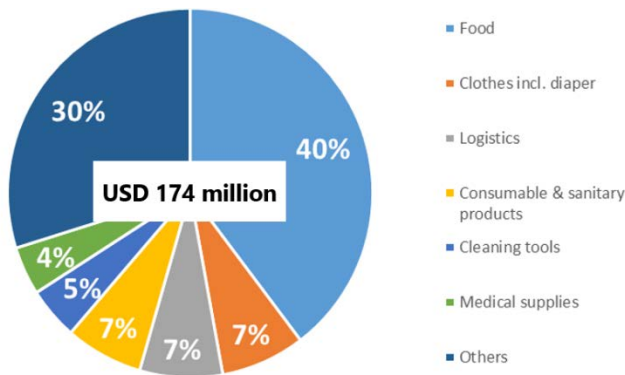


**Background**

Following the start of the war in Gaza in October 2023, management triggered procedures under UNRWA’s Emergency Management Framework. Emergency Procurement Procedures (EPPs) were enacted to streamline processes for a rapid emergency response, ensuring both efficiency and adherence to UNRWA's procurement principles and manual guidelines.

During the audit period, emergency purchases totaled \$174 million through 872 transactions and 244 purchase orders with 117 unique vendors for food and non-food items as per the graph below. The "others" category included hygiene products, transportation, and warehouse services.



**Objective and scope of the Audit**

The audit objective was to provide assurance that governance arrangements, risk management practices and controls were adequately established and functioning well to provide reasonable assurance that the objectives of the audited area should be achieved.

**Achievements**

Over the six-month audit period, about 872 procurement transactions were completed, with procurement volume for Gaza increasing five-fold between 2022 and 2024, underscoring the

extensive emergency response efforts. The Central Support Services Division promptly prepared and sent RFQs to suppliers, often on the same day of receiving procurement requests from Gaza Field Office. The Division also utilized existing LTAs from other UN Agencies to expedite the awarding of contracts for urgently needed non-food items.

**What DIOS IAD concluded**

Overall, the audited area was assessed as *“Partially Satisfactory with some improvement needed”*. The assessed governance arrangements, risk management practices, and controls were generally established and functioning but need some improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved.

The unprecedented context challenged the standard application of processes and controls over procurement activities. Management should review the applicability of emergency procurement procedures against practice during the emergency. While progress has been made, oversight mechanisms need to improve to enhance transparency, ensure value for money, and mitigate fraud and collusion risks in procurement activities.

The Internal Audit Division noted that underlying causes to audit observations were the scale of the emergency response, including a massive increase in procurement transactions, staffing constraints, delayed administrative processes and lack of alternatives to the Gaza-based Technical Evaluation Team to ensure the established controls were functioning as intended.

**What DIOS recommended**

Two high-priority recommendations were issued:

1. The Chief of Central Support Services Division should review policies and procedures to:

- a) Clarify requirements for records filing (what, where, and when)
- b) Define the frequency to update the procurement plans, particularly during emergencies
- c) Review the timeline for bid opening and evaluation; and
- d) Define the practice of preparing the Award Recommendation Document to ensure alignment with section 8.10 in the Procurement Manual.

2. The Head of the Policy, Compliance and Monitoring Unit of the Central Support Services

Division, in collaboration with the Risk Management Unit, should enhance its management oversight practices and:

- a) Incorporate risk indicators and thresholds in its monthly compliance report, and
- b) Define measures to escalate to senior management inadequate risk posture.

**How management will address recommendations**

Management accepted the recommendations and has started their implementation. Management has developed an action plan with timelines and assigned action owners.

**Audit methodology**

The Internal Audit Division performed this audit through enquiries, document review, in-person and remote interviews with responsible staff, data analyses, and other procedures deemed necessary.

The audit was conducted in accordance with DIOS methodology and designed to conform to the Global Internal Audit Standards. The engagement included reviewing and analysing, on a sample testing basis, information that provided the basis for the conclusions and audit results noted in this audit report. It was completed in conformity with the approved work plan and considered the risk assessment exercise conducted prior to the audit.

Pursuant to Organization Directive 14, the summary of findings and recommendations is made publicly available on DIOS internet page upon issuance of the report in June 2025.