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:

<table>
<thead>
<tr>
<th>Project Expenditure*</th>
<th>Project Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (in S'000)</td>
<td>Opinion</td>
</tr>
<tr>
<td>1,737</td>
<td>Unqualified</td>
</tr>
</tbody>
</table>

* 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:

<table>
<thead>
<tr>
<th>Statement of Project Trial Balance</th>
<th>Unmodified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Fixed Assets</td>
<td>Unmodified</td>
</tr>
</tbody>
</table>

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

### UN Women: 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:

<table>
<thead>
<tr>
<th>Project Account</th>
<th>Name of Account</th>
<th>Total GL Schedule</th>
<th>Total Per GL Schedule</th>
<th>Difference:</th>
</tr>
</thead>
<tbody>
<tr>
<td>85083</td>
<td>Salaries - IP Staff</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
<tr>
<td>85084</td>
<td>Rent - Staff Pensions</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
<tr>
<td>85085</td>
<td>Rent - General Office</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
<tr>
<td>85086</td>
<td>Travel - General Office</td>
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<td>2,105.33</td>
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</tr>
<tr>
<td>85087</td>
<td>General Administration Cost</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
<tr>
<td>85088</td>
<td>Other Expenses</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
<tr>
<td>85089</td>
<td>Total Expenses</td>
<td>2,105.33</td>
<td>2,105.33</td>
<td>0</td>
</tr>
</tbody>
</table>

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.

Dorina Grindvold
Chief of Accounts

Certified Public Accountants
Roumalish - Palestine

Deloitte & Touche (M.E.)
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.
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 as of 31 December 2016

<table>
<thead>
<tr>
<th>Unit</th>
<th>Description</th>
<th>TAC Number</th>
<th>Serial Number</th>
<th>Model</th>
<th>Location</th>
<th>Acquisition Date</th>
<th>In Service Date</th>
<th>Cost USD</th>
<th>Net Book Value</th>
<th>Quantity</th>
<th>Department</th>
<th>Imel Agency</th>
<th>Order</th>
<th>Project</th>
<th>Fund Code</th>
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<tbody>
<tr>
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<td>12730</td>
<td>91206</td>
<td>W5003</td>
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<td>12730</td>
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<td>96445</td>
<td>2001</td>
<td>12730</td>
<td>91206</td>
<td>W5003</td>
</tr>
</tbody>
</table>

$6,654.00 $6,071.24

I hereby certify that the Asset 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.

Doniga Grimwade
Chief of Accounts

Frankline Oluwu
Asset Focal Point

Date: 10-May-17

Date: 26-May-17