([observation 5](#)) and the use of bag marking solutions ([observation 6](#)).

⁹ [Internal Audit Report of WFP operations in Ethiopia](#). AR/23/07, 2023; [Internal Audit of WFP in Ethiopia](#). AR/20/05, 2020

Process and stakeholders for general food distributions

Table 2: Upstream programme process and stakeholders

L	Stakeholders leading the process	C	Stakeholders consulted	I	Stakeholders informed	
2023		2024				
Programme set-up and operating model as reported in AR/23/07		Set-up following implementation of the assurance actions for relief activities		Government	WFP	NGO
1. Needs assessment - Figure 1 and Observation 1 in AR/23/07		1. Needs assessment – Observation 3				
1.1 The Federal Government collected data and conducted assessments on drought, household economy, food insecurity, and famine. UN develops the Humanitarian Response Plan (HRP) based on data from the government and other assessments.		1.1 The national multi-agency seasonal food security assessment remains as the main source of evidence on the food security needs in Ethiopia and informs geographical prioritisation of humanitarian assistance. UN develops the HRP - challenges in reaching consensus on the data.		L	C	I
1.2 WFP conducted additional food security assessments, and independent market price monitoring as part of its regular Research, Assessment and Monitoring (RAM) activities.		1.2 WFP continues complementing needs assessment with its own data.		C	L	C
2. Beneficiary targeting and registration - Figure 1 and Observation 1 in AR/23/07		2. Beneficiary targeting and registration – Observation 3 and 4				
2.1 The Federal Government, through coordination between federal and regional level, led the geographic targeting process.		2.1 The Government maintains the lead on geographic targeting.		L	C	I
2.2 Regional Governments collected data for household targeting at kebele level.		2.2 Changed: WFP and its NGO partners manage a vulnerability-based targeting process, with the government playing a facilitation role.		C	L	C
2.3 Regional Governments selected and registered beneficiaries using (government manual) systems to develop distribution lists.		2.3 Changed: WFP maintains a digital registry of households. The country office introduced biographic and biometrics for registration of beneficiaries into the corporate beneficiary information and transfer management platform (SCOPE).		I	L	C
3. Planning for distribution rounds - Figure 1 and Observation 1		3. Planning for distribution rounds – Observation 5 and 6				
3.1 The Regional Governments determined beneficiary numbers at kebele level, established timing of distributions and requested food to WFP based on number of beneficiaries identified.		3.1 Changed: WFP, in coordination with NGO partners, leads distribution planning. Programme requirements are captured in food release notes. These are the basis for commodity movements and delivery to NGO partners. SCOPE is used for the generation of the distribution lists.		I	L	C
3.2 The Regional Governments requested from WFP food inventory based on the aggregate beneficiary numbers to receive assistance.		3.2 Changed: NGO partners request food from WFP.		I	C	L

Table 3: Downstream programme process and stakeholders

2023	2024		
Operational model as reported in AR/23/07	Set-up following implementation of the assurance actions for relief activities	WFP	NGO partner
4. Food transfer to CPs and distributions - figure 4 and Observation 2 in AR/23/07 4.1. WFP coordinated food delivery to kebeles from nearby warehouses, based on planned quantities and partner requests, in collaboration with transporters. 4.2. WFP dispatched food from WFP warehouses to kebeles using commercial transporters or WFP trucks. 4.3 The Government and NGOs were receiving and managing food until final distributions, verifying identities against distribution lists and reporting actual beneficiaries assisted and food distributed.	4. Food transfer to CPs and distributions – Observations 4 and 6 4.1 and 4.2 WFP remains as the process lead through its fleet and commercial trucks. Trucks are equipped with GPS. The corporate logistics execution support system (LESS) Last Mile enables real-time delivery validation. Mobile Point of Sale used for redemption management. 4.3 Changed: WFP contracts only NGOs for crisis response and implementation of assurance actions. Food is distributed to individual households by NGO partners in coordination with WFP. SCOPE captures information on food distributions.		
5. Programme monitoring of downstream processes - figure 2 and Observation 4 in AR/23/07 WFP, in coordination with third-party monitors led this process.	5. Programme monitoring – Observation 9 and 10 WFP, either directly or through third-party monitors, increased its monitoring capacity . Community feedback mechanisms act as complementary detective control.		

Risk exposures and observations by process

Observation 1: Aid diversion and food sales

51. Donors, cooperating partners and the UN Resident Coordinator provided positive feedback on the EAP effectiveness. Government authorities, whose role changed with the new operational model, concurred with the feedback and complemented it by expressing some concern about potential exclusion errors following the vulnerability-based targeting (VBT) process.

52. Country office market monitoring, feedback from external stakeholders as well as physical observation highlighted that, despite the new controls and set-up, food sales by beneficiaries persist. OIGI confirmed this issue as part of its investigations in Tigray, Gambella and Somali regions.

53. In 2024, the country office carried out an analysis of the factors influencing the sales and identified that the primary cause is the need of beneficiaries to exchange food commodities with other relief items (e.g. soap, clean water) or services (e.g. maize milling, transport from distribution points). As confirmed by beneficiaries interviewed by the audit team, similar to those made to OIGI during its investigative work, in addition to reducing food insecurity, WFP commodities may act as a substitute for cash.



54. As other beneficiary needs are not met by other humanitarian actors for a variety of reasons, including funding shortages, the implementation of the assurance actions, which are geared to mitigating the risk of pre-distribution food diversion, does not prevent post-distribution food sales.

55. In the absence of a clear definition of 'diversion' and a documented position on post-distribution food sales, allegations of food aid misuse remain high reputational and operational residual risks for WFP.

56. Interviews with external stakeholders and country office staff highlighted that there was lack of clarity at corporate level to inform country offices about the tolerance to this residual risk and that WFP did not document and share its residual risk appetite.

Underlying cause(s):

Process and planning	Inadequate risk management
----------------------	----------------------------

Agreed Action [High priority]

The Risk Management Division will

- i. Define and differentiate between food aid diversion and beneficiary resale.
- ii. Provide guidance on risk information-sharing with donors.

Timeline for implementation

31 March 2026

Fraud risk management

57. In line with WFP Anti-Fraud and Anti-Corruption (AFAC) Policy¹⁰ all staff, including those at country office level, have an obligation to promptly report reasonably suspected fraud cases to OIGI. On this matter, the AFAC policy states that WFP has zero tolerance for inaction. Key donors during the audit period, including the United States Agency for International Development (USAID), also required WFP to promptly submit to them written reports of fraud, waste, and abuse, often referred as incidents.

Observation 2: Incident management

58. Following the 2023 allegations of food diversions, donors expressed concern about the coverage and effectiveness of the country office's incident management practices. For example, the USAID's Bureau for Humanitarian Assistance (BHA) had alleged instances of under-reporting by WFP, and the USAID Office of Inspector General found that BHA, during the period from October 2021 to June 2023, did not enforce timely reporting of incidents by its implementing partners.¹¹ The previous internal audit report issued at WFP identified similar gaps related to the timely escalation and follow-up of incidents captured through monitoring.

¹⁰ WFP, OED2021/012. AFAC Policy. 2021.

¹¹ Office of Inspector General, USAID. Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion. E-000-25-002-M. 2025. [Link](#).



59. From early 2024, the country office started strengthening incident management through several initiatives including the development of a centralized tracker, the revamping of the risk committee discussions, recruitment of additional staff in the risk management unit and the monthly reporting of losses to donors. Audit sample testing highlighted that, following these enhancements, the country office was able to log issues in the tracker, timely follow-up incidents and escalate to OIGI the suspected cases incurred in 2025. Donors confirmed this positive trajectory in incident management.

60. As the country office gradually implemented these enhancements during 2024, at year-end 2024, 199 incidents were open, all having occurred between 2023 and August 2024, i.e. before these improvements. The country office recorded these incidents into the tracker, carried out a preliminary materiality assessment, categorized them by theme, and considered these themes as input for risk committee discussions. As of May 2025, follow-up was ongoing.

61. Audit review of a sample of these open items identified instances of potential AFAC-related incidents, which require further analysis at country level and, as appropriate, a referral to OIGI. Other items, such as incidents where community leaders or local authorities appear responsible for the incident, do not fall within OIGI mandate and require the implementation of follow-up measures at country office level, with an assessment of corresponding losses and, where feasible, recoveries.

Underlying causes:

<i>Resources and people</i>	Insufficient staffing levels <i>(cause addressed through additional recruitment following the audit field mission)</i> Insufficient skills and competencies <i>(cause addressed in 2024)</i>
<i>External factor beyond the control of WFP</i>	Political - government situation <i>(related to incidents for which community leaders or local authorities appear responsible)</i>

Agreed Action [Medium priority]

The country office will take necessary actions and close open incidents.

Timeline for implementation

31 March 2026

Needs assessment and targeting

62. In Ethiopia, the framework for identifying areas, numbers and types of people in need of assistance is the Household Economy Approach (HEA).¹² The approach is a livelihood-based framework, and it is led by the EDRMC. Assessments are complemented by information related to: (i) internally displaced persons, (ii) regional assessments, and (iii) WFP independent surveys. The consolidated data inform the United Nations Humanitarian Programme Planning cycle and the

¹² Ethiopia National Targeting Guidelines. 2011. These guidelines also determine the food basket for general food distributions.



Response Plan. The roles and responsibilities for the relief needs analysis process are summarized in [Table 2](#) presented earlier in section '*process and stakeholders*'.

63. With reference to targeting for relief food assistance, before the pause in distributions, WFP, JEOP and the Government had discretion in applying the criteria established in the national targeting guidelines. Local authorities at kebele level played a central role in selecting households, often based on perceived general vulnerability; in many cases, community leaders collected food assistance on behalf of households and redistributed it using their own criteria. As a result, WFP could not confirm that it reached the most vulnerable groups.

64. After the pause, as part of the assurance measures, the country office adopted a VBT approach in close coordination with national and regional authorities and other food-security actors. The VBT process is grounded in regional and community-level consultation workshops led by community members and beneficiary delegates, who select vulnerable households using documented vulnerability criteria. As detailed in [Table 3](#) presented earlier in section '*process and stakeholders*', the country office engaged NGOs under field-level agreements, to generate an initial list of eligible households. It then validated the list with community focal points and door-to-door visits and retargeted whenever errors of inclusion or exclusion rates exceeded 15 percent of total eligible households included in the lists.

65. The NGOs then collected each household's biographic and vulnerability data and verified profiles using the MODA¹³ mobile application. This marked the initial phase of the transition from government-led relief assistance to the new operating model. In the first phase of VBT exercise, the country office registered 1.7 million households, approximately 10.2 million people.

66. In addition to the VBT, the country office contributed to the development of a common targeting framework for humanitarian assistance in Ethiopia.¹⁴ At the time of audit reporting, the draft framework had yet to be approved by the Government.

Ongoing actions and enhancements to the vulnerability-based targeting

67. During 2024, the country office rolled out VBT across all priority HEA Phase 4 operational areas, initially concentrating staff and resources in the most food-insecure zones. Prolonged consultations with government counterparts, onboarding of cooperating partners, security reasons and administrative clearances staggered the roll-out in the Somali region. The Office of Internal Audit acknowledged that, at the time of the audit fieldwork, the country office was advancing plans for a second-round VBT to achieve full coverage of all assessed-vulnerability areas.

68. At the time of the audit fieldwork, the country office was improving the VBT process. These included using household profiling as an additional verification layer and applying vulnerability scores to prioritize households rather than relying on the number of criteria met. In addition, the data-collection questionnaire was redesigned for the second phase, learning from the previous one which comprised over 90 fields (45 percent capturing vulnerability information and 55 percent capturing household biographic data) with most biographic fields remaining unpopulated during data collection.

69. The audit noted gaps in VBT data-entry and data-quality checks, impacting data source verification. For example, up to seven enumerators shared the same device in a single day, and some enumerators used more than 10 different devices during the data-collection period to process up to 12,000 records.

¹³ MODA is WFP's primary tool for data collection, helping staff make evidence-based decisions.

¹⁴ In 2023, the Government of Ethiopia, United Nations organizations and other partners in country formed an intersectoral working group to update this framework. The group agreed to produce two deliverables: a) a common framework for targeting humanitarian assistance, and b) harmonized guidelines specifically for food assistance.



These practices risked impacting the one-to-one mapping between devices and enumerators, potentially affecting accuracy and reliability of the records. The Office of Internal Audit acknowledges that the country office assigned one staff within each registration team for final data quality check.

Observation 3: Data for needs analysis

70. Audit review of the 2025 Global Humanitarian Overview¹⁵ (GHO) and the 2024 Humanitarian Needs Overview¹⁶ highlighted challenges in determining and reaching consensus on the number of people in need, including those who are food insecure. The Office of Internal Audit identified challenges and risks in the needs analysis process in its previous internal audit reports.

71. WFP mitigated these risks in coordination with the Humanitarian Country Team and other relevant actors. Actions included advocacy for the adoption of the Integrated Phase Classification analysis and use of the Food and Nutrition Security Monitoring System to complement the HEA. As delays in reaching consensus on the number of people in need may affect the timeliness of WFP vulnerability analysis and assistance, the country office is also supplementing HEA with its own data.

72. Challenges in reliability of humanitarian data increase significantly in conflict-affected areas as highlighted in the recent Inter-Agency evaluation of the Tigray Humanitarian Response,¹⁷ as such residual risks related to this process remain high.

Underlying cause:

External factors - beyond the control of WFP	Conflict, security and access Political - government situation Funding context and shortfall Donor requirements
--	--

Agreed Actions [High priority]

In coordination with relevant stakeholders, the country office will identify an improved food needs analytical framework and document its progress in advocating for its implementation with the Government and the donor community.

Timeline for implementation

30 September 2026

Identity management

73. In 2023, before the pause, registration and identity verification were outside WFP’s perimeter of control. The country office, through the Government, managed relief assistance entirely using manual, paper-based processes with aggregate caseload numbers. At distribution points, household eligibility was verified by matching names, signatures, or thumbprints against paper manifests, and attendance and disbursements were recorded in ledgers. The operations relied solely on these physical records, which lacked a centralized digital registry, hence limiting traceability.

¹⁵ [Global Humanitarian Overview](#). 2025. The overview excludes data on people in need in Ethiopia as consensus was not reached.

¹⁶ [Ethiopia Humanitarian Needs Overview](#). 2024.

¹⁷ [Inter-Agency Humanitarian Evaluation of the response to the crisis in Northern Ethiopia](#). May 2024.



74. After the pause, under the EAP, the country office, in collaboration with the Supply Chain and Delivery and Technology Divisions at WFP Global Headquarters, mapped end-to-end process flows to implement the four global assurance standards.¹⁸ Central to this effort was adopting a digital transfer management platform to track food distributions. In July 2023, the country office approved an implementation plan for the new platform, prioritizing integration of SCOPE,¹⁹ Payment Instrument Tracker (PIT)²⁰ and the Data Assurance Team (DAT)²¹ to handle beneficiary identity data processing, deduplication, reconciliation, and assistance tracking. At the same time, the first three rounds of in-kind distributions in Tigray resumed on the interim DAT/PIT solution, which was selected for its adaptability to the country office's process flow and its ability to manage in-kind distributions at that time.

75. In August 2023, WFP convened a workshop that brought together cross-functional teams from WFP Headquarters' Technology Division and the country office to define system architecture, align on resource needs, and confirm a phased development and release of a minimum viable product (MVP) for in-kind delivery. By October 2023, the country office led the global rollout of the first MVP release, launching SCOPE's In-Kind modality and Distribution Management functionalities (SCOPE In-Kind) to support transfer set-up, redemption, and reconciliation.²²

76. In 2024, WFP assisted 4.1 million people as part of Country Strategic Plan activity 1. This includes the beneficiaries supported over the 12 months in Tigray (1.9 million), Amhara & Afar (0.8 million), and Somali (1.4 million) regions. The country office prioritized assistance based on a defined framework with targeted woredas covered in rotation. As a result, both geographic coverage and the number of beneficiaries assisted varied every month.

77. As of January 2024, the country office digitized the biographic records of its entire caseload, which was equivalent to 3 million individuals, approximately 30 percent of the people registered through VBT. Over the course of 2024, it progressively transitioned its in-kind distribution workflow from PIT to SCOPE In-Kind and adjusted its caseload in line with available resources and outcomes of its beneficiary lists' reviews. In December 2024, the country office assisted its entire caseload (680,734 individuals) through SCOPE. During this period, the country office leveraged the SCOPE biographic records to register households biometrically and progressively resumed both the use of SCOPE and the PIT as registrations continued.

78. In January 2025, WFP began operational adjustments in Northern Ethiopia by handing over relief activities to the JEOP. As a result, WFP's managed caseload in the north declined sharply, allowing the country office to concentrate resources and capacity on the registration and assistance processes in the Somali region.

¹⁸ (i) WFP consults with and listens to the people it assists while respecting their privacy; (ii) verifies beneficiary identities and tracks who does and does not receive assistance each cycle; (iii) ensures the safety and provenance of in-kind supplies from origin to distribution; and (iv) maintains its operational independence.

¹⁹ SCOPE is WFP's beneficiary information and transfer management platform.

²⁰ The Payment Instrument Tracker application assists in managing and tracking payment instruments throughout their lifecycle, from issuance and disbursement to redemption and reconciliation.

²¹ Data service teams providing customizable data assurance services such as anomaly detection, deduplication, and secure storage to help country offices meet assurance and policy requirements.

²² The SCOPE In-Kind distribution cycle begins with the setup of distribution plans, linked to food release notes in COMET. Household entitlements are automatically calculated based on the food basket. Distribution lists are approved only if sufficient food is available at the final distribution point. In the field, the SCOPE Mobile Distribution App (operating both online and offline) is used to manage distributions. Beneficiaries scan their QR codes to redeem assistance, which is then marked as 'distributed'. Redemption reports generated from these transactions enable aggregate-level reconciliation of both beneficiary identities and commodities distributed.



79. As of May 2025, the office had converted biographic data for 671,000 individuals into biometrics. Following progress with VBT and additional inclusion of vulnerable people in the beneficiary lists, the country office was processing 70 percent of its in-kind distributions through SCOPE and, for this portion of the caseload, verified each enrolment biometrically.

80. The audit review identified 33,391 duplicate biometric records in the database, including 16,717 individuals within active household files, with only 943 (0.5 percent) appearing in redemption transactions. Audit testing verified that the country office was actively managing the adjudication queue to address duplicates and ensure that only verified records remained on the final distribution list.

81. Further, misalignments between DAT and SCOPE data fields during migration initially created geolocation inconsistencies and incorrect attributions. At the time of audit reporting, the country office was conducting new registrations and transitioning from these legacy data, adopting the corporate structure for administrative area geolocations across corporate system.

Observation 4: Biometrics for identity management

82. As of May 2025, the country office was processing in-kind assistance for 231,000 individuals (30 percent of its caseload) biographically through the PIT system. The use of biographics through PIT, linked mainly to assistance in the Somali region, increased operational risk due to limited identity controls and lack of a comprehensive audit trail.

83. The country office had not yet implemented biometric authentication at redemption, as it was still procuring the required devices. Cooperating partners sometimes faced challenges when processing redemptions on multiple devices at a single distribution point, as SCOPE's double-dipping prevention feature did not operate fully. The audit noted 508 instances of potential duplicate redemptions (equivalent to 0.03 percent of the total number of transactions processed in SCOPE in kind). In absence of the double-dipping prevention feature, the country office sensitized beneficiaries and instituted a manual sign-off at the verification point to confirm receipt of assistance.

84. While the country office achieved a seamless comparison of distribution-list identities with redemption-file identities, audit analyses revealed that 25 percent of households redeemed their full entitlements at every distribution, and 75 percent (353,410 households) redeemed these less frequently. To prevent operational delays from denying assistance, the office applied manual cycle extensions. These extensions hindered tracing and the systematic reconciliation of each cycle with the records in the programme and logistics corporate systems.

85. In the refugee context, the country office relied on UNHCR's²³ aggregate caseload data and verified beneficiaries at redemption through UNHCR systems. At the time of the audit, the country office was in the process of finalizing agreements to enable bulk identity processing through SCOPE, improving granularity of beneficiary information and linkages with other corporate systems.

86. The audit noted gaps in user access controls for SCOPE, particularly in instances where the country office assigned conflicting roles to users without adequate oversight. For example, some users performed both the reactivation of households, the approval of these reactivations, the update of the distribution lists and the verification of these updates.

²³ United Nations High Commissioner for Refugees



Underlying causes:

<i>Process and planning</i>	Unclear roles and responsibilities
<i>Tools, systems and digitization</i>	Absence or late adoption of tools and systems Inappropriate implementation or integration of tools and systems
<i>Unintentional human errors</i>	

Agreed Actions [Medium priority]

1. The country office will:
 - iii. Fully migrate all relief-assistance data and processes into WFP's beneficiary information and transfer management platform and operationalize beneficiary authentication at redemption.
 - iv. Finalize the adjudication queue, complete with resolution logs for biometric duplicates.
2. The country office, in coordination with the Technology Division, will:
 - i. Activate the double-dipping detection feature in the corporate beneficiary information and transfer management platform.
 - ii. Build buffer time into distribution plans and standardize procedures for cycle extensions.
 - iii. Automate distribution cycle extensions in SCOPE, standardising cycle identifiers based on redeemed vs. unredeemed entitlements to support distribution cycle reconciliation.
3. The country office will formalize the review and approval workflow for role assignments within the corporate beneficiary information and transfer management platform.

Timeline for implementation

1. 31 March 2026
2. 31 December 2025
3. 30 June 2026

Management of cooperating partners

87. Following the distribution pause, the country office changed the operational set-up, contracting only NGOs for the crisis response activity. These changes are detailed in steps two, three and four in [Table 2](#) and [Table 3](#) presented earlier in section '*process and stakeholders*'. Regional government entities remained key cooperating partners for the implementation of nutrition and school meals activities.

88. From July 2023 to December 2024, following the changes mentioned in paragraph 80 above, the country office contracted 56 cooperating partners (CPs) including 34 NGOs and 22 government entities. The value of purchase orders was approximately USD 119 million of which 92 percent related to contracts with NGOs. Partners interviewed during the audit field mission highlighted the positive collaboration with WFP.



Observation 5: Capacity assessment and evaluation of partners

89. In the Tigray region, the country office did not use an expression of interest to select NGOs. In June 2023, country office management decided to expand the scope of existing agreements with the three NGOs contracted prior to the pause. Notes for the records on this decision highlight that partners had performance issues and that one NGO was involved in manipulation of distribution lists. The country office did not carry out a capacity assessment to document gaps that could inform improvement plans.

90. In 2023, the country office signed partnership agreements with initial duration of approximately six months. It later extended and amended contracts until June 2025. It did not carry out performance evaluations of the partners. Audit sample testing identified that the due diligence checks for two partners in the Somali region were not up-to-date as the country office only carries out this control prior to the signature of the agreements. Document review and feedback from partners highlighted recurrent delays in signing agreements and payments (i.e, time to payment was on average 90 days in 2024 and reduced to 60 days in 2025) and multiple amendments (e.g. seven contract amendments for one partner) to reflect revisions of CP costs (refer to [observation 7](#)) and other factors (e.g. currency conversion).

91. There were gaps in documenting and monitoring partner capacity, and a risk-based plan for monitoring NGOs was not in place. The audit acknowledges that the country office, with support from the then regional bureau, had identified some gaps in the NGO management process and had partially addressed them through training of relevant WFP staff as well as issuing an updated standard operating procedure in January 2025.

Partnership with government entities

92. WFP has different corporate standards for NGO management and partnerships with government entities.²⁴ In line with these standards, key controls on NGO management do not apply for partnerships with government entities, resulting in higher residual risk for activities implemented through local authorities. As indicated in the previous internal audit report, the country office had identified risks related to implementation of activities through government partners in its risk register. As of May 2025, the country office had yet to fully and systematically implement key mitigation measures, such as documenting and following up key risks related to individual government partnerships.

93. In 2024, the country office carried out a spot-check exercise of the Refugees and Returnees Service, the Ethiopian Government partner for refugee assistance activities. The prioritization of this partner was in line with the focus of assurance actions on crisis response. Planning and roll-out of similar exercises for local authorities involved in nutrition and school meals activities had yet to be established at the time of finalizing this report.

Underlying causes:

<i>Process and planning</i>	Insufficient planning
<i>Oversight and performance</i>	Performance measures and outcomes inadequately measured/established
<i>External factors - beyond the control of WFP</i>	Political - government situation.

²⁴ WFP issued a guidance on direct provision of assistance through government entities in November 2024,



Agreed Actions [High priority]

1. The country office will systematically undertake cooperating partner capacity assessments and develop as well as monitor tailored improvement plans and risk mitigations.
2. The country office will conduct a risk assessment for working with local government authorities and monitor the implementation of mitigating measures on a regular basis.

Timeline for implementation

1. 30 September 2026
2. 30 September 2026

Supply chain

94. In 2024, the country office moved over 359,000 metric tonnes (mt) of food. In-kind assistance remained the primary modality, accounting for around 60 percent of total expenditures.

95. As highlighted in the previous internal audit, in 2022, logistics operations faced significant challenges at the last mile. These included manual waybill confirmations, weak warehouse oversight and limited commodity traceability. In addition, inconsistent monitoring, the absence of regular spot-checks and GPS-enabled trucks further reduced visibility and increased the risk of commodity loss. Food movements reconciliation was unsystematic, compounding accountability gaps across the supply chain.

96. By 2024, logistics operations improved with digital tools such as Fleet Finder for real-time tracking of GPS-enabled trucks and the LESS Last Mile solution for digital waybill confirmations. Warehouse monitoring became more regularised, and storage conditions improved through clearer labelling and better commodity segregation. The country office also piloted aggregate level reconciliation of stock movements against distributions to beneficiaries using data from SCOPE In-Kind, an effort driven by assurance actions and the use of digital solutions. Challenges with this process are described in [observation 4](#).

97. With reference to budgeting, Supply Chain Funds Management team leads the Food Transfer Cost (FTC) monitoring. Budgeting for CPs is an FTC component and is based on rates provided by the programme unit. Since 2025, the team has automated quarterly cost monitoring through the corporate budget tracking system, replacing manual processes. The team also developed internal tools to track field level agreements (FLA) budgets and utilization, supporting more structured financial planning and oversight. Issues related to this process are covered in [observation 7](#).

Observation 6: Commodity management

Management of stock near expiration dates

98. As of May 2025, WFP and CP warehouses visited in the Somali and Gambella regions held expired and near-expiry commodities with best before date (BBD) between May and July 2025. In WFP Jijiga warehouse, 13.6 mt of nutritious commodities with June BBD were in stock, with an additional 152 mt expected with a three-month shelf-life. At a CP warehouse, 13.4 mt of various commodities, including super cereals, had April and May 2025 BBDs, exposing the country office to compliance and reputational risks.



99. The country office obtained waivers from the Government to distribute commodities with less than six months of remaining shelf-life. The waivers included a commitment to ensure timely distribution and consumption tracking. Audit testing on distribution reports identified that, while partner reports indicated full distribution of certain consignments as of April 2025, stock reports from May 2025 showed that part of these consignments remained undistributed in CP warehouses. As outlined in the section below on digital solutions for tracking commodities, there remained limited visibility on actual food consumption, posing a significant risk, particularly for nutrition commodities, which need to meet higher safety and quality standards.

100. Community feedback reports included quality complaints, suggesting that some commodities were not consumed. In addition, and as reported in [observation 10](#), the community feedback mechanisms (CFM) did not ensure full coverage and detective controls for nutrition activities. The country office also identified that food quality concerns are a factor leading to food sales. In some cases, beneficiaries reportedly sold their rations to avoid food expiration after receiving two months' worth of food with very close BBD.

Digital solutions for commodity tracking

101. The corporate logistics execution support system (LESS) Last Mile enables real-time delivery validation through QR codes scans by CP at final distribution points. Despite full roll-out, the country office, rather than CPs, made most of the validations, particularly for nutrition and school meals activities. This reduced CP ownership and weakened accountability across the delivery chain.

102. A bag-marking solution was introduced to close visibility gaps by ensuring that food assistance reaches the intended recipients in the correct quantities and on time. Unmarked or faded bags and cartons were present across all locations visited during the audit field mission, including Qooloji and Kebribayah camps in the Somali region, and WFP and CP warehouses in the Gambella region, undermining traceability.

103. Oversight of bag-marking exercises was inconsistent as field monitors did not report these issues, indicating gaps in warehouse monitoring tools. Roles and responsibilities for bag-marking varied across sites, with no shared understanding on whether marking should occur at WFP dispatch points or at final distribution points before handover.

104. In January 2025, the country office piloted the LESS CP stock management solution, part of the corporate Track and Trace project to digitize stock monitoring and enhance end-to-end visibility of commodity movements from WFP handover to CP warehouses and final distribution to beneficiaries. While the system was in use by two partners and an expansion was planned, real-time tracking remained limited due to ongoing functionality disruptions. Moreover, the use of personal devices by CP staff to operate the application raises concerns around data security, data integrity and accountability.

Underlying causes:

<i>Process and planning:</i>	Insufficient planning Insufficient coordination - internal or external
<i>Oversight and performance:</i>	Insufficient oversight from global headquarters / local management (from field management teams)
<i>Resources – Third parties:</i>	Insufficient third-party capacity
<i>Tools, systems and digitization:</i>	Inappropriate implementation or integration of tools and systems



External factors - beyond the control of WFP:

Conflict, security and access.

Agreed Actions [Medium priority]

1. The country office will develop standard operating procedures to coordinate and align all activities, particularly nutrition and school meals, with supply chain delivery timelines and the food release cycle, supporting integrated planning and accountability across functions.
2. The country office will:
 - i. Delegate Logistics Execution Support System Last Mile confirmation roles to cooperating partners, regularly monitor usage, and follow up on inconsistencies in application and delays.
 - ii. Enhance oversight of bag marking through clear field level responsibilities and updates to monitoring tools to include traceability checks.
3. The country office will assess the feasibility of issuing dedicated devices to cooperating partners and develop a dashboard to monitor usage logs, including login frequency, data entry completeness and timeliness by cooperating partners.

Timeline for implementation

1. 30 September 2026
2. 30 September 2026
3. 31 March 2026

Observation 7: Budget and monitoring of food transfer costs

105. Quarterly funds management monitoring relied on corporate financial system (WINGS) data, which depends on timely expenditure recording. CPs claimed expenditures with a delay of two to three months, reducing the accuracy and timeliness of financial monitoring. Despite these challenges, there was inconsistent use of tools for monitoring FLA budgets and consumptions, further reducing the effectiveness of financial monitoring.

106. The funds management team had no visibility of the final rates used by programme teams when signing FLAs, particularly when those rates differed from the indicative rates used for planning. In several instances, the country offices did not reconcile budgets used for planning with actual supply chain rates. This limited the ability to validate financial commitments and ensure alignment with available funding.

107. In 2024, the amount committed through the agreements was higher than the funding available for these budget lines. Despite existing funding gaps, the country office extended FLAs in January 2025, increasing the risk of financial exposure and resulting in an estimated allocation shortfall of USD 15.4 million. The country office later addressed this shortfall through internal resource reallocations. It developed a process improvement plan, which did not fully clarify process ownership and focal point leading this cross-functional process.

108. The audit carried out follow-up testing to assess residual risk on the process. While the data from the corporate financial system indicated a USD 57.4 million difference between external



commitments (i.e. total value of signed agreements) and allocated financial resources (i.e. purchase orders raised against the agreements), the Office of Internal Audit acknowledges that commitments have been met through internal reallocations.

Underlying causes:

<i>Process and planning:</i>	Unclear roles and responsibilities Insufficient coordination - internal or external
<i>Resources – People:</i>	Insufficient skills and/or competencies Absence of/insufficient staff training.
<i>Tools, systems and digitization:</i>	Absence or late adoption of tools and systems

Agreed Actions [High priority]

1. The country office will develop a cross-functional Responsible, Accountable, Consulted, Informed matrix and appoint a focal point responsible for cooperating partners' costs.
2. The country office will conduct training for activity managers and cooperating partner focal points on fund management and budgeting for field-level agreements and implement the use of the internal tracking tools.
3. The country office will implement a quarterly reconciliation process between planning budgets, signed agreements, and purchase orders to ensure alignment with implementation ceilings and available funds.

Timeline for implementation

1. 30 June 2026
2. 30 June 2026
3. 31 December 2026

Cash Based Transfers

109. In 2024, the country office scaled up CBT to USD 38.0 million, reaching 2.3 million people, an increase from USD 32.7 million and 1.5 million people assisted in 2023. CBT accounted for 27 percent of operational delivery costs; mobile money was the main delivery mechanism. The scale-up followed improvements in systems, coordination, and donor engagement. Nonetheless, it has yet to achieve the level planned by the country office. The audit acknowledges that, despite the opportunity that CBT has in reducing food aid sales, the appetite for this modality is still limited within the donor community.

110. The country office established a unified CBT and identity management team, finalized the 2025–2030 CBT strategy, and expanded the roster of financial service providers (FSPs) from four to 10. Scale-up is now guided by cash feasibility assessments, improved coordination, and the phased roll-out of SCOPE. The audit assessed country office CBT scale-up readiness, focusing on FSP coverage, reconciliation accuracy and internal capacity.



Observation 8: Use of cash for delivery of assistance

111. CBT planning and delivery were centralized, with limited staffing at area and sub-office levels. This reduced responsiveness and delayed issue resolution. At country office level, roles and responsibilities across key functional units were not sufficiently clear. For example, the CBT team did not consistently participate in delivery design, which resulted in sub-optimal choices of delivery mechanism, such as the application of CBT to nutrition programming. This application depended on unpredictable turn-out at health centres, making it difficult to meet delivery timelines.

112. WFP and UNHCR delivered refugee assistance in the Somali region through a hybrid modality, substituting part of the food basket with cash. Data quality issues in UNHCR's distribution lists led to instances of payment exclusions, mainly linked to outdated household information. In Awbarre, Kebribeyah, and Shedder refugee camps, 100 to 270 households (out of approximately 7,400 households) had not received assistance for over four months before issue resolution. The Office of Internal Audit acknowledges that, to address this issue, the country office was implementing data quality controls on refugee information; effectiveness of these controls will be assessed as part of monitoring the implementation of agreed actions.

113. Reconciliation continued to rely on manual processes, including daily aggregate reports from FSPs and CPs, with SCOPE data used as a secondary safeguard. In 2024, the CBT dashboard indicated a 12 percent discrepancy between actual CBT transfers in the corporate financial system (WINGS) and data from the programme performance monitoring system (COMET), highlighting reconciliation challenges. While unredeemed transactions remained under 3 percent over the same four-month period, manual reconciliation is error-prone and time-consuming, placing strain on limited CBT staff and affecting overall programme efficiency.

Underlying causes:

<i>Process and planning</i>	Inadequate process or programme design Insufficient coordination - internal or external
<i>Tools, systems and digitization</i>	Absence or late adoption of tools and systems

Agreed Actions [Medium priority]

1. The country office will assess and define the staffing roles required to support the optimal functionality of cash-based activities across functional units, ensuring inclusion of teams in programme design and determining staffing needs to streamline decentralized delivery.
2. The country office will enhance data coordination with the United Nations High Commissioner for Refugees.
3. The country office will automate reconciliation using the corporate beneficiary information and transfer management platform and conduct regular analysis of redemption trends.

Timeline for implementation

1. 30 September 2026
2. 31 March 2026
3. 30 June 2026



Monitoring and community feedback mechanism

114. The previous internal audit report highlighted that, in 2022, the monitoring coverage for the active sites in the locations in scope²⁵ was 34 percent. The country office had one Third-Party Monitor (TPM) operating in the Somali region. In 2023, the country office had 1,838 relief sites and achieved 70 percent monitoring coverage.

115. In 2024, the country office had 1,199 relief sites. The monitoring coverage for relief sites was 94 percent and the overall coverage was 60 percent. It had 120 Field-monitoring assistants (FMAs) and increased the TPM activities to enhance monitoring geographic scope and coverage. It also implemented digitalised solutions to streamline issue escalation and tracking of monitoring findings. The solution enhanced the dissemination of monitoring data for decision-making and increased the efficiency of the issue tracking process.

116. In September 2024, the country office conducted an analysis to right-size the monitoring structure, determine the appropriate number of FMAs and TPMs, and improve monitoring coverage in 2025. The analysis included projected site numbers and estimated budgets, and it presented estimates and scenarios for country office management consideration. In addition, in December 2024, the country office initiated an organisational alignment review. This exercise further looked at the optimisation of the monitoring structure and resources.

117. At country office level, the monitoring function is part of the Research, Assessment and Monitoring (RAM) unit and had eight personnel coordinating and overseeing monitoring activities. At the sub-offices, monitoring officers and focal points coordinated the process, which is implemented through FMAs and TPMs. As of May 2025, six TPMs were operating in five regions (Afar, Amhara, Oromia, Southern Ethiopia, and Somali), and plans were underway to enhance the use of specialised TPMs from the private sector while discontinuing NGO-run TPM activities. By the end of 2025, all sub-office monitoring officers are expected to report to the respective head of sub-office.

118. In 2023, the country office introduced a corporate digital case management system (SugarCRM) for the community feedback mechanisms (CFM) and strengthened its outreach through the toll-free hotline and help desks. In 2024, the country office recorded 46,009 feedback cases, a notable increase of 105 percent from 22,440 in 2023.

Observation 9: Duty segregation and monitoring coverage

Monitoring independence and segregation of duties

119. The corporate Minimum Monitoring Requirements identifies segregation of duties between monitoring activities and programme implementation as a standard. At country office level, as of May 2025, the organisational alignment had yet to be fully implemented, with either monitoring officers and focal points still reporting to programme officers or monitoring positions being vacant and temporarily filled by programme officers or FMAs.

120. The country office assessed that in 2024, 32 percent of monitoring focal points spent up to 50 percent of their time on other tasks, such as programme support. Interviews with staff from sub-offices corroborated this issue and indicated that weak segregation of duties led, in some instances, to challenges in raising monitoring findings and ensuring consistent monitoring quality.

²⁵ The previous internal audit was subject to a scope limitation as the Tigray region was excluded.



121. While the country office provided overall quality review and support for monitoring activities, it had yet to identify and implement compensating controls for sub-offices with segregation of duty issues, increasing the risk of impaired monitoring quality and reliability.

Monitoring coverage

122. In 2024, around 72 percent of total active sites were for nutrition programmes, 14 percent were for school meals, and 9 percent were general food distribution points; a small residual number was for resilience. In the fourth quarter 2024, coverage for nutrition sites was 58 percent and for school meals, 56 percent. Many nutrition and school meals sites were either in the southern or in the Amhara region, where coverage was generally below 50 percent. These regions also recorded fewer community feedback cases in 2024 as highlighted in [observation 10](#).

123. According to the country office, under-coverage of nutrition and school meal sites was primarily due to the prioritisation of general food distribution monitoring, as this was the EAP focus. Additionally, the expansion of nutrition sites in 2024, especially in the southern region, did not align with available monitoring capacity in the area. Coverage for unconditional resource transfers, nutrition and activity site monitoring in the Amhara region was also limited due to security challenges and access constraints resulting from the conflict. The Office of Internal Audit had already highlighted issues with monitoring capacity and coverage for nutrition activities in the previous internal audit report. These challenges persist.

Underlying causes:

<i>Process and planning</i>	Insufficient planning
<i>Oversight and performance</i>	Oversight plans not risk informed
<i>Resources - People</i>	Inadequate succession and workforce planning (cause addressed through organizational alignment and optimization exercise)
<i>External factors - beyond the control of WFP</i>	Conflict, security & access

Agreed Actions [Medium priority]

1. The country office will implement compensatory controls for monitoring activities in the sub-offices with gaps in segregation of duties and monitoring independence.
2. The country office will establish, considering the results of the right-sizing exercise, a plan to improve coverage of nutrition and school meals activities and reassess the plan and achievements following the completion of the 2025 cycle.

Timeline for implementation

1. 31 March 2026
2. 30 September 2026



Observation 10: Equitable access to the community feedback mechanisms

124. WFP requires CFMs to align with six assurance standards, the first is “reach and accessibility”. This standard requires CFM channels to be available to all members of affected communities across all activities and offices.²⁶

125. Five sub-offices located in the Oromia, Amhara, and Southern regions²⁷ accounted for approximately 60 percent of the total active sites in the country, primarily for nutrition and school meal. These sites represented 2 percent of total feedback cases received in 2024. Some of these offices also recorded low monitoring coverage, further increasing risks of gaps in detection controls for these activities.

126. As of May 2025, the country office was analysing ways to address existing gaps. This included engaging local authorities for sensitisation or leveraging their feedback channels, as well as utilising monitoring staff to capture feedback. The office continues to face challenges in fully implementing community feedback mechanisms in areas with a high number of nutrition sites, primarily due to remoteness and limited telephone network coverage. Corporate guidance does not specify which CFMs channels are the best fit for nutrition and resilience activities and only advises to consider different options depending on context.

Underlying causes:

<i>Policies and procedures</i>	Absence of corporate policies/guidelines
<i>External factors - beyond the control of WFP</i>	Conflict, security and access

Agreed Action [Medium priority]

The country office will assess activities and areas with limited feedback and, in consultation with global headquarters, determine the most appropriate mitigations for remote activity sites with limited telephone network coverage and physical access constraints.

Timeline for implementation

30 September 2026

Security and access

127. Corporate system reported a high number of security incidents. Access challenges, as highlighted in previous observations, remain one of the main underlying causes of audit issues. The country office, in coordination with relevant actors, continues to mitigate security and access challenges through implementation of corporate and locally developed controls, and was strengthening its conflict sensitivity analysis.

128. The Office of Internal Audit identified corporate issues relevant also to the Ethiopia context in the thematic audit of security²⁸ and access²⁹ issued in December 2024.

²⁶ Executive Director’s Circular “Minimum Monitoring Requirement (MMR) and Community Feedback Mechanism (CFM) standards In WFP country Office (OED2024/006)”.

²⁷ Southern region: Hawassa office, Oromia region: Dire Dawa and Adama offices, Amhara region: Bahidar and Dissie offices.

²⁸ [Internal Audit of Security in Field Offices](#). AR/24/19. December 2024.

²⁹ [Internal Audit of WFP Humanitarian Access Management](#). AR/24/21. December 2024.



Annex A – Agreed action plan

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

The agreed action plan is primarily at the office level.

#	Observation (number / title)	Area	Owner	Priority	Timeline for implementation
1	Aid diversion and food sales	Risk management and oversight	Risk Management Division	High	1. 31 March 2026
2	Incident management	Risk management and oversight	Country Office	Medium	1. 31 March 2026
3	Data for needs analysis	Programme	Country Office	High	1. 30 September 2026
4	Biometrics for identity management	Programme	Country Office	Medium	1. 31 March 2026 2. 31 December 2025 3. 30 June 2026
5	Capacity assessment and evaluation of partners	Non-governmental organization management	Country Office	High	1. 30 September 2026 2. 30 September 2026
6	Commodity management	Supply chain management	Country Office	Medium	1. 30 September 2026 2. 30 September 2026 3. 31 March 2026
7	Budget and monitoring of food transfer costs	Supply chain management	Country Office	High	1. 30 June 2026 2. 30 June 2026 3. 31 December 2026
8	Use of cash for delivery of assistance	Cash-based transfers	Country Office	Medium	1. 30 September 2026 2. 31 March 2026 3. 30 June 2026
9	Duty segregation and monitoring coverage	Monitoring and community feedback mechanisms	Country Office	Medium	1. 31 March 2026 2. 30 September 2026
10	Equitable access to the community feedback mechanisms	Monitoring and community feedback mechanisms	Country Office	Medium	1. 30 September 2026



Annex B – Acronyms used in the report

AFAC	Anti-Fraud and Anti-Corruption
BBD	Best before date
BHA	Bureau for Humanitarian Assistance
CBT	Cash based transfers
CFM	Community feedback mechanism
CP	Cooperating Partner
DAT	Data Assurance Team
EAP	Ethiopia Assurance Project
EDRMC	Ethiopian Disaster Risk Management Commission
FLA	Field-level agreement
FMA	Field Monitoring Assistant
FSP	Financial Service Provider
FTC	Food Transfer Cost
GAP	Global Assurance Project
GCMF	Global commodity management facility
GHO	Global Humanitarian Overview
HEA	Household Economic Analysis
JEOP	Joint Emergency Operation Program
LESS	Logistics execution support system
mt	Metric tonne
M&E	Monitoring and Evaluation
MODA	Mobile Operational Data Acquisition
MVP	Minimal Viable Product
NGO	Non-governmental organization
OIGI	Office of Inspections and Investigations, Office of the Inspector General
PIT	Payment Instrument Tracker
RAM	Research Assessment and Monitoring
RBN	Regional Bureau for Eastern Africa
SCOPE	WFP beneficiary information and transfer management platform
SOP	Standard Operating Procedure
SugarCRM	Corporate customer relationship management tool
TPM	Third Party Monitoring
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
USD	United States dollar
VBT	Vulnerability-based targeting
WFP	World Food Programme



Annex C – List of tables and figures

Table 1: Direct operational costs and beneficiaries assisted in 2024..... 6

Table 2: Upstream programme process and stakeholders 9

Table 3: Downstream programme process and stakeholders 10

Figure 1: Areas in audit scope..... 7



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 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, 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.³⁰

³⁰ An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.



3 Monitoring the implementation of agreed actions

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

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

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