

COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT  
UN WOMEN COUNTRY OFFICE IN  
PALESTINE



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UN WOMEN COUNTRY OFFICE  
IN PALESTINE



**INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)**

Internal Audit Service (IAS)

UN WOMEN

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# EXECUTIVE SUMMARY

## Audit objective and scope

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women Palestine Country Office from March to April 2021. Due to restrictions associated with the COVID-19 pandemic, this internal audit was conducted remotely. To support its remote work, IAS relied on the audit work of an external audit firm in key operations areas.

The internal audit aimed to assess the adequacy and effectiveness of the governance arrangements, risk management practices and control processes relating to the following areas and sub-areas:

- **Strategic priorities, programmes and project management:** strategic positioning, priorities setting, programme and project management, management of programme partners, coordination of gender mainstreaming, advocacy and resource mobilization.
- **Governance, risk management and internal controls:** office structure and delegation of authority, control environment, risk management, data quality and implementation of prior audit recommendations.
- **Operations:** management of procurement, human resources, finance and budget, information and communication technology (ICT), travel, assets, and safety and security.

The internal audit covered the state of governance, risk management and internal controls, based on a sample of Country Office activities from 1 January 2019 to 28 February 2021. According to the OneApp Project Delivery Dashboard, the Country Office's expenditure was US\$4.99 million in 2019 and US\$6.87 million in 2020.

IAS followed the International Standards for the Professional Practice of Internal Auditing in conducting this audit.

As this was a remote audit, IAS was not able to physically visit offices, project sites, stakeholders, partners and beneficiaries. Moreover, the audit team was not able to observe in-person the control environment and culture in the Country Office and had to rely on scanned or electronic files provided by management. In addition, as a result of local conditions imposed during the fieldwork period the extent to which the external audit firm engaged by IAS could visit the offices and inspect the Country Office's physical security set-up on behalf of IAS was greatly limited.

## Audit opinion and overall audit rating

IAS assessed the overall state of governance, risk management and internal controls in the Country Office as **Satisfactory**, meaning "issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area." Several audit areas such as coordination of gender mainstreaming, project management, programme partner management and human resources management were found to be in general satisfactory.

IAS noted good practices and achievements across the audit period in coordination of gender mainstreaming, resource mobilization and project cost allocation. Notably, the Country Office developed and disseminated a knowledge product about gender and COVID-19 entitled "[COVID-19: Gendered Impacts of the Pandemic in Palestine and Implications for Policy and Programming](#)", which was widely circulated and acknowledged within their United Nations Country Team.

IAS identified the following areas for enhancement to consolidate good practices and advance the mandate and priorities of the Country Office:

- **Strategic priorities, programme planning and implementation:** enhancing the communications, advocacy and stakeholder management plan to ensure that the communication and advocacy efforts conducted by Country Office personnel are cost-effective, coherent and impactful; advocating for completion of the United

Nations Country Team System-wide Action Plan (UNCT-SWAP) gender mainstreaming scorecard; more proactive project pipeline management including better utilization of the Leads system; and monitoring framework and plans.

- **Governance, risk management and internal controls:** strengthening risk management processes, and increasing awareness of standards of conduct and fraud prevention.
- **Operations:** strengthening procurement management, Field Office ICT and Telecommunications Security and Compliance Assessment, and business continuity planning.

Overall, IAS made 10 recommendations to address the areas for improvement, all of which were ranked as medium priority.

The 10 Medium (Important) priority recommendations mean “action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.” These recommendations are focused on enhancing advocacy and communication efforts; advocating and assisting the UNCT in completion of the UNCT-SWAP gender mainstreaming scorecard; devising and communicating a resource mobilization strategy; updating the Leads system; monitoring and reporting; strengthening risk management processes; standards of conduct and fraud prevention; strengthening procurement management; Field Office ICT and Telecommunications Security and Compliance Assessment; and business continuity planning.

## Management comments and action plan

IAS requested comments from management on the detailed audit findings. The comments and additional information provided have been taken into account in this report, as appropriate.

The Representative of UN Women Palestine generally accepted the above recommendations with a few clarifications. The Representative is already in the process of implementing the recommendations and provided the action plan of the Country Office as contained in this report.

Low-priority issues are not included in this report but were discussed directly with management, and actions have been initiated to address them.

## Acknowledgement

The audit was conducted during particularly challenging times for the Country Office in March and April 2021. In April, demonstrations took place in East Jerusalem. In May 2021, there was conflict in Gaza. The office operates in multiple jurisdictions, having a main office in Jerusalem and sub-offices in Gaza and Ramallah. This set-up, together with conflict and the ongoing pandemic, created a uniquely challenging operational environment. This also created challenges for the audit. IAS would like to acknowledge the dedicated work of UN Women Palestine Country Office personnel during this time. Their cooperation and professionalism in supporting the audit was very much appreciated.



Lisa Sutton, Director  
**Independent Evaluation and Audit Services**

## **ACRONYMS AND ABBREVIATIONS**

<b>DRF</b>	Development Results Framework
<b>IAS</b>	Internal Audit Service
<b>ICT</b>	Information and Communication Technology
<b>IEAS</b>	Independent Evaluation and Audit Services
<b>MERP</b>	Monitoring, Evaluation and Research Plan
<b>OEEF</b>	Organizational Efficiency and Effectiveness Framework
<b>RMS</b>	Results Management System
<b>SP</b>	Strategic Pillar
<b>SWAP</b>	System-Wide Action Plan
<b>UNCT</b>	United Nations Country Team
<b>UNDP</b>	United Nations Development Programme
<b>UNIFEM</b>	United Nations Development Fund for Women
<b>UN Women</b>	United Nations Entity for Gender Equality and the Empowerment of Women
<b>US\$</b>	United States dollar

## I. BACKGROUND

### About the Country Office

UN Women (prior to 2012, the United Nations Development Fund for Women (UNIFEM)) has worked in Palestine since 1997.

Aligned with the Palestinian Authority's national development priorities and the United Nations Development Assistance Framework for Palestine, the UN Women Palestine Country Office focused on increasing the economic empowerment of Palestinian women; ending violence against Palestinian women and girls and expanding their access to protection and other services; and increasing Palestinian women's leadership in peace, security and the engendering of humanitarian response.

As noted in the Human Resources Personnel Report, as of March 2021, the Country Office employed 10 personnel with Fixed-Term Appointments and engaged 22 individuals on Service Contracts, 12 consultants on Special Service Agreements, 1 United Nations Fellow, 1 United Nations Volunteer and 1 Vendor Contracted Consultant located in Jordan. According to the Atlas purchase order report, during 2019–2020 the Country Office hired 43 individual consultants.

The budget and expenditure of the Country Office is summarized in Table 1 below:

**Table 1: Palestine Country Office budget and expenditure, US\$**

	2019	2020
DRF budget target	4,635,953	6,250,518
DRF actual budget	3,609,445	6,244,165
DRF expenditure	3,562,528	5,704,145
Expenditure rate	99%	91%
OEEF budget target	1,545,121	1,248,091
OEEF actual budget	1,457,576	1,131,035
OEEF expenditure	1,431,354	1,166,174
Expenditure rate	98%	103%

Source: OneApp Project Delivery Dashboard and Results Management System (RMS)

As of 31 December 2020, the country field programme comprised 22 non-core funded projects with a total budget in 2020 of US\$6.162 million, funded by a range of donors, including through joint programmes and the Women's Peace and Humanitarian Trust Fund mechanism. For 2020, Institutional Budget funding amounted to US\$747,000, core funding to US\$345,000 and extrabudgetary funding to US\$101,000.

The Strategic Note of the Country Office cover the period 2018–2022. The Strategic Note included six Outcomes under the Development Results Framework (DRF). The annual workplans also included four Outputs under the Organizational Efficiency and Effectiveness Framework (OEEF). The related 2020 annual workplan focused on Women's Economic Empowerment; Elimination of Violence Against Women; Peace, Security and Humanitarian Actions; and Global Norms, Policies and Standards.

According to the OneApp Project Delivery Dashboard, the Country Office's expenditure totalled US\$4.99 million in 2019 and US\$6.87 million in 2020.

The audit was conducted during particularly challenging times for the Country Office in March and April 2021. In April, demonstrations took place in East Jerusalem. In May 2021, there was conflict in Gaza. The office operates in multiple jurisdictions, with a main office in Jerusalem and sub-offices in Gaza and Ramallah. This set-up, together with conflict and the ongoing pandemic, created a uniquely challenging operational environment. This also created challenges for the audit.

## II. AUDIT RESULTS

### A. Strategic priorities, programme planning and implementation

The Strategic Note of the Country Office covers the period 2018–2022. This is aligned with the United Nations Development Assistance Framework for Palestine, which also covers the period 2018–2022. It includes four impact areas and six Outcomes under the Development Results Framework and four Outputs under the Organizational Efficiency and Effectiveness Framework.

UN Women’s projects in Palestine for 2020 were funded by 13 different funding sources, including the Women’s Peace and Humanitarian Fund as well as joint programming with other United Nations entities funded through the Multi-Partner Trust Fund Office. The Country Office focuses on Women’s Economic Empowerment; Elimination of Violence Against Women; Peace, Security and Humanitarian Actions; and Global Norms, Policies and Standards.

Based on the audit work performed, the Internal Audit Service (IAS) assessed the Country Office’s coordination of gender mainstreaming and project and programme partner management to be satisfactory. Good results were noted in the area of resource mobilization, with a need to consolidate those achievements going forward and ensure sustainable growth of the office. The need for some improvement was noted regarding communications, advocacy and stakeholder management, as well as project portfolio pipeline management.

### KEY ISSUES AND CONCLUSIONS

#### **Issue 1: Enhancing advocacy and communication efforts**

Stakeholders interviewed by IAS (government partners, donors, civil society and United Nations agencies) acknowledged UN Women’s visibility and advocacy work in Palestine. They also highlighted UN Women’s technical expertise, with many stakeholders noting that they relied on it to formulate policies and interventions. Stakeholders had a strong and relatively coherent sense of what UN Women aims to achieve in Palestine.

Moreover, stakeholders acknowledged the good work UN Women is doing on advocacy and communication in Palestine. UN Women is seen as a visible and active partner in the country. There is evidence of communication activity being undertaken in the country including press releases, website communications, attendance and presentation at conferences, working groups and other forums.

As an opportunity to enhance the good practices of the Country Office, stakeholders mentioned the need for better and more regular communication on working priorities

and exchange of data between United Nations entities, especially given the remote working environment necessitated by the pandemic. This could be addressed through better planning of stakeholder management including clearly defined matrices of responsibility within joint programming, which were not always evident. The audit noted that during the pandemic regular exchanges took place as part of United Nations Country Team (UNCT) meetings including the Humanitarian Country Team, the Security Management Team and the COVID-19 Task Force.

The Country Office has a Media and Communication Officer (on Service Contract for the HAYA Joint Programme) as well as a Social Media and Youth Engagement Officer (United Nations Volunteer). The National Communication Officer (Service Contract) position is vacant. In addition, the Representative noted that all personnel have at least some communication and advocacy responsibilities. In addition, a full-time Communication Consultant has been engaged by the office since February 2021.

At the same time, the Country Office did not have an up-to-date formal communication and advocacy strategy, a formal stakeholder management strategy or a plan to ensure that communication and advocacy efforts are cost-effective, coherent, and has



dedicated sustainable funding including the means to track the reach, outcomes and impact of communication and advocacy efforts. The Country Office is currently updating its strategy from August 2019 to reflect current priorities.

The IAS survey conducted in the context of the audit showed that more than 80 per cent of the Country Office personnel in general agreed that internal communication was sufficient to keep them informed and assist them in their roles and that programmatic, operational and other functions work well together. More than 75 per cent of respondents agreed that they in general were kept informed of key developments in the office and the office's strategy and longer term vision in Palestine. However, some personnel suggested enhancing the exchange of information between thematic areas to better understand the work of the office.

### **Recommendation 1 (Medium):**

Representative to regularly update communication (both internal and external), advocacy and stakeholder management plan to ensure that the communication and advocacy efforts of Country Office personnel are cost-effective, coherent and impactful, consolidating advocacy and other programming work. This should include strategies for managing joint programming communications (e.g., clearly defined matrices of responsibility).

### **Issue 2: United Nations system coordination efforts and UNCT-SWAP gender mainstreaming scorecard**

Stakeholders within and outside the United Nations system noted UN Women's highly visible efforts on coordination for gender equality and women's empowerment. UN Women is widely regarded as having a gender coordination mandate in the UNCT. UNCT members interviewed by IAS noted that UN Women was represented at key meetings and was seen to be active in the United Nations system. UN Women successfully advocated for inclusion of a gender-specific outcome in the United Nations Development Assistance Framework (Outcome 4). UN Women leads 3 out of 34 coordination groups (Humanitarian Gender Group, Gender Theme Group, United Nations Gender Task Force).

When the COVID-19 pandemic arrived, UN Women was seen to be a swift responder in the United Nations system, developing a rapid guide on how to address gender-related issues in COVID-19 specific interventions quickly after the crisis began in 2020. The document addressed the impact of COVID-19 on gender perspectives with respect to policy and programming in Palestine. Several external stakeholders remarked on the usefulness of the document and the speed at which it was developed.

United Nations entities recognized UN Women's great coordination efforts while highlighting that more strategic interventions are always needed, especially in a difficult and complex agency environment, acknowledging UN Women's relatively small size.

The UNCT in Palestine has not completed a System-wide Action Plan (UNCT-SWAP) assessment. In its role as coordinator on gender mainstreaming, UN Women should advocate for completion of a UNCT-SWAP assessment to provide a road map for further progressing on gender mainstreaming within the UNCT.

Reportedly, the UNCT agreed to conduct a 2020 UNCT-SWAP gender mainstreaming scorecard exercise. However, due to the COVID-19 outbreak this had to be postponed. During its meeting on 29 April 2021, the UNCT agreed to launch the exercise in mid-2021 as part of the development of the new programmatic framework.

### **Recommendation 2 (Medium):**

As a part of its United Nations system coordination mandate, Representative to ensure completion of the UNCT-SWAP scorecard for the Palestine UNCT as well as development of a plan of action to address the gaps identified, which would then be incorporated into Gender Theme Group workplans.

### **Issue 3: Formalizing resource mobilization**

The Country Office has experienced success in resource mobilization in recent years, growing the number of donors and the amount of total contributions. However, in order for the office to achieve sustained and larger growth and mitigate the risks identified by the stakeholders interviewed, a formal approach to resource mobilization with clear performance indicators will be necessary.

The most funded outcomes related to Peace and Security and Ending Violence Against Women, while the least funded were Women’s Economic Empowerment and Global Norms. The Country Office would benefit from aligning its planned targets with available resources and assessing the feasibility of achieving these targets with the existing resources, revising targets if needed.

In addition, Table 2 in Section B below shows that the Country Office also had a small budget (US\$80,000) for Women’s Political Empowerment. This strategic pillar (SP) was not included in the Strategic Note for 2018–2022. The organization chart does not specifically allocate personnel to this pillar. The additional budget demonstrates the ability of the Country Office to mobilize resources outside of the planned programmatic pillars but could also indicate that the office is engaging in work outside of its approved strategy. The office needs to ensure that the newly funded pillar is included in its annual reports on Strategic Note progress so that efforts in this area are recognized and the evaluability of this pillar is safeguarded.

Without a formal resource mobilization strategy, the office may not be able to fully achieve its stated goal of growing the size of the programmatic portfolio and fully realize its potential.

### **Recommendation 3 (Medium):**

The Representative to devise and monitor a resource mobilization strategy aligned with its Strategic Note results and targets that will include donor mapping, performance indicators, targets and regular reporting against them. New funding for unplanned strategic pillars needs to be included in the Strategic Note and annual reports.

### **Issue 4: Project portfolio management**

#### Project design and implementation

Each sampled project had inception documents, defined objectives, workplans linked to the Strategic Note/annual workplans and a budget. Based on review of the

organizational structure and discussions with personnel and stakeholders, the projects appeared to have appropriate management and personnel structures based on the objectives and needs.

#### Project portfolio management

The Leads system is used to identify and monitor new programmatic opportunities as they arise. Offices are expected to record the possible projects they are developing, including their description, funding and timelines. This is useful for the Country Office to understand their project funding pipeline development and the effectiveness of the resource mobilization strategy, as well as for Regional Offices and headquarters to understand what project funding pipelines are being developed for monitoring and support purposes.

The Country Office has not always used the Leads system to effectively manage its project portfolio. System data shows that the Leads system was not used to reflect all project opportunities under development. In 2020, only one lead was recorded, and it is currently listed as active. As of 28 March 2021, there were no leads recorded for 2021. This is a substantial decrease from 2019, in which there were seven leads, including four active leads, two lost and one won.

Effective use of the Leads system is an important part of any resource mobilization strategy, which has been identified as in Issue 3 above.

### **Recommendation 4 (Medium):**

Representative to put in place a mechanism to update and maintain the Leads system.

### **Issue 5: Monitoring and reporting**

The Monitoring, Evaluation and Research Plan (MERP) could be improved to ensure that there are planned comprehensive monitoring activities to be undertaken in the year for each project and field intervention, including details as to who does what, when and how. An improved comprehensive MERP would clearly establish the

accountability and frequency of monitoring and would consolidate all efforts while reducing duplication and ensuring that key interventions are monitored. The MERP of the Country Office was developed in line with UN Women policies and procedures and was reviewed by the Regional Office and headquarters as part of the submission of the annual workplan package. However, as part of the meta-synthesis by IAS of field office audits conducted in 2020, the corporate guidance on the MERP process itself was identified for systemic improvement.

The Country Office has one dedicated Monitoring and Reporting Associate (Service Contractor SB3) supporting the programme, and project managers are also responsible for monitoring.

In addition to the MERP, all projects are expected to have detailed monitoring plans that feed into the overall MERP for the year. Three out of eight sampled projects had detailed monitoring plans (HAYA Joint Programme, COVID-19 response and protection response).

There was evidence of financial monitoring, particularly relating to programme partner advances through review and follow-up of funding authorization and certification of expenditure forms. There was evidence that programmatic monitoring was taking place through a review of periodic narrative reporting and field visits and ongoing communications with partners that could be consolidated into the MERP. During COVID-19, programmatic monitoring changed to being primarily remote. Due to the nature of the interventions (training, workshops, psychosocial support), this did not appear to have a material impact on the ability to deliver. However merging narrative and financial reporting into results-focused financial reporting often expected by donors was not done owing to limitations in the corporate system that manages it.

The Country Office also documented meaningful progress in the narrative monitoring reports, including amendments to the annual workplans as a result of the onset of the COVID-19 crisis. This progress was consistent with documentary evidence reviewed as well as with discussions with programmatic personnel and external stakeholders. The audit noted that only two out of 100 activities were listed as “off track”, 19 activities had “no status”, and 43 activities were “on track”.

It was noted in the annual reporting tool that the Country Office reported updates

against each of the targets where required. However, there was one target where a progress note was included in 2019 but not in 2020. This was confirmed as an error and the audit advises the office to ensure all updates are provided when required.

### **Recommendation 5 (Medium):**

Representative to ensure:

- a. All projects have up-to-date monitoring plans, taking into consideration the exigencies and remote monitoring during the pandemic; and
- b. The MERP can be used as a comprehensive monitoring framework covering all parties involved in monitoring to avoid duplication and cover gaps.

## B. Governance, risk management and internal controls

The overall budget of the Country Office was US\$5.07 million in 2019 and US\$7.38 million in 2020. The increase was the result of resource mobilization efforts for the strategic pillars of Elimination of Violence Against Women and Peace, Security and Humanitarian Actions. The budgeted Institutional Budget, core funding and extrabudgetary funding was US\$1.33 million in 2019 and US\$1.19 million in 2020.

As of March 2021, the Country Office employed 10 personnel with Fixed-Term Appointments and engaged 22 individuals on Service Contracts, 12 consultants on Special Service Agreements and 1 United Nations Volunteer. The latest organization chart provided to IAS contained 36 positions, of which 3 appeared to be vacant (including 2 United Nations Volunteers and 1 Service Contract). The Country Office was in the process of recruiting to fill these positions. The current Representative has been in position since August 2018. The Operations Manager (National Officer at C level) has been in position since November 2012.

The Country Office is based in Jerusalem and has two sub-offices in Gaza and Ramallah. All offices are within United Nations-managed compounds with security features managed by the United Nations Department of Safety and Security. The most senior personnel based at the Gaza and Ramallah offices are Programme Specialists (National Officer at C Level). They report to the Representative based in Jerusalem.

IAS reviewed the control environment, office structure, risk management, management of oversight recommendations and data management processes of the Country Office. The office structure appeared reasonable given the size and nature of its project portfolio and support needs; however, there was some reliance on Service Contracts for some key functions (for example in monitoring and evaluation and communications). The Country Office was set up in a way that in general complied with its internal control framework. The data in the systems reflected the transactions, with the exception of data accuracy in Leads and annual reports (see section above). risk management processes needed some improvement. The audit also recommended the Country Office have more regular discussions about standards of conduct and fraud awareness.

### KEY ISSUES AND CONCLUSIONS

#### **Issue 6: Office structure, capacity, personnel roles and responsibilities**

The structure of the Country Office appeared generally reasonable based on the funding allocations in the office. There were 27 positions (75 per cent of total positions) within the Programme category and 8 positions (22 per cent of total positions) in Operations (each area reports to the Representative). For 2021, 84 per cent of total funding (US\$6.9 million) is allocated to DRF, most of which is non-core funding of projects, and the remaining 16 per cent is OEEF (US\$1.3 million). This appears to align with the 74 per cent of number of planned activities under DRF and the remaining 26 per cent of activities under OEEF.

Table 2 below shows the personnel allocation by strategic pillar and other areas in 2020. While the organization chart does not allocate 100 per cent of any person's time to Strategic Pillar 6 on Global Norms, Policies and Standards, these activities are shared amongst existing personnel across the various other active strategic pillars.

**Table 2: Budget and personnel allocated to strategic pillars**

Impact Code	Budget 2020 (US\$)	Budget 2021 (US\$)	Personnel
SP1 - Women's Political Environment	0	80,000	0
SP2 - Women's Economic Empowerment	518,569	338,335	3
SP3 - Elimination of Violence Against Women	3,114,491	3,590,902	13
SP4 - Peace, Security and Humanitarian Actions	1,968,993	3,081,225	5

Impact Code	Budget 2020 (US\$)	Budget 2021 (US\$)	Personnel
SP6 - Global Norms, Policies and Standards	589,408	329,811	0
OEEF	1,131,035	1,452,888	8
Other personnel	0	0	7
<b>TOTAL</b>	<b>7,322,496</b>	<b>8,873,161</b>	<b>36</b>

While the office structure appeared reasonable given the size and nature of its project portfolio and support needs, there was some reliance on Service Contracts for some key functions (for example in monitoring and evaluation and communications). In general, a reliance on non-staff personnel such as Service Contractors can have an impact on the stability and performance of an office.

### Issue 7: Strengthening risk management processes

The risk management process of the Country Office is in place but needs some improvement. IAS noted that UN Women Palestine could improve risk management relating to brand, stakeholder management and reputation (see IAS conclusion in Issue 1 on stakeholder management, advocacy and communications). This was also mentioned by the United Nations Board of Auditors in its recent review. Other key risks pointed out by the personnel surveyed by IAS were also not sufficiently identified and addressed in the Country Office’s enterprise risk management register or practices, including availability and mobilization of funding (see IAS conclusion in Issue 3 on resource mobilization), pandemics, access issues with respect to mobility between sub-offices, motivation and retention of personnel, and cooperation and synergies between programmes and teams.

Regarding COVID-19 risks and mitigating actions, more than half of the respondents to the IAS personnel survey thought there was an appropriate shift in work priorities. Almost 90 per cent of the respondents noted an increase in work demands, where only 57 per cent thought they received adequate support.

### Recommendation 6 (Medium):

Representative to devise a formal mechanism for identification, regular discussion, mitigation and assignment of key risks. This involves discussing key risks regularly at personnel meetings and keeping the risk register up to date.

### Issue 8: Standards of conduct and fraud prevention

The IAS personnel survey for the audit aimed to better understand the working environment of the Country Office, including communications and attitudes with regard to anti-fraud, ethics and integrity. The survey had a 57 per cent response rate.

The results of the survey were largely positive:

- While most respondents were aware of and thought that the Country Office complied with policies and procedures relating to various types of misconduct (fraud, harassment, sexual harassment, sexual exploitation and abuse), several respondents were not fully aware of the relevant policies and procedures. At the same time, and on a positive note, more than half of the respondents had received training other than the online mandatory training, some of which was related to sexual exploitation and abuse.
- While 63 per cent of the respondents were aware of their obligation to report wrongdoing, several mentioned that they did not know they were obligated to report or that they were not comfortable with reporting.
- More than half of the respondents found that United Nations standards of conduct and fraud and other misconduct risks were discussed in meetings, retreats, training or other forums but not as often as needed.
- Most respondents were not aware of any inappropriate use of official resources; several commented on enhancing value for money of the resources being spent through better planning and communications between teams.
- More than 70 per cent of the respondents felt that all Country Office personnel were treated with dignity and respect, and that the Country Office provided a

supportive, safe and inclusive work environment and followed established policies.

To be more proactive in addressing potential challenges and awareness of its personnel of key policy, procedures and expectations, the Country Office would benefit from regular discussion of standards of conduct, key policies, duty to report fraud, and fraud risks and how to address them.

Issues such as accountability for value for money and ethical and intended purpose of use of public funds, compliance with substance rather than form, and outside activities might need to be repeatedly stressed in daily work and meetings.

### **Recommendation 7 (Medium):**

Representative to incorporate discussions about standards of conduct, awareness of key policies, duty to report and how to report on fraud and corruption risks into existing management and all-hands meetings on a regular basis. Where assistance is needed for the substance and structure of these discussions, the Representative could reach out to the Ethics Focal Point in Human Resources, the Enterprise Risk Management Officer or IAS.

### **Issue 9: Implementation of oversight recommendations**

The last internal audit of the Country Office took place in 2013 (report issued 25 February 2014). The audit rating given to the office was “Satisfactory”. There was one recommendation for the office to establish a Service Level Agreement with the United Nations Development Programme (UNDP) in addition to the corporate agreement to address services provided by UNDP. At the time, headquarters management responded that UNDP had denied this request. In 2017, two directly implemented project audit reports were completed for projects in Palestine. No programme partner audit recommendations were given, and the opinions were unqualified.

In 2018 and 2019, three nationally implemented project audits were conducted in Palestine relating to partners engaged under the United Nations Trust Fund and the

Fund for Gender Equality. Two of the reports included recommendations for more competitive procurement processes by partners and better record-keeping. The third report had no issues. A Country Portfolio Evaluation for Palestine was conducted in 2017. There were six key recommendations in the evaluation report, including: enhance grass-roots partnerships; adapt the approach to women’s economic empowerment; rethink the achieving female leadership strategy; redefine capacity assessment for the Ministry of Women’s Affairs; expand the holistic approach to gender-based violence; and develop a detailed communications strategy and plan.

IAS notes the commitment of Country Office management to learning lessons and using the oversight reports to enhance the processes of the Country Office and manage its risks.

## C. Operations

At the time of the audit, the Operations team included an Operations Manager (funded by Institutional Budget), a Finance Associate (funded by Institutional Budget), a Human Resources and Travel Assistant (funded by core budget), an Administrative Associate (funded by core budget), an Operations Clerk (funded by Institutional Budget), two Drivers (funded by core and non-core budgets) and a Helper/Cleaner (funded by core and non-core budgets).

According to Atlas purchase order reports, the Country Office mainly conducts micro-purchasing (amounts less than US\$5,000): In 2019, it raised 111 purchase orders, with total value of US\$151,000. In 2020, it raised 87 purchase orders, with a total value of US\$85,000. For procurements between US\$5,000 and US\$50,000, there were six purchase orders in 2019, with a total value of US\$79,000 and seven purchase orders in 2020, with a total value of US\$101,000.

The audit assessed that, based on the sample of transactions reviewed, the Country Office operational processes and corresponding controls appeared satisfactory, with some need for improvement in procurement, information and communication technology (ICT) and business continuity planning. Office management set up control processes for travel, assets, budgeting, accounting and financial management in accordance with relevant UN Women regulations and rules, and policies and procedures. As a good practice, the audit reviewed the office's project cost allocation tools. These tools were self-developed templates that resulted in the consistent allocation of costs across projects.

Office management has established controls over human resources management including recruitment and separation. All personnel had completed mandatory training activities, and there was evidence of other training taking place. Management of staff performance is on track with 100 per cent performance management and development process compliance for all staff as of July 2021. There was also evidence of non-staff personnel having performance evaluations. The Country Office employs an Assistant (Service Contract) who is responsible for supporting human resources activities such as recruitment. The Assistant is also responsible for processing travel-related transactions. The Country Office intends to upgrade this Service Contract position to a Fixed-Term Appointment.

## KEY ISSUES AND CONCLUSIONS

### **Issue 10: Strengthening procurement management**

Office management had a procurement plan and strategy to meet its programme needs, including capacity in the procurement function. The Country Office has three dedicated buyers. The audit noted that some bids were sent to individuals within the office rather than to a generic email address. To promote clear segregation of duties and reduce the risk that fraud or corruption may occur or not be detected in a timely manner, it is important to establish a protected mechanism (ideally electronic) for procurement bids to be received from potential suppliers.

The Country Office informed IAS that a generic procurement email address is used for all formal procurement bids. However, of those sampled, there was one case of micro-purchasing in which the generic email address was not used, because for micro-purchasing staff are delegated to solicit quotes directly from suppliers. As the majority of the Office's procurement was using the informal micro-purchasing methodology, there would be a good mitigating practice to use generic email addresses to solicit micro-purchasing offers when possible, even in case of micro-purchasing through existing long-term agreements.

UN Women introduced an e-procurement system in 2019. In 2020, it became mandatory for offices to use the system for procurements above US\$5,000. Reportedly, offices in the Arab States region, including Palestine, were granted a waiver to

postpone the roll-out of the e-procurement System in 2020. This was partly because the offices had not received proper training on the system as a result of the pandemic. The necessary training was conducted remotely in September 2020, and the offices were expected to commence use of the system from October 2020. The Country Office had five procurements above US\$5,000 in 2021 for which it used the e-procurement system to conduct them.

The Country Office should use the e-procurement system going forward, as it is a key management and fraud control in the procurement process. It also facilitates more efficient procurement processes and better monitoring at the regional and corporate levels.

### **Recommendation 8 (Medium):**

Representative to:

- a. Encourage use of generic email address for receipt of all procurement bids from potential suppliers where e-procurement is not used, including micro-purchasing (as this is their primary mode of solicitation). The email address should be clearly specified in all solicitation documents.
- b. Consider centralizing the micro-purchasing process within the authorized buyers in terms of contacting the suppliers and collecting the offers for the review of requestors.

### **Issue 11: Field Office ICT and Telecommunications Security and Compliance Assessment**

The Field Office ICT and Telecommunications Security and Compliance Assessment for the first quarter of 2021 found that the Country Office needed to greatly improve the current level of ICT and telecommunications security compliance. The current compliance level was rated as “Non-Compliant”. This is mainly due to poor performance in the areas of inventory, storing of special accounts, office network, personal computer communications and attendance at the quarterly/semi-annual compliance meeting.

In addition, the Threat and Vulnerability Dashboard found that there was a medium level of threat exposure for devices in the office. This included several security recommendations that needed to be implemented.

An update of the ICT plan took place during the audit in April 2021, with support from the headquarters information security and compliance team. The updated compliance report shows the Country Office has improved to “Partially Compliant”. The current ICT plan was reviewed and approved as part of the annual workplan review process.

The office does not have dedicated ICT personnel. Most of the ICT systems, functionality and support is provided by external organizations (e.g., the United Nations Office for Project Services), and the Country Office assigned residual ICT responsibilities to existing Operations personnel. The office is also spread across four locations. Resource limitations and geography may help to explain the challenges experienced.

### **Recommendation 9 (Medium):**

Representative to implement action plan to address the non-compliant aspects of the quarterly Field Office ICT and Telecommunications Security and Compliance Assessment and Threat and Vulnerability Management Dashboard and put in place a mechanism to monitor compliance on a quarterly basis going forward, approaching Regional Office and headquarter for support.

### **Issue 12: Business continuity planning**

The Country Office relies on the larger United Nations security apparatus for security arrangements. The offices in Jerusalem, Ramallah and Gaza are within United Nations-managed compounds with security management by the United Nations Department of Safety and Security.

The business continuity plan of the Country Office was last updated on 8 October 2018. It addressed the Jerusalem and Gaza offices, but not the Ramallah office. The business continuity plan was not tested in 2019 or 2020 (understandable due to the COVID-19



pandemic). The Country Office needs also to consider a business continuity plan for the remote working environment necessitated by the COVID-19 pandemic.

Office personnel have been operating in a business continuity environment since March 2020 and have not been able to keep the business continuity plan up to date.

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**Recommendation 10 (Medium):**

Representative to update the Country Office's business continuity plan to address all physical sites of the Country Office and include any specific guidance in relation to COVID-19.

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### III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation Date
1. Enhancing advocacy and communication efforts	1. Representative to regularly update communication (both internal and external), advocacy and stakeholder management plan to ensure that the communication and advocacy efforts of Country Office personnel are cost-effective, coherent and impactful, consolidating advocacy and other programming work. This should include strategies for managing joint programming communications (e.g., clearly defined matrices of responsibility).	Strategic priorities, programme planning and implementation	UN Women Palestine	Medium	Update the communication and advocacy strategy (including schedule of updates)	December 2021
2. United Nations system coordination efforts and UNCT-SWAP gender mainstreaming scorecard	2. As a part of its United Nations system coordination mandate, Representative to ensure completion of the UNCT-SWAP scorecard for the Palestine UNCT as well as development of a plan of action to address the gaps identified, which would then be incorporated into Gender Theme Group workplans.	Strategic priorities, programme planning and implementation	UN Women Palestine	Medium	<ul style="list-style-type: none"> <li>Approve UNCT-SWAP scorecard exercise</li> <li>Launch scorecard exercise in Q3 and complete by end of Q4</li> </ul>	<p>Already approved (29 April 2021)</p> <p>December 2021</p>
3. Formalizing resource mobilization	3. Representative to devise and monitor a resource mobilization strategy aligned with its Strategic Note results and targets that will include donor mapping, performance indicators, targets and regular reporting against them. New funding for unplanned strategic pillars needs to be included in the Strategic Note and annual reports.	Strategic priorities, programme planning and implementation	UN Women Palestine	Medium	Develop resource mobilization strategy with schedule for updates	December 2021
4. Project portfolio management	4. Representative to put in place a mechanism to		UN Women Palestine	Medium	<ul style="list-style-type: none"> <li>Project leads to monthly review and update Leads system;</li> </ul>	July 2021

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation Date
	update and maintain the Leads system.				<p>Monitoring and Evaluation Associate to follow up with project leads in updating/maintaining system</p> <ul style="list-style-type: none"> <li>Monthly agenda item on update and maintenance of leads in Senior Management Group meetings</li> </ul>	July 2021
5. Monitoring and reporting	<p>5. Representative to ensure:</p> <ol style="list-style-type: none"> <li>All projects have up-to-date monitoring plans, taking into consideration the exigencies and remote monitoring during the pandemic; and</li> <li>The MERP can be used as a comprehensive monitoring framework covering all parties involved in monitoring to avoid duplication and cover gaps.</li> </ol>	Strategic priorities, programme planning and implementation	UN Women Palestine	Medium	<ul style="list-style-type: none"> <li>Monitoring and evaluation plan for Strategic Note/annual workplan – in line with the MERP – will be reviewed biannually to ensure all programmes/projects are incorporated</li> <li>Ensure training of staff and partners on results-based management, including monitoring and evaluation and reporting</li> <li>Consult with Regional Office and headquarters on how the MERP can be used as a comprehensive plan in accordance with UN Women corporate guidance (through the development cycle of the 2022 annual workplan)</li> <li>Continue to ensure setting of annualized targets or milestones and regularly report against them in the Results Management</li> </ul>	<p>August 2021</p> <p>August 2021 (staff) and September 2021 (partners)</p> <p>October 2021</p> <p>Already applied</p>

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation Date
					System	
7. Strengthening risk management processes	6. Representative to devise a formal mechanism for identification, regular discussion, mitigation and assignment of key risks. This involves discussing key risks regularly at personnel meetings and keeping the risk register up to date.	Governance, risk management and internal controls	UN Women Palestine	Medium	<ul style="list-style-type: none"> <li>Monthly discussion in Senior Management Group of key risks</li> <li>Monthly meeting with Monitoring and Evaluation Associate to review and update risk register</li> <li>Quarterly discussion in all staff meetings of key risks</li> </ul>	<p>July 2021</p> <p>Already taking place since May 2021</p> <p>August 2021</p>
8. Standards of conduct and fraud prevention	7. Representative to incorporate discussions about standards of conduct, awareness of key policies, duty to report and how to report, and fraud risks into existing management and all-hands meetings on a regular basis. Where assistance is needed for the substance and structure of these discussions, the Representative could reach out to the Ethics Focal Point in Human Resources, the Enterprise Risk Management Officer or IAS.	Governance, risk management and internal controls	UN Women Palestine	Medium	<ul style="list-style-type: none"> <li>Quarterly discussions in all staff meetings on standards of conduct and fraud prevention</li> </ul>	September 2021
10. Strengthening procurement management	8. Representative to: <ul style="list-style-type: none"> <li>a. Encourage use of generic email address for receipt of all procurement bids from potential suppliers where e-procurement is not used, including micro-purchasing (as this is their primary mode of solicitation). The email address should be clearly specified in all solicitation documents.</li> <li>b. Consider centralizing the micro-</li> </ul>	Operations	UN Women Palestine	Medium	e-procurement system used for all formal procurement processes	Already taking place since October 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation Date
	<p>purchasing process within the authorized buyers in terms of contacting the suppliers and collecting the offers for the review of requestors.</p>					
<p>11. Field Office ICT and Telecommunications Security and Compliance Assessment</p>	<p>9. Representative to implement the action plan to address the non-compliant aspects of the quarterly Field Office ICT and Telecommunications Security and Compliance Assessment and Threat and Vulnerability Management Dashboard and put in place a mechanism to monitor compliance on a quarterly basis going forward. Approach Regional Office to provide support. Representative to implement the action plan to address the non-compliant aspects of the quarterly Field Office ICT and Telecommunications Security and Compliance Assessment and Threat and Vulnerability Management Dashboard and put in place a mechanism to monitor compliance on a quarterly basis going forward. Approach Regional Office to provide support.</p>	<p>Operations</p>	<p>UN Women Palestine</p>	<p>Medium</p>	<p>Hold quarterly meetings with headquarters information security and compliance team to discuss progress on the implementation of the office ICT plan, agree on next steps to increase the InfoSec compliance rating to satisfactory</p>	<p>December 2021</p>
<p>12. Business continuity planning</p>	<p>10. Representative to update the office's business continuity plan to address all physical sites of the Country Office and include any specific guidance in relation to COVID-19.</p>	<p>Operations</p>	<p>UN Women Palestine</p>	<p>Medium</p>	<p>Roll-out of new Business Continuity and Crisis Management Application (BCCMA) as per headquarters instructions</p>	<p>October 2021</p>

# Annex 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

## A. AUDIT RATINGS

<b>Satisfactory</b>	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
<b>Some Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Major Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

## B. PRIORITIES OF AUDIT RECOMMENDATIONS

<b>High (Critical)</b>	Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
<b>Medium (Important)</b>	Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
<b>Low</b>	Action is desirable and should result in enhanced control or better value for money. Low-priority recommendations, if any, are dealt with by the audit team directly with Country Office management, either during the exit meeting or through a separate memorandum subsequent to the fieldwork. Therefore, low-priority recommendations are not included in this report.

UN WOMEN IS THE UN ORGANIZATION  
DEDICATED TO GENDER EQUALITY AND THE  
EMPOWERMENT OF WOMEN.

A GLOBAL CHAMPION FOR WOMEN AND GIRLS,  
UN WOMEN WAS ESTABLISHED TO ACCELERATE  
PROGRESS ON MEETING THEIR NEEDS  
WORLDWIDE.

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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