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October 2025

# SUMMARY

INTERNAL AUDIT 2025-04

## Key Controls at Gaza Field Office

## WHAT WAS AUDITED

The audit objective is to provide assurance that Key Controls at Gaza Field Office (GFO) were established and adequately functioning to achieve the objectives of the audited area.

The audit covered the period from April 2024 to February 2025 with a scope focused on *logistics, payroll, and field supervision*.

## WHY IT MATTERS

After almost two years of exceptionally challenging working conditions, the standard processes and controls in Gaza are under unprecedented strain. The volatile environment, compounded by the departure of international staff in March 2025 and restricted access to UNRWA facilities, has disrupted coordination and management oversight of operations.

adjusted their control framework to mitigate access constraints, internal controls provided a degraded level of assurance over logistics operations, notably for inventory management inside Gaza.

*Payroll* – Controls over payroll processing were assessed as functioning despite some errors noted due to a heavy workload and reliance on manual processes.

*Field management* – Coordination and management oversight mechanisms mandated by corporate guidance were largely followed, even after the evacuation of international staff from Gaza.

## WHAT WERE THE ACHIEVEMENTS

The resilience and professionalism displayed by staff are commendable in view of the extraordinary hardship in Gaza. HR continued providing services and reassigned 5,000 staff to ensure continuity of operations. GFO Logistics established the Kerem Shalom crossing team to facilitate the entry of goods into Gaza, store teams managed the sudden influx of trucks and cargoes, and coordination with staff in Cairo and headquarters ensured clearing of supplies received and confirmation of their status.

Internal audit coverage		
Gaza FO 2024 expenditure: USD 650 million		Expenditure in scope: 83% (USD 537 million)
Areas in scope		
Business area	2024 expenditure	Sub-processes
Logistics	USD 270 million Value of goods procured	Materialize the entry of goods into Gaza
		Transfer to UNRWA stores
		Inventory recording in SCM on REACH
		Physical inventory count
Payroll	USD 267 million Area staff payroll	Organizational management
		Segregation of duties
		Review and Approval
		Overtime payment and night duty premium
Field management	N/A	Oversight and Management

## WHAT WE RECOMMEND

The Internal Audit Division of DIOS formulates one high-priority recommendation to review the Gaza supply chain strategy in view of the Agency's access challenges; and two recommendations of medium priority to reintroduce physical inventory counts in Gaza when possible and amend delegations of authority related to overtime to improve compliance.

## WHAT WE 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 improvements to provide reasonable assurance that the objectives of the audited area should be achieved.

*Logistics* – GFO demonstrated exceptional adaptability in a highly volatile and unpredictable operating environment. While supply chain teams

## WHAT IS NEXT

Management accepted the recommendations and has developed a time-bound action plan and officials responsible for its implementation.

DIOS monitors and reports on the implementation of internal audit recommendations.

*The audit was conducted in conformance with the Global Internal Audit Standards™. Pursuant to the Charter of DIOS this summary is publicly available upon issuance of the report internally.*

DIOS values

Professionalism | Excellence | Integrity | Objectivity | Courage | Adaptability | Innovation