

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE

Report No. 1302
Issue Date: 3 July 2014

Report on the audit of UNDP Programme of Assistance to the Palestinian People Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Programme of Assistance to the Palestinian People (the Office) from 24 March to 7 April 2014. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) governance and strategic management (organizational structure and delegations of authority, leadership/ethics and values, risk management, planning, monitoring and reporting, financial sustainability);
- (b) United Nations system coordination;
- (c) programme activities (programme management, partnerships and resource mobilization, project management); and
- (d) operations (human resources, finance, procurement, information and communication technology, general administration, safety and security, asset management, leave management).

The audit covered the activities of the Office from 1 January 2013 to 31 January 2014. The Office recorded programme and management expenditures totalling \$92 million during the audited period. The last audit of the Office was conducted by OAI in 2010.

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

Overall audit rating

OAI assessed the Office as **partially satisfactory**, which means "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." This rating was mainly due to weaknesses in human resource management.

Key recommendations: Total = 4, high priority = 1

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Weaknesses in human resource management (Issue 2)

The Office incorrectly used the service contract modality for personnel performing core office functions. Also, staff had not completed Performance, Management and Development assessments or certain UNDP mandatory training courses.

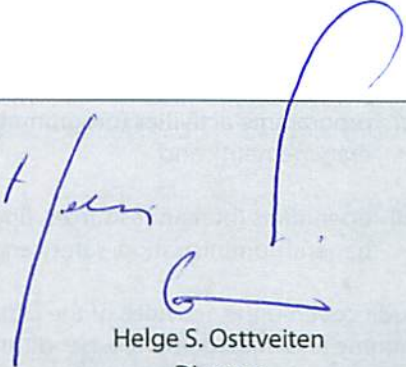
Recommendation: Improve human resource management by: (a) using the proper contract modality, with due consideration to the nature of the post and the duties that personnel will perform; (b) completing without delay the 2013

performance assessments and include 2014 targets for all staff in the online system; and (c) requiring all staff to complete UNDP mandatory training courses.

Management comments and action plan

The Special Representative accepted all of the recommendations and is in the process of implementing them. Comments and additional information provided have been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.



Helge S. Ostveiten
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