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Internal Audit of WFP Operations in Ecuador

Office of the Inspector General
Internal Audit Report AR/25/16



December 2025

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I. Executive summary

WFP in Ecuador

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Ecuador. The audit focused on governance, risk management and oversight, assessment and beneficiary targeting, identity management, community feedback mechanisms, management of cooperating partners and monitoring activities. It also included tailored reviews of strategic planning and performance, procurement including food safety and quality, cash-based transfers, and external relations, partnerships and advocacy.
2. The audit covered the period from 1 January 2024 to 30 June 2025. During this period, WFP's direct operational expenses amounted to USD 27.2 million, reaching approximately 245,000 beneficiaries.

Audit conclusions and key results

3. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **some improvement needed**. The assessed governance arrangements, risk management, and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated
4. There were several commendable practices observed in WFP's operations in Ecuador, reflecting effective engagement with partners and communities. All mandatory risk management reporting were completed, and a fraud risk assessment was conducted in August 2025. Nutrition aspects were effectively integrated into assistance modalities with WFP designing the menu for shelters and canteens (Activity 1) and for schools (Activity 3), ensuring that beneficiary needs were addressed holistically.
5. Despite a challenging context marked by funding constraints and a shifting security landscape, WFP strengthened its anchorage in the country through the diversification of its programme portfolio and the development of its home-grown school feeding programme, successfully attracting new and private donors. Stakeholders interviewed during the audit fieldwork confirmed WFP's added value and consistent engagement, recognizing the country office team as a reliable and committed partner. The diversification of the funding base — with increased government contributions and reduced reliance on some traditional donors — further reinforced the sustainability of operations.
6. WFP played a leading role in the development of the Integrated Food Security Phase Classification (IPC) Acute Food Insecurity analysis in Ecuador, being the first conducted in South America and covering the period from June 2024 to March 2025.¹

¹ Ecuador: Acute Food Insecurity Situation <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1158467/?iso3=ECU>

Actions agreed

7. The audit report contains two observations with high-priority actions that require urgent management attention.
8. **Observation 2: Beneficiary identity management.** The country office needs to improve its beneficiary management process, especially beneficiary registration, and define better the roles of the cooperating partners involved in the process. The country office did not perform process monitoring on Activity 1 and detecting that the same cooperating partners managed the entire process from identifying beneficiaries to distributing assistance, hence without sufficient segregation of duty. The country office needs to properly define the eligible cumulative assistance to the same beneficiaries by month. Although most beneficiary registrations were conducted during regular working hours, instances of irregular and atypical registration activities occurred outside these periods without being detected. Further, some individuals registered and received assistance multiple times using different names or identification documents.
9. **Observation 6: Monitoring of programme activities.** Monitoring needs to be strengthened through segregating field monitors' involvement in either implementation or monitoring, but not both, which undermines objectivity. Monitoring plans need better structure and minimum monitoring requirements should be fully achieved. Monitoring should be more effective through a system to aggregate monitoring findings and ensure timely follow-up and remediation.
10. The audit also identified four observations with medium-priority actions in governance, risk management and oversight, cash-based transfers, management of cooperating partners, and community and feedback mechanism.
11. Management has agreed to address the six reported observations and implement the agreed actions by their respective due dates.

Thank you!

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

II. Country context and audit approach

Ecuador

13. Ecuador, located in the northwest of South America, has a population of approximately 17.9 million population and ranks 88th among 193 countries in the 2025 Human Development Index.² Despite its upper-middle-income status, the country faces challenges in food security, nutrition and resilience amid economic stagnation, escalating violence and environmental degradation.³

14. As of December 2024, poverty affected 28.8 percent of Ecuador's population. The country faces a complex migration situation marked by a continuous influx of migrants and rising emigration due to deteriorating security conditions. Ecuador also faces environmental challenges that could affect food systems and aggravate malnutrition and poverty.⁴

WFP operations in Ecuador

15. WFP's operations in Ecuador are guided by the Country Strategic Plan (CSP) covering the period from January 2023 to December 2027. Following a budget revision, the plan's budget reached USD 165 million for the entire period. The country's strategic plan is structured around four strategic outcomes that focus on crisis response, social protection, and resilience building. Table 1 below provides key figures for WFP Ecuador.

Table 1 – Ecuador key figures

2023-2027 CSP cumulative figures in millions (m)				
Needs-based budget: USD 165.3 m		Spend as of September 2025: USD 68.2 m (41%)		
2024 cumulative figures in millions (m)				
Needs-based budget: USD 40.4 m	Expenditures: USD 22.6 m (56%)	 Beneficiaries 244,622		
Key expenditures in the audit period Jan 2024 – June 2025 in millions (m)				
Food transfer cost USD 600,000 2%	Cash-based transfer cost USD 21.2 m 78%	Country capacity strengthening USD 3.8 m 14%	Service delivery USD 25,645 0.1%	Implementation cost USD 1.5 m 5.5%

16. In 2024, under Strategic Outcome 1, WFP supported crisis-affected populations, particularly migrants and host communities, in accessing nutritious food while strengthening national and local capacities for social protection and shock-responsive systems to better prepare for and respond to emergencies. Cash-based transfers (CBT) were central to WFP's approach, providing value vouchers and food kits to migrant communities in transit and value vouchers to those settling in Ecuador.

² [Human Development Report 2025](#)

³ [WFP Ecuador 2024 Annual Country Report](#)

⁴ [WFP Ecuador Country Brief August 2025](#)

Additionally, WFP supported reception centres, including shelters and canteens enabling them to serve nutritious hot meals to migrants and host community members through commodity vouchers.

17. Through Strategic Outcome 2, WFP Ecuador expanded the Homegrown School Feeding Programme (HGSF), launched in 2023, using commodity vouchers to deliver fresh, nutritious meals to children in rural, urban, and peri-urban schools while also supporting smallholder farmers. The HGSF operated through two models: the Decentralized Autonomous Governments model co-funded with local Governments and implemented in smaller schools, and the Ministry of Education model fully funded by the Ministry and implemented in larger schools.

18. Under Strategic Outcome 3, WFP Ecuador supported the development of more sustainable, inclusive, and nutritious food systems while enhancing resilience to climate change.

19. Under Strategic Outcome 4, Government institutions and multilateral partners in Ecuador benefited throughout the year from products and services that enhanced their operational efficiency, transparency, and effectiveness.

WFP's organizational redesign and funding context

20. 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.

21. 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.

22. 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.

23. 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.

24. 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, scope and methodology of the audit

25. The audit's objective is to provide independent and objective assurance on the effectiveness of governance, risk management, and internal control processes supporting WFP operations in Ecuador. This audit contributes to the broader objective of issuing an annual overall assurance statement to the Executive Director regarding the adequacy and effectiveness of governance, risk management, and internal control systems across WFP.

26. The audit focused on Activity 1 under Strategic Outcome 1 and Activity 3 under Strategic Outcome 2 of the CSP. The activities reviewed represent 85 percent of the total direct operational costs and 99.7 percent of the beneficiaries reached in 2024.⁵ Table 2 below summarizes the direct operational costs and beneficiaries assisted in 2024 under these activities.

Table 2 – Direct operational costs and beneficiaries assisted in 2024

Activity	Direct Operational Costs (USD millions)	Percentage of total	Beneficiaries	Percentage of total
Activity 1: Through gender and protection lenses, deliver food assistance with equitable access and control, and facilitate access to services for people in human mobility, host communities and other vulnerable Ecuadorian people affected by disasters, emergencies and prolonged crises.	13.8	77%	217,607	89%
Activity 3: Strengthen institutional capacities and provide an adequate and comprehensive package of gender- and protection-sensitive interventions for girls, boys, adolescents and vulnerable people throughout the life cycle, with an emphasis on the first 1,000 day.	1.5	8%	26,152	10.7%
Sub-total: activities in the audit's scope	15.3	85%	243,759	99.7%
Other activities not in the audit's scope	2.6	15%	863	0.3%
Total country strategic plan in 2024	17.9	100%	244,622	100%

27. In defining the audit scope, the Office of Internal Audit considered coverage the Latin America and the Caribbean Regional Office (LACRO) operations (previously the Latin America and the Caribbean Regional Bureau), such as the cross-functional oversight and support mission in June 2024 covering governance, human resources, programme, supply chain, information and communications technology and finance.

28. Figure 1 below shows the areas in the scope, as identified in the audit engagement plan.

⁵ [WFP Ecuador 2024 Annual Country Report](#) and information provided by the country office.

Figure 1 – Process areas in the audit scope*Full audit coverage:**Partial audit coverage:*

29. The audit mission took place from 22 September to 3 October 2025 at the country office in Quito and included visits to the distribution and school feeding sites in Manta and Quito.

30. The audit used a comprehensive methodology that included: interviews with key WFP personnel and external stakeholders, reviewing relevant documentation, requesting walkthroughs, mapping key processes, performing data analysis, field visits, testing transactions, root cause analysis, and verifying compliance with applicable policies and procedures.

31. The audit assessed the Ecuador country office's operations using criteria drawn from WFP's internal strategies, policies, procedures, and risk management frameworks; relevant international standards; agreements and donor requirements; national laws and regulations; and recognized best practices in humanitarian operations and programme delivery, ensuring that governance, risk management, and control processes were aligned with WFP's strategic objectives and upheld accountability, transparency, and value for money.

32. The audit was conducted in accordance with the *Global Internal Audit Standards (GIAS)* issued by the Institute of Internal Auditors.

33. The draft report was issued on 30 October 2025 and a final written response from management was received on 14 November 2025.

III. Results of the audit

Audit work and conclusions

34. The audit resulted in six observations relating to governance, risk management and oversight, targeting and identity management, cash-based transfers, management of cooperating partners, community feedback mechanisms, and monitoring. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Governance, risk management, and oversight

35. With an evolving portfolio of activities and delivery modalities and a change in the country's context and funding forecast, the country office analyzed its operational model, level of resources required, and staffing needs to accompany these structural changes. Yet the action plan of the last organizational realignment exercise conducted in 2024 was not fully implemented at the time of the audit fieldwork.

36. The finance officer served as the main focal point for risk management practices until October 2025 when the manager of Activity 1 was appointed as the new risk focal point. As per corporate standards, the role includes regular updates of the risk register and internal control assurance statements.

37. The audit performed tests and reviews of country office management processes to identify and analyse risks and implement mitigating actions to achieve operational objectives. It also examined the adequacy of management oversight, including segregation of duties and oversight missions.

Observation 1. Governance, risk management, and oversight

Country office staffing and structure

38. The allocation of roles and responsibilities across units for key processes such as management of cooperating partners, risk management, research, assessment, and programme monitoring was unclear. Reporting and organizational lines were unstructured, especially regarding communication from the field office to the country office. One coordinator was responsible for coordinating multiple field offices managing 17 field monitors.⁶ Field monitors were also engaged in programme implementation, which may compromise the objectivity and effectiveness of monitoring activities (refer to [Observation 6](#)). This centralization led to conflicting responsibilities, increased workload, and the de-prioritization of key functions.

Risk management and operational oversight

39. The country office lacked systematic risk management practices, including the maintenance of a comprehensive and dynamic risk register reflecting the risks identified by the activity manager, by risk management oversight missions to field offices, and continuous oversight of WFP support and programmatic activities.

40. The country office risk register showed three risks rated as high, four as moderate and one as low. The risk register focused on external risks and did not consider critical internal risks, nor did it outline mitigation actions for key areas of concern, such as cooperating partners, monitoring, identity management, or cash-based transfers. Five separate risk registers were created specifically for Strategic Objective 1. Yet, those were not feeding the country office's consolidated risk register.

⁶ The country office indicated that this approach was taken to prevent programmatic fragmentation and higher costs.

The oversight mission 2024 also recommended the country office to enhance its risk management by expanding risk assessments to cover all CSP objectives.

41. Due to limited capacity, the risk management function was split between several staff and focused on the delivery of mandatory documents (risk register, Executive Director assurance exercise) and did not ensure consistent application of risk management practices. The 2024 management oversight mission recommended that the country office define the responsibilities of the designated risk focal point. At the time of audit fieldwork, the terms of reference for the risk focal point were yet to be finalized. In addition, there was a lack of structured documentation supporting management discussions on risks linked to operational decisions and on the associated mitigations.

42. Despite the onboarding package and materials shared by the regional office and available training on WeLearn,⁷ the designated risk focal point in place until October 2025 reported a need for training and support and shared its observation of a limited risk culture across the office.

43. These gaps should be incrementally addressed by the country office as it prepares to adopt WFP's Global Assurance Framework while the corporate guidelines are still being finalized by global headquarters.⁸

Underlying causes:

<i>Process and planning:</i>	Unclear roles and responsibilities Inadequate risk management Insufficient coordination - internal or external
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Agreed Actions [Medium priority]

- 1) The country office will review responsibilities including the incorporation of risk management tasks, reporting and organizational lines, and ensure segregation of duties — especially monitoring — to clarify roles across key functions and between country office and field office.
- 2) The country office will:
 - (i) Establish a process to consolidate high and medium risks identified at the strategic outcome level into the country office risk register, including mitigation measures, and establish continuous management oversight processes to support critical programme and activities.
 - (ii) Establish standard minimum required documentation to ensure risk owners participate in recurring management and operational discussion.
 - (iii) Prepare the terms of reference of the risk focal point.
 - (iv) Strengthen risk management awareness and knowledge across the country office.

Timeline for implementation

- 1) 31 May 2026
- 2) 31 May 2026

⁷ WFP learning platform

⁸ Executive Director's Circular on the WFP Global Assurance Framework (OED2024/004)

Programme design and implementation

44. For school feeding activities, the country office used commodity vouchers. A commodity voucher is the form of assistance provided to individuals, households, or communities delivering a set of predefined food and non-food items – including meals – in fixed quantities, using local supply chains. WFP Ecuador manages this assistance through transfer agents (supermarkets and wholesalers) and distribution partners (schools), which are responsible and accountable for the goods throughout the supply chain.

45. The forthcoming corporate commodity voucher guidance is expected to enable the country office to maintain its current setup in Ecuador. Upon approval of the new guidance, there is an opportunity for the country office to align with the new guidance by: (a) reviewing and formalizing agreements with transfer agents and distribution partners; and (b) registering transfer values, delivery and distribution costs.

Targeting and identity management

46. The assistance under Activity 1 benefited 217,607 food-insecure migrants and Ecuadorians in 2024. Among the beneficiaries, 67 percent were migrants while 33 percent were from the host community. Immediate food assistance, including value vouchers and food kits, was provided to 108,110 in-transit migrants and hot meals to 109,497 migrants and host community members in shelters and canteens. This tailored support targeted the specific needs of individuals, including migrant women, pregnant and breastfeeding women, children under 2 years old, and single-parent families.

47. WFP used a value voucher distribution system that allowed beneficiaries to redeem their entitlements at a national supermarket chain. Two cooperating partners supported WFP in providing food assistance.

48. The country office applied contextual analyses, such as tracking enrolment variations, and cross verification of data from multiple sources to identify irregularities in both hot meals and value voucher programmes. This detective control enabled WFP Ecuador to implement corrective measures, including suspending enrolments, conducting on-site verifications of beneficiaries, reporting to the Office of Inspections and Investigations (OIGI), and providing training to cooperating partner staff.

49. The audit reviewed key controls related to needs assessment, targeting, registration and identity management. The observations below are related to Activity 1, as the operational locations, selection and verification of schools were primarily driven by Government and donor requirements for Activity 3.

Observation 2. Beneficiary identity management

Rules regarding different assistance types given to the same beneficiaries

50. WFP Ecuador provided distinct types of assistance to the same beneficiaries within a single month, including value vouchers for migrants settling in Ecuador for different types of household compositions,⁹ value vouchers for in-transit migrants, and commodity vouchers for hot meals.

⁹ For instance, a household receiving assistance for a family with children up to 5 years old and at the same month receiving another assistance for a household with a pregnant woman.

51. The country office staff had varying interpretations of the rules on cumulative assistance, resulting in inconsistent distribution practices. The audit identified as ineligible (at least) 20 cases (or 0.001 percent of total beneficiary registrations).

Duplicated beneficiaries

52. The audit identified duplication and inconsistencies in beneficiary registration and assistance distribution. All beneficiaries were registered into SCOPE¹⁰ with a unique identifier number to support the deduplication process. Audit analyses found cases where beneficiaries could register with different identification documents and/or different names, indicating gaps in beneficiary registration and verification processes. At least 301 instances (0.3 percent of total beneficiary registrations) were identified where beneficiaries were registered under different personal or household identification numbers, resulting in multiple assistance being received by the same individual across 2024 and 2025.¹¹

Segregation of duties and oversight over cooperating partners

53. During the audit period, the same cooperating partners carried out simultaneously the end-to-end process of targeting, data collection, registration, verification and distribution; this is not in line with corporate guidance.¹² The level of reliance on cooperating partners remained high, due to the absence of process monitoring for Activity 1 and to WFP access limitations.

54. Out of 189,457 beneficiaries registered during the period audited, 161,509 (85 percent) registrations occurred between 7am and 6pm during weekdays (working hours) and did not raise any concern. The remaining 15 percent showed some anomalies. The country office indicated that connectivity issues delayed data upload and synchronization in the system.

- 14,598 (8 percent) registrations occurred over the weekend;
- 13,350 (7 percent) registrations occurred beyond working hours during weekday;
- One cooperating partner employee registered 1,264 beneficiaries, of which 35 percent (517) during working hours and 65 percent (747) outside.

Underlying causes:

<i>Policies and procedures:</i>	Absence or inadequacy of local policies/guidelines
<i>Oversight and performance:</i>	Insufficient oversight over third parties

Agreed Actions [High priority]

- 1) The country office will define eligible cumulative assistance and disseminate that definition throughout functional units – number of beneficiaries served by type of assistance and the possibility of cumulative assistance.
- 2) The country office will review the standard operating procedures and implement a deduplication and verification process for registered beneficiaries. This includes reviewing roles and responsibilities assigned in SCOPE, analyzing SCOPE data to remove duplicates, reinforcing beneficiary verification prior to giving assistance, especially for the settling-in population, and reviewing and adjudicating the duplicates identified by the audit.

¹⁰ WFP's beneficiary information and transfer management platform.

¹¹ Minimum number of anomalies found by the audit team's data analysis.

¹² Executive Director's Circular on the WFP Global Assurance Framework (OED2024/004), Cashbook [CashBook | WFPgo](#) and the cash assurance framework [Cash Assurance Framework | WFPgo](#).

3) The country office will develop a risk assessment describing the current set-up, including the limited segregation of duties among cooperating partners in registration, verification, distribution, and reporting; put in place remedial measures, then assess the residual risks associated with these arrangements; and escalate as appropriate to Global Headquarters.

Timeline for implementation

- 1) 31 December 2026
- 2) 30 May 2026
- 3) 30 May 2026

Community feedback mechanisms

55. For its community feedback mechanisms (CFM), the country office implemented a dedicated phone line and email. It received 6,414 calls and messages from beneficiaries in 2024. WFP Ecuador uses the corporate SugarCRM platform for data collection and reporting. The country office also developed a collaborative tool supporting exchange of CFM cases with the two cooperating partners involved in Activity 1.

56. The audit reviewed the community feedback mechanisms including aspects relating to accessibility, data collection, case handling, and reporting.

Observation 3. Community feedback mechanisms

Partial implementation of the community feedback mechanisms

57. In the three schools visited by the audit team, information about the CFM hotline was either missing or hard to locate, limiting access for beneficiaries and their ability to report. Similar issues were noted during monitoring visits to schools. CFM communication channels in the supermarkets were also unclear. The country office indicated that an alternative information dissemination approach was taken by strengthening cooperating partners' spaces using informational materials and workshops.

Case management

58. The audit identified improper use of priority levels assigned to each case in SugarCRM, where cases did not retain their originally assigned priority level. For example, an alleged fraud case reported would initially be classified as high priority and as the country office analysed the complaint, its priority level would be gradually reduced, ultimately being marked as low priority once the case was closed. Per the WFP Anti-Fraud and Anti-Corruption Policy, an alleged fraud case should be immediately reported to OIGI. The case management process defines three priority levels (low, medium, high) to ensure cases are handled in a timely manner. This misuse affected resolution tracking, workload visibility, and timely escalation.

59. Case escalation and follow-up were managed outside the platform, reducing traceability. Due to the improper use of priority levels, it was not possible to assess the closing time of cases versus their priority level. Out of a database of more than 11,800 cases for 2024 and 2025, only four remained open at the end of the audit fieldwork.

60. The country office developed seven standard operating procedures related to CFM and case management, which further complicated their consistent implementation and fragmented key information and guidance.

61. Overall, the compounding effect of these issues limited process effectiveness.

Reporting

62. A dashboard on CFM cases, prepared by the country office, lacked visibility on key metrics, such as delayed case resolution, case distribution by priority, and time-to-closure analysis based on priority levels. This limited effective monitoring and decision-making.

63. The annual CFM report could be improved by including key performance indicators, such as the number of open and closed cases, cases under review during the month, and process lead times.

Underlying causes:

<i>Policies and procedures:</i>	Absence or inadequacy of local policies and guidelines
<i>Tools, systems and digitization:</i>	Inappropriate implementation or integration of tools and systems
<i>Unintentional human error</i>	

Agreed Actions [Medium priority]

- 1) The country office will strengthen the knowledge of beneficiaries regarding their rights and the various community feedback mechanism channels.
- 2) The country office will review, rationalize and consolidate the community and feedback mechanism standard operating procedures:
 - (i) With the current guidelines including a quality control review of the community feedback mechanism cases, clear definitions, and guidelines to classify the cases including priority levels,
 - (ii) Defining a process to periodically review issues categorization, escalation/ referral, and data quality in the feedback reporting system and provide training to staff and external parties in charge of feedback intake and data input.
- 3) The country office will review and update the community feedback mechanism dashboard to include: number of aging case management actions, case breakdown by priority level and analysis of case closure time based on type of issue and priority.

Timeline for implementation

- 1) 31 May 2026
- 2) 31 May 2026
- 3) 31 May 2026

Cooperating partner management

64. During the audited period, the country office engaged 51 cooperating partners with various risk profiles and operational arrangements. This included three international non-governmental organizations supporting cash and food distribution activities, 29 local partners involved in delivering hot meals and 19 Government counterparts involved in school feeding programme activities.

65. The audit assessed governance structures and key controls over risks in the management of cooperating partners including partner capacity assessments, selection process, role of cooperating partner committee, conformity with field-level agreements, capacity building, performance evaluation, spot checks, and partner reporting.

Observation 4. Management of cooperating partners

Roles and responsibilities in managing cooperating partners

66. The country office did not have a dedicated cooperating partner management unit due to resource constraints. Instead, key responsibilities for managing cooperating partners were distributed across several units. For instance, the staff responsible for CBT coordinated key processes for partners involved in the assistance of human mobility; the partnership unit managed Government cooperating partners; the nutrition unit oversaw cooperating partners involved in hot meal program; and the research, assessment and monitoring unit was responsible for conducting partners' performance evaluation (refer to [Observation 1](#)).

67. In 2023, the country office developed standard operating procedures to guide the management and administration of cooperating partners. In September 2025, the office issued a memo aiming to improve coordination by clarifying the roles and responsibilities of personnel involved in conducting spot-checks. Collectively, these tools need to be expanded to comprehensively define the roles and responsibilities of all units involved or clearly distinguish the processes applicable to each type of partners.

Assessment of cooperating partners and endorsement of the cooperating partner committee

68. A partner capacity assessment is a critical risk management tool used to identify potential risks, as well as highlight areas requiring improvement. While the country office conducted capacity assessments of non-governmental organizations, the scores assigned were not accompanied by qualitative comments or justifications, especially in cases where scores were lower.

69. The country office established a cooperating partner committee. The endorsement of its decisions and key agreements was not signed by all members as required by corporate guidelines, thereby curtailing accountability, and ultimately its effectiveness.

Performance assessment

70. The country office did not effectively plan or implement performance assessments of cooperating partners. The roles and responsibilities for conducting these were not clearly assigned, resulting in inconsistencies across the process, such as unclear field-level agreement period under assessment and completion time of the assessment, and missing justifications supporting scores.

71. The country office outsourced the collection of two¹³ cooperating partners' feedback on WFP's performance to an external company, despite the availability of a corporate template supporting direct feedback collection at no cost. Further, the country office did not establish a formal process to follow up on recommendations provided to cooperating partners or received from them.

Oversight of cooperating partner activities

72. The country office started planning its spot-checks using a risk-based approach from September 2025, with the establishment of a risk-based spot-check plan and spot-check standard operating procedures.

73. During the audited period, spot-checks were initiated reactively, triggered by inconsistencies observed during the invoicing process. Further, a review of sampled spot-check reports revealed shortcomings limiting their use, including unclear description of issues identified, recommendations

¹³ The country office gathered feedback from the two international partners delivering value vouchers under Activity 1. This did not apply to partners in hot meals activities nor to Government entities under the school meals programme.

without priority levels, and the absence of a structured follow-up process to address identified issues or implement corrective actions.

Underlying causes:

<i>Process and planning:</i>	Inadequate process or programme design Unclear roles and responsibilities
<i>Oversight and performance:</i>	Insufficient oversight from global headquarters / local management

Agreed Actions [Medium priority]

- 1) The country office will:
 - (i) Revise the cooperating partner management guidance and standard operating procedures to clarify the processes for different types of cooperating partners and clearly outline the key roles and responsibilities of personnel involved, while looking into the opportunity to consolidate the various field level agreements focal points into a central unit.
 - (ii) Enhance the completion and documentation of capacity assessments by providing justification of assigned scores, and preparing tailored capacity strengthening plans when identifying weak areas,
 - (iii) Require all cooperating partner committee members to sign off on the cooperating partner committee note-for-the-record after recommendations are completed.
- 2) The country office will establish a streamlined process for planning and conducting performance assessments of cooperating partners; and will assess the cost-effectiveness of outsourcing the process of obtaining feedback on WFP's performance by cooperating partners.
- 3) The country office will complete spot-checks reports clearly stating issues identified, defining clear and actionable recommendations and following-up on their implementation.

Timeline for implementation

- 1) 31 May 2026
- 2) 31 May 2026
- 3) 31 May 2026

Procurement

74. During the audited period, the country office procured USD 25 million in goods and services. Of this amount, USD 17.8 million were related to CBT, and USD 3.2 million were used to purchase food from retailers, smallholder organizations, and supermarkets. The audit conducted a limited review of procurement controls for school feeding vendors, including solicitation, evaluation, and awarding processes, as well as oversight of food safety and quality standards.

Evaluation criteria

75. The procurement manual requires that all evaluation criteria should be objective, unambiguous, reliable, fair, and balanced, and that both the criteria and evaluation methodology be clearly stated in solicitation documents. The country office applied a pass/fail evaluation approach without clearly defining the specific requirements for passing, for example, acceptable smallholder sourcing percentages or time for delivery. In September 2025, with the support from

Global Headquarters, the country office took corrective measures by revising the terms of reference used in its vendor solicitation process and addressing identified gaps.

76. There were no reportable audit observations related to procurement.

Cash-based transfers

77. In 2024, the country office distributed approximately USD 11 million in cash-based transfers, of which USD 8.5 million supported emergency response, including one-time value vouchers of USD 15 for in-transit migrants and monthly vouchers of USD 35 per person for three months for migrants settling in Ecuador. Additionally, the country office provided USD 1.4 million in hot meals through commodity vouchers to migrants and host community members in shelters and canteens. As part of its school feeding programme, the country office distributed USD 640,000 in commodity vouchers.

78. The country office established a CBT Working Group and developed standard operating procedures to guide the delivery of assistance to beneficiaries. It consistently applied programmatic reconciliation at the beneficiary level for value vouchers through an automated process.

79. In contrast, for commodity vouchers, particularly under the school feeding programme, reconciliation focused primarily on expenses related to food ordered and delivered to schools, offering limited assurance that beneficiaries received their entitlements. This issue, highlighted in both the School Meals Management thematic internal audit 2024¹⁴ and 2023 external audit reports,¹⁵ is being addressed by the school meals and social protection service at the time of finalizing this report.

80. The audit assessed key controls in CBT processes including governance, set-up, delivery, and reconciliation across various transfer modalities.

Observation 5. Controls over cash-based transfers

Anomaly follow-up and resolution

81. At the end of distribution cycle, the country office prepared monthly note-for-the-record highlighting anomalies detected during the reconciliation process. The issues identified were recurring, indicating persisting weaknesses, and the underlying causes were not adequately addressed.

82. Corrective actions proposed by the country office to address these inconsistencies were often broadly defined, such as "strengthen internal controls," without detailing specific actions to be implemented or assigning responsible personnel. The country office indicated that these inconsistencies may result from: unregistered cards leading to cancellation/suspension (system limits to first card), post-beneficiary list interventions as standard correction, lost or demagnetized cards (managed through cooperating partner processes, family member inclusions/exclusions (cooperating partner responsibility).

¹⁴ Internal Audit of School Meals Management in WFP. 2024. AR/24/11.

¹⁵ External Audit Report of the World Food Programme. 2023.

Payment instruments reconciliation

83. The country office established a dashboard, updated monthly, to track payment instruments by consolidating data from finance, programme teams, and SCOPE, facilitating internal data integration. At the same time, there was no triangulation with the records maintained and reports submitted by cooperating partners.

84. The absence of cross-verification limited the country office's ability to detect and follow up on discrepancies between internal records and cooperating partner's reported data.¹⁶

Underlying causes:

<i>Process and planning:</i>	Rules and processes, including for decision making, not established or unclear
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Agreed Actions [Medium priority]

- 1) The country office will analyze recurrent anomalies identified during monthly reconciliations to determine root causes, define specific and measurable corrective actions with assigned responsibilities for their implementation.
- 2) The country office will establish a process to systematically reconcile internal monthly payment instruments tracking data with cooperating partner's records to identify and resolve discrepancies.

Timeline for implementation

- 1) 31 May 2026
- 2) 31 May 2026

Monitoring

85. The country office revised its monitoring strategy for the country strategic plan 2023–2027 and developed various dashboards to support the tracking of its monitoring activities and help in selecting post-distribution sample of beneficiaries.

86. The monitoring and evaluation team is composed of four people based in Quito, the country office, and 17 field monitors across 12 field offices.

87. The audit reviewed the country office's monitoring processes, including planning, activity coverage, tools used, data quality, reporting, and the escalation process.

Observation 6. Monitoring of programme activities

Incompatible roles and responsibilities

88. Field monitors performed both programme implementation and monitoring functions, compromising the independence of monitoring activities and potentially affecting the reliability of collected data. Additionally, unclear reporting lines limited the escalation of issues from field offices to the country office (refer to [Observation 1](#)).

¹⁶ The interim Guidance on Payment Instrument Management and Tracking requires the that the cooperating partner share the distribution report with WFP (programme and finance unit) clearly showing distributed/non-distributed payment instruments.

Monitoring plan

89. The monitoring unit developed a monitoring plan defining the objectives of the monitoring activities but could be further strengthened if clear monitoring checks and validation activities for each distribution site or activity implemented were presented. Field office monitoring plans and activities lacked structure and consistency due to the absence of a standardized approach. In addition, the reasons for not conducting monitoring visits/ activities in certain sites were not systematically documented.

90. The country office developed Minimum Monitoring Requirements (MMR) in line with corporate guidance and best practices. In 2024, the MMR for frequency and coverage were not fully achieved. While “live” dashboards were used to follow up monitoring activities, there was no clear tracking of sites visited and achievement across MMR components. In addition, a yearly report was presented to management, yet the report lacked relevant information to give constructive information on monitoring reviews, such as percentage of achievements/ coverage, as well as explanations in case of absence of visits or key trends.

Process monitoring

91. The country office did not carry out registration or distribution monitoring as required by corporate guidance for Activity 1, the main component of the country office portfolio.

Escalation, reporting, and follow-up mechanisms

92. The process for consolidating and escalating monitoring issues was undefined, resulting in an unstructured flow of information to the country office. There was no system in place to aggregate findings from monitoring, community feedback mechanisms, or other sources. Issues identified during monitoring visits were recorded at the field office level and were followed up by the field monitors and the field coordinator; they were not systematically reported to the country office monitoring unit, thereby creating a gap and limiting the unit’s visibility and impairing its ability to implement timely follow-up, remediation and mitigation actions.

93. The monitoring and programme teams at the field office and country office levels demonstrated a gap in communication (refer to [Observation 1](#)). While evidence of process and activity monitoring existed, the reporting remained largely operational with limited strategic analysis to identify emerging trends, systemic risks, or recurring implementation challenges, and addressing them as needed.

Underlying causes:

<i>Process and planning:</i>	Inadequate process or programme design Unclear roles and responsibilities
<i>Oversight and performance:</i>	Performance measures and outcomes are inadequately measured/established
<i>Unintentional human error</i>	

Agreed Actions [High priority]

- 1) The country office will update the monitoring standard operating procedures to ensure comprehensive definitions and alignment with the corporate guidance/minimum monitoring requirements, strengthen, and formalize the review and validation processes for monitoring plans in the field offices.

- 2) The country office will develop standardized documentation/reporting package and tools to ensure consistent data collection, percentage of monitoring coverage, issue escalation, and knowledge transfer for the field monitors, and produce (at least quarterly) analytical reports summarizing key trends, systemic risks, and progress on issue resolution, for presentation to country office management and programme.
- 3) The country office will implement distribution monitoring for activity 1.
- 4) The country office will develop a centralized tool or reporting mechanism to consolidate monitoring findings, assign actions and owners, and enable structured closure and reporting.

Timeline for implementation

- 1) 31 May 2026
- 2) 31 May 2026
- 3) 31 May 2026
- 4) 31 May 2026

External relations, partnerships and advocacy

94. The internal audit team performed a limited review of external relations, partnerships, and advocacy. Meetings were held with selected donors, third parties such as the United Nations Resident Coordinator to obtain information on the positioning and their collaboration with WFP in Ecuador. The testing focused on the review of two proposals prepared by the partnership unit.

95. There were no reportable audit findings in this area.

Annex A – Agreed actions plan

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

The agreed actions plan is primarily at the CO level, with support for corporate units to help address audit observations where necessary.

#	Observation	Process area	Owner	Priority	Due date for implementation
1	Governance, risk management, and oversight	Governance, risk management and oversight	Country Office	Medium	1) 31 May 2026 2) 31 May 2026
2	Beneficiary identity management	Targeting and Identity Management	Country Office	High	1) 31 December 2026 2) 30 May 2026 3) 30 May 2026
3	Community feedback mechanisms	Community feedback mechanism	Country Office	Medium	1) 31 May 2026 2) 31 May 2026 3) 31 May 2026
4	Management of cooperating partners	Cooperating partners management	Country Office	Medium	1) 31 May 2026 2) 31 May 2026 3) 31 May 2026
5	Controls over cash-based transfers	Cash-based transfers	Country Office	Medium	1) 31 May 2026 2) 31 May 2026
6	Monitoring of programme activities	Monitoring	Country Office	High	1) 31 May 2026 2) 31 May 2026 3) 31 May 2026 4) 31 May 2026

Annex B – List of tables and figures

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Annex C – Acronyms used in the report

CBT	Cash-Based Transfers
CFM	Community Feedback Mechanism
CSP	Country Strategic Plan
COMET	Country Office Tool for Managing Programme Operations Effectively
ED	Executive Director
HGSF	Home -Grown School Feeding
IPC	Integrated Food Security Phase Classification
LACRO	Latin America and the Caribbean Regional Office
MMR	Minimum Monitoring Requirements
MODA	Mobile Operational Data Acquisition
POCB	Purchase Orders for Cash Beneficiaries
PODA	Purchase Outline Distribution Agreement
SCOPE	WFP beneficiary information and transfer management platform
USD	United States Dollar
WFP	World Food Programme

Annex D – Agreed actions terminology

List of root causes

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 inadequate 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 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 & access
	Political – governmental situation
	Funding context and shortfalls
	Donor requirements
	UN or sector-wide reform
Unintentional human error	
Management override of controls	

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:

Priority	Definition
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 a broad impact.¹⁷

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 that 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.

¹⁷ 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.

Annex E – Audit rating system

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

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	<p>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.</p> <p>Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area.</p> <p>Management action is recommended to ensure that identified risks are adequately mitigated.</p>
Major improvement needed	<p>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.</p> <p>Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area.</p> <p>Prompt management action is required to ensure that identified risks are adequately mitigated.</p>
Ineffective / unsatisfactory	<p>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.</p> <p>Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.</p> <p>Urgent management action is required to ensure that the identified risks are adequately mitigated.</p>