

2 January 2026

### **WFP Management Comments to the Internal Audit Report of Trust Fund Management in WFP (AR/25/23)**

WFP Management welcomes the observations and recommendations made by the Office of the Inspector General (OIG) in its Internal Audit Report AR/25/23 on Trust Fund Management, covering the period from 1 January 2024 to 30 June 2025.

Management takes note of the audit's overall conclusion of "some improvement needed" and appreciates the recognition that trust fund governance, risk management, and controls are generally well established, and is committed to building on this progress to further strengthen assurance. A new Executive Director Circular and a Chief Financial Officer Directive on trust funds were being finalized at the time of the audit, with issuance anticipated in the near future. The audit also noted that this forthcoming guidance could help address the identified findings.

The audit highlights positive steps such as centralizing trust fund management under the Chief Financial Officer Division, improved financial and performance tracking through recent digital initiatives including a digital platform that links resources to results, and ongoing efforts to better align funding with organizational outcomes. It is also noted that no issues were found with the calculation of indirect support costs for full cost recovery.

Management acknowledges the three observations with one high-priority and three medium-priority actions and is committed to their full implementation in a timely manner. Planned measures include refining the validation and approval process for the establishment and revision of Trust Funds, clarifying roles and responsibilities with integrated risk assessment and mitigation measures. Additional steps will focus on strengthening performance monitoring and internal reporting, and providing updated guidance on the tool enhancements.

Management recognizes the importance of reviewing the strategy and conceptualization of extra-budgetary initiatives to ensure coherence and alignment with WFP priorities. The Chief Financial Officer Division, in collaboration with stakeholders, will lead this review and implement necessary changes to the technical review process, roles, and periodic portfolio review.

WFP Management remains committed to operational excellence and continuous improvement in trust fund management. Implementation of the agreed actions will further strengthen governance, risk management, and oversight, ensuring trust funds continue to support WFP's mission effectively. Progress will be closely monitored and updates provided through WFP's corporate tracking tool.

WFP Management thanks the Office of the Inspector General and all staff involved for their constructive engagement and support throughout the audit process.