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Internal Audit of WFP Operations in Algeria

Office of the Inspector General
Internal Audit Report AR/25/21



World Food
Programme

December 2025



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I. Executive summary

WFP in Algeria

1. As part of its annual workplan, the Office of Internal Audit conducted an audit of WFP operations in Algeria. The audit focused on the operational model set-up, partnerships, cooperating partner management, food safety and quality, monitoring and community feedback mechanisms; and included tailored reviews of strategic planning and performance, communication, cash-based transfers, procurement, logistics, budgeting and programming, finance, security and access, duty of care, diversity, equality and inclusion, and emergency preparedness and response.
2. The audit covered the period from 1 January 2024 to 30 June 2025. During 2024, WFP's direct operational expenses in Algeria were USD 19.5 million, reaching 133,762 beneficiaries.

Audit conclusions and key results

3. Based on the results of the audit, the Office of Internal Audit reached an overall conclusion of **some improvement needed**. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
4. In response to organizational and financial challenges, WFP undertook a structural review in 2023, leading to the adoption of a "one integrated global headquarters" model in October 2024, becoming operational on 1 May 2025, which aimed at enhancing support to country offices and streamlining services through global hubs. 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 organizational measures.

Positive findings

5. In response to the high-risk category of the country office under the global assurance project, and building on lessons from previous targeting challenges, the country office developed a country-specific standard operating procedure for targeting and worked with the United Nations High Commissioner for Refugees (UNHCR), the Algerian Red Crescent and its implementing partner, to validate it from a technical perspective. The standard operating procedure focused on strengthening community-based selection criteria to comply with WFP standards, while preserving the core values of the Sahrawi community. The country office has put implementation on hold until it finalizes the new interim country strategic plan.
6. The country office also developed a new monitoring strategy for 2025, expanding the monitoring team's capacity and ensuring robust oversight for its activities. Community feedback mechanisms were available and known to beneficiaries across activities, although feedback volume remained low.



Operational context

7. The Algeria Country Office (WFP Algeria or ‘the country office’ thereafter) operates in a uniquely challenging context, shaped by the protracted Sahrawi refugee situation and governed by agreements with the Government and its designated partners, notably the Algerian Red Crescent. Under these arrangements, key functions, including logistics, targeting, registration, distribution, monitoring and feedback, are largely managed by partners and community structures. This model, while essential to operating in the local context, limits WFP’s direct visibility, control, and ability to apply its standard assurance mechanisms.

8. WFP introduced mitigating measures, such as partner agreements granting access to storage facilities, use of WFP systems for inventory tracking, and clear accountability arrangements. Yet, these measures partially resolve the key operational challenges outlined in this report.

Actions agreed

9. The audit report contains two high-priority observations.

10. **Governance and operational model risks** ([Observation 1](#)): Risk acceptance is not consistently reflected in donor’s communication, increasing exposure to reputational risks and potential misalignment of expectations. To address this, the country office will enhance its governance framework by integrating risk acceptance and improving communication of mitigation strategies into formal donor’s communication and debriefs as per donors’ agreements terms.

11. **Monitoring strategy and coverage** ([Observation 6](#)): Implementation of the 2025 monitoring strategy faced significant gaps due to suspension of third-party monitoring contracts and limited coverage of distribution sites, leaving periods without effective process monitoring. Reliance on community-based monitors introduces potential conflicts of interest; Joint monitoring mechanisms with partners were underutilized due to partner’s budget constraints. The country office will develop a monitoring model suited to Algeria’s context, establish contingency plans for potential disruptions, and implement risk mitigation measures to address bias and conflicts of interest in community-based monitoring, in consultation with headquarters and donors.

12. The audit also highlighted four medium-priority observations, including areas for improvement in legal agreement management, cash-based transfers, management of cooperating partners and logistics.

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

Thank you!

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



II. Country context and audit approach

Algeria

15. Algeria has hosted Sahrawi refugees from Western Sahara since 1975. The current population of refugees in Algeria primarily live in five camps – Awserd, Boujdour, Dakhla, Laayoune and Smara near the town of Tindouf, 2,000 km southwest of Algiers. The Government of Algeria provided refugees with humanitarian assistance until 1986, when Algeria requested the support of the United Nations humanitarian organizations. The camps are in an arid region, characterized by extreme heat and very low rainfall; livelihood and economic opportunities are limited; and no formal banking system is in place. This leaves the refugees highly dependent on humanitarian assistance, including food.

WFP operations in Algeria

16. WFP has been providing life-saving food and nutrition assistance to the refugee camp population since 1986. According to the WFP's 2024 Food Security Assessment, 81 percent of the camp population relies on food assistance, with food insecurity and malnutrition remaining persistent challenges. The situation is particularly acute among women and children.

17. WFP's operations in Algeria are guided by its interim Country Strategic Plan covering the period from July 2019 to February 2026. After six budget revisions, the plan's budget reached USD 203 million over the entire period. In 2024, WFP reached 133,672 beneficiaries with a range of activities under two main strategic outcomes.

18. Under Strategic Outcome 1 of the Country Strategic Plan, WFP supported food-insecure Sahrawi refugees in the camps to meet their basic food and nutrition needs throughout the year. This included the provision of general food assistance, complemented by social and behaviour change programmes to improve nutrition practices. WFP also implemented a school feeding programme, providing daily snacks to children in primary and intermediate schools, and supported resilience-building activities such as family and community gardens, as well as livestock projects to enhance local food production and self-reliance.

19. Under Strategic Outcome 2, WFP focused on improving the nutrition status of children aged 6–59 months and pregnant and breastfeeding women. Activities included the prevention and treatment of acute malnutrition through the distribution of specialized nutritious foods and cash-based transfers (CBT, through the electronic-vouchers modality) to pregnant and breastfeeding women, and the integration of social and behaviour-change initiatives to promote infant and young child feeding and maternal health. WFP worked closely with health centres to ensure targeted assistance and regular health monitoring.

20. WFP's activities in Algeria also include emergency preparedness and response, as demonstrated by the rapid emergency assistance provided to households affected by severe flooding in the Dakhla camp in September 2024.

21. In 2024, funding constraints led WFP to reduce emergency food rations by an average of 30 percent. The Algerian Red Crescent supplemented these reduced rations, ensuring that beneficiaries continued to receive full food baskets throughout the year.



22. WFP's response is coordinated with the Government of Algeria, the Government's designated partner, Algerian Red Crescent, UNHCR, UNICEF and other humanitarian partners. The 2024–2025 Sahrawi Refugee Response Plan, developed in collaboration with 27 humanitarian partners, provides a structured, multi-agency approach to addressing immediate and long-term needs in food security, nutrition, health, livelihoods and other sectors.

23. At the time of the audit fieldwork, the country office was in the process of a budget revision to extend the interim Country Strategic Plan for one year until February 2027, pending the approval process of the new Country Strategic Plan.

WFP's organizational redesign and funding context

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

25. In the second half of 2023, WFP conducted a review of its organizational structure. Following this exercise, in October 2024, WFP announced it was adopting a "one integrated global headquarters" model, which came into force on 1 May 2025 and aims to ensure better support to country offices through consolidating the delivery of key enabling services via a network of global hubs.

26. 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.

27. In March 2025, WFP issued a Management Accountability Framework, aimed at enhancing accountability, authority, performance and results across country offices and 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 to ensure flexibility and operational efficiency.

28. In April 2025, WFP's funding projection for 2025 was set at USD 6.4 billion, a 40 percent reduction compared to 2024. As a result, senior management communicated the need for a 25–30 percent reduction in the worldwide workforce, potentially impacting up to 6,000 roles across all geographies, divisions and levels in the organization.

29. Also in March 2025, WFP also launched a Global Footprint Review Exercise to critically assess WFP's operational presence and maximize WFP's impact in an environment with reduced global resources. The exercise focused on WFP's value addition, strategic operational opportunities and role in supporting national governments to achieve Sustainable Development Goal 2. The redefinition of country strategies coincides with the country strategic plan cycle, with the goal of implementing tailored operational models in the subsequent country strategic plan.

30. The audit results are not intended to inform the WFP footprint review exercise. However, the outcome could influence the country office's capacity to implement agreed actions. In such an instance, country office management indicated that it will reassess the relevance of each action and report its findings to global headquarters and the Office of Internal Audit.



Objective, scope and methodology of the audit

31. 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 Algeria. 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.

32. The audit focused on Activities 1, 3, and 4 of the Country Strategic Plan. Table 1 below summarizes the direct operational costs and beneficiaries assisted in 2024 under these activities. These activities represent 97 percent of the total direct operational costs and 100 percent of the beneficiaries reached in 2024.

Table 1 – **Direct operational costs and beneficiaries assisted in 2024**

Activity	Direct operational costs (USD millions)	Percentage of total	Beneficiaries	Percentage of total
<i>Activity 1: Provide general food assistance to targeted food-insecure Sahrawi refugees in camps near Tindouf.</i>	14.5	74 %	133,672	100 %
<i>Activity 3: Provide Sahrawi refugees with complementary livelihood opportunities that benefit women and men equitably.</i>	0.7	4 %	11,400	9 %
<i>Activity 4: Provide children aged 6-59 months and pregnant and lactating women and girls with assistance for the treatment and prevention of moderate acute malnutrition.</i>	3.7	19 %	23,698	18 %
Sub-total: activities in the audit scope	18.9	97 %	133,672	100 %
Other activities not in the audit scope	0.6	3 %	40,000	30 %
Total country strategic plan in 2024	19.5	100%	133,672	100%

33. In defining the audit scope, the Office of Internal Audit took into consideration the risk management oversight and support mission conducted by the Middle East, Northern Africa and Eastern Europe Regional Office in September 2023, and a monitoring oversight mission in February 2023.

34. 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:



Cooperating
Partners
Management



Food Safety and
Quality
Management



Monitoring



Partnerships



Partial audit coverage:



Strategic Planning and Performance



Delivery Cash-Based Transfers (CBT)



Procurement



Supply Chain - Logistics



Communications and Media Management



Budgeting and Programming



Finance



Security and Access



Duty of Care



DEI - Diversity, Equality, Inclusion, and



Emergency Preparedness and Response

35. The audit mission took place from 7 to 18 September 2025 at the country office in Algiers and at the Tindouf sub-office. It included visits to a partner warehouse in Rabouni and an in-kind distribution site, retailers, clinics and family and school gardens at Laayoune and Smara refugee camps.

36. The audit assessed the Algeria Country Office's operations against established benchmarks to determine compliance, efficiency and effectiveness. The criteria were drawn from the following sources, as applicable:

- a. WFP strategies, policies, procedures and guidelines, including WFP manuals, directives and circulars; standard operating procedures at the corporate and field level; and internal controls and risk management frameworks;
- b. Applicable international standards and frameworks;
- c. Agreements and donor requirements, including bilateral agreements, Memoranda of Understanding and conditions outlined in funding agreements or grants;
- d. National laws and regulations, including host country legal and regulatory frameworks, where applicable and relevant to WFP operations; and
- e. Best practices in humanitarian operations, logistics, supply chain management and programme delivery, including benchmarks set by UN system-wide coordination bodies or peer organizations.

37. The audit used a comprehensive methodology that included interviewing key WFP personnel and external stakeholders, reviewing relevant documentation, requesting walkthroughs, performing data analysis, field visits, surveys, testing transactions, root cause analysis and verifying compliance with applicable policies and procedures. The draft report was shared on 18 November 2025 and final comments received on 3 December 2025.

38. 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 recognized professional practices.



III. Results of the audit

Audit work and conclusions

39. Six observations resulted from the audit, relating to governance, risk management and oversight, delivery of cash-based transfers, management of cooperating partners, logistics and monitoring. Other audit issues assessed as low priority were discussed directly with the country office and are not reflected in the report.

Governance, risk management and oversight

40. WFP's operation in Algeria is governed by a complex framework of agreements and partnerships that reflect the unique context of a protracted refugee crisis. The Algerian Government plays a central role through a Memorandum of Understanding that designates the Algerian Red Crescent and its implementing partner as official partners for logistics and food assistance distribution, both in-kind and through cash-based transfers. UNHCR acts as the lead UN organization for the refugee operation, and its role, along with WFP and the Algerian Red Crescent, is clearly defined in a tripartite agreement that sets out responsibilities for distribution, reporting, and monitoring. An operational agreement between WFP and the Algerian Red Crescent specify that logistics operations, including customs clearance, transport, and warehousing, are managed by the Algerian Red Crescent.

41. Although these agreements stipulate the transfer of ownership of food to national partners at specific points, such as the port of entry or advanced delivery locations, WFP retains full accountability for the assistance until it reaches the beneficiaries.¹ This principle is reinforced in the joint agreement with UNHCR and the Algerian Red Crescent, which ensures that WFP maintains oversight and reporting obligations throughout the supply chain.

42. The country office operates in a complex environment including the Sahrawi refugee situation that limits direct operational control. To deliver assistance effectively, WFP relies on a community-based model for targeting, registration, and food assistance distribution, complemented by monitoring and feedback mechanisms implemented through both community structures and WFP staff. This blend approach is pragmatic given the context, but it introduces significant residual risks compared to standard WFP operations and requires robust governance and risk management measures.

Observation 1. Governance and operational model risks

43. The country office operates under a governance framework defined by agreements with the Government and its partners, which delegate key operational responsibilities. This model limits WFP's ability to implement traditional assurance mechanisms. Despite these constraints, WFP has implemented mitigating actions. The technical agreement with the Algerian Red Crescent includes provisions for WFP access to warehouses and the use of WFP systems to track commodities and report stock movements, including losses. It also establishes a clear accountability framework for the Algerian Red Crescent, even though the Memorandum of Understanding with the Government references transfer of ownership of food to the Government and its partners.

¹ WFP retains control and primary responsibility for food commodities until their distribution to beneficiaries. In line with International Public Sector Accounting Standards requirements, these commodities remain recorded as WFP inventory while in the custody of the Algerian Red Crescent.



44. These measures partially offset the inherent risks of the operational model, which entails higher residual risks compared to standard WFP operations. While the inherent risks of this model appear to be broadly understood by key donors through interviews and documentation review, the extent of risk acceptance has not been sufficiently documented in key sources such as donors’ briefs, and reports, exposing the country office to potential misalignment of expectations. Key issues identified include:

- Limited visibility and control over beneficiary targeting, registration, verification and distribution processes, which are largely managed by community structures, local partners, and UNHCR.
- Under-utilization of WFP community feedback mechanisms due to beneficiaries’ reliance on informal mechanisms managed by the community and local partners, which reduces the level of assurance compared to WFP-managed systems.
- Difficulties in ensuring full traceability of food stocks from port to final distribution points².

45. The country office did not formally document the communication of all risks related to the operational model nor did it record their acceptance or mitigation strategies in key official documents, such as reports and donor debriefs. This lack of documentation increases exposure to reputational risks, particularly if issues arise that challenge the effectiveness of these processes. Donors met during the audit fieldwork expressed interest in having more visibility over the country office’s detailed assurance activities.

Underlying cause(s):

<i>Process and planning</i>	Inadequate risk management
<i>External factors – beyond the control of WFP</i>	Political – governmental situation

Agreed Actions [High priority]

The Country Office will:

- (i) With the support of global headquarters divisions as relevant, integrate risk acceptance and mitigation strategies into donor reports and debriefs as required by donors’ agreement terms.
- (ii) Document and communicate process-level assurance activities with donors.

Timeline for implementation

30 June 2026

² Details on commodity management in observation 5



Observation 2. Management and implementation of legal agreements

46. The legal framework underpinning WFP's operations in Algeria has not kept pace with evolving operational realities. While agreements with the Government and the Algerian Red Crescent provide the foundation for WFP's activities, repeated ad-hoc extensions of these agreements without a comprehensive review have resulted in outdated provisions and gaps in accountability. For instance, the tripartite agreement between WFP, UNHCR, and the Algerian Red Crescent still reflects an operational model where UNHCR plays a significant role in monitoring and coordination. In practice, UNHCR's involvement has diminished over time, leaving responsibilities unclear and creating potential overlaps or omissions in accountability.

47. Similarly, the technical agreement with the Algerian Red Crescent, although robust in defining logistics responsibilities, does not fully address emerging needs such as digitalisation of reporting or capacity-building for partner staff. The multiple extensions have also led to inconsistencies in financial reporting requirements. For example, the requirement for certified financial statements at project closure was not enforced because the project was repeatedly extended without formal closure. This weakens financial accountability and donor confidence.

48. Underlying these issues is the lack of a structured process for agreement revision and renewal. Extensions were often driven by operational urgency rather than strategic planning, and the Legal Office was not consistently involved in reviewing amendments. This has limited opportunities to incorporate lessons learned, clarify roles, and strengthen compliance provisions.

49. The operational agreement with the Algerian Red Crescent clearly assigns responsibility for food losses to the partner. Audit interviews with partner staff revealed inconsistencies in how this responsibility is understood at the operational level. Specifically, partner staff questioned the legitimacy of certain recorded losses. This lack of alignment between contractual provisions and operational understanding increases the risk of disputes over loss reporting and may undermine WFP's ability to enforce accountability measures effectively.

Underlying cause(s):

<i>Process and planning</i>	Unclear roles and responsibilities
<i>Oversight and performance</i>	Insufficient oversight from global headquarters/local management
<i>Resources – Third parties</i>	Insufficient training/capacity building of cooperating partner staff

Agreed Actions [Medium priority]

In collaboration with the Legal Office, the Country Office will conduct a comprehensive review and update the tri-partite agreement, the operational, and technical agreement with the Algerian Red Crescent to ensure roles, responsibilities and reporting requirements reflect operational realities; and formalize the procedure for agreement extensions.

Timeline for implementation

28 February 2026



Delivery - Cash-based transfers

50. The cash-based transfer (CBT) programme aims to support pregnant and breastfeeding women to access diverse food items due to their higher vulnerability to anaemia and acute malnutrition. Therefore, they are prioritized as the principal recipients of CBT.

51. The CBT programme provides monthly e-vouchers to support nutrition, as well as enhance and diversify the food basket. Health centres manage eligibility and enrolment databases. Beneficiaries receive e-vouchers after monthly health check-ups, redeemable for fresh foods at camp retailers, giving beneficiaries flexibility and access to nutritious options.

52. At the time of the audit fieldwork, the Algerian Red Crescent had an active contract for e-voucher redemption with 75 retailers across the five camps near Tindouf. Redemption and settlement processes are digitalized using mobile point-of-sale machines³ that WFP provided to the retailers, enabling visibility over beneficiary purchasing trends. Due to limited access to banking services, retailers' invoices were settled in cash on a monthly basis. WFP advanced the estimated transfer value to the Algerian Red Crescent, which in coordination with the implementing partner in the camps, settled the retailers' invoices based on WFP's report. WFP obtains all cash receipts signed by the Algerian Red Crescent, implementing partner and retailers.

53. The total amount transferred to beneficiaries under the CBT modality in 2024 was USD 2.4 million.

Observation 3. Cash-based transfers

54. The WFP corporate contract template for e-vouchers provides a standardized framework that ensures legal compliance, beneficiary protection, transparent pricing and clear financial and operational responsibilities, while supporting accountability and alignment with UN standards. Although WFP does not maintain direct contractual agreements with camp retailers, the Algerian Red Crescent did not use the corporate contract template. This gap stems from the continued extension of agreements with the Algerian Red Crescent without reassessing contractual arrangements, resulting in missed opportunities to enforce the use of the corporate template which is critical to mitigate operational and compliance risks to the programme.

55. Testing of a sample of end-to-end cash flows across four distribution cycles revealed delays in transferring funds to retailers. Advances remained with the Algerian Red Crescent for 7–10 days before reaching implementing partners in the field, followed by an additional 4–7 days before retailer payments were made. This deviates from the standard operating procedure, which stipulates that funds should be transferred to implementing partners within 2–3 days and retailers should be paid immediately upon receipt.

56. The delays in settlement have led to short stocking windows for retailers, increasing the risk of commodity shortages and potential disruption to programme delivery, particularly in camps where timely access to fresh and nutritious food is critical for vulnerable beneficiaries.

57. Expenses related to e-vouchers were not recorded in accordance with International Public Sector Accounting Standards (IPSAS) requirements. Instead of recognizing expenses when they became due, in most cases, the country office recorded them upon clearance of advances, leading to delays in expense recognition and inaccuracies in financial records.

³ An Android-based application integrated with WFP's SCOPE platform, used to process e-voucher redemption transactions at retailers for beneficiaries.



Underlying cause(s):

<i>Oversight and performance</i>	Insufficient oversight over third parties
<i>Resources – People</i>	Absence of/insufficient staff training (<i>on accounting principles</i>)
<i>External factors – beyond the control of WFP</i>	Political – governmental situation

Agreed Actions [Medium priority]

The Country Office will:

- (i) Establish regular performance monitoring and follow up with implementing partners to enforce adherence to standard operating procedure timelines for retailer settlement.
- (ii) Enforce the use of the WFP corporate contract template for retailer agreements.
- (iii) Provide targeted training to relevant staff on International Public Sector Accounting Standards and its implementation within WFP.

Timeline for implementation

30 June 2026

Cooperating partner management

58. During the audited period, the country office engaged with the Algerian Red Crescent to deliver general food assistance, nutrition and CBT activities. Other cooperating partners implemented school feeding and resilience activities. Field-level agreements signed between January 2024, and June 2025 totalled USD 946,000, corresponding to the reimbursement of programme implementation costs to cooperating partners and covering operations in the five camps.

59. On a sample basis, the audit reviewed the end-to-end process and key controls designed to mitigate risks in the management of cooperating partners.

Observation 4. Cooperating partner oversight

60. The country office did not conduct any cooperating partner spot-checks in 2024, contrary to corporate guidance. These gaps were a result of the country office's limited experience and minimal corporate support in performing spot-checks tailored to the particular context of the Algeria operation. The absence of regular checks reduces independent oversight of partners' operations, limiting assurance and delaying the identification and resolution of gaps in contracted activities.

61. Oversight of resilience activities was constrained by limited visibility and accountability over key operational aspects delegated to the cooperating partner (such as site locations and beneficiary details). For the regional community gardens, the cooperating partner did not provide documentation on beneficiary selection criteria, the number of applications received or approvals for the 2024 cycle. Although the resilience activities represent a small share of WFP's portfolio (3.1 percent of the country office 2024 total expenditure), improvements in oversight, documentation and strategic engagement are essential to achieve the intended impact.



62. Significant delays occurred in the cooperating partners’ submission of reports and invoices. Limited capacity contributed to reduced accountability and weakened enforcement of agreed timelines. As a result, WFP experienced delayed visibility into operational gaps, limiting timely corrective actions.

63. Rollout of the Partner Connect tool⁴ was delayed due to ongoing internal discussions regarding its deployment, further contributing to inefficiencies in partner reporting and data sharing.

Underlying cause(s):

Process and planning	Insufficient planning
Oversight and performance	Insufficient oversight over third parties
Resources – People	Absence of/insufficient staff training

Agreed Actions [Medium priority]

The Country Office will:

- (i) With the support of global headquarters, build internal capacity to develop and implement a tailored cooperating partner oversight plan, including methodologies and reporting standards.
- (ii) Establish a tracker to monitor submission of reports and invoices by cooperating partners and ensure prompt follow-up on delays or gaps.
- (iii) Accelerate deployment of Partner Connect to enhance transparency and accountability.

Timeline for implementation

30 April 2026

Supply Chain – Logistics

64. The country office’s Supply Chain function includes procurement, logistics, retailer operations, and food safety and quality. The country office procures food internationally and hands it over to the Algerian Red Crescent at the Port of Oran. WFP superintendent at the port, inspects the condition of containers without offloading the commodities and authorities collect samples for testing and reseal the containers for onward transport to partner-managed warehouse in Tindouf. WFP, the Algerian Red Crescent and its implementing partner jointly break the seals upon the commodities’ arrival at the warehouse as part of the standard process.

65. To address frequent pipeline breaks, the country office established a borrowing mechanism with partners such as the Spanish Red Cross and Algerian Red Crescent, which maintained emergency and security stocks respectively, receiving approximately 25,000 metric tons (mt) of commodities during the audited period.

66. At the time of audit fieldwork, the country office was in discussions with relevant stakeholders to initiate local food procurement processes.

⁴ WFP Partner Connect is a digital platform that facilitates real-time reporting, monitoring and collaboration with cooperating partners.



Observation 5. Commodity management

Management of superintendent services

67. The country office lacks effective superintendent services for commodities received at the Port of Oran. The previous superintendent ceased operations in August 2024 due to pricing disputes and company restructuring. A new contractor engaged in February 2025 demonstrated significant weaknesses in oversight and reporting, with no substantive reports submitted since its onboarding. The contractor provided partial services such as container condition checks, while key activities such as cargo tallying, damage assessment, issuance of letters of protest and reconciliation of discharge figures were not performed. These gaps are largely due to contextual limitations, as handovers of commodities at the Port of Oran involve discharging containers from the vessel and directly loading them onto trucks without destuffing or commodity counting at the port.

68. WFP staff are not consistently present during joint cargo offloading with the Algerian Red Crescent at the warehouse in Tindouf due to coordination challenges, further increasing risks related to food quality, loss and accountability.

Controls over commodity borrowing between WFP and cooperating partners

69. While the commodity borrowing arrangement ensured continuity of food assistance, WFP maintained limited oversight over the borrowed commodities, particularly regarding food quality, safety and handling. The on-site visit conducted as part of this audit revealed small quantities of WFP-branded bags exposed on open-air platforms. The partner indicated that the bags were spoilt stock, part of the security and emergency stock. The issue was neither reported nor managed through proper isolation and treatment of affected bags immediately after distribution; cleaning of the affected stock were carried out at the end of the distribution cycle only, posing food safety and reputational risks.

70. This challenge was further compounded by WFP's limited visibility across the supply chain and monitoring processes (see observations [1](#) and [6](#)). The absence of regular training for partners' warehouse staff increased the risk of stock management issues. Although there were attempts to organize such training, it did not take place during the audited period.

Underlying cause(s):

<i>Process and planning</i>	Inadequate process or programme design
<i>Oversight and performance</i>	Insufficient oversight over third parties
<i>Resources – third-party</i>	Insufficient training/capacity building of cooperating partner staff
<i>External factors – beyond the control of WFP</i>	Political – governmental situation

Agreed Actions [Medium priority]

The Country Office will:

- (i) Review and revise the superintendent contract terms to ensure the scope of services addresses the risk and is aligned to what is enforceable in the country office context.
- (ii) Strengthen commodity management oversight mechanisms throughout the supply chain, and enhance WFP staff presence, quality checks and reporting protocols.



- (iii) Prioritize and implement capacity building activities for partners' warehouse staff on WFP stock management standards and procedures while assessing and budgeting for a sustainable staffing structure, aligned with the ongoing digitalization efforts.

Timeline for implementation

31 December 2026

Monitoring and community feedback mechanisms

71. In 2025, the country office developed a monitoring strategy to address control gaps identified in the 2023 regional oversight mission. The monitoring team expanded in size and technical capacity and now reports to the Deputy Country Director.

72. Due to logistical and harsh climate challenges in accessing the 2,600 final distribution points, the country office relies on a third-party monitoring approach. According to the 2025 monitoring strategy, the third-party service provider conducts process and post-distribution monitoring at these final distribution points, while WFP monitors oversee 116 group distribution sites⁵ and an ad-hoc sample of the final distribution point. The tripartite agreement between WFP, UNHCR and the Algerian Red Crescent established a joint monitoring mechanism between WFP and UNHCR to further strengthen oversight.

73. Community feedback mechanisms include toll-free lines displayed at distribution points, clinics, retailers and resilience sites. Feedback volumes remain low, with issues typically resolved informally within the community.

Observation 6. Monitoring strategy and coverage

74. Implementation of the 2025 monitoring strategy faced significant challenges. During the audit period, monitoring of general food assistance was limited to 116 group distribution sites with the 2,600 final distribution points relying on both, post-distribution monitoring by the third-party monitor, and WFP monitors. This approach resulted in (a) non-compliance with minimum monitoring requirements, without an approved waiver or shift to a risk-based or sample-based approach; and (b) failure to meet specific donor expectations for coverage of 25 percent of final distribution points indicated in the donor's proposal.

75. The country office monitoring strategy included a contract with the third-party monitoring provider, which was the primary tool for process monitoring. The process involving the third party was suspended twice: first in early 2024 during the development of the new monitoring strategy, and again in February 2025 due to unresolved issues concerning data ownership and storage. These suspensions created significant gaps in process monitoring, which were only partially filled by post-distribution monitoring and surveys.

⁵ Expected process monitoring model - At the Daira level, monitoring assistants review distribution plans for all 116 group distribution points; at the Barrio level with > 2600 final distribution points, they visit at least seven barrios each month (covering 35 monthly) to monitor distributions using a standard tool. Within each barrio, 2-3 beneficiary groups are randomly selected for monitoring (100 groups monthly), and up to 50 households are randomly selected each month across the camps for direct process monitoring interviews.



76. The third-party monitoring provider relies on community members for monitoring activities given their ease of access and acceptability within the camps. While this approach could facilitate coverage, it also introduces potential conflicts of interest risks. While this risk has been captured in the country office risk register, the absence of effective process monitoring contracts with the third-party monitoring provider has delayed the implementation of mitigating measures.

77. Although the tripartite agreement established a joint monitoring mechanism with UNHCR, only one visit was performed during the audited period, limiting the effectiveness of this arrangement (see [Observation 2](#))

Underlying cause(s):

<i>Policies and procedures</i>	Absence or inadequate corporate policies/guidelines
<i>Process and planning</i>	Inadequate process or programme design
<i>External factors – beyond the control of WFP</i>	Political – governmental situation <i>(related to conducting surveys directly with beneficiaries)</i>

Agreed Actions [High priority]

The Country Office will:

- (i) In consultation with global headquarters and donors, develop and document a monitoring model that aligns with the operational context in Algeria.
- (ii) Establish contingency arrangements to minimize gaps in monitoring coverage in case of contract suspension or disruption.
- (iii) With the support of global headquarters, develop and implement risk mitigation measures to address potential bias and conflicts of interest in community-based monitoring.

Timeline for implementation

31 December 2026



Annex A – Agreed actions plan

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

The agreed actions plan is at the country office level.

#	Observation	Process area	Owner	Priority	Due date for implementation
1	Governance and operational model risks	Governance, risk management and oversight	Country Office	High	30 June 2026
2	Management and implementation of legal agreements	Governance, risk management and oversight	Country Office	Medium	28 February 2026
3	Cash-based transfer delivery	Delivery - Cash-based transfers	Country Office	Medium	30 June 2026
4	Cooperating partner oversight	Cooperating partner management	Country Office	Medium	30 April 2026
5	Commodity management	Supply Chain – Logistics	Country Office	Medium	31 December 2026
6	Monitoring strategy and coverage	Monitoring	Country Office	High	31 December 2026



Annex B – List of tables and figures

Table 1 – Direct operational costs and beneficiaries assisted in 20245

Figure 1 – Process areas in the audit scope5

Annex C – Acronyms used in the report

CBT	Cash-based transfer
IPSAS	International Public Sector Accounting Standards
Mt	Metric ton
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme



Annex D – Agreed actions terminology

List of root causes

Organizational direction, structure and authority	Unclear direction for planning, delivery, or reporting
	Insufficient authority and/or accountability
	Strategic and operational plans not developed, approved, or not SMART
Policies and procedures	Absence or inadequate corporate policies/guidelines
	Absence or inadequacy of local policies/guidelines
Process and planning	Inadequate process or programme design
	Rules and processes, including for decision making, not established or unclear
	Unclear roles and responsibilities
	Insufficient planning
	Inadequate risk management
	Insufficient coordination - internal or external
Oversight and performance	Insufficient oversight from global headquarters / local management
	Insufficient oversight over third parties
	Oversight plans not risk-informed
	Performance measures and outcomes inadequately measured/established
Resources – People	Insufficient staffing levels
	Insufficient skills and/or competencies
	Absence of/insufficient staff training
	Inadequate succession and workforce planning
	Inadequate hiring, retention, and/or compensation practices
	Inadequate supervision and/or performance appraisal processes
Resources – Funds	Inadequate funds mobilization
	Insufficient financial / cost management
Resources – Third parties	Insufficient third-party capacity (NGO, government, financial service providers, vendor, etc.)
	Insufficient due diligence of third parties
	Insufficient training/capacity building of cooperating partners' staff
Tools, systems and digitization	Absence or late adoption of tools and systems
	Inappropriate implementation or integration of tools and systems
Culture, conduct and ethics	Deficient workplace environment
	Insufficient enforcement of leadership and/or ethical behaviours
External factors - beyond the control of WFP	Conflict, security & access
	Political – governmental situation
	Funding context and shortfalls
	Donor requirements
	UN or sector-wide reform
Unintentional human error	
Management override of controls	



Priority of agreed actions

Audit observations are categorized according to the priority of agreed actions, which serve as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

High	Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity.
Medium	Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity.
Low	Action is recommended and should result in more effective governance arrangements, risk management, or controls, including better value for money.

Low-priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low-priority actions are not included in this report.

Typically, audit observations can be viewed on two levels: (1) observations that are specific to an office, unit, or division; and (2) observations that may relate to a broader policy, process, or corporate decision and may have a broad impact.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 harmonized audit rating definitions, as described below:

Effective / satisfactory	<p>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.</p>
Some improvement needed	<p>The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objective of the audited entity/area should be achieved.</p> <p>Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area.</p> <p>Management action is recommended to ensure that identified risks are adequately mitigated.</p>
Major improvement needed	<p>The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area.</p> <p>Prompt management action is required to ensure that identified risks are adequately mitigated.</p>
Ineffective / unsatisfactory	<p>The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.</p> <p>Urgent management action is required to ensure that the identified risks are adequately mitigated.</p>