

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-third Session

REPORT OF THE IOM AUDIT AND OVERSIGHT ADVISORY COMMITTEE

ACTIVITIES FROM SEPTEMBER 2017 TO AUGUST 2018

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Summary of observations

1. The Audit and Oversight Advisory Committee is overall satisfied with IOM's cooperation on and reaction to its recommendations during the reporting period.
2. During the reporting period, the Committee covered a number of thematic areas. It made recommendations to the Director General on those areas requiring improvement that he had committed to address.
3. Communication with IOM's senior management was good and took place in a positive and constructive atmosphere.

Committee membership

4. During the reporting period, the Committee had the following members:
 - Jean-Pierre Garitte, Chairperson
 - Loxly Epie, Vice-Chairperson
 - Carol Bellamy
 - Catherine Bragg
 - Gerardo Carstens
5. Ms Bragg and Mr Carstens started their three-year mandate in January 2018.

Committee meetings and activities

6. During the reporting period:
 - Three Committee members convened for the Committee's ninth meeting, at the Panama Administrative Centre, on 16 and 17 October 2017. On 18 October, the Chairperson delivered a training session to the entire internal audit team, while the other Committee members visited the IOM Office in Bogotá from 18 to 20 October. The Committee would like to thank the Chiefs of Mission and staff in Panama and Colombia for their warm welcome.
 - On 1 November 2017, the Chairperson attended the Twenty-first Session of the Standing Committee on Programmes and Finance and reported on the Committee's activities from September 2016 to August 2017.
 - The Committee held its tenth meeting in Geneva on 22 and 23 February 2018. It was pleased to welcome its two new members, Ms Bragg and Mr Carstens.
 - The Committee convened for its eleventh meeting on 7 and 8 May 2018. A Committee member spent an additional day with staff from the monitoring and evaluation team of the Office of the Inspector General.
 - The Chairperson visited IOM Headquarters in August 2018 and met with the both the outgoing and incoming Directors General.
 - Committee members had various phone calls and video meetings with IOM staff.

7. The Audit and Oversight Advisory Committee looks at the broader aspects of good governance: risk management, internal controls, internal audit, ethics, organizational structure, various financial and non-financial processes.

Internal justice system

8. At its tenth meeting, the Committee urged for consensus and a decision to be taken on IOM's internal justice system. It was in favour of IOM hiring an external consultant to assess the current system and provide recommendations. The Committee asked to speak with the consultant before the report is issued.

Office of the Inspector General

9. **Internal audit.** The Committee participated in IOM's risk-based audit planning exercise for 2018. The Chairperson provided a one-day training course to the entire internal audit team on the three-lines-of-defence paradigm, including on where each line stands – or ought to stand – within the Organization. With regards to the recruitment of the Head of Internal Audit, the Chairperson and another Committee member reviewed the written assessments of the shortlisted candidates. Tests were marked anonymously; the Committee members' ratings were compared with those of the Inspector General and the results were similar.

10. **Evaluation.** A Committee member spent a day with the monitoring and evaluation team. Issues discussed included the independence of evaluation, the proposed database on monitoring and evaluation activities, and more integrated training with other management practice groups, such as those related to results-based management and risk management. The Committee is of the opinion that IOM needs to give more importance to the work and impact of the central evaluation function and that this function of the Office of the Inspector General needs further strengthening.

11. **Investigations.** The Committee followed up on investigation activities, including the development of a fraud manual and the request for additional resources. As the latter is linked to the internal justice system, it suggested that any extra recruitment for investigations should be postponed until the internal justice system has been reviewed.

12. **Cost–benefit analysis.** The Committee looked at a first draft of a cost–benefit analysis of the Office of the Inspector General and into the rationale within the analysis. It recommended further analysis and to present the resulting conclusions as recommendations to the Director General.

Risk management

13. To avoid marginalization of the risk management function, the Committee continued to be in favour of a direct reporting relationship for that function to the Director General, with close coordination with the internal audit team.

Financial management

14. The Committee urged the prompt completion of the financial management manual and expressed its surprise that it had not been completed during the reporting period.

Financial controls

15. The Committee was made aware of some cases of financial losses. It recommended that the Director General take action to strengthen controls on reporting of expenditures and receivables.

Statement of internal control

16. The Committee asked for a copy of the recommendations made by PricewaterhouseCoopers related to IOM's statement of internal control and would have liked to be consulted during the process.

Information technology

17. At each of its meetings, the Committee was updated on the progress of the implementation of the recommendations ensuing from the (outsourced) audit of IOM's information security in December 2016. Given the social aspect of IT hacking, it also suggested that IOM staff be made aware of their IT security responsibilities in general.

Business continuity management

18. Aside from the Information and Communications Technology division, which deals with all IT-related business continuity plans, there is no single focal point for such plans within IOM. The Committee recommended that IOM have a single focal point coordinator for business continuity plans.

Human resources

19. Given the size of the Organization in proportion to the size of its human resources globally, the ratio of human resources personnel to staff members looks a bit thin. The Committee therefore recommended to assess and strengthen, where necessary, human resources capacity within the Organization.

Further observations

20. The Committee would also like to mention that:

- It plans to address IOM governance at its next meeting and has informed the Director General of this.
- The Chairperson and Vice-Chairperson will participate in the third Meeting of the United Nations System Oversight Committees in December 2018 in New York.

21. The Committee thanks the former Director General for his support since it took up its functions in 2014. It also looks forward to working with the newly appointed Director General.