

23RD SESSION OF THE STANDING COMMITTEE
ON PROGRAMMES AND FINANCE

AGENDA ITEM 6

Progress Report on the Implementation of the
External Auditor's Recommendations

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Audits of IOM

- The External Auditor is expected to audit the accounts of the Organization in accordance with the principles set out in the Annex to the Regulations and with such other directives as the Council may give;
- **Certification Audit:** To provide assurance that the accounts and underlying financial transactions are free from material error and/or misstatements and comply with IOM's Financial Regulations and IPSAS;
- **Performance Audit:** The topic for the performance audit is selected yearly on the basis of the importance of various IOM operations or activities, the risk to the operations and by taking into account elements of economy, efficiency and effectiveness;
- **Compliance Audit:** Examine whether the activities of IOM are in accordance with the relevant laws, regulations and authorities that govern the Organization. This involves reporting on the degree to which the Administration is accountable for its actions and exercises good governance.

Annual External Auditor scope

	2013	2014	2015	2016	2017
	External Auditor	External Auditor	External Auditor	External Auditor	External Auditor
Certification audit	Comptroller and Auditor General of India	Comptroller and Auditor General of India	Comptroller and Auditor General of India	Ghana Audit Service	Ghana Audit Service
Performance audit	Treasury Management	Information Technology and Communication	Human Resources Management	Business Continuity Plan	Air Ticket Management
Compliance audit	Austria (RO)	Belgium (CO & RO)	Argentina (CO & RO)	Canada	Austria (RO)
	Indonesia	Egypt (CO & RO)	Colombia	China	Cameroon
	Russian Federation	Greece	Ethiopia	Japan	Côte d'Ivoire
	Thailand (CO & RO)	Jordan	Kenya (CO & RO)	Thailand (CO & RO)	Lebanon
	Turkey	Norway	Peru	U.S.A. (2 locations)	Nigeria
		Sudan	Uganda		United Republic of Tanzania
					Uganda
					Ukraine

Recommendations Implementation Overview (yearly trends)

	Report on the implementation of the External Auditor's recommendations			
	2014	2015	2016	2017
	S/16/CRP/15	S/18/CRP/10	S/20/CRP/1	S/22/CRP/1
Outstanding as at Y-1	20	27	19	39
Raised during the year	37	43	47	54
Closed during the year	(30)	(51)	(27)	(41)
Outstanding as at yearly update to the Member States	27	19	39	52

Recommendations Overview - management comments

- IOM has implemented 41 recommendations since the last update provided to Member States by Management in November 2017.
- The increase in outstanding audit recommendations is mainly due to:
 - Higher level, strategic type of recommendations, with more extensive time and resources required to implement;
 - Diverse audit approaches between different audit teams;
 - Increase in size and complexity of the organization.
- The main increase, by category, is due to:
 - Certification: higher amount of long-term strategic recommendations (e.g.: IOM's strategy review, statement of Internal Control, Financial Coordination Platform);
 - Performance: funding challenges and timeline constraints (e.g.: ISO27001 – Information Security Management System, PRIMA, Delegation of Authority);
 - Compliance: larger organization and different level of maturity in country offices.

Current Outstanding Recommendations - by region

	Recommendations Category					
	Global	Africa	Americas	Asia	Europe	Total
Certification	25					25
Performance	10					10
Compliance		7	5	1	4	17
Outstanding as at yearly update to the Member States	35	7	5	1	4	52

Recommendations Overview - management comments

- Global recommendations are related to Certification and Performance audits performed at central locations (e.g.: Geneva, Manila, etc.) or related to core processes (Air Ticket Management, Information Security, etc.):
 - These recommendations are broad in scope and complex to implement;
- Compliance recommendations are related to specific Country's offices:
 - These are related to items such as local assets acquisition and disposal, local tax exemptions, Privileges & Immunities, local procurement, local contract management and staff training. Their resolution is inherently quicker and less complex.

Recommendations Overview - timeline

Recommendations planned date of completion	23	26	3
Year	2018	2019	2020

- Management foresees to implement 23 recommendations by the end of 2018, 26 by 2019 and 3 by 2020;
- The recommendations with implementation date as 2020 are related to large central implementations such as the Centralized Financial Coordination Platform, the implementation of the Statement of Internal Control and the ISO 27001 certification.

Management actions underway

- A comprehensive anti-fraud manual and an Ethics and Conduct office charter are being drafted;
- Additional funds have been draw-down for PRIMA implementation which is in the final stages of testing. A pilot is scheduled for early 2019 with roll-out envisioned during the course of 2019;
- The Financial Management Rules and Procedures is finalized for release in October 2018;
- A feasibility study on the implementation of a Centralized Financial Coordination Platform is ongoing;
- A feasibility study on the implementation of the Statement of Internal Control has been finalized and currently being reviewed;
- IOM's strategy is currently being discussed and will be clarified in 2019;

Management actions underway

- The new Human Resources delegations of authority is being finalized;
- The development of the new iGATOR system to improve management of Ticket Order Records is being finalized;
- Negotiations in relation to Privileges & Immunities with certain Countries' Authorities are ongoing;
- A review of knowledge management at IOM is currently in progress;
- IT Security is being enhanced through the creation of 13 IT security posts worldwide and preparation for the ISO 27001 certification;
- The Contingency reserve has been merged with the Operational Support Income reserve as per resolution S/22/RES/18.

THANK YOU