

Internal Audit of WFP Operations in Malawi

Office of the Inspector General
Internal Audit Report AR/26/13

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I. Executive summary

WFP in Malawi

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Malawi. The audit focused on full coverage of risk management, targeting, accountability to affected populations, logistics and monitoring and included tailored reviews of governance, programme and operational planning, identity management, cooperating partner management, procurement, partnerships and budget and programming.
2. The audit covered the period from 01 January 2025 to 31 December 2025. During this period, WFP's direct operational expenses in Malawi were USD 92 million, reaching approximately 2.8 million beneficiaries.

Audit conclusions and key results

3. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **some improvement needed**. The assessed governance arrangements, risk management, and controls were generally established and functioning well, but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is required to ensure that identified risks are adequately mitigated.
4. In response to organisational and financial challenges, WFP undertook a structural review in 2023, leading to the adoption of a "one integrated global headquarters" model in October 2024 (effective 1 May 2025). Following a pause in a donor's foreign development assistance and declining funding projections, WFP initiated cost-efficiency measures, and by April 2025, due to a projected 40 percent funding reduction, WFP announced plans to reduce its global workforce by up to 30 percent. The results of this audit should be read in the context of these organisational measures.

Positive findings

5. External stakeholders recognised WFP's role in emergency preparedness and response, linkage of humanitarian and resilience interventions and technical assistance in school meals and social protection. Strong relationships with the Government and the co-location of WFP staff in government structures at national and district levels enhanced coordination and positioned the country office to support national priorities effectively.
6. In response to funding constraints, the country office implemented optimisation and cost-efficiency measures across transport, warehousing and partnership processes. In addition, the country office delivered effective on-demand services to the Government through the procurement and distribution of maize in targeted districts during the lean season response.
7. At the time of audit reporting, there were efforts to strengthen the country office's strategic positioning and operating model. The August 2026 country strategic plan mid-term and organisational alignment reviews and the June 2026 Eastern and Southern Africa support mission

provided an opportunity to better align programme priorities with WFP's comparative advantage and national priorities and ensure that the organisational structure was fit for purpose.

Actions agreed

8. The audit report contains five reported observations and nine agreed actions, two of which requires global headquarters support for implementation. The following two observations include high-priority actions that require urgent management attention.

9. **Observation 1: Strategic positioning and risk management:** Resilience programming was implemented through fragmented approaches. The introduction of the zero hunger communities model further highlighted gaps in strategic positioning. The model was not formally articulated as the integrated resilience approach in the approved country strategic plan, had gaps in its targeting approach and relied heavily on the procurement of agricultural inputs, an area where the country office had limited technical expertise. In addition, the absence of a partnership and resource mobilisation strategy, limited the country office's ability to anticipate and respond to changes in the funding environment. There are opportunities to better define WFP's comparative advantage and value proposition in resilience programming, align interventions with the country strategic plan, strengthen risk-informed decisions and improve resource mobilisation efforts.

10. **Observation 3: Targeting and identity management:** A fragmented digital landscape and continued reliance on manual targeting, identity management and paper-based distributions increased operational risks and reduced efficiencies. The country office should assess residual risks and identify a cost-effective digital solution to complement the Malawi Social Registry.

11. The audit also highlighted three medium-priority observations, including areas for improvement in transition planning for the home-grown school feeding programme, assessing government capacity where national entities act as cooperating partners and implementing risk-based monitoring as well as the timely closure and resolution of community feedback mechanism cases.

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

Thank you

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

II. Country context and audit approach

Malawi

14. Malawi is a landlocked low-income country, with an estimated population of 20 million, 82 percent of the population lives in rural areas and rely on rain-fed agriculture that is vulnerable to climatic shocks. In 2025, weather disruptions together with foreign exchange and fuel shortages constrained access to food, agricultural inputs and essential services, further increasing household vulnerability. Human development outcomes remain low, with the country ranking 172 out of 192 on the 2025 Human Development Index,¹ and 109 out of 181 on Transparency International's 2025 Corruption Perceptions Index.²

WFP operations in Malawi

15. WFP's operations in Malawi were guided by its country strategic plan covering the period January 2024 to December 2028 (hereafter referred to as CSP). The CSP initial budget of USD 311 million was revised to USD 518 million after two budget revisions, increasing the total need-based budget to USD 518 million. As of 31 December 2025, cumulative expenditure amounted to approximately USD 198 million or 38 percent of the total budget.

16. WFP Malawi implemented a diverse portfolio of activities spanning shock-responsive social protection, refugee assistance, school feeding, nutrition and resilience building. Assistance was delivered through cash-based transfers (CBT), food and nutrition support, home-grown school feeding (HGSF) sourced from smallholder farmer organisations, and integrated resilience and livelihood interventions combining food assistance for assets with capacity strengthening. Table 1 presents key operational figures for 2025.

Table 1: Country operations key figures

	2025	Percentage of total
Expenditure (in USD millions)	92	
Cash-based transfer (including commodity voucher)	26	28%
Food	18	20%
Capacity strengthening	9	9%
Service delivery	33	36%
Implementation	6	6%
Number of people assisted (in millions)	2.8	
Food distributed (quantity in metric tons)	25,768	

¹ [Country Insights | Human Development Reports](#)

² [Malawi - Transparency.org](#)



17. In 2025, WFP operations were divided into the following CSP strategic outcomes:

- (i) Under CSP strategic outcome 1 (crisis response), WFP provided food, nutrition and livelihood assistance to 1.4 million Malawians through USD 1.5 million in CBT and 25,000 metric tons of in-kind food. WFP also assisted 64,371 refugees through USD 6.5 million in CBT and commodity vouchers and 88 metric tons of in-kind food.
- (ii) Under Strategic Outcome 2 (resilience building), WFP assisted 992,964 school children through the HGSF programme, providing USD 14.2 million in CBT and commodity vouchers. WFP also provided nutrition prevention and treatment assistance to 67,628 beneficiaries through 713 metric tons of in-kind food.
- (iii) Under Strategic Outcome 3 (resilience building), WFP reached 275,330 people through integrated climate and nutrition sensitive resilience and livelihood support, providing USD 1.6 million of CBT and commodity vouchers.
- (iv) Under Strategic Outcome 4 (resilience building), WFP provided capacity-strengthening support to national institutions and government agencies.
- (v) Under Strategic Outcome 5 (crisis response), WFP provided on-demand food procurement services to the Government of Malawi under the World Bank supported contingent emergency response component, as well as fuel, warehousing, logistics and emergency response services to United Nations agencies and partners.

18. At the time of the audit reporting, the country office was planning a CSP revision to incorporate programmatic adjustments arising from the June 2026 CSP mid-term review.

WFP's organisational redesign and funding context

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

20. In the second half of 2023, WFP conducted a review of its organisational 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.

21. 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.

22. In April 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.

23. In January 2026, WFP projected funding of USD 5.9 billion, 8 percent lower than the USD 6.5 billion received in 2025 and 40 percent lower than in 2024. Since 2025, WFP has been

implementing measures to reduce its global workforce by 25–30 percent, potentially affecting up to 6,000 roles across all geographies, divisions, and grades. The results of this audit, including the agreed actions, should therefore be read in the context of these ongoing organisational changes.

24. Concurrently, WFP examined the role and configuration of its six regional bureaus, as part of the overall review of its organisational structure and decided to consolidate two of them: the one for Southern Africa, located in Johannesburg and that for Eastern Africa, to form the Eastern and Southern Africa Regional Office (ESARO), located in Nairobi, Kenya, operational since 1 May 2025.

Objective, scope and methodology of the audit

25. The audit's objective is to provide independent and objective assurance on the effectiveness of internal controls, governance, and risk management processes supporting WFP operations in Malawi. This audit contributes to the broader objective of issuing an annual 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 Activities 1, 4, and 9 of the CSP. These activities represented 77 percent of the total direct operational costs and 85 percent of the beneficiaries assisted in 2025. Table 2 below summarises the direct operational costs and beneficiaries assisted.

Table 2: Direct operational costs and beneficiaries assisted in 2025

Activity	Direct operational costs (USD millions)	Percentage of total	Beneficiaries	Percentage of total
Activity 1: Provide food assistance, nutrition and livelihood support to populations in anticipation of and response to seasonal or other shocks, leveraging national social protection systems where possible.	22	24 %	1,423,944	50 %
Activity 4: Provide safe, nutritious and diversified school meals to targeted schoolchildren.	17	18 %	992,964	35 %
Activity 9: Provide effective and efficient access to on-demand services for the Government and humanitarian and development actors.	32	35 %	0	0 %
Sub-total: activities in the audit's scope	71	77 %	2,416,908	85 %
Other activities not in the audit's scope	21	23 %	407,429	15 %
Total country strategic plan in 2025	92		2,824,337	

27. In defining the audit scope, the Office of Internal Audit considered the December 2025 coverage provided by the ESARO support mission on targeting and identity management

processes as well as the planned organisational review to inform decisions on the organisation structure required for CSP objectives.

28. During the fieldwork and reporting phases, the audit considered the results of the August 2026 CSP mid-term review and the June 2026 ESARO programme support mission, which aimed to inform programmatic adjustments and support the definition of a clear and actionable programme strategy aligned with WFP's comparative advantage and the national context.

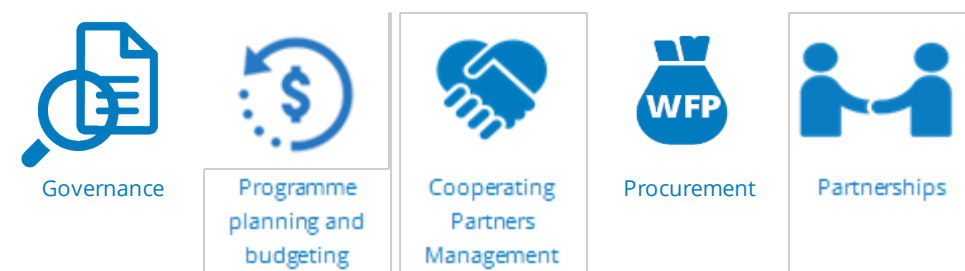
29. Figure 1 below shows the areas in the scope, as identified in the audit engagement plan.

Figure 1: Process areas in the audit scope

Full audit coverage:



Partial audit coverage:



30. The audit mission took place from 18 May to 4 June 2026 at the country office in Lilongwe, with a field visit to Blantyre and Zomba.

31. The audit assessed the Malawi country office operations against established benchmarks to determine compliance, efficiency and effectiveness with the following criteria:

- WFP strategies, policies, procedures and guidelines and applicable local standard operating procedures and guidelines;
- Applicable international standards and frameworks



- Memoranda of understanding and applicable operational agreements with Government entities and other partners.
- Best practices for humanitarian operations including benchmarks set by United Nations system-wide coordination bodies or peer organisations.

32. The audit used a comprehensive methodology that included: interviews with key WFP personnel and external stakeholders, reviewing relevant documentation, walkthroughs, process mapping, data analysis, field visits, surveys, transactions testing, root cause analysis, and verification of compliance with applicable policies and procedures.

33. The draft report was shared on 12 August 2026 and final comments received on 22 September 2026.

34. The audit was conducted in accordance with the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors, ensuring consistency, quality, and adherence to internationally recognised professional practices.



III. Results of the audit

Audit work and conclusions

35. Five observations resulted from the audit, relating to governance, risk management, partnerships, programme and operational planning, targeting, identity management, cooperating partner management, monitoring and accountability to affected populations. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Governance and risk management area

36. In January 2026, WFP introduced the country director management and support framework to clarify leadership roles, strengthen accountability, and reinforce shared risk management between global headquarters and country directors. The framework operationalised the Management Accountability Framework through strategic alignment meetings, which defined shared expectations on the country office's strategic direction, mutual risk acceptance, and support requirements. These arrangements are formalised through a signed compact aligned with the corporate strategic plan and tailored to the country context.

37. The country office operated in a constrained funding environment characterised by declining donor contributions, evolving donor priorities and the implementation of the corporate strategic plan (2026-2029), which placed greater emphasis on prioritising activities within WFP's comparative advantage.

38. At the time of the audit fieldwork, the country office had 184 personnel, including 21 international and 163 nationals. Of these, 118 were based in Lilongwe, 34 in Blantyre and 32 were co-located within government offices at the district levels.

39. Structured interviews with donors, government partners, United Nations agencies and the Office of the Resident Coordinator confirmed WFP's role as a key partner in emergency preparedness and response as well as in linking humanitarian, resilience and social protection interventions.

40. The audit undertook a tailored review of the governance, strategic positioning and risk management including the implementation of mitigation activities to achieve strategic and operational objectives. It also examined partnership and resource mobilisation processes and the operational effectiveness of programme planning and delivery processes.

Observation 1. Strategic positioning and risk management

Strategic positioning for resilience activities

41. The country office's resilience activities under the CSP were planned and implemented through fragmented approaches, consistent with the findings from the August 2026 CSP mid-term review and June 2026 ESARO programme support mission.

42. The August 2026 CSP mid-term review highlighted that the organisational structure was primarily organised around individual CSP activities. This limited coordination across programme areas and reduced visibility of how activities implemented in the same locations contributed to overall programme objectives. In response, the country office also conducted an organisation alignment review and began implementing related actions. Similarly, the June 2026 ESARO programme support mission highlighted gaps in funding arrangements, programme planning and reporting that limited linkages between crisis response, resilience and social protection activities.

43. WFP's comparative advantage and value proposition were not consistently articulated across resilience activities that involved livestock, seeds and fertiliser distributions and school-based energy pilots. As a result, external stakeholders and donors did not share a common understanding of WFP's programme priorities and role within the broader resilience landscape.

44. The zero hunger communities model³ developed to operationalise the graduation approach under the integrated resilience activity, was not formally reflected as the resilience delivery model in the approved CSP. In October 2025, the country office piloted the model as its primary resilience approach to address programme fragmentation and support the transition of vulnerable populations to self-reliance. Following the ESARO mission in June 2026, the country office updated the model in August 2026 to address gaps in strategic positioning, targeting, resource requirements and scale-up planning. The country office indicated that it intends to formally incorporate the approach into the CSP during the next revision.

Strategic alignment and risk management

45. The country office reported that it presented and discussed the Zero hunger communities model with the Deputy Executive Director and Regional Director in December 2025. As of September 2026, these discussions had not yet been formalised through a strategic alignment meeting with relevant global headquarters functions to document shared expectations on strategic direction, risk acceptance and support arrangements. The country office indicated that follow-up actions were underway to convene the meeting.

46. The country office did not adequately integrate scenario analysis and risk management into strategic decision-making. Its operational scenario analysis focused primarily on funding shortfalls and did not assess the implications of fragmented programme delivery, the cost-effectiveness of transfer modalities and activities outside WFP's comparative advantage. As a result, the country office had limited ability to evaluate strategic trade-offs and alternative operating scenarios, reducing its capacity to make risk-informed decisions.

47. Furthermore, under the zero hunger communities model, the country office assisted 700 households across six districts between October 2025 to July 2026 and procured seeds and fertilisers valued at USD 71,437. Of this, USD 25,257 was procured through a waiver without systematic technical engagement with specialised institutions. Given the country office's limited

³ The zero hunger communities model used a phased, community-based approach in which villages progressed through three stages based on predefined performance milestones. Support increased at each stage, ranging from agricultural inputs in the initial phase to irrigation systems, school feeding linkages, and storage facilities in the final phase. Funding also increased progressively, from USD 2,000 in the first stage to USD 100,000 in the final stage.

technical capacity to develop specifications and evaluate bids for agricultural inputs, there was increased risk that the procured inputs may not have fully met technical requirements. During the audit reporting phase, the country office stated it had initiated actions to establish partnerships with specialised institutions.

Partnerships and resource mobilisation

48. During the audit reporting phase, the country office had high probability forecast contributions of USD 15.9 million and confirmed contributions of USD 8.1 million (21 percent) against forecast contributions of USD 38.8 million. Although, the country office engaged the Government of Malawi and explored funding opportunities with non-traditional donors, foundations and the private sector, it had not developed a partnership and resource mobilisation strategy aligned with evolving donor priorities.

Underlying cause(s):

<i>Organisational direction, structure and authority</i>	Strategic and operational plans not developed -insufficient alignment with global headquarters on the resilience programming value proposition
<i>Process and planning</i>	Inadequate programme design and risk management
<i>External factors-beyond the control of WFP</i>	Funding context, shortfalls and changing donor requirements

Agreed Actions [High priority]

- 1) The Country Office Director, with support from the Climate and Resilience Service, will define and approve the country office's strategic positioning, value proposition and risk appetite for resilience programming, that is aligned with the country strategic plan, WFP strategic plan and resilience policy and the country context.
- 2) Following the implementation of Agreed Action 1, the Country Office Director, with support from the Climate and Resilience Service, will develop and approve an operational plan with defined milestones for the phased transition or exit of resilience activities that have been deprioritised.
- 3) The Country Office Director will develop a partnership and resource mobilisation strategy that considers donor and national priorities.

Timeline for implementation

- 1) 31 March 2027
- 2) 30 June 2027
- 3) 31 December 2026

Programme and operational planning

49. In 2025, the country office implemented the HGSP programme in 12 districts reaching 992,964 schoolchildren through USD 14.2 million in cash-based transfers and commodity vouchers.

Following the transition of a key donor from direct funding to WFP to direct funding of the Government of Malawi in December 2025, the country office provided emergency food rations in affected locations to support programme continuity.

50. The Ministry of Education viewed WFP as a credible partner for delivering school feeding programmes at scale and strengthening national capacity.

51. The audit reviewed the activity delivery process including programme design and implementation. It also conducted structured interviews with government ministries and donors.

Observation 2. Home-grown school feeding transition plan

52. Whilst the country office developed sustainability and handover plans with district councils, the national school feeding transition strategy had not yet been finalised and approved. During the audit mission, one donor planned to transition from direct support to WFP to funding channeled through government systems, potentially affecting WFP's role in implementing and scaling up the HGSF programme for approximately 450,000 beneficiaries (50 percent of total assistance in 2025) across 7 of the 12 districts where activities were implemented.

53. As a result, there was limited clarity regarding the operational arrangements for transferring HGSF programme responsibilities to the Government. This uncertainty was evident during the audit field visit to Zomba District, where district council and school stakeholders were unclear about transition arrangements following the end of direct donor funding to WFP in December 2025.

Underlying cause(s):

External factors-beyond the control of WFP

Funding context and political-government situation – complexity associated with transition from donor funded implementation toward increased government ownership and domestic financing

Agreed Actions [Medium priority]

The Country Office Director will formalise the transition of the home-grown school feeding programme through a signed national school feeding operational plan and handover strategy agreed with the Government of Malawi.

Timeline for implementation

30 June 2027

Targeting and identity management

54. The Malawi Social Registry is a centralised database used to improve the targeting, delivery and coordination of social protection programmes. The country office accessed the social registry

data through a formal data-sharing agreement with the Government of Malawi. In locations where registry data was outdated, non-government organisations applied community-based targeting approaches and collected household data using Non-Governmental Organisation (NGO) owned digital tools.

55. WFP provided technical support to the government entities responsible for the social registry to strengthen its design and support continuous updating of beneficiary data for targeting purposes. In 2025, WFP worked with the Ministry of Finance and the Ministry of Gender to update the social registry in Phalombe District and strengthen targeting systems for lean season interventions.

56. Of the 11 recommendations issued by the ESARO targeting and identity management support mission in December 2025, one had been fully implemented and ten were in various stages of implementation.

57. The audit assessed targeting arrangements, data collection practices, and oversight mechanisms supporting these processes, including the extent to which beneficiary data were captured in digital systems.

Observation 3. Targeting and identity management

Manual targeting and identity management processes

58. The country office transitioned from SCOPE⁴ to the Malawi Social Registry in 2019 to align with the harmonised targeting approach for social protection programmes and the national identification document system. Following the transition, the country office did not assess and deploy digital tools that adequately complemented the social registry and supported targeting and identity management processes in line with WFP minimum assurance requirements.

59. The country office relied on multiple digital solutions, including NGO-owned registration systems, a December 2025 MoDA⁵ pilot and a planned October 2026 SCOPE In-Kind⁶ pilot. These solutions did not strengthen the control environment, as key processes such as deduplication, beneficiary list preparation, and distribution management remained manual and relied on paper-based distributions for CBT and in-kind food assistance.

60. The reliance on manual processes created control vulnerabilities. WFP and NGO staff performed deduplication through fragmented processes without a centralised repository or audit trail to track changes throughout the deduplication lifecycle. In addition, NGOs registered beneficiaries through NGO-owned systems and relied on Excel-based tools to prepare distribution lists and manage paper-based distributions, resulting in limited visibility over data changes and inadequate segregation of duties.

⁴ SCOPE is the corporate beneficiary information and transfer management platform

⁵ MoDA is the corporate field data collection tool

⁶ SCOPE In-Kind is the corporate beneficiary information and transfer management platform for managing in-kind food distributions

Targeting and identity management risk management

61. The country did not assess the residual risks arising from manual targeting and identity management processes and determine whether these risks were within its risk appetite. The 2026 risk register captured only data protection risks related to reliance on the Malawi social registry and national identification systems and assessed these risks as low and within risk appetite.

62. The country office did not establish mechanisms to systematically strengthen targeting and identity management controls in response to community feedback mechanism cases that reported allegations involving interference in the targeting processes and manipulation of beneficiary lists as described in paragraph 76. While audit testing identified low levels of duplication at the traditional authority level, the country office did not perform deduplication on consolidated beneficiary datasets across locations, limiting its ability to identify duplicate beneficiaries across geographic areas.

Underlying cause(s):

Process and planning	Inadequate risk management
Tools, systems and digitisation	Inappropriate integration of tools and systems

Agreed Actions [High priority]

The Country Office Director will assess the residual risks for the targeting and identity management processes and identify the digital tool that best complements the Malawi Social Registry and reduces reliance on manual processes.

Timeline for implementation

31 March 2027

Cooperating partner management

63. During 2025, the country office managed 19 cooperating partners including five international NGOs, 12 district councils and two national level government ministries through field level agreements (FLA) valued at USD 2.8 million. The country office undertook spot-checks, performance assessments and capacity strengthening activities for NGOs.

64. The audit assessed key cooperating partner processes which included governance, partner selection, capacity assessments and due diligence, FLA management, reporting, financial and performance monitoring and evaluations.

Observation 4. Cooperating partner management

Segregation of duties

65. The country office faced segregation of duty risks in the programme management life cycle, as a single NGO was responsible for beneficiary targeting, registration, beneficiary list preparation, distribution and reconciliation. This arrangement was partly attributable to reliance on the joint emergency food aid programme guidelines which defined the humanitarian response framework and NGO roles. The December 2025 ESARO mission had already identified this issue and corrective actions were under implementation by the country office.

Gaps in government partner assessments and expenditure reviews

66. The country office did not conduct capacity assessments for government partners when it shifted implementation arrangements from NGOs to district level government structures. The decision was primarily driven by cost efficiency considerations. This limited the country office's ability to determine capacity gaps and implement mitigation measures. At the time of completion of the audit, the country office was rolling out a government partner capacity assessment tool to support future partner assessments and capacity strengthening decisions.

67. The country office did not adequately provide evidence for its review of expenditure reported by government partners. Expenditure was recorded using summarised totals rather than detailed supporting documentation. Whilst the partnership arrangement required the relevant government official to approve the funding authorisation and certificate of expenditure forms and retain supporting documentation for review, there was no evidence that the country office verified the reported expenditure verification. As a result, the country office could not confirm if funds were used for their intended purposes or expenditure complied with agreed budgets.

Underlying cause(s):

<i>Oversight and performance:</i>	Insufficient oversight over third parties
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Agreed Actions [Medium priority]

The Country Office Director will undertake capacity assessments of government cooperating partners to develop risk mitigation measures including partner capacity-strengthening action plans.

Timeline for implementation

31 December 2026

Supply Chain

Procurement and logistics

68. The country office improved supply chain efficiency through a range of cost-saving measures, including the use of alternative transport corridors, lower-cost warehousing options, by optimising



warehouse capacity and staffing, and strengthening inland transport planning. These measures were supported by warehouse facilities in Blantyre and Lilongwe and a humanitarian staging hub in Nsanje to enable emergency preparedness and response in flood-prone areas.

69. In 2025, the procurement unit handled purchase orders valued at USD 89 million and implemented the corporate Smart Sourcing system⁷ in July 2025. The audit tested supply chain operations including warehouse operations, procurement operations with a focus on transport vendors. There were no reportable observations on supply chain and logistics.

On demand service provision

70. In 2025, the country office provided on-demand services valued at USD 32.7 million on a full cost recovery basis to the Government of Malawi and United Nations agencies. WFP procured and delivered maize for the lean season for the government and provided warehouse storage and fuel services to United Nations agencies.

71. The audit assessed the design and implementation of on-demand services. The audit results indicated that overall controls were functioning effectively. There were no reportable findings in this area.

Monitoring and community feedback mechanism

72. The country implemented monitoring activities in 5 field offices across 16 districts. The monitoring function had two staff at the head office in Lilongwe and 11 monitoring assistants across the field offices and had contracted two vendors to provide data collection services. The head of monitoring reported to the head of vulnerability analysis and mapping. The country office used the MoDA⁵ tool for data management and implemented community feedback mechanisms through multiple channels and was in the process of reinstating the corporate SugarCRM platform to capture beneficiary feedback and implement risk-based monitoring with support from ESARO.

Observation 5. Monitoring and community feedback mechanism

Monitoring planning and oversight framework

73. The CSP included anticipatory action activities, which the vulnerability analysis and mapping function planned and implemented resulting in the coordination challenges described in paragraph 42. The programme function coordinated the development of the monitoring workplans through field-level programme structures. As a result, the programme function primarily determined the monthly monitoring plan and the prioritised monitoring sites, reducing the independence of the monitoring function. In August 2026, the country office undertook a mid-term CSP review and organisation realignment to address these structural gaps.

74. The country office implemented the risk-based monitoring framework in April 2026 but did not fully operationalise it. Risk scoring methodologies and the link between risk ratings and monitoring frequencies were not consistently defined, reducing the reliability and effectiveness of

⁷ COUPA is WFP's e-procurement (Smart Sourcing) platform for managing procurement and supplier-related processes.

risk-based monitoring. In addition, the country office did not update the monthly monitoring targets established at the beginning of the year to reflect changes in programme implementation. For example, it continued to plan process monitoring for school feeding throughout the year, although activities in districts such as Zomba, Phalombe, and Chikwawa were scheduled to end earlier due to programmatic changes. Furthermore, the risk-based monitoring approach did not consider the community feedback cases involved interference in targeting process and manipulation of the beneficiary lists.

Community feedback mechanisms.

75. The country office relied on a 2022 community feedback mechanism standard operating procedure and case escalation matrix that did not reflect current corporate requirements, case management practices, escalation pathways, roles, and accountability arrangements. As a result, high-risk cases were not consistently identified, managed or escalated in a timely manner.

76. Gaps were identified in the closure and resolution of feedback cases related to allegations of food diversion, inclusion of ineligible beneficiaries and local interference in beneficiary selection. Cases lacked evidence of resolution and documentation of corrective actions taken. In addition, case ownership was not consistently reflected in consolidated community feedback mechanism reports, making it difficult to distinguish between cases requiring WFP action and those under the responsibility of third parties, including cases related to on-demand services provided to the Government. This limited oversight of case resolution and accountability for follow-up actions.

77. Analysis of complaint channels showed that only 3.3 percent of the 5,441 cases received in 2025 were reported through onsite helpdesks, while 96 percent were reported through the toll-free helpline. Given that many complaints originated during targeting and distribution activities, the limited use of onsite mechanisms reduced opportunities for timely case capture, verification, and resolution, highlighting a need to strengthen accessibility, visibility, and effectiveness of field level helpdesks.

78. The country office did not conduct a privacy impact assessment to assess risks associated with the collection, storage, sharing, and use of sensitive beneficiary data. Given the use of manual tools and community-based data collection mechanisms, this increased data privacy and protection risks.

Underlying cause(s):

<i>Policies and procedures:</i>	Absence or inadequacy of local policies/guidelines
<i>Process and planning:</i>	Inadequate process or programme design



Agreed Actions [Medium priority]

- 1) The Country Office Director will implement an effective risk-based monitoring framework that defines monitoring priorities and minimum monitoring requirements to guide the planning, prioritisation, and documentation of monitoring activities.
- 2) The Country Office Director will define and improve categorisation of community feedback mechanism cases and escalation processes and strengthen the closure process protocols and feedback for timely programmatic adjustments.
- 3) The Country Office Director with the support of global headquarters, will perform a privacy impact assessment of community feedback mechanism data to identify and mitigate risks.

Timeline for implementation

- 1) 31 March 2027
- 2) 31 December 2026
- 3) 30 June 2027

Budget and programming

79. The country office's 2026 implementation plan totalled USD 73 million, exceeding the needs-based plan of USD 66.7 million by 10 percent. From June to November 2026, the country office had a funding gap of USD 9.6 million, mainly affecting food transfers (USD 4.6 million), cash and voucher transfers (USD 2.8 million), service delivery (USD 1.6 million) and capacity strengthening (USD 0.7 million).

80. This gap was primarily driven by transfer costs exceeding transfer values by USD 5.6 million resulting in relatively higher funding for operational costs than for beneficiary assistance. The imbalance arose from unspent balances generated from cost-efficiency measures, including adjustments to distribution management, termination of FLAs with NGOs, and warehouse closures, which reduced transportation and logistics costs. Exchange rate fluctuations, fuel price volatility and gaps in staff capacity to prepare realistic implementation plans, further contributed to the gap.

81. The audit assessed the alignment of the implementation plan with available resources, and the monitoring of budget versus actual expenses. No reportable issues were identified. During the audit reporting phase, the country office updated its implementation plan in line with the corporate mid-year revision process and plans to revise its country portfolio budget to address recommendations from the CSP mid-term review.

Annex A – Agreed actions plan

The following table shows the categorisation, 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 country office level.

#	Observation	Process area	Owner	Priority	Due date for implementation
1	Strategic positioning and risk management	Governance, risk management and partnerships	Country Director Climate and Resilience Service	High	1) 31 March 2027 2) 30 June 2027 3) 31 December 2026
2	Home-grown school feeding transition plan	Programme and operational planning	Country Director	Medium	30 June 2027
3	Targeting and identity management	Targeting and identity management	Country Director	High	31 March 2027
4	Cooperating partner management	Cooperating partner management	Country Director	Medium	31 December 2026
5	Monitoring and community feedback mechanism	Monitoring and accountability to affected populations	Country Director	Medium	1) 31 March 2027 2) 31 December 2026 3) 30 June 2027



Annex B – List of tables and figures

Table 1: Country operations key figures 4

Table 2: Direct operational costs and beneficiaries assisted in 2025..... 6

Figure 1: Process areas in the audit scope 7



Annex C – Acronyms used in the report

CBT	Cash-based transfer
CSP	Country strategic plan
ESARO	Eastern and Southern Africa Regional Office
FLA	Field-level agreement
GIAS	Global Internal Audit Standards
HGSF	Home Grown School Feeding
NGO	Non-Governmental Organisation
OIGA	Office of Internal Audit, Office of the Inspector General
WFP	World Food Programme

Annex D – Agreed actions terminology

List of root causes

Category	Root cause
Organisational 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 mobilisation
	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 digitisation	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 categorised 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 organisation 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.⁸

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.

⁸ 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 harmonised 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	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.