

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UN WOMEN OFFICE IN THE OCCUPIED PALESTINIAN TERRITORIES

STRENGTHENING THE RULE OF LAW IN THE OCCUPIED PALESTINIAN TERRITORIES:

JUSTICE AND SECURITY FOR THE PALESTINIAN PEOPLE

(Directly Implemented Project No. 91096)

Report No. 1868

Issue Date: 7 September 2017

**Report on the Audit of UN Women Occupied Palestinian Territories
Strengthening the Rule of Law in the Occupied Palestinian territories: Justice and Security for the
Palestinian People (Project No. 91096)
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through Deloitte (the audit firm), from 12 to 23 June 2017, conducted an audit of Strengthening the Rule of Law in the occupied Palestinian Territories: Justice and Security for the Palestinian People, Project No. 91096 (the Project), which is directly implemented and managed by the UN Women Office in the occupied Palestinian Territories (the Office). This was the first DIM audit of the Project.

The audit firm conducted a financial audit to express an opinion on whether the financial statements present fairly, in all material aspects, the Project's operations. The audit covered the Project's Trial Balance Report, which includes expenditure for the period from 1 January 2016 to 31 December 2016 and the Statement of Assets as of 31 December 2016. The audit did not include expenditures processed and approved outside of the Office (such as by the UN Women Regional Centres and UN Women Headquarters).

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit results

Based on the audit report and corresponding management letter submitted by the audit firm, the results are summarized in the table below:

Project Expenditure*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$ '000)	Opinion
1,737	Unqualified	6	Unqualified

* Expenditures recorded in the Project Trial Balance were \$ 2,781,140. Excluded from the audit scope were transactions that relate to expenditures processed and approved by other UN Women offices (\$1,043,788).

The audit did not result in any recommendations.

Management Comments

Comments and/or additional information provided have been incorporated into the report, where appropriate.



Brett Simpson
Officer-in-Charge
Office of Audit and Investigations

United Nations Development Programme (UNDP)

**Report on Financial Audit of United Nations Entity for Gender Equality and the
Empowerment of Women (UN WOMEN) Directly Implemented Project in
the occupied Palestinian territories (oPt)**

**Strengthening the Rule of Law in the occupied Palestinian territories: Justice and
Security for the Palestinian People**

Project No. 00091096

August 15, 2017

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**To: The Director
Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

Dear Sir;

This report represents the results of the financial audit conducted on the UN Women office in the occupied Palestinian territories (oPt) directly implemented (DIM) project "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People", (Project ID 000091096) ("the project"), for the period from 1 January 2016 to 31 December 2016.

The audit was undertaken on behalf of the Office of Audit and Investigations (OAI), United Nations Development Programme (UNDP).

Part I – Executive Summary

Deloitte Haskins & Sells LLP (DHS) through Deloitte & Touche (ME) Palestine Office conducted a financial audit of the UN Women office in the occupied Palestinian territories (oPt) directly implemented Project: “Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People” (Project no. 00091096) (“the project”), for the period 1 January to 31 December 2016.

1.1 Audit Objective

The objective of the financial audit is to express an opinion on the project’s financial statements which include:

- a) Expressing an opinion on whether the financial expenses incurred by the project for the period from January 01, 2016 to December 31, 2016 and the funds utilization as at December 31, 2016 are fairly presented in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents.
- b) Expressing an opinion on whether the statement of fixed assets presents fairly the balance of assets of the UN Women project as at 31 December, 2016. This statement must include all assets available as at 31 December, 2016 and not only those purchased in a given period. Where a DIM project does not have any assets or equipment, it will not be necessary to express such an opinion.
- c) As may be applicable, provide the progress made in implementing the recommendations raised in a previous year audit report.

The Financial Audit was conducted in accordance with the International Standards of Auditing (ISA), the 800 series.

1.2 Scope of Audit

The scope of the audit relates only to transactions concluded and recorded against the UN Women DIM project for the period from January 01, 2016 to December 31, 2016. The scope of the audit did not include:

- Activities and expenses incurred or undertaken at the level of “responsible parties”, unless the inclusion of these expenses is specifically required in the request for proposal; and
 - Expenses processed and approved in locations outside the country such as UN Women Regional Offices and UN Women Headquarters and where the supporting documentation is not retained at the level of the UN Women country office.
- a) The audit covered all activities of the project number 00091096 “Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People” during the period from January 01, 2016 to December 31, 2016; and included review of project reports and records located at the UN Women office in the occupied Palestinian territories (oPt).
- b) Specifically, the audit covered the expenses incurred and recorded in the Project Trial Balance of project number 00091096 during the period from January 01 to 31 December 2016 as reported by the UN Women office in the occupied Palestinian territories (oPt); and the value and existence of the fixed assets held by project number 00091096 as at December 31, 2016; and
- c) Follow-up on previous audit.

We have issued audit opinions as summarized in the table below and as detailed in the next section:


Statement of Project Trial Balance	Unmodified
Statement of Fixed Assets	Unmodified

As a result of our audit, no audit findings were raised.

No audit was carried out in the prior year, therefore, no follow-up procedures were performed.

Acknowledgment

We wish to express our appreciation for the courtesy and cooperation extended to our representatives during the course of their work.


Deloitte & Touche (ME)
Ramallah, Palestine
August 15, 2017



PART II - Auditor's Report

2.1 INDEPENDENT AUDITOR'S REPORT ON THE PROJECT TRIAL BALANCE

**To: The Director
Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

Opinion

We have audited the accompanying Project Trial Balance, ("the statement") of the UN Women office in the occupied Palestinian territories (oPt), project 00091096, "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People", as at 31 December 2016.

The Project Trial Balance expenditures totaling USD \$2,781,140, are comprised of expenditures directly incurred by the UN Women office in the occupied Palestinian territories (oPt) for an amount of USD \$1,737,352 and expenditures incurred or undertaken by entities other than the Office in the amount of USD \$1,043,788. Our audit only covered the expenditure directly incurred by the UN Women office in the occupied Palestinian territories (oPt) of USD \$1,737,352.

In our opinion, the attached Project Trial Balance presents fairly, in all material respects, the expenses of USD \$1,737,352 incurred directly by UN Women office in the occupied Palestinian territories (oPt), and charged to the Project, for the year ended 31 December 2016 in accordance with UN Women accounting policies and that the expenses incurred were: (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant regulations and rules, policies and procedures of UN Women; and (iv) supported by properly approved vouchers and other supporting documents.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the Project Trial Balance section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Management Responsibilities

Management is responsible for the preparation of the Project Trial Balance, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit

Our objectives are to obtain reasonable assurance about whether the Project Trial Balance as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also,

1. Identify and assess the risks of material misstatement of the Project Trial Balance whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche (ME)
Ramallah, Palestine
August 15, 2017



Financial audit of Project "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People"
For the year ended 31 December 2016

The Project Trial Balance for the Year Ended 31 December 2016:



United Nations Entity for Gender Equality and the Empowerment of Women

Extract of UN Women Trial balance as at the 31 December 2016
Expenditure by Project

Sum of Net Amount						
Project	Account	Acc Desc	Donor report classification	Total per GL	Total Per Asset Schedule	Difference:
91096	18130	Communications & IT Equipments	Assets	9,664.00		
91096	18630	Accumulated Dep - ITC	Assets	(3,592.76)		
				6,071.24	6,071.24	-
91096	61305	Salaries - IP Staff	Expenses	119,415.39		
91096	61310	Post Adjustment - IP Staff	Expenses	62,961.07		
91096	62305	Dependency Allowances-IP Staff	Expenses	13,345.42		
91096	62310	Contrib to Jt Staff Pens Fd-IP	Expenses	36,369.70		
91096	62315	Contrib. to Medical, social In	Expenses	3,989.10		
91096	62320	Mobility, Hardship, Non-remova	Expenses	13,874.15		
91096	62330	Rental Supplements - IP Staff	Expenses	22,569.66		
91096	62340	Annual Leave Expense - IP	Expenses	(977.51)		
91096	63330	Ed Grt Incl Trvl&Allow-IP Stf	Expenses	37,056.81		
91096	63335	Home Leave Trvl & Allow-IP Stf	Expenses	6,290.10		
91096	63530	Contribution to EOS Benefits	Expenses	6,839.12		
91096	63535	Contribution to Security	Expenses	8,383.04		
91096	63540	Contribution to Training	Expenses	1,823.83		
91096	63545	Contribution to ICT	Expenses	7,295.02		
91096	63550	Contributions to MAIP	Expenses	364.74		
91096	63555	Contribution to UN JFA	Expenses	3,282.77		
91096	63560	Contributions to Appendix D	Expenses	547.14		
91096	65115	Contributions to ASHI Reserve	Expenses	14,590.16		
91096	65135	Payroll Mgt Cost Recovery ATLA	Expenses	2,240.50		
91096	71205	Intl Consultants-Sht Term-Tech	Expenses	73,750.00		
91096	71305	Local Consult.-Sht Term-Tech	Expenses	428,821.39		
91096	71310	Local Consult.-Short Term-Supp	Expenses	8,750.00		
91096	71405	Service Contracts-Individuals	Expenses	659,625.11		
91096	71410	MAIP Premium SC	Expenses	1,195.13		
91096	71415	Contribution to Security SC	Expenses	13,146.47		
91096	71440	Appendix D SC	Expenses	9,561.10		
91096	71605	Travel Tickets-International	Expenses	18,490.32		
91096	71610	Travel Tickets-Local	Expenses	239.90		
91096	71615	Daily Subsistence Allow-Intl	Expenses	7,561.40		
91096	71620	Daily Subsistence Allow-Local	Expenses	3,006.53		
91096	71635	Travel - Other	Expenses	18,303.36		
91096	72105	Svc Co-Construction & Engineer	Expenses	381,017.33		
91096	72120	Svc Co-Trade and Business Serv	Expenses	5,499.86		
91096	72125	Svc Co-Studies & Research Serv	Expenses	9,070.33		
91096	72130	Svc Co-Transportation Services	Expenses	264.32		
91096	72140	Svc Co-Information Technology	Expenses	8,045.66		
91096	72145	Svc Co-Training and Educ Serv	Expenses	7,628.39		
91096	72205	Office Machinery	Expenses	35,646.25		
91096	72210	Machinery and Equipment	Expenses	5,705.93		
91096	72215	Transportation Equipment	Expenses	1,100.00		
91096	72220	Furniture	Expenses	5,718.38		
91096	72311	Fuel, petroleum and other oils	Expenses	694.78		
91096	72399	Other Materials and Goods	Expenses	6,709.90		
91096	72405	Acquisition of Communic Equip	Expenses	5,315.43		
91096	72420	Land Telephone Charges	Expenses	1,231.48		
91096	72425	Mobile Telephone Charges	Expenses	4,988.11		
91096	72445	Common Services-Communications	Expenses	83.15		
91096	72505	Stationery & other Office Supp	Expenses	11,613.28		
91096	72510	Publications	Expenses	4,408.38		
91096	72715	Hospitality/Catering	Expenses	19,410.60		
91096	72805	Acquis of Computer Hardware	Expenses	2,365.14		
91096	72815	Inform Technology Supplies	Expenses	45.00		
91096	73104	Leased Building	Expenses	13,000.00		
91096	73105	Rent	Expenses	52,960.91		
91096	73107	Rent - Meeting Rooms	Expenses	68.78		
91096	73120	Utilities	Expenses	320.26		
91096	73410	Maint, Oper of Transport Equip	Expenses	6,372.72		
91096	73505	Relmb to UNDP for Supp Svcs	Expenses	10,830.00		
91096	74105	Management and Reporting Svcs	Expenses	471.08		
91096	74205	Audio Visual Productions	Expenses	45,934.41		
91096	74210	Printing and Publications	Expenses	8,062.99		
91096	74220	Translation Costs	Expenses	21,862.00		
91096	74225	Other Media Costs	Expenses	1,801.82		
91096	74510	Bank Charges	Expenses	72.48		
91096	74599	UNDP cost recovery chrgs-Bills	Expenses	5,548.04		
91096	74910	Gain/Loss Disposal Fixed Asset	Expenses	(130.38)		
91096	75105	Facilities & Admin - Implement	Expenses	75,705.53		
91096	75115	Facilities & Admin - OH & Ind	Expenses	191,402.53		
91096	75705	Learning Costs	Expenses	24,395.70		
91096	75709	Learning - training of counter	Expenses	47,228.44		
91096	75710	Participation of counterparts	Expenses	148,676.61		
91096	76125	Realized Loss	Expenses	5,472.21		
91096	77360	Med Exams(Incl Pre-empl)-TA	Expenses	141.82		
91096	77630	Dep Exp Owned - ITC	Expenses	1,999.74		
				2,781,140.31		

I hereby certify that the Trial Balance is extracted from UN-Women's books and records which have been audited by the United Nations Board of Audit for the year ended 31 December 2016

Donna Grimwade
Chief of Accounts

Date 16-May-17



2.2 INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF FIXED ASSETS

**To: The Director
Office of Audit and Investigations (OAI)
United Nations Development Programme (UNDP)**

Opinion

We have audited the Statement of Fixed Assets ("the statement") of the UN Women office in the occupied Palestinian territories (oPt), project 00091096, "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People", as at 31 December 2016.

In our opinion, the attached Statement of Fixed Assets presents fairly, in all material respects, the status of the assets of the UN Women project 00091096, "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People", amounting to USD \$6,071, as of 31 December 2016, in accordance with UN Women accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the Statement of Fixed Assets section of our report. We are independent of UN Women in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management Responsibilities

Management is responsible for the preparation of the Statement of Fixed Assets, and for such internal control as management determines is necessary to enable the preparation of the statement that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

1. Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche (ME)
Ramallah, Palestine
August 15, 2017




Financial audit of Project "Strengthening the Rule of Law in the occupied Palestinian territories: Justice and Security for the Palestinian People"
 For the year ended 31 December 2016



Asset Schedule by Project as at the 31 December 2016

Business unit	Operating Unit	Asset ID	Profile ID	Description	TAG Number	Serial Number	Model	Location	Acquisition Date	In Service Date	Cost USD	Net Book Value	Quantity	Department	Impl Agency	Donor	Project	Fund code
PAL30	PAL	177	UNW ICT1	A Notebook con	IT000000246	CNU4229816		PAL30	2/24/2015	2/24/2015	1,208.00	738.5	1	96145	2001	11278	91096 W3003	
PAL30	PAL	179	UNW ICT1	Notebook comp	IT000000223	5CG451340Z		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	186	UNW ICT1	Notebook comp	IT0000000228	5CG4513413		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	187	UNW ICT1	Notebook comp	IT000000231	5CG451341G		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	188	UNW ICT1	Notebook comp	IT000000226	5CG451341D		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	191	UNW ICT1	Notebook comp	IT000000222	5CG451340R		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	192	UNW ICT1	Notebook comp	IT000000227	5CG451340L		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
PAL30	PAL	195	UNW ICT1	Notebook comp	IT000000154	5CG451340X		PAL30	2/24/2015	3/1/2015	1,208.00	761.82	1	96145	2001	11278	91096 W3003	
											9,664.00	6,071.24						

I hereby certify that the Assets Schedule is extracted from UN-Women's books and records, which have been audited by the United Nations Board of Audit for the year ended 31 December 2016


 Donna Grimwade
 Chief of Accounts


 Frankline Okumu
 Asset Focal Point

16-May-17
 Date

16-May-17
 Date



