

December 2025

### **Management Comments to the Internal Audit Report of WFP in Zambia (AR/25/18)**

WFP Management acknowledges the observations presented by the Office of the Inspector General (OIG) in its internal audit report on operations in Zambia for the period 1 January 2024 to 30 June 2025 and appreciates the constructive recommendations provided. Management reaffirms its full commitment to implementing all agreed actions within the specified timelines, as part of its continued effort to strengthen accountability, operational integrity, and delivery excellence.

During the audit period, WFP's operations in Zambia focused on assisting crisis-affected populations; including drought-affected Zambian households and refugees; through food assistance whilst supporting vulnerable communities via integrated resilience and food systems transformation initiatives. These efforts were implemented in partnership with the government, United Nations agencies, non-governmental organizations, research institutions and the private sector. In addition, WFP provided technical expertise, capacity strengthening, and policy advice to enhance government capabilities for nutrition, school meals, social protection, and disaster risk management. On-demand services including logistics support were also provided to the government and other partners.

Despite the unprecedented El Nino induced drought and complexity of the operational scale-up, WFP Zambia delivered assistance to approximately 1.8 million beneficiaries during the audit period.

WFP Management appreciates that the audit report acknowledged several strengths and good practices in the Zambia Country Office. These include strategic alignment with government priorities and strong partnerships with government institutions and other United Nations organizations, enabling WFP to effectively scale operations and address acute food insecurity and support recovery, also acknowledged by the donor community. The Country Office participated in several joint programmes, enhancing WFP's capacity to deliver integrated assistance and expand coverage. Further, the Country Office had robust programme monitoring, vulnerability assessments and community feedback mechanisms in place. These initiatives reflect a proactive and adaptive approach to delivering operations. Lessons learned from after-action reviews and gap analyses have informed ongoing improvements in targeting, identity management, and partner coordination.

WFP Management acknowledges the audit's overall rating of "some improvement needed" and takes note of the recommendations, comprising two high-priority observations and the three medium-priority observations. WFP is committed to implementing all agreed actions within the stipulated timelines (as detailed below) and notes that several actions have already been initiated.

For Observation 1 on Governance and Risk Management, the Country Office will finalize and implement standard operating procedures for key operational processes, including targeting, identity management, cooperating partner management, and cash-based transfer delivery and reconciliation. The terms of reference for the Cash Working Group will be updated to ensure decisions are documented within formal structures, and the risk task force will be operationalized

with quarterly reporting and oversight of mitigation actions. A fraud risk assessment covering high-risk activities will be completed to strengthen preventive controls. These actions will be implemented by 31 March 2026 and 30 June 2026.

Regarding Observation 2 on Emergency Response through National Systems, Management acknowledges the need for clearer analytical documentation and alignment with WFP guidance. The Country Office will conduct a comparative review of how other actors engage with national systems for targeting and resource transfers and will explore options, including the feasibility of formal stand-by agreements with Government counterparts and UN partners, to ensure readiness and coordinated responses during future shocks. This action will be completed by 31 December 2026.

For the medium-priority observations, Management will take the following steps:

- Supply Chain Preparedness and Contracting: The Country Office will update logistics capacity and market assessments, refresh vendor rosters through competitive processes, and provide targeted staff training on procurement compliance. Vendor registration will be completed, and thresholds will be established to restrict the use of operational advances for vendor payments. These actions will be finalized by 30 September 2026.
- Delivery of Cash-Based Transfers: The Country Office will consolidate and reconcile assistance data into a single verified dataset, finalize reconciliations for the drought response, and develop SOPs for future CBT operations. Due diligence for financial service providers will be updated, and system integration options will be assessed to enable automated reconciliations. A rapid deployment toolkit and training modules will be prepared to strengthen readiness. These actions will be completed by 30 June 2026.
- Operational Advance Management: The Country Office will strengthen oversight to ensure timely clearance of advances and will collaborate with the Chief Financial Officer Division to implement an automated payment process for programme participants using corporate-approved solutions, replacing manual processes and reducing operational risk. These actions will be completed by 31 March 2026 and 31 December 2026.

WFP Management appreciates the audit team's engagement and constructive dialogue throughout the process. The Country Office, with support from the Global Headquarters, will closely monitor the full implementation of these actions and report progress through established corporate mechanisms. WFP remains committed to continuous improvement, operational excellence, and accountability to beneficiaries, partners, and donors.