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Internal Audit of WFP Operations in Timor-Leste

Office of the Inspector General

Internal Audit Report AR/26/14

WFP
World Food Programme

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I. Executive summary

WFP in Timor-Leste

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Timor-Leste. The audit focused on governance, risk management, programme planning and budget management, targeting, procurement, and monitoring. It also included tailored reviews of office organisational structure, identity management, accountability to affected populations, partnerships, and finance.

2. The audit covered the period from 1 January 2025 to 31 December 2025. During this period, WFP's direct operational expenses were USD 1.6 million, reaching approximately 8,400 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.

Positive findings

4. WFP in Timor-Leste is widely recognised as a trusted partner and has established strong relationships with government counterparts, UN agencies, and development partners through effective coordination at national and subnational levels.

5. Stakeholders consistently highlighted the commitment, and effective engagement of the country office's management and staff, noting their willingness to improve programme delivery and their proactive efforts to mobilise additional resources and partnerships.

6. WFP interventions are well aligned with national priorities and government-led systems, with stakeholders highlighting the country office's inclusive approach and active engagement with national authorities in programme design and implementation.

7. Internal management decisions over the past two years have strengthened coordination and enhanced the participation of national staff in operational and strategic decision-making. The country office has also appropriately positioned WFP's role as a technical assistance provider to strengthen government-owned systems, including the national social registry, thereby mitigating operational and reputational risks associated with direct programme ownership.

8. While some gaps remain, management demonstrated awareness of key issues and had initiated or planned corrective actions to address them.

Challenges faced by the country office

9. While the Timor-Leste country office has built strong partnerships and enjoys broad stakeholder trust, several challenges affect the sustainability and pace of programme delivery and capacity-strengthening efforts. In particular, the readiness of government counterparts to assume ownership and scale-up systems and interventions remain uneven across institutions, requiring continued technical support, and resource investments from WFP. The transition towards nationally owned solutions is dependent on the availability of adequate government resources through long-term financing and governance arrangements.

Actions agreed

10. The audit report contains one high-priority observation related to programme planning and implementation.

11. Observation 2: Programme planning and implementation. The audit identified weaknesses in programme planning and budget management, resulting in an over-reliance on uncertain funding, recurring implementation delays, and structural financial sustainability risks. Programme plans were not consistently aligned with confirmed funding, implementation readiness, or operational constraints, leading to material variances between planned and actual delivery. Delays in securing donor agreements and funding, combined with the use of direct support costs to compensate for programme funding shortfalls, reduced operational flexibility and increased the risk of inefficient resource utilisation and diminished programme effectiveness. Given the anticipated scale-up of activities, strengthening planning assumptions, funding prioritisation, and coordination between programme and supply chain functions is critical to support sustainable programme delivery.

12. The audit also highlighted five medium-priority observations on risk management, targeting and beneficiary identity management, community feedback mechanism, procurement and monitoring. The country office's risk register did not comprehensively capture key internal operational risks and risk ownership while mitigation planning and monitoring arrangements require strengthening. Targeting approaches relied heavily on government systems. However, eligibility criteria, beneficiary verification requirements, and data sharing arrangements were not always formalised.

13. Opportunities for improvement were also identified in country office's community engagement strategy, protection risk assessment, feedback management arrangements were not structured and documented. Processes for planning programme monitoring activities, data triangulation, issue escalation, and follow-up actions were not formally defined or consistently implemented.

14. Finally, opportunities exist to strengthen procurement processes. Procurement plans were not approved and updated in accordance with corporate requirements, contributing to delays in the acquisition of critical programme inputs and affecting implementation readiness.

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

Thank you

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

II. Country context and audit approach

Timor-Leste

17. Timor Leste is a lower-middle-income country[1] with an estimated population of 1.4 million.[2] It ranked 142 of 193 countries in the 2025 Human Development Index[3] and 73 of 182 countries in the 2025 Transparency International Corruption Perceptions Index.[4]

18. Timor-Leste entered 2025 at a moment of significant national transition, including its accession to the Association of Southeast Asian Nations and continued government investment in school feeding and stunting prevention. However, food insecurity and malnutrition remained key drivers of vulnerability, with 47 percent of children under five years old stunted, approximately 42 percent of the population food insecure, and 360,000 people in Crisis and Emergency levels of acute food insecurity.

19. Climate-related shocks, limited market access, high transport costs, weak infrastructure and incomplete social protection systems continued to affect rural livelihoods and household resilience. Rural households, representing 66 percent of the population, remained highly exposed to erratic rainfall, droughts and floods, which affected food production, access to remote communities and programme continuity.

WFP operations in Timor-Leste

20. WFP's operations in Timor-Leste were guided by its Country Strategic Plan (CSP) covering the period from January 2023 to December 2025. After four budget revisions, the plan's budget reached USD 23 million over the entire period. In 2025, WFP operations in Timor-Leste focused on emergency nutrition assistance; technical assistance and capacity strengthening for school feeding, and nutrition-sensitive social protection and food systems.

21. Under the CSP's Strategic Outcome 1, WFP supported crisis-affected populations to access adequate nutritious food during and after shocks. In 2025, WFP distributed 153 metric tons of specialised nutritious food to four municipalities, reaching 8,362 pregnant and breastfeeding women and children under three as part of a one-off targeted emergency nutrition assistance.

22. Strategic Outcome 2 focused on enhancing nutrition-sensitive programmes for people vulnerable to nutrition insecurity, particularly women, adolescent girls and school-age children, through support to social protection, school feeding and food systems. In 2025, WFP supported preparations for the Bolsa da Mãe Kondisional Saude Nutrisaun Inan no Oan pilot; contributed to national school feeding systems; and reached 131,548 students through school-based social behavior change communication activities.

[1] World Bank Group country classification by income level

[2] Timor-Leste Population 2025 - United Nations Population Fund | United Nations Population Fund

[3] Human Development Insights | UNDP

[4] Corruption Perception Index 2025

23. Under Strategic Outcome 3, WFP supported national capacity for disaster preparedness, emergency response and supply chain management. In 2025, WFP convened a second humanitarian logistics preparedness workshop, supported the update of the Timor-Leste Logistics Capacity Assessment, and engaged 52 government and public-sector staff in technical supply chain and disaster preparedness capacity-strengthening initiatives.

24. Strategic Outcome 4 focused on on-demand procurement, logistics and supply chain services for the Government and humanitarian and development partners. In 2025, WFP engaged with the Ministry of Health to support the procurement of specialised nutritious food for the national nutrition programme, with implementation expected to commence in 2026.

25. At the time of the audit fieldwork, WFP Timor-Leste was in the early stages of implementing its newly approved CSP 2026–2030, focused on strengthening national food security, nutrition, and emergency preparedness.

WFP's organisational redesign and funding context

26. 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.

27. Following the organisational structure review in 2023, WFP announced in October 2024 the adoption of a "one integrated global headquarters" model, put in operations on 1 May 2025. This model aims to ensure better support to country offices, consolidating the delivery of key enabling services via a network of global hubs. Further, in February 2025 WFP emphasised the implementation of cost efficiency measures, in view of projected donor forecasting and the overall widening resource gap.

28. 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.

Objective, scope and methodology of the audit

29. 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 Timor-Leste. 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.

30. The audit focused on Activities 1 and 2 of the CSP. Table 1 summarises the direct operational costs and beneficiaries assisted in 2025 under these activities. These activities represent 99 percent of the total direct operational costs and 99 percent of the beneficiaries reached in 2025.

Table 1 - 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 and nutrition assistance to crisis-affected populations.*	0.2	13 %	8,362	99 %
Activity 2: *Provide technical assistance to national institutions working to enhance the quality and nutrition integration of school-based programmes and other social assistance programmes by improving availability, affordability, equitable access to and consumption of nutritious and safe food.*	1.3	81 %	0	0 %
Sub-total: activities in audit scope	**1.5**	**94 %**	**8,362**	**99 %**
Other activities not in audit scope	0.1	6 %	64	1%
Total CSP in 2025	**1.6**	**100 %**	**8,426**	**100 %**

31. In defining the audit scope, the Office of Internal Audit considered coverage by second and third-line oversight providers such as previous Asia and the Pacific Regional Office's functional oversight and support works in finance, budgeting, monitoring, security and human resources.

32. 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:



33. The audit mission took place from 19 to 29 May 2026 at the country office in Dili and included a visit to Ermera to observe the implementation of capacity strengthening activities.

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

- WFP corporate strategies, policies, procedures, and guidelines including WFP Manuals, Directives, and Circulars; standard operating procedures (SOPs) at the corporate and field level; and internal controls and risk management frameworks.
- Applicable international standards and frameworks.
- Agreements and donor requirements including bilateral agreements, Memoranda of Understanding, and other applicable operational agreements in support of the CSP.
- Standards and best practices in humanitarian operations, including benchmarks set by UN system-wide coordination bodies or peer organisations.

35. The audit applied these criteria in consideration of the country office's operational context, to guide the assessment of the country office's governance, risk management, and control processes to ensure alignment with WFP's strategic objectives and principles of accountability, transparency, and value for money.

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

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

38. The draft report was shared on 12 August 2026 and final comments received on 23 September 2026.

III. Results of the audit

Audit work and conclusions

39. Six observations resulted from the audit, relating to risk management, programme planning and implementation, targeting and beneficiary identity management, community feedback mechanism, procurement and monitoring. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Risk management

40. The country office operates in a complex risk environment marked by recurrent climate shocks, food insecurity, widespread poverty, funding uncertainty, institutional capacity constraints, and varying levels of government readiness. As the country office transitions towards a systems-strengthening and technical assistance model, the achievement and sustainability of results increasingly depend on the effectiveness of national systems, the capacity of government counterparts, and the availability of predictable resources.

Observation 1. Risk management and oversight

Risk management

41. Risk management culture and accountability for internal controls are not yet consistently embedded across the country office. Risk identification, assessment, monitoring, and escalation practices remain uneven across functions, and ownership of key operational risks is not always clearly demonstrated.

42. While management's Executive Director Self-assessment (EDA) identified areas requiring further strengthening in risk and control processes, the audit found that risk identification, ownership, risk prioritisation, mitigation planning, and oversight arrangements require improvement, limiting the effectiveness of the overall risk management framework.

Risk register

43. The country office's risk register primarily focused on external risks, rated medium or low, while key internal operational risks such as programme implementation challenges, targeting, beneficiary identity management, timely procurement of commodities, and complaints and feedback mechanisms (some highlighted in the EDA) were not adequately captured. This limits the completeness, prioritisation, and effectiveness of risk oversight.

44. In addition, risk ownership, the definition of mitigation actions, and risk monitoring processes require strengthening. For example, although the risk related to host government performance has been identified, its current rating does not adequately reflect its potential impact on programme implementation.

Operations oversight

45. Oversight arrangements for risk management remain insufficient. There was no structured internal oversight activities conducted across functional units to proactively identify, assess,

monitor, and escalate operational risks, and a formal Risk Management Committee is not currently operational. As a result, key operational and compliance risks were not identified, assessed, and addressed in a timely and systematic manner, reducing management's ability to proactively mitigate emerging risks related to programme delivery and accountability.

Underlying causes:

Process and planning	Inadequate risk management
Oversight and performance	Insufficient oversight from local management / Oversight plans not risk-informed

Agreed Actions [Medium priority]

The Director of the Country Office will:

(i) Review its risk management structure and embed risk management and control ownership within operational processes by ensuring that process owners actively assess and manage risks; and by updating its risk register to comprehensively capture all critical risks.

(ii) Establish regular and structured meetings to review key operational, programmatic, and emerging risks, enabling timely management action and informed decision-making.

Timeline for implementation

31 March 2027

Programme planning and budgeting

46. The Timor-Leste country office operates primarily through a capacity-strengthening and systems-development model, supporting government institutions in strengthening social protection, school feeding, nutrition, and emergency preparedness systems. The successful delivery and sustainability of programme outcomes depend heavily on government leadership, institutional capacity, inter-ministerial coordination, and the progressive transfer of ownership to national counterparts.

Observation 2. Programme planning and implementation

47. The country office's implementation plan did not adequately reflect the uncertainty surrounding the finalisation of funding agreements, availability of donor resources, and implementation readiness, contributing to significant variances between planned and actual implementation, inefficient execution, and financial sustainability risks.

48. The 2025 implementation plan included expenditures associated with several grants and agreements that had not yet been finalised or funded. Although delays in signing key agreements and receiving donor funds became evident during the year, implementation targets were not adjusted, partly due to constraints on revising implementation plans during the year. As a result,

substantial planned expenditures did not materialise and were carried forward to the following year, contributing to a low implementation rate of approximately 50 percent in 2025.

49. Programme delivery was also further affected by external dependencies, including government capacity constraints and donor funding processes, underscoring the need for more conservative and realistic planning assumptions.

50. Available DSC resources were used to mitigate programme funding gaps and sustain operational activities. This contributed to a reactive financial management approach; whereby short-term reallocations were used to address immediate funding pressures rather than addressing underlying planning and funding challenges.

51. The country office incorporated lessons learned into the 2026 CSP implementation plan, including reducing planned expenditures under the School Meals Programme to better align activities with implementation capacity. However, implementation remained below planned levels, with execution at approximately 40 percent as of July 2026.

Underlying causes:

Process and planning	Inadequate process or programme design
Oversight and performance	Performance measures and outcomes inadequately measured/established
External factors - beyond the control of WFP	Funding context and shortfalls
	Political – governmental situation

Agreed Actions [High priority]

The Director of the Country Office will:

(i) Strengthen overall resource and delivery management by ensuring that planning, procurement, and programme execution remain aligned with confirmed and reasonably foreseeable funding. This includes strengthening the linkage between implementation planning, procurement decisions, and execution readiness, as well as developing a sustainable strategy for financing Direct Support Costs.

(ii) Enhance planning and coordination between programme and supply chain functions by establishing activity-level expenditure plans aligned with funding forecasts and instituting regular joint planning and execution review meetings. This will ensure timely procurement, improve execution readiness, and mitigate implementation delays.

Timeline for implementation

30 June 2027

Targeting and beneficiary identity management

52. The Timor-Leste country office delivers its interventions primarily through government-led systems and national social protection mechanisms, reflecting its strategic focus on capacity strengthening and institutional development.

53. Beneficiary targeting relies heavily on government structures, including the national social registry and sectoral programmes, requiring close collaboration with multiple government counterparts and strong data governance arrangements to support effective targeting, beneficiary accountability, and programme oversight.

54. The Government of Timor-Leste is developing a national social registry to improve the identification and targeting of vulnerable households, with WFP providing technical assistance on system design, data collection, and capacity building. The social registry is expected to serve as a government-owned platform that consolidates household data supporting evidence-based targeting, enhancing programme efficiency, and strengthening the country's ability to deliver social assistance to those most in need.

55. The audit reviewed the governance and implementation of targeting processes, including beneficiary identification, verification, registration, and data management arrangements supporting WFP-assisted programmes.

Observation 3. Targeting and beneficiary identity management

Targeting activities

56. The audit identified weaknesses in the design and implementation of targeting mechanisms across activities, affecting transparency, consistency, and data reliability.

57. For food and nutrition distributions, targeting relies heavily on government systems and structures. While this approach aligns with capacity strengthening objectives, it presents risks related to accuracy, consistency, and coverage, particularly in the absence of fully functional, up-to-date, and interoperable beneficiary registries. In addition, minimum identification requirements, beneficiary verification protocols, and controls to ensure the completeness and accuracy of beneficiary records are not sufficiently defined or consistently applied.

58. For school-based programmes, targeting is also largely driven by government-led processes. While criteria for the selection of schools for kitchen construction had been defined and documented, opportunities remain to strengthen the documentation of how those criteria were applied, including the basis for prioritisation and the rationale for final selection decisions. One stakeholder mentioned the need for greater transparency around geographic vulnerability indicators, prioritisation approaches, and decision-making processes to enhance accountability and alignment with donor expectations.

59. More broadly, no comprehensive targeting strategy was established at the CSP or activity level.[5] These gaps are reflected in monitoring reports, which indicated delays in implementation, insufficient communication of eligibility criteria, and perceptions of unfairness among beneficiaries. As a result, there is an increased risk of inclusion and exclusion errors, reduced transparency, and potential misalignment with programme objectives and donor requirements.

[5] The country office indicated that this is under development.

National social registry system

60. The absence of a formal data-sharing agreement for the national social registry limits WFP's ability to rely on registry data for operational use and weakens assurance over beneficiary management, traceability, and programme delivery. Without a clearly defined framework governing data sharing, WFP faces challenges in complying with corporate data protection requirements, validating beneficiary targeting, and conducting effective beneficiary tracking and assistance reconciliation. A formal agreement is needed to establish data-sharing arrangements, including roles and responsibilities, data protection safeguards, access and retention protocols, and assurance mechanisms over data quality, consent, and lawful processing.

Beneficiary identification and assistance

61. The country office does not have a formal beneficiary identity management system in place. In 2025, approximately 8,500 direct beneficiaries were assisted through predominantly manual processes, without systematically retaining documentation related to targeting decisions, beneficiary selection, and assistance delivery. This lack of structured recordkeeping limits traceability across the programme cycle and constrains the country office's ability to perform effective reconciliation and verification of assistance, demonstrate accountability, and ensure that targeting and distribution processes are transparent, controlled, and auditable.

62. There is an increased risk of data protection non-compliance, weak targeting assurance, and limited accountability over beneficiary management and assistance delivery.

Underlying causes:

Policies and procedures	Absence or inadequacy of local policies/guidelines
Tools, systems and digitisation	Inappropriate implementation or integration of tools and systems

Agreed Actions [Medium priority]

1. The Director of the Country Office will:

   (i) Finalise and implement activity-level targeting strategies that clearly define eligibility criteria, selection methodologies, roles, and oversight arrangements, even where government systems are used. This should include data validation measures to periodically assess the accuracy, completeness, and consistency of beneficiary data.

   (ii) Establish appropriate governance arrangements for targeting and prioritisation processes, including dedicated discussions within programme management meetings, to ensure structured oversight, consistent decision-making, and cross-functional input from relevant units and functions.

   (iii) Develop and formalise, in coordination with government counterparts and relevant WFP units (e.g., Legal and the Global Privacy Office), a data sharing agreement prior to operational reliance on the social registry. This agreement should define clear protocols for data sharing, security, and governance.

Agreed Actions [Medium priority]

2. The Director of the Country Office will establish a basic beneficiary identity management and recordkeeping framework proportionate to its scale of operations, in line with WFP identity management standards. This should include the: (a) use of a structured and secure system, even at a minimum level to maintain beneficiary records; (b) systematic documentation and retention of targeting decisions, beneficiary lists, and assistance delivery records; and (c) reconciliation between planned and actual assistance.

Timeline for implementation

1. 30 June 2027
2. 30 June 2027

Accountability to affected populations

63. The audit reviewed key protection-related processes and controls, including the accessibility and effectiveness of the community feedback mechanism (CFM), data collection, management and use practices, reporting arrangements, and case management procedures.

64. In 2025, the country office used a toll-free hotline as the primary CFM channel during the emergency nutrition assistance distribution in December. The hotline provided a centralised means for beneficiaries and other stakeholders to submit feedback, complaints and inquiries.

Observation 4. Community feedback mechanism

Community engagement and risk analysis

65. The country office had not conducted a complaints and feedback mechanism context assessment or protection risk assessment, and no structured community engagement strategy or action plan was evidenced. As a result, the country office could not sufficiently demonstrate that accountability and feedback mechanisms were informed by an assessment of community needs and protection risks. This increases the risk that concerns, complaints, and protection-related issues may not be raised, identified, or addressed in a timely manner, potentially limiting accountability to affected populations and reducing the ability of programmes to adapt to community needs.

CFM implementation

66. In 2025, the country office used the CFM during the one-off December distribution of specialised nutritious foods under Activity 1. The country office reported assisting 8,362 beneficiaries and recorded five feedback or complaint cases, representing 0.06 percent of beneficiaries assisted.

67. For the school feeding activity under Activity 2, the country office had not established a documented process for collecting and reviewing feedback from participants attending WFP-

supported trainings related to the national school feeding programme. A documented feedback and case-management process would help ensure that concerns and suggestions are systematically recorded, followed up, escalated where needed, closed, and used to inform ongoing and future programme design and implementation.

CFM roles and responsibilities

68. Responsibility for the complaints and feedback mechanism and hotline operation was assigned on an ad hoc basis to the Communications Assistant, and these responsibilities were not reflected in the position's terms of reference. Documenting related roles, responsibilities and training arrangements would help ensure that feedback is consistently recorded, escalated and followed up as community-facing activities expand.

Underlying cause:

Process and planning	Inadequate process or programme design Unclear roles and responsibilities

Agreed Actions [Medium priority]

The Director of the Country Office will:

(i) Conduct, for relevant programme activities, an accountability to affected people and protection context analysis and develop a documented community engagement strategy or action plan.

(ii) Review and strengthen community feedback mechanism channels across relevant activities and locations and ensure that related case-management processes are defined, including the submission, recording, assignment, escalation, follow-up, resolution of feedback and complaints.

(iii) Define complaints and feedback mechanism roles and responsibilities across relevant units, and related training requirements.

Timeline for implementation

30 June 2027

Procurement

69. During the audit period, the country office undertook procurement activities totalling USD 637,800. Procurement of non-food items totalled USD 456,000, while food related procurement amounted to USD 149,800 of super cereal distributed in December 2025. Transport and logistics related procurement accounted for a further USD 31,900.

70. The audit reviewed procurement processes, including planning, vendor sourcing and selection, contracting and evaluation.

Observation 5. Procurement planning and implementation

71. Corporate guidance requires procurement plans to be prepared before year-end and updated quarterly, including expected procurement actions, solicitation methods and target delivery timelines. The country office did not establish, approve and update annual procurement plans in a timely manner to support procurement action. The 2025 procurement plan was finalised in April 2025, while the 2026 plan remained in draft as of May 2026, with no evidence of quarterly updates.

72. Annual procurement planning process was not used effectively to support timely procurement action for known programme needs. In March 2026, the local Resource Management Committee reported that implementation of the school feeding programme remained below target, identifying procurement delays for blending machines and kitchen utensils as key contributing factors.

73. Although the draft 2026 procurement plan included these items with planned completion by May 2026, the plan had not been approved, and the related procurements remained ongoing as of June 2026. Demand requests, technical specifications and solicitation documents required multiple revisions and clarifications before tendering could proceed. As a result, procurement of key programme inputs was delayed, affecting implementation readiness and contributing to delays in planned school feeding activities.

Underlying cause:

Process and planning	Insufficient planning Insufficient coordination - internal or external

Agreed Actions [Medium priority]

1. The Director of the Country Office will establish and approve annual procurement plans before year-end and perform documented quarterly reviews and updates.
2. The Director of the Country Office will:
   (i) Strengthen coordination between programme and procurement units to ensure timely submission of demand requests, complete specifications, and procurement documentation.
   (ii) Implement milestone-based monitoring of critical procurements to identify and address bottlenecks early, particularly for programme-critical goods and services; and enhance management oversight of procurement plan implementation and reporting delays that may affect programme delivery, with clear accountability for corrective actions.

Timeline for implementation

1. 31 December 2026

2. 31 July 2027

Monitoring

74. The audit assessed the governance and effectiveness of monitoring arrangements, including monitoring plans, coverage of monitoring activities, evidence generation and utilisation, and mechanisms for issue escalation and reporting.

75. The Research, Assessment and Monitoring unit leads monitoring activities in the country office. Field support unit (FSU), which reports to Supply Chain and are based in the municipalities where WFP operated, performed most field monitoring activities.

Observation 6. Monitoring of programme activities

Planning of monitoring activities and consolidation of results

76. Monitoring of capacity-strengthening activities was not consistently consolidated and documented. This limited the country office's ability to determine whether support had sufficiently covered targeted schools and counterparts, and whether capacity-strengthening activities were contributing to improved programme implementation, monitoring and logistics capacity over time. This was also not aligned with the country office's monitoring and evaluation approach, which envisaged periodic capacity assessments to track capacity improvements and identify related training, system or programme adjustments.

Monitoring data triangulation

77. The country office had not established a documented process for monitoring data triangulation. While monitoring information from various sources was reviewed and incorporated into quarterly reports, the methodology for cross-checking, validating, documenting, and escalating discrepancies was not clearly defined, resulting in inconsistent application and limited audit trail demonstrating how monitoring results were verified.

78. In 2026, the country office was in the process of implementing an output indicator tracking and validation tool to enhance the tracking and validation of programme results.

Field-level monitoring issue tracking and escalation

79. The FSU reported school monitoring results to the country office and discussed school- and community-specific issues with local authorities. Follow-up and escalation of these issues were largely managed by individual FSU staff members and were neither consolidated in a central tracker nor systematically monitored by the country office. This limited the country office's visibility over which issues had been escalated, followed up, or resolved across locations and activities, and reduced its ability to assess how field monitoring findings contributed to strengthening the capacities of local authorities, communities, and schools.

80. At the time of audit reporting, management was in the process of finalising a monitoring strategy, which is expected to further strengthen and formalise monitoring arrangements.

Underlying causes:

Process and planning:	Rules and processes, including for decision making, not established or unclear.

Tools, systems and digitisation	Absence or late adoption of tools and systems.

Agreed Actions [Medium priority]

The Director of the Country Office will:

(i) Develop and implement documented procedures for monitoring activities, including the planning, conduct, documentation, and reporting of monitoring capacity-strengthening outputs and outcomes.

(ii) Establish a documented approach for monitoring data validation and triangulation, including the data sources to be considered, validation procedures, and documentation requirements to support monitoring conclusions.

(iii) Formalise processes for recording, tracking, and following up on issues identified through monitoring activities, including responsibilities for escalation and resolution, as appropriate.

Timeline for implementation

30 September 2027

Finance

81. The audit performed a partial review of financial management controls, focusing on operational advances, payment processing, open items and petty cash management. The audit also considered follow-up of the finance oversight conducted by the Regional Office for Asia and the Pacific in 2023, for which the country office continued to track implementation in coordination with the regional office and headquarters.

82. In 2025, operational advances amounted to approximately USD 94,000, 55 percent of which related to payments to UN agencies. The remaining advances related mainly to WFP staff for programme implementation where cash payment was required due to local conditions.

83. The audit also reviewed the manual execution of payment processes through WFP corporate systems and the local bank platform. Segregation of duties and related payment controls were in place, while the process remained operationally fragile due to the vacant Finance Officer position and reliance on temporary staffing arrangements. As of June 2026, the country office was finalising the recruitment of a Finance Officer to stabilise finance operations.

84. The partial review did not identify any reportable findings in this area.

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.

#	Observation	Process area	Owner	Priority	Due date for implementation
1	Risk management and oversight	Risk management	Country Office	Medium	31 March 2027
2	Programme planning and implementation	Programme planning and budgeting	Country Office	High	30 June 2027
3	Targeting and beneficiary identity management	Targeting and beneficiary identity management	Country Office	Medium	1) 30 June 2027 2) 30 June 2027
4	Community feedback mechanism	Accountability to affected populations	Country Office	Medium	30 June 2027
5	Procurement planning and implementation	Procurement	Country Office	Medium	1) 31 December 2026 2) 31 July 2027
6	Monitoring of programme activities	Monitoring	Country Office	Medium	30 September 2027

Annex B – List of tables and figures

Table 1: Direct operational costs and beneficiaries assisted in 2025..... **Error! Bookmark not defined.**

Figure 1 - Process areas in the audit scope 5

Annex C – Acronyms used in the report

CFM	Community feedback mechanism
CSP	Country strategic plan
DSC	Direct support costs
EDA	Executive Director Self-assessment
FSU	Field support unit
SOP	Standard operating procedures
UN	United Nations
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.[6]

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.

6 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.