

CONFERENCE ROOM PAPER

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-eighth Session

**REPORT OF THE EXTERNAL AUDITOR TO
THE 112TH SESSION OF THE COUNCIL OF THE
INTERNATIONAL ORGANIZATION FOR MIGRATION
FOR THE FINANCIAL YEAR 2020**

Office of the Auditor-General of Ghana

* This statement has been issued in its original form, as submitted to IOM by the External Auditor, the Auditor-General of Ghana.

EXECUTIVE SUMMARY

This report presents the significant findings of the Auditor General of Ghana on the external audit of the International Organization for Migration (IOM) for the 2020 financial year.

During the year under review, we carried out compliance audits of IOM Country offices in Afghanistan, Central African, Iraq, Mozambique, Myanmar, Niger, Pakistan, South Sudan and Yemen and the Regional Office in Costa Rica. We also reviewed some operations at Headquarters and the Manila Administrative Centre, and carried out Performance Audit on the Management of Accounts Receivables by IOM and validated the Financial Statements of IOM for the financial year ended 31 December 2020.

Overall Audit Opinion on the Financial Statements

In our opinion, the Financial Statements present fairly, in all material aspects, the financial position of the IOM's operations as at 31 December 2020. I have placed an unqualified audit opinion on IOM's financial statements for the financial year ended 31 December 2020.

The audit of the other areas mentioned above yielded the following important findings.

Financial matters

The overall budget for the year 2020 was USD 1,940.10 million for the Operational Part and CHF 52.24 million for the Administrative Part. During the year 2020, the total revenue was USD 2,182.69 million against a total expenditure of USD 2,178.04 million, leaving a surplus of USD 4.65 million. After considering exchange gain of USD 53.03 million and Administrative programme revaluation adjustment (credit) of USD 2.17 million, the net surplus amounted to USD 59.85 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2020 stood at USD 13.47 million and USD 213.31 million respectively. The key financial indicators of IOM for the year ended 31 December, 2020 were as follows:

- a) IOM recorded a surplus (before exchange rate difference) of USD 4.65 million during the year 2020, compared to a surplus of USD 31.6 million registered in 2019, a decrease of USD 26.95 million or 85 per cent.
- b) IOM revenue showed an increasing trend during the last three years 2018 to 2020.
- c) Though due to increase in activities, most of the components of expenditure registered an increase in 2020 over the 2019 figures, the Administrative expenditure continued to remain within budget whereas the Operational expenditure exceeded budget during 2020.

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

Enhancement of cybersecurity threat management

We noted that intrusion into IOM's data systems and network was rated very high and global information security breaches were reported both in frequency and sophistication, some of which were experienced by the Secretariat. **Management may consider providing additional tools and staff resources to establish a significantly enhanced capacity to monitor the ICT environment for attempted and successful information security breaches. IOM's ICT Infrastructure should be improved to enable tighter access control and a more robust management of the ICT infrastructure to reduce its vulnerability to intrusion.**

Absence of defined criteria for unrated counterparties

Our analysis of the Counterparty Risk Results revealed that 40 banks or financial institutions were without counterparty ratings as compared to 60 in 2019. Also, despite the reduction of unrated banks, we noted that banks without estimated cash balance between US\$200,000 and US\$5,000,000 had a marginal increase in 2020. **We recommended that Management should develop a formal counterparty credit risk exposure limits for unrated banks or financial institutions to guide offices in the management and monitoring of cash balances against allowable limits.**

Internal Governance Framework Initiative

We noted that the IGF initiative bears inherent risk such as untimely completion of planned activities, delays in the procurement of vendors to provide timely completion of their services and lack of predictable funds to implement recommendations. **Management may develop a standard reporting mechanism in line with the workplan structure to provide clarity in the coordination as well as the implementation. Management could also liaise with Member States to secure predictable funding through provision of unearmarked funding and extra budgetary resource initiatives.**

Need to align Organization theoretical real growth in core structure budget

We conducted an analytical growth ratio of the Organization's total core budget to total annual expenditure on an annual basis and noted that a steady downward trajectory of core funding ratio despite the continuous upsurge of the Organization activities. **Management should continue to liaise with the Member States for modest and realistic increases of the core funding structure in a manner which ensured prudent allocation of resources to facilitate the Organization's effort of prioritization and efficiency enhancement.**

Review of local vendors payment

Our ageing analysis of local vendors showed that out of the total downpayment of USD 247,190,044.80 to vendors, an amount of USD 174,972,775.92 represented outstandings older than two months. Whereas total outstanding payables was USD 192,704,161.43, a total amount of USD 129,404,473.55 was beyond two months. **We recommended that IOM Management strengthens its monitoring and supervising controls to ensure that offices review their down payments and clear transactions as expenses to projects.**

Review of Suspense Accounts

Our review of the FMR revealed that as at 30 September 2020, the suspense accounts showed an outstanding total credit balance of USD 321,440.74 (credit balance of USD 320,894.89 as at the end November 2020) pending to be cleared and recorded in project accounts. **We recommended that IOM Management should ensure that RAS streamline its procedures on month end reconciliations and reviews on IOM offices to properly allocate transactions to the designated revenue or expenses to aid in timely financial management or donor reporting.**

Need to monitor budget overruns

Our analysis of project burn rate showed that project FM.0004 actual expenditure exceeded the estimated budget for the period between 132% and 429%. **We recommended that IOM management should ensure that CoMs and project managers regularly review the burn rate on project activities and initiate immediate corrective actions to ensure that project overruns are avoided. Again, to aid offices to timely initiate budget revisions Management should consider enhancing reporting tools or dashboard on budget and actual expenditure fund utilization on PRIMA for all.**

PERFORMANCE AUDIT ON THE MANAGEMENT OF ACCOUNTS RECEIVABLES BY IOM

The purpose of the audit was to identify weaknesses in the Accounts Receivable (AR) function of IOM and provide recommendations on reducing the variance between receivables and actual collections in the shortest possible time. The audit focused on IOM's Voluntary Contributions from 2017 to 2020 and examined the AR functions of identifying donors and signing agreements; building Donor relationship; recognising, monitoring and following up of receivables.

The objective for this audit was to determine the reasons for overdue receivables and to propose ways to improve early collection.

We reviewed and analysed accounts receivables from 2017 to 2020, aging reports and other documents. We interviewed key personnel involved in the AR process in IOM to gain insights into their operations. Based on our enquiries and methodology for the audit, we found the following:

Delays from Donors' internal systems

Many donors paid beyond the 30-day period expected by IOM. The delay was due to the donors' own internal systems for payment which included bureaucracy in donor's internal payment system, changes in authority in payment process and long periods for relationship building due to change of a Project Manager by IOM.

Many Agreements with donors do not conform with IOM template

Many donors used their own contract formats and made some payment at the beginning of the contract and as and when the project progresses according to the agreement.

Donors fail to provide project codes when making payments to IOM

Some donors made payments without any reference to the project code. This made it difficult for Manila Financial Services to match payment received to the specific project account.

Main responsibility for collection of receivables limited to Project Managers

Much of the actions for ensuring payments were the responsibility of the Project Managers (PM) We found that not much support is given to the PM to perform this function effectively aside alerting the PM of non-payment by the donor.

DRD and Legal Department could play important roles in the Accounts Receivable function

IOM did not tap into these two departments' expertise when donors delay in payments of debts owed to IOM.

Final reports on which last payments are made delay

Some of the receivables delayed because of the finalization of the project accounts, which was sent to donors before final payment. This was because IOM's implementing partners delayed in submitting their reports to IOM which delayed PMs completing the project report. Donors also contributed to the delays when reviewing the project report sent to them from IOM.

We recommended that:

- Set performance targets for staff working in the AR function according to their schedules.
- Renegotiate new payment terms with donor when original agreement is not respected.
- Design forms which have the project code already incorporated for donor to fill when making payment.
- Support Project Managers with training on relationship building and contract management to improve their ability to positively affect the collection of unpaid debts from donors.
- The Offices should give ultimatums to implementing partners for their project reports to enable the Offices start the development of the project report early.

AUDIT OF REGIONAL OFFICES AND COUNTRY OFFICES

Renewal of MoU with Interim Administration of Afghanistan

We noted that the IOM Afghanistan Office is operating under an outdated Memorandum of Understanding (MoU) signed with the Interim Administration of Afghanistan which does not give recognition and privileges in line with United Nations Convention of 21 November 1947. **We urged Management to liaise with the Office of Legal Affairs (LEG) at IOM Headquarters with the view to resolve these challenges to enable IOM Afghanistan enjoy equal rights and privileges as their counterparts in the UN Family.**

Challenges in meeting training needs

Our review of the records from the Afghanistan Office revealed that as a practice, training of staff was mostly done online, and this has been less effective due to poor internet connectivity. **We recommended that Management should liaise with Manila and Headquarter to assist in addressing the training needs of staff of the Office.**

Activity lag on project implementation

Our analysis of the project activities revealed that 36 out of the 51 ongoing projects in Afghanistan Country Office were behind the time schedule, falling behind by between 11% and 95%. **We recommended that Management of the Office should speed up its Project implementation activities to ensure that all the funds are effectively utilized within the projects' duration.**

Recruitment of staff to fill vacancies

We noted that the Niger Office declared vacancies which were not filled although the Office had 48 ongoing projects. The delay in filling the vacancies could impact negatively on Office's activities. **We recommended that Management should expedite action in filling the available vacancies for efficient execution of projects.**

Outstanding staff vendor account

At Niger CO, our review of 26 sampled staff vendor accounts in SAP PRISM disclosed that, there were staff advances totalling USD 204,071.13, which have been outstanding for periods ranging between 60 and over 120 days. **We recommended that Management of the Office should ensure timely retirement of advances by staff in compliance with the PRISM HR operation procedures.**

Management of staff separation and handing over notes

We noted from our audit of Yemen CO that 20 staff separated from the Office during the period under review without preparing handing over notes for their successors. **We recommended that Management should properly manage the handing over process for smooth transition of the Office's activities.**

Ageing vendors

Our review of the vendor accounts in SAP PRISM at CO Yemen disclosed that USD2,376,229.39 and YER7,607,073.40 (about USD 30,387.67) have been outstanding for more than 30 calendar days and/or more than two months requiring the attention of the Chief of Mission. **We urged Management to ensure that the RMO monitors staff and other vendors entrusted with resources to account and retire advances timely and regularly. Additionally, management should highlight the FMRP requirement to vendors to enhance compliance to reduce the outstanding advances to the barest minimum.**

Sustainability of the Country Office

We observed during our audit of South Sudan Country Office that, out of the 28 projects handled by the Office, 20 technically ended in 2020, six projects will end in 2021, whilst one each ends in 2022 and

2023. **We recommended that Management should re-strategize and harness the expertise of the project managers to come up with projects that can secure funding to enhance sustainability of the Country Office in the contest of projectization.**

Management of Handing Over Notes

Our audit disclosed that instead of preparing comprehensive handing over notes, verbal briefing via phone calls were used by officers taking over to seek information from separated staff at the South Sudan Country Office. **We urged Management to ensure that staff adhere to the provisions of IN/75 to ensure smooth transition when staff exit the Organization.**

Absence of a strategic or action plan for the Office

We noted that the Pakistan Office does not have a strategic or action plan to support its operational activities which will align with IOM's performance through an elaborated system for managing risk, monitoring implementation, evaluating impact, and documenting lessons learnt. **We recommended that Management should ensure timely development of the Office's strategy or action plan in alignment with the Regional strategy, using results-based management as a planning, reporting and evaluation tool.**

Enhance the process for assessing controls and managing risks

Although the Iraq Office takes action to mitigate control risks, these were not recorded in the Compliance Control Self-Assessment (CCSA) performance management dashboard. We noted that the Office started to document its risk assessment in October 2020, however our review of the CCSA showed that delivery dates were not provided for action plan identified to close the control gap. **We recommended that Management should update the CCSA and ensure that significant control actions are appropriately assigned with delivery dates and monitored for compliance.**

Incomplete information on vendor accounts

We observed that some vendors of the Iraq CO were registered in the PRISM without physical address or postal/email addresses to facilitate easy communication. **We recommended that Management should conduct a review of the vendor master data and update data fields, particularly in relation to vendors' postal and physical addresses.**

Updating of Office's website

We observed that information about some projects at the Myanmar CO were not uploaded on the official website of the Office, and those uploaded on the website have not been updated to reflect their current status. **We recommended that Management should pay attention to the website and ensure that it is updated regularly to reflect the status of projects and the Office as a whole.**

ICT Disaster Recovery/Business Continuity Plan

We observed that the Business Continuity Plan (BCP) of Central African Republic CO was in draft at the time of the audit in October 2020, indicating that the Office has for the past three years been operating without an approved disaster recovery and business continuity plan. **We recommended that the BCP should be updated to include the ICT component, finalized for use, and regularly updated to comply with all the requirements of IN/88.**

Improving Gender balance

We noted that the Central African Republic CO has only 18 female staff members, representing 14 per cent of the total staff of 125 at the Office, for both International and National staff. **We recommended that Management should place premium on the recruitment of qualified female staff by endeavouring to attract more female staff to improve the gender imbalance situation to maintain and enhance IOM's image as a desirable employer poised to attract and retain the best workforce.**

Unclaimed VAT relief

We observed that even though the Government of Mozambique has mechanisms in place for refund of VAT to international organizations with diplomatic status, CO Mozambique has not yet leveraged on this privilege. **We recommended that Management should ensure that all collectible VAT amounts are established timely and submitted to the Revenue Authority of Mozambique for refund.**

Need to improve implementation of planned procurements

Our review of procurement transactions at Costa Rica Regional Office showed that some procurements were not carried out as planned, resulting in some purchases and supplies done close to the project end dates. **We recommended that the Office should improve upon its timing of purchases during implementation.**

INTRODUCTION

1. The 109th Session of IOM Council in December 2018, by Resolution 1371, re-appointed the Ghana Audit Service as the External Auditor for the International Organization for Migration (IOM) for 2019, 2020 and 2021 financial years. The scope of the audit is in accordance with Regulation 12.1 of the Financial Regulations and principles set out in the Annex to these regulations. The audit was conducted in accordance with the International Standards on Auditing and focused on financial, compliance and performance auditing.
2. IOM has nine Regional Offices (RO)¹, two Special Liaison Offices² and 412 field locations. We carried out an interim financial audit of the Manila Administrative Center by virtual means in December 2020 and a final audit of Headquarters, Geneva in April/May 2020 also by virtual means.
3. The financial audit focused on obtaining reasonable assurance as to whether the activities, financial transactions and information reflected in the financial statements were, in all material respects, in compliance with the IOM's financial regulations. Coordination with the Office of Inspector General has been continual and comprehensive. Professional reliance was placed, wherever necessary, on the work of the internal audit.
4. Significant findings arising from the audits performed, after detailed discussions with the concerned managements, were conveyed through Management Letters. The more significant of these findings, appropriately aggregated, have been incorporated in this report. The Management accepted the recommendations made in the report and assured that action would be taken to address them.

AUDIT OPINION

5. According to the terms of reference for the External Auditor, I am required to express an opinion on the IOM Financial Statements for the financial period 1 January 2020 to 31 December 2020. Our audit of the Financial Statements for 2020 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December 2020 and its financial performance during the period 1 January 2020 to 31 December 2020.
6. Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the financial year ended 31 December 2020.

FINANCIAL PERFORMANCE

7. The overall budget for the year 2020 was USD 1,940.10 million for the Operational Part and CHF 52.24 million for the Administrative Part. During the year 2020, the total revenue was USD 2,182.69 million and the total expenditure was USD 2,178.04 million, leaving a surplus of USD 4.65 million. After considering exchange gain of USD 53.03 million and Administrative programme revaluation adjustment (credit) of USD 2.17 million, the net surplus amounted to USD 59.85 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2020 stood at USD 13.47 million and USD 213.31 million respectively.

¹ Bangkok, Thailand; Brussels, Belgium; Buenos Aires, Argentina; Cairo, Egypt; Dakar, Senegal; Nairobi, Kenya; Pretoria, South Africa; San José, Costa Rica; and Vienna, Austria.

² New York, USA and Addis Ababa, Ethiopia.

Surplus/ Deficit.

8. IOM recorded an increased trend of surplus/deficit (before exchange rate difference) during the years 2017 and 2019 but the surplus decreased during the year 2020 as shown in Table 1. While the surplus increased by 131 percent in 2018 as compared with 2017 and a further increase of 73 percent in 2019, there was a decrease of 85 per cent during the year 2020 as compared to accumulated surplus registered during the year 2019. IOM recorded deficits (after exchange rate difference) in 2018 as compared to 2017. In 2019, however, there was a 309 per cent increase in surplus when compared with the 2018 deficit and a further increase of 65 percent in 2020 over the surplus in 2019.

Table 1: Financial trends of surplus/deficit (expressed in USD million)

Year	Surplus/(Deficit) - after exchange rate difference	Surplus/(Deficit) - before exchange rate difference	Accumulated Surplus/(Deficit)
2017 (restated)	68.98	7.88	77.83
2018 (restated)	(17.42)	18.24	57.56
2019 (restated)	36.34	31.58	95.02
2020	59.85	4.65	159.00

9. In the year 2020, IOM recorded an exchange gain of USD 53.03 million as against an exchange gain of USD 5.14 million in 2019 (restated) and an exchange loss of USD 35.65 million in 2018 (restated). Consequently, the accumulated surplus of USD 95.06 million in 2019 (restated) turned into accumulated surplus of USD 159.00 million (increase of USD 63.94 million) during 2020. The increase in accumulated surplus was mainly represented by accumulated unrealized revaluation of foreign currency monetary assets and liabilities converted into US dollars together with realized exchange gains upon settlements of accounts receivable and payable balances reported in a currency other than US dollars.

Revenue and Expenses.

10. The revenue and expenditure of IOM showed an increasing trend during the last three years from 2017 to 2019 and a marginal increase in 2020 as depicted in Table 2. Again, actual expenditure incurred continued to remain within the revenue during the period.

Table 2: Revenue and Expenditure trends (expressed in USD million)

Year	Revenue	Expenditure
2017 (restated)	1,614.29	1,606.41
2018 (restated)	1,811.77	1,793.53
2019 (restated)	2,127.07	2,095.49
2020	2,182.69	2,178.04

11. Staff salaries and benefits, which comprised 33 per cent of the expenses, increased by USD 78.68 million (12 per cent) in 2020 as compared to 2019. Contractual services constituting 18 per cent of the total expenses, also decreased by USD 10.73 million (3 per cent) in 2020 as compared to 2019. Furthermore, Other direct assistance to beneficiaries, which represents 13 per cent of the expenses, increased by USD 67.44 million (31 per cent) in 2020 as compared to 2019. Summary details are shown in Table 3.

Table 3: Percentage of expenditure component (expressed in USD million)

Component of Expenses	2020		2019	
	Amount	Per cent to total	Amount	Per cent to total
Transportation Assistance	188.28	8.64	270.72	12.92
Medical Assistance	61.87	2.84	43.93	2.10
Other direct assistance to beneficiaries	288.43	13.24	220.98	10.55
Implementing Partner Transfers	212.28	9.75	159.18	7.60
Contractual services (including on behalf of beneficiaries)	411.32	18.88	422.05	20.14
Staff Salaries and Benefits	715.49	32.85	636.81	30.39
Travel and subsistence	30.74	1.41	60.54	2.89
Supplies and Consumables	246.87	11.33	260.90	12.45
Depreciation and amortization	17.33	0.80	16.53	0.79
Doubtful receivables	2.43	0.11	0.38	0.02
Others	3.01	0.14	3.48	0.17
Total	2,178.04	100.00		100.00

12. The operational expenses during the year 2020 exceeded the budgetary provision by USD 186.80. Against the final budgetary allocation for operational programmes of USD 1,940.10 million for 2020, the actual expenditure was USD 2,126.90 million.

Project Management

13. The number of financially active projects increased to 3,246 during from 3,062 in 2019. Operationally active projects at the end of the fiscal year increased from 2,327 in 2019 to 2,570 in 2020. Table 4 below gives the summary details:

Table 4: Number of financial and operational active projects

Year	Financially active projects during the year	Operationally active projects as at the end of 31 December
2017	2,925	2,277
2018	3,441	2,584
2019 (restated)	3,062	2,327
2020	3,246	2,570

Table 5 shows that operational revenue as well as expenses have increased over the last three years.

**Table 5: Revenue and Expenses of operational programme
(expressed in USD million)**

Operational Programme		
Year	Expenses (excluding exchange rate difference)	Revenue
2017 (restated)	1,552.31	1,564.84
2018 (restated)	1,738.57	1,759.90
2019 (restated)	2,041.09	2,074.14
2020	2,117.58	2,129.11

14. The cash, cash equivalents and short-term investments increased from USD 1,361.29 million in 2019 to USD 1,610.34 million in 2020. The Deferred Revenue during the year 2020, showed an increase by USD 138.85 million as compared to the year 2019. This was mainly from voluntary contributions received from donors in advance of performance delivery under operational programme.

Current Assets and Current Liabilities

15. The current ratio analysis during the last four years, as shown in Table 6, indicates that IOM will be able to meet its short-term obligations as and when they fall due.

Table 6: Current assets and liabilities (amounts expressed in USD millions)

Description	2020	2019 (restated)	2018 (restated)	2017 (restated)	2016
Current Assets (CA)	2,045.16	1,785.22	1,792.61	1,350.77	1,062.31
Current Liabilities (CL)	1,841.06	1,631.43	1,569.03	1,110.07	913.41
Current Ratio (CA/CL)	1.11	1.09	1.14	1.22	1.16
Cash and cash equivalents (C&CE)	655.19	886.99	922.82	644.65	507.75
Ratio of CL to C&CE	2.81	1.84	1.70	1.72	1.80

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

AUDIT ISSUES

Enhancement of cybersecurity threat management

16. We noted that intrusion into IOM's data systems and network was rated very high and global information security breaches were reported, both in frequency and sophistication, some of which involved the Secretariat. In two of such reported cases the ICT Unit indicated that IOM does not have the staff and resources required to secure its hundreds of websites and there is a need to improve ICT infrastructure for the Organization to regain control of its cyber environment.

Recommendation 1

We recommended that Management should improve the ICT Infrastructure to enable tighter access control and a more robust management of the ICT infrastructure to reduce its vulnerability to intrusion. We also recommended the need for additional tools and staff resources to enhance the Organization's capacity to monitor the ICT environment for attempted information security breaches. We also urged Management to update the ICT Strategy and policies with the emergence of sophisticated cyber-attacks which include web-based and non-traditional systems and addresses.

17. Management welcomed the recommendations and stated that in the second half of 2021, the ICT Division will work with MCD to refresh and redesign the websites to significantly improve the security posture for IOM's websites. Management added that the ICT Division is in the middle of implementing its 3-year strategy which includes: strengthening of its digital core covering a refresh of the ICT Security strategy and a rebuild of the Infrastructure and Operations Function; and the establishment of a digital center of excellence covering the rearchitecting of MiMOSA, establishment of a data, analytics and BI cell, and a refresh of the ERP solution (PRISM).

Absence of defined criteria for unrated counterparties

18. Although, investment activities during the period were carried out in accordance with IOM Investment Policy and under the unfavourable impact of Covid-19, our analysis of the Counterparty Risk Results revealed that 40 banks or financial institutions were without counterparty ratings as compared to 60 in 2019. We also noted that IOM Central Treasury activities have significantly evolved, but there is no formal or defined credit analysis for unrated banks or financial institutions included in the IOM Treasury Policy.

Recommendation 2

We recommended that Management should develop a formal counterparty credit risk exposure limits for unrated banks or financial institutions to guide offices in the management and monitoring of cash balances against allowable limits.

19. Management accepted the recommendation and stated that although the policy exists in practice, it is now fully written up, which will be included in an updated IN 209 (Central Treasury Policy) during 2021.

Internal Governance Framework initiative

20. We noted that the Internal Governance Framework initiative has inherent risk such as untimely completion of planned activities, delays in the procurement of vendors to provide timely completion of their services and lack of predictable funds to implement recommendations. We also noted that the Administration had not provided status report in line with the workplan structure, to simplify and standardize the process to facilitate monitoring of progress as well as aid Members States to follow the progress of the initiative.

Recommendation 3

We recommended that Management should develop and document its risk management monitoring tool on the planned activities and adopt an updated standard reporting mechanism in line with the workplan structure to provide clarity in the coordination as well as the implementation. Management should also liaise with Member States to secure predictable funding through provision of unearmarked funding and extra budgetary resources initiatives.

21. Management explained that the Administration provides an “Update on the application of the Internal Governance Framework” at each SCPF and added that in view of the constraints on the length of SCPF documents, Administration is actively considering producing an additional, lengthier status report which would allow for more comprehensive updates on progress of Internal Governance Framework. Management agreed with the importance of successfully delivering change and has engaged an external consulting firm to support the development of an IGF change management strategy and plan, to be completed in Q2 2021.

22. Management further stated that it remains committed to securing more predictable funding for Internal Governance Framework initiatives with Member States and donors, through means such as biannual consultations with Member States providing unearmarked contributions; bilateral consultations with existing and potential donors; and advocacy in governing body meetings, including the Working Group on Budget Reform.

Need to align Organization theoretical real growth in core structure budget

23. We conducted an analytical growth ratio of the Organization’s total core budget to total annual expenditure on an annual basis and noted a steady downward trajectory of core funding ratio despite the continuous upsurge of the Organization activities.

Recommendation 4

We recommended that Management should continue to liaise with Member States for modest and realistic increases of the core funding structure in a manner which will ensure prudent allocation of resources to facilitate the Organization’s effort of prioritization and efficiency enhancement.

24. Management agreed with this recommendation and stated that over the past years the Administration has highlighted the inherent risks of the funding model to the Member States and spearheaded the budget reform dialogue which is underway. Management added that the ongoing declining trends in the flexibility and predictability of the core budget in relation to total expenditure jeopardize the delivery of services and the enforcement of adequate levels of internal controls.

Review of local vendors payment

25. Our ageing analysis of local vendors showed that out of the total downpayment of USD 247,190,044.80 to vendors, an amount of USD 174,972,775.92 represented receivables older than two months. Whereas total payables stood at USD 192,704,161.43, a total amount of USD 129,404,473.55 was beyond two months.

26. Non-cleared advances to vendors and staff members may indicate non-allocation of the expenditure of the project account despite the receipt of goods and services and/or completing respective duty travels by staff members. This may result not only in delays in project closure, but also impacts reporting to stakeholders and might lead to project deficits.

Recommendation 5

We recommended that IOM Management strengthens its monitoring and supervising controls to ensure that offices review their down payments and clear transactions as expenses to projects as soon as their supplier perform against the purchase order or agreement.

27. Management agreed with the recommendation and stated that this is monitored by the Regional Accounting Support (RAS), whilst also on quarterly basis brought to the attention of CoM's worldwide through the published Financial Management Report.

Review of Suspense Accounts

28. Our review of the FMR revealed that as at 30 September 2020, the suspense accounts showed an outstanding total credit balance of USD 321,440.74 (credit balance of USD 320,894.89 as at the end November 2020) pending to be cleared and recorded in project accounts.

Recommendation 6

We recommended that IOM Management should ensure that RAS streamline its procedures on month end reconciliations and reviews on IOM offices to properly allocate transactions to the designated revenue or expenses to aid in timely financial management or donor reporting.

29. Management agreed with the recommendation and indicated that this is already being monitored by RAS which performs the review and follow-up to offices to ensure clearing every month-end closing.

Need to monitor budget overruns

30. Our analysis on project burn rate showed that project FM.0004 actual expenditure exceeded the estimated budget for the period between 132% and 429%. The untimely submission of revised budgetary and revenue/income information by country offices to enable project information update by Manila Budget Support resulted in this anomaly.

Recommendation 7

We recommended that IOM management should ensure that CoMs and project managers regularly review the burn rate on project activities and initiate immediate corrective actions to ensure that project overruns are avoided. Again, to aid offices to timely initiate budget revisions and send timely update to Manila Budget Support for upload into PRISM, Management should consider enhancing reporting tools or dashboard on budget and actual expenditure fund utilization on PRIMA for all.

31. Management agreed with the recommendation.

PERFORMANCE AUDIT ON THE MANAGEMENT OF ACCOUNTS RECEIVABLES BY IOM

Introduction

32. The International Organization for Migration (IOM) has for the past 70 years been working with governments and civil society organisations throughout the world to ensure the well-being of migrants through execution of projects and programmes in several countries. The main revenue streams for IOM include assessed contributions from Member States, voluntary contributions from countries and private donors.

33. These revenues when unpaid constitutes Accounts Receivables (AR) in the books of IOM and when payment delays, it creates imbalances in IOM's operations. Either IOM would have to discontinue the project or channel payments from other projects to support projects for which donors are delaying payments. From 2017 to 2019, Member States voluntary contributions receivables not realised ranged between 19 percent and 29 percent compared to the year-end balances for member states voluntary contributions receivables.

34. The purpose of the audit was to identify weaknesses in the AR function of IOM and provide recommendations on reducing the variance between receivables and actual collections in the shortest possible time. The audit focused on IOM's Voluntary Contributions from 2017 to 2020 and examined the AR functions of identifying donors and signing agreements; building Donor relationship; recognising, monitoring and following up of receivables.

35. The objective for this audit was to determine the reasons for overdue receivables and to propose ways to improve early collection.

36. We reviewed and analysed accounts receivables from 2017 to 2020, aging reports and other documents. We interviewed key personnel involved in the AR process in IOM to gain insights into their operations.

37. The AR function begins with IOM and the donor agreeing on what project the donor wishes to support. This creates a service to be delivered by IOM and payment to be made by the donor for the service. IOM sends out payment requests to the donor according to the terms and conditions of the agreements and monitors payment details.

Findings

Delays from Donor's internal systems

38. We noted that many donors paid beyond the 30-day period expected by IOM. The delay was due to the donors' own internal systems for payment which included bureaucracy in donor's internal payment system, changes in authority in payment process and long periods for relationship building due to change of a Project Manager by IOM.

Many Agreements with donors do not conform with IOM template

39. The IOM has a contract template which aims to resolve the problem of delayed payments by seeking to collect the contract amount in advance. However, many donors used their own contract formats and made some payment at the beginning of the contract and as and when the project progresses according to the agreement.

Donors fail to provide project codes when making payments to IOM

40. The billing template that IOM offices send to donors requests them to state project codes during payment. Some donors made payments without any reference to the project code. This made it difficult for Manila Financial Services to match payment received to the specific project account.

Main responsibility for collection of receivables limited to Project Managers

41. IOM has a robust monitoring system for ensuring that it has the information it needed to alert the PMs to act where receivables go beyond the date payment is due. Much of the actions for ensuring payments were the responsibility of the PMs. We found that not much support is given to the PM to perform this function effectively aside alerting the PM of non-payment by the donor.

DRD and Legal Department could play important roles in the Accounts Receivable function

42. The DRD and the Legal Department were copied on the Financial Management Report issued by the Accounting Division but were not obliged to help in retrieving debts. The Donor Relationship Department (DRD) is responsible for building good relationships with donors whiles the Legal Department reviews agreements between IOM and donors to ensure they conform to IOM requirements. IOM did not tap into these two departments' expertise when donors delay in payments of debts owed to IOM.

Final reports on which last payments are made delay

43. Some of the receivables delayed because of the finalization of the project accounts, which was sent to donors before final payment. This was because IOM's implementing partners delayed in submitting their reports to IOM which delayed PMs completing the project report. Donors also contributed to the delays when reviewing the project report sent to them from IOM.

Conclusions

44. The auditors made the following conclusions:

- There are factors in the AR process which rests directly in the hands of the donor and IOM cannot control. However, some internal controls in IOM can be improved to enhance the collection rate of AR in general.
- Although some units in IOM do not see themselves as playing key roles in the AR process, their involvement could help enhance the collection rate of AR.
- Much responsibility of the collection of AR rests on the Project Managers but they are provided with insufficient support in the part they play in AR collection activities.
- The current mode of prompting donors to include project codes in payment advice is not producing the desired effect.
- Final reports to conclude projects and subsequent payments as contained in agreements delay as a result of factors that IOM can control.

Recommendations 8

- **Set performance targets for staff working in the AR function according to their schedules. This will motivate staff to improve the collection rate of AR.**
- **Renegotiate new payment terms with donor when original agreement is not respected.**
- **Design forms which have the project code already incorporated for donor to fill when making payment.**
- **Support Project Managers with training on relationship building and contract management to improve their ability to positively affect the collection of unpaid debts from donors.**
- **The Offices should give ultimatums to implementing partners for their project reports to enable the Offices start the development of the project report early.**
- **The Director-General should include in an appendix, the list of all donors and their financial status during the presentation of the annual budget to the Council and member states.**
- **Consistently remind donors to make good on their promises.**

Management response

45. Management of IOM agreed with the recommendations but expressed reservations in implementing our second recommendation and highlighted that the payment terms are set as in the contract initially agreed and renegotiating will be very difficult and foresee most counter parties would not re-open negotiations.

AUDIT OF REGIONAL AND COUNTRY OFFICES

Renewal of MoU with Interim Administration of Afghanistan

46. We noted that the IOM Afghanistan Office is operating under an outdated Memorandum of Understanding (MoU) signed with the Interim Administration of Afghanistan dated April 2002. This agreement does not give recognition and privileges in line with United Nations Convention of 21 November 1947, but rather refers to the Privileges and Immunities granted to inter-governmental or specialized agencies.

Recommendation 9

We recommended that Management should liaise with the Office of Legal Affairs (LEG) at IOM Headquarters with the view to resolve these challenges to enable IOM Afghanistan enjoy equal rights and privileges as their counterparts in the UN Family.

47. Management explained that the revised Cooperation Agreement was initiated in July 2019, and the process which is under coordination with the office of Legal Department is at an advanced stage. Management emphasized that the process has taken longer as it is not easy to finalize the magnitude of such agreement considering the current political environment in Afghanistan.

Absence of risk register

48. We observed during our assessment of activities and processes at the Afghanistan Office that although actions were taken to mitigate control risks identified, there was no record of risk analysis with related risk matrix as performance management tool. The Office is yet to conduct a review of the risk assessment in an effective and coordinated manner to identify risk owners to help manage risk associated with processes and activities.

Recommendation 10

We recommended that the CoM should establish an effective risk management system in compliance with IN 213 and ensure systematic identification and documentation of significant risks and put in place the necessary controls to mitigate the risk.

49. Management took note of the observation and indicated that the Office through the Senior Resources Management Officer is working on plans to initiate the preparation of a Risk Register under the close guidance of the Chief Risk Officer from HQ Geneva and gave 31 March 2021 as the target completion date.

Challenges in meeting training needs

50. We noted that as a practice, training of staff at the Afghanistan Office were mostly done online. This has been less effective due to poor internet connectivity. We also learnt that external consultants and trainers were hesitant in honouring requests to train staff in specialized areas like PRISM, etc. coupled with challenges in securing visas for staff to undertake training outside the country.

Recommendation 11

We recommended that the Office should liaise with Manila and Headquarter to assist in addressing the training needs of staff of the Office.

51. Agreeing with the observation, Management added that the Office opted for online training webinars in coordination with PAC, MAC & HQ, as sending IOM Afghanistan staff to trainings outside the Office comes with huge costs and visa implications. Management indicated that a limited number of staff have benefitted and the modality has been effective as it is done in the offices during working hours, where stability of Internet is guaranteed.

Activity lag on project implementation

52. Our analysis of the project activities at the Afghanistan Office revealed that 36 out of the 51 ongoing projects were behind the time schedule, falling behind by between 11% and 95%.

Recommendation 12

We recommended that Management of the Office should speed up its Project implementation activities to ensure that all the funds are effectively utilized within the projects' duration.

53. Management attributed the lapse to the impact of Covid-19, which led to UNCT requesting limited number of staff presence across all UN agencies in Kabul, thus impacting negatively on planned project activities across all Programs of IOM. Management added that IOM Afghanistan resumed operations as early as July 2020 and that strategies put in place would compensate for the lost ground and will ensure IOM meet its targets and where necessary request for No Cost extensions.

Need for effective asset management and coordination

54. We noted during our audit of the Niger Office that the last update of the assets in PRISM was made in June 2019, although there was the need for end of year asset verification in December 2019 to confirm the asset position at the end of the year. We also observed that the asset register in PRISM have not been updated to reflect the minimum asset capitalization threshold of USD 1,000. Some assets were not located and thus declared missing without providing the names of officers who were assigned those assets to facilitate tracing.

Recommendation 13

We recommended that the Office should strengthen the Procurement and Logistic Units to safeguard assets of the Organization. Also, Management should expedite action in removing items below the asset threshold from the assets register and ensure that the Accounting Division updates the PRISM regularly.

55. Management indicated that the process to update the asset register started, but due to COVID and staff being out of office, this was suspended. This is now currently ongoing and PRISM records will be updated during the end year inventory count for 2020 and the MAIA list will be updated automatically. Management added that disposal of old and damaged assets were done during 2020 and retirement was done in PRISM. Reconciliation with physical and PRISM assets will be done by year end 2020 and assets that were un-traceable will also be accounted for.

Recruitment of staff to fill vacancies

56. We observed that the Niger Office has declared vacancies for staff but these have not been filled although the Office has 48 ongoing projects.

Recommendation 14

We recommended that Management should expedite action in filling the available vacancies for efficient execution of projects.

57. Management stated that recruitment process is at different stages and hope to get the qualified personnel to fill the declared vacancies. It added that for the G6 and P1 positions, records have been sent to Panama Administrative Center Advisory Service for clearance, whilst the Office awaits expecting approval for Grade Transfer of a staff member from Head of Programmes P4 to Senior Community Stabilization Coordinator P4 position from DG's office.

Outstanding staff vendor account

58. At the Niger Office, we noted during our review of 26 sampled staff vendor accounts in SAP PRISM that, there were staff advances totalling USD 204,071.13, which have been outstanding for periods ranging between 60 and over 120 days.

Recommendation 15

We recommended that Management of the Office should ensure timely retirement of advances by staff in compliance with the PRISM HR operation procedures.

59. Management indicated that advances regarding Education Grant is managed/cleared by MHRO once the staff member submits the final EG claim and generally it takes over one year to clear. Whereas those related to operational advance for activities are still ongoing and partial clearing is being done when documents for verification is submitted for settlement. Management added that the Office is sending reminders to PM/HR colleagues to contact with staff for submission of documents, whilst Medical Advance will be cleared upon clearance from HCPU, Manila.

Management of advances paid to vendors

60. We noted at the Yemen Office that, suppliers, implementing partners, consultants and staff were granted advance payments ranging between USD 10,332.28 and USD 2,633,337.37 contrary to the USD 10,000 prescribed by Financial Management Rules and Procedure. Our analysis disclosed that out of a total amount of USD 10,774,109.09 advanced to the vendors, only USD 5,316,601.54 was accounted for, leaving a balance of USD 5,457,507.49 unaccounted for during the period under review.

Recommendation 16

We recommended that the RMO should intensify its supervision to ensure that the various vendors retire their advances promptly.

61. Management indicated that it would review the vendor categories to help identify whether obligations from the vendors are due for discharge or otherwise so that appropriate action could be taken.

Project budget management

62. Our review of 21 closed projects in PRISM at the Yemen Office showed that six projects spent USD 5,812,417.06, EURO 281,568.09 and CAD 17,892.71 in excess of their approved budget. The projects also spent more than the revenue received by USD 2,244,318.45, EURO 670,144.49 and CAD 17,892.71. We also noted that Management could not fully utilize funds received on two projects and had to pay back about USD 1,698,936.62 on one of the projects (EP.0002) to the donor.

Recommendation 17

We recommended that the Project managers should monitor expenditures against budget and funds received on projects, in collaboration with the Resource Management Unit, to ensure projects do not spend beyond their budget.

63. Management responded that collaboration between Project managers and Resource Management Unit during project implementation would be strengthened to reduce the variances that are outside the 10 percent acceptable threshold.

Ageing vendors

64. Our review at the Yemen Office of the vendor accounts in SAP PRISM disclosed that USD2,376,229.39 and YER7,607,073.40 (about USD 30,387.67) have been outstanding for more than 30 calendar days and/or more than two months requiring the attention of the Chief of Mission. Our analysis disclosed instances where subsequent advances have gone beyond the due dates and fallen into over 121 days category.

Recommendation 18

We urged Management to ensure that the RMO monitors staff and other vendors entrusted with resources to account and retire advances timely and regularly. Additionally, management should highlight the FMRP requirement to vendors to enhance compliance to reduce the outstanding advances to the barest minimum.

65. Management indicated that it would ensure that the overdue balances are recovered through the prescribed means.

Sustainability of the Country Office

66. We observed during our audit of the South Sudan Country Office that, out of the 28 projects handled by the Office, 20 technically ended in 2020, six projects will end in 2021, whilst one each ends 2022 and 2023.

Recommendation 19

We recommended that Management should re-strategize and harness the expertise of the project managers to come up with projects that can secure funding to enhance sustainability of the Country Office in the contest of projectization.

67. Management indicated that despite the relatively fewer Development Projects, there are enough Humanitarian Projects to ensure the sustainability of the Office.

Management of Handing Over Notes

68. Our audit of South Sudan CO disclosed that instead of preparing comprehensive handing over notes by staff exiting the Organization, verbal briefing via phone calls were used by the officers taking over to seek information from the separated staff.

Recommendation 20

We urged Management to ensure that staff adhere to the provisions of IN/75 to ensure smooth transition when staff exit the Organization.

69. Management stated that the Office recognizes the gap of having a written handover notes prior 2018 and that from 2018, the Office enforces the need of a properly documented handover notes which is mandatory before the Chief of Mission signs the Staff Exit Clearance Form and authorize the final payment to the separating staff.

Outstanding vendors

70. We noted in our review of the vendor accounts in SAP PRISM at South Sudan CO that USD 3,557,439.63 and SSP 17,355,941.56 (about USD 105,181.52) have been outstanding beyond 30 calendar days, with instances where amounts have been outstanding for periods ranging between 60 and over 121 days.

Recommendation 21

We recommended that Management should ensure that the RMO monitor the staff and other vendors entrusted with resources to account and retire advances timely and regularly. Additionally, Management should draw the vendors' attention to the requirements of FMRP to enhance compliance and reduce cash transactions to the barest minimum.

71. Management indicated that apart from the monthly review, extensive review and follow up is ongoing to clear those items posted prior 2019. Management said they will issue their Office specific guidelines, in compliance with FMRP, to establish an effective and efficient handling of operational advances and settlements.

Absence of a strategic or action plan for the Office

72. We noted that Pakistan CO does not have a strategic or action plan to support its operational activities which will align with IOM's performance in Pakistan through an elaborated system for managing risk, monitoring implementation, evaluating impact, and documenting lessons learnt.

Recommendation 22

We recommended that Management should ensure timely development of the Office's strategy or action plan in alignment to the Regional strategy, using results-based management as a planning, reporting and evaluation tool.

73. Management accepted the recommendation for implementation.

Enhance the process for assessing controls and managing risks

74. We noted that although Iraq CO takes action to mitigate control risks, these were not recorded in the Compliance Control Self-Assessment (CCSA) performance management dashboard. Our review of the CCSA showed that delivery dates were not provided for action plan identified to close the control gap.

Recommendation 23

We recommended that Management should update the CCSA and ensure that significant control actions are appropriately assigned with delivery dates and monitored for compliance.

75. Management indicated that a control mechanism is maintained within the Office to identify and mitigate risks but acknowledged the importance of updating the CCSA on yearly basis as a compliance control.

Project expenditure beyond approved budget

76. We noted at the Iraq Country Office that the burn rate of project funds (expenditure and commitments) exceeded the earmarked budget for the period by between 119% and 276%.

Recommendation 24

We recommended that Management should ensure that project managers regularly review the burn rate on project activities and initiate immediate corrective action to ensure that project expenses remain within approved donor budget.

77. Management explained that when financial reports are prepared according to funding/project currency, the total expenditures are within the revenue received. However, with DP.1970, the receivable is reported in office costs because it relates to reimbursement for rent for sub-letting the office to another Organization. Also, with CS.0995, the receivable is reported in operational costs because it relates to income generating activities by selling carpets that is credited to the project as coordinated with the donor and ACO/RAS.

Need to review vendor down payment balances

78. Our review of vendor balances at the Iraq Country Office showed that out of the total amount of USD 3,306,018.17 of receivables as of 31 October, 2020, an amount of USD 2,023,571.38 represented down payment made to vendors aged between 31 days and over 121 days as shown below.

Recommendation 25

We recommended that Management should monitor and review down payments to keep it to a minimum within the shortest possible time.

79. Management explained that the advance to vendors is settled upon receipt of reports and milestone verifications and that the omissions mentioned were acknowledged but the downpayment were wrongly entered in PRISM as downpayment. Management added that the wrong amount will be fully recovered because it will be deducted from the payment due to the vendor.

Updating of Office's website

80. We observed at Myanmar Country Office that although all on-going projects have been captured on their website, information in respect of the status of the projects on the website were scant. Our checks disclosed that information about projects were contained in project reports and flyers at the Office, but they were missing on the official website of the Office.

Recommendation 26

We recommended that Management should pay attention to the website and ensure that it is updated regularly to reflect the status of projects and the Office as a whole.

81. Management acknowledged the finding and agreed with the need for the Country Office to actively utilize both online and offline communication tools including the Office's website to effectively advocate the needs of people they support and good migration governance.

Sustainability of IOM Myanmar operations

82. We observed that continuity of IOM's operations in Myanmar is uncertain, particularly in development-oriented programmes due to decreased funding from the Global Fund coupled with COVID-19 restrictions. Because of COVID-19, the Myanmar Government has also limited UN's operations to health and life saving programmes in Rakhine State where IOM has massive presence.

Recommendation 27

We recommended to Management to liaise with IOM Headquarters with a view to assessing the sustainability of the Office, whilst exploring the possibility of increasing core funding allocation to the Office. We also recommended that management should collaborate with the Regional Office to secure new projects and adopt a structure that will match the resources available and continuously monitor staff and office costs against approved budget, especially when renewing and/or entering new contracts.

83. Management agreed with the finding and indicated that the challenges the Office is facing exemplify the structural issues underlining the continuous struggle of IOM's country offices under projectization. Management added that based on experiences and lessons learnt, they are able to contribute to the ongoing discussion between IOM and member states on balanced and sustainable field structure, including fair allocation of core funding to the country offices, with policy guidance from Headquarter and Regional Offices.

Updating of Office's website

84. We observed that although the Central African Republic CO captured all ongoing projects on its website, the information in respect of status of projects on the website were not adequate. Apart from a brief background information, objectives, videos, and planned activities for ongoing projects, no updates have been provided since July 2017 to reflect the status of the projects.

Recommendation 28

We recommended that Management should regularly update the website to reflect status of projects.

85. Management agreed with the finding and indicated that the website is currently under regional supervision, based on country office regular inputs and that the office has recently recruited professional capacity in Communication and Media management who is already in contact with the Regional Office on this front, to ensure the website is timely updated from now on.

ICT Disaster Recovery/Business Continuity Plan

86. We observed that although the Central African Republic CO has put together a Business Continuity Plan (BCP), this has been in draft at the time of the audit in October 2020. We requested for an earlier version of the DR/BCP but received none, indicating that the Office has for the past three years been operating without an approved disaster recovery and business continuity plan. We noted in this regard that the CO did not carry out yearly simulation exercises for the ICT component of the BCP as required by IN/88.

Recommendation 29

We recommended that the BCP is updated to include the ICT component, finalized for use, and regularly updated to include simulation procedures with clear cut implementation strategies. We also recommended that the Office comply with all the requirements of IN/88 by conducting yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.

87. Management took note of the recommendation indicated that the BCP was updated in March 2020, but the previous version which dated back to 2015/2016 was considered not applicable due to revised context.

Data backup off IOM premises

88. We noted that Central African Republic CO does not have a safe location off-premises to store monthly and yearly backups on cartridges to protect data/information against potential disasters as required by IN/88.

Recommendation 30

We recommended that Management should have a data backup storage at a safe location off IOM-premises (i.e. bank safe or fireproof safe in IOM's sub-office in the country) to allow for easy retrieval of backup media to avoid the risk of complete loss of data and undue delay in system restoration.

89. Management took note of our recommendation and stated that it will assess resources and feasibility. Management added that the office is currently provided with a physical archive, in a dedicated room, to comply with statutory requirement of physical conservation of documents, for audit purposes, up to 7 years from project end date. Fire extinguishers are available in the room and access is restricted to few users, in finance department. Safes are only dedicated to cash and values.

Improving Gender balance

90. We noted that there were only 18 female staff members, representing 14 per cent of the total staff of 125 at the Central African Republic Country Office, for both International and National staff.

Recommendation 31

We urged Management to place premium on the recruitment of qualified female staff by endeavouring to attract more female staff with a view to improve the gender imbalance situation to maintain and enhance IOM's image as a desirable employer poised to attract and retain the best workforce.

91. Management took note of our recommendation and stated that they make constant effort to ensure that recruitment process incorporates gender balance principles. Our vacancies are equally open to male and female candidates and we always publish vacancies encouraging qualified female candidates to apply. Gender equality is guiding principle for the selection of shortlisted candidates for interviews and priority to qualified female candidates is given when candidates provide for equivalent performances during interviews.

Project implementation delays

92. We noted at the Central African Republic Country Office that there were delays in the implementation of 13 projects which were nearing completion but have relatively low burn rates. We also noted that eight out of the 13 projects were yet to start, thereby putting their burn rates at zero as of October 2020.

Recommendation 32

We recommended to Management to strengthen its supervision on projects and ensure that factors under their control that hinder the smooth implementation of projects are eliminated or brought to the barest minimum to allow for speedy project implementation.

93. Management agreed with the finding and indicated that the Office went through significant turnover in key staff positions in management roles. Unfortunately, this has challenged an efficient follow up, while replacement of outgoing staff was delayed by travel restrictions due to ongoing Covid19 pandemic.

Vendor management

94. Our audit at Central African Republic CO disclosed that, provisions in the Procurement Manual were not fully complied with, as references on vendors were not obtained, requirement for biennial evaluation of vendors was not observed, and visits to vendor facilities were not documented.

Recommendation 33

We recommended that Management should ensure compliance with provisions of the IOM Procurement Manual as it provides a strategic approach to efficiently manage suppliers with benefits which include, risk mitigation, performance optimization, cost reduction, creation of loyal relationships, increased administrative efficiencies, protection of purchasers brand, amongst others. We also recommended regular vendor evaluations, adherence to IOM regulations and the deployment of the Vendor Information System to regularly update the database.

95. Management to note of the recommendation and stated that all procurement transactions were coordinated with their central office for Procurement and Supply and the Legal Department, depending on the process. Management agreed with the for a structured and documented reports following visits to vendors premises and facilities and added that the Office will liaise with central offices to strengthen capacity to assess and formalize information on this aspect.

Unclaimed VAT relief

96. We observed that even though arrangement is in place with the Government of Mozambique to request for VAT refunds, the Country Office has not yet leveraged on this privilege. We noted that the Office completed and closed projects without applying for VAT refunds from the Revenue Authority of Mozambique.

Recommendation 34

We recommended that the Management should ensure that all collectible VAT amounts are established timely and submitted to the Revenue Authority of Mozambique for refund.

97. Management agreed with the recommendation and indicated its readiness to comply.

Delayed migration profiling project

98. We noted during our audit of Mozambique Country Office that project PR.0244 which was designed to undertake the migration profiling to provide appropriate data for migration management within the country has a slow implementation rate. Even though the project has a budgeted figure of US\$200,000 and was started on 1/1/20, only US\$10,569.89 was spent on the project as at 31 October 2020, showing implementation rate of 5%.

Recommendation 35

We recommended that with the increase in migration issues in the country, IOM Mozambique should intensify its engagement with the Government of Mozambique for the implementation of the project.

99. Management agreed with the recommendation and underline that the office has indeed made significant steps in this direction, engaging SENAMI at technical as well as the level of the General Director. Furthermore, the Office has engaged the Ministry of Interior, which is overseeing SEANAMI's activities. Management however, added that decision-making and feedback mechanisms are slow and, also the significant delays could be related to the ongoing Covid-19 pandemic.

Need for a procurement plan

100. We noted that the Mozambique Country Office's procurement activities were not supported by annual procurement plan to provide guidance regarding the aggregation of similar items and the development of expected deliverables in the execution of procurement activities.

Recommendation 36

We recommended to Management to consider preparation of an annual procurement plan as a strategic tool to support the Office's approved work plan.

101. Management took note of the recommendation and stated that it will endeavour to establish a procurement plan going forward through dedicating November and December program management meeting of every year to it.

Projects not technically closed

102. We reviewed status of closed projects on SAP PRISM at the Mozambique Office to ascertain whether all completed projects were technically closed. We noted however that projects with IDs PO.0127 and MA.0430 were operationally closed for more than 24 months but had been pending in PRISM with status of REL.

Recommendation 37

We recommended that Management should consider developing a tool that triggers action for technical closure immediately after operational closure, so that technical closure can be completed within the timelines. We also recommended that Management initiate the process to technically close these projects as soon as possible.

103. Management explained that the Office experienced substantial gaps in the resource management unit during 2018 and 2019 financial year due to the death of the Resource Management Officer leading to delay in closing some projects. Management added that the last 2 projects unlike others which have been closed were further delayed due to turnover of the staff managing the projects and reconciliation with Donor but will be closed on or before 30 November 2020.

Irregular update of Office assets

104. We noted that even though the Costa Rica Country Office conducted a year-end inventory as of December 2019, the Office did not update SAP/PRISM on assets to reflect current state of assets of the Office. We also noted that the required fields for last inventory date and notes for over 500 assets were not captured on the SAP PRISM.

Recommendation 38

We recommended that Management should periodically update the SAP PRISM.

105. Management indicated that all assets purchased in 2019 have been tagged appropriately, but tagging is on hold for assets purchased in 2020 because staff are working remotely due to COVID-19 pandemic. Management added that the last inventory date and notes have been updated in SAP/PRISM on October 16th, 2020 and all IOM Costa Rica fixed assets are insured.

Losses and write offs

106. The Organization reported that during 2020, the total amount of write-offs was USD 1 million (2019: USD 1.5 million). In the absence of other sources of revenue, this amount had to be applied from Operational Support Income to cover unforeseen project shortfalls that were mainly due to: (a) unrecoverable costs and budget overruns of approximately USD 0.2 million arising from completed projects; and (b) USD 0.8 million relating to unrecoverable vendor receivables. Expenses related to such shortfalls are included in the appropriate expenses lines according to the nature of the expense.

Cases of fraud and presumptive fraud

107. We reviewed cases of frauds, presumptive frauds and write offs by Management and noted that the Administration reported on closing 263 cases of substantiated and unsubstantiated fraud in 2020, while 83 presumptive fraud cases were still ongoing as at 31 December 2020. All the cases were referred to OIG for investigation. Eighty (80) cases were substantiated and referred to the Office of Legal Affairs for further processing and a financial loss to IOM of USD 241,111 was reported. We are satisfied with the actions taken by Management in addressing the reported cases.

Follow-up on recommendations from previous audit report

108. As part of my audit, the progress of implementation of the recommendations was assessed. The result of this assessment is given in the Annexure to this report. Most of the recommendations have either been implemented or being acted upon. IOM may take action to implement the outstanding recommendations from earlier reports as well as those contained in this report. The breakdown is shown below.

Financial Year End	Number of Recommendations	Status of Implementation			Percentage of Implementation
		Fully	Partial	Not Started	
2019	56	54	2	0	96
2018	17	7	10	0	41
2017	14	9	5	0	64
2016	4	0	4	0	0
2015	3	0	3	0	0
2014	1	0	1	0	0
	95	70	25	0	73

Acknowledgement

109. I wish to record my appreciation for the cooperation and assistance extended by the Director General, the Chiefs of Mission and the staff of the International Organization of Migration towards successful execution of my audits.

Johnson Akuamoah Asiedu
Ag. Auditor-General of Ghana
External Auditor

4 June 2020

Annexure

STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS 31 DECEMBER, 2020

ONGOING RECOMMENDATIONS

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-03)	We urged management to consider the determination of a threshold and a discount rate which would be applicable to guide assigned staff so as to eliminate any discretionary interpretation on how the non-current assessed contribution receivable ought to be treated in the Annual Financial Report.	Management agreed with the recommendation and stated that they would determine a threshold and discount rate for non-current assessed contribution receivables.	The assessment for establishing the appropriate threshold is ongoing in coordination with an IPSAS consultant.	September 2021
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-03)	We urged the Chief of Mission to establish effective risk management process in compliance with IN213 and ensure systematic identification and documentation of significant risk and put in place the necessary controls to mitigate them.	Management accepted the recommendation and the Office stated that further guidance will be sought with the Regional Office Dakar and the IOM Chief Risk Officer in HQ in order to establish the Risk Management Matrix.	Steps have been taken, with the guidance of the Regional Office in Dakar and the IOM Chief Risk Officer at Headquarters, to establish the Risk Management Matrix. The new RMO assumes the position duties on in May 2021 and will coordinate closely with the Regional Office as to finalize the matrix as to implementation of the recommendations as to ensure compliance with IN/213.	September 2021

The acronyms used in this table include the following:

BCP: business continuity plan

GPSU: Global Procurement and Supply Unit, Manila Administrative Centre

HCPU/MAC: Health Claims Processing Unit, Manila Administrative Centre

HRM: Human Resources Management Division

ICT: information and communication technology

IGF: Internal Governance Framework

IPSAS: International Public Sector Accounting Standards

KPI: key performance indicator

OSI: Operational Support Income

PRIMA: Project Information and Management Application

PRISM: Processes and Resource Integrated Systems Management, the IOM enterprise resource planning system

PSD: Procurement and Supply Division

SOP: standard operating procedure

VAT: value added tax

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-01)	We urged Management to enhance internal communication among various offices and units and introduce standard operating procedures for deactivating vendors whose actions have been duly investigated and concluded by the Organization to be non-compliant.	Management agreed with the recommendation and confirms that the currently decentralized process for blocking vendors in PRISM will be reviewed, as part of the planned comprehensive process review of vendor management. This review will inform the development of a comprehensive SOP for blocking vendor and will further clarify the roles and responsibilities of IOM offices and central units within this process.	Vendor Management Project with engaged consulting firm is completed and pending the final report PSD will proceed with implementation of the recommendations, including deactivation of inactive and sanctioned Vendors. Expected implementation by mid of 2021 , delays experienced mainly due to COVID19.	June 2021
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-02)	We recommended that Management should introduce comprehensive policy coordination and supporting procedures to facilitate coordination among all the shared services with regards to vendor master data management. Furthermore, IOM shall establish control mechanisms systematically reviewing the vendor master data to correct incomplete data fields, particularly in relation to information about vendors' names, contact address and bank accounts. The Organization's Vendor Information Sheet (VIS) should also provide information to vendors about the need to limit the payment methods to reduce risks.	Management agreed with the recommendation and stated that it will assess the options available to automate related control mechanisms both for centrally and for locally maintained vendor accounts.	Vendor Management Project with engaged consulting firm is completed and pending the final report PSD will proceed with implementation of the recommendations, including enhancement of Vendors data in PRISM, removal of duplicate vendors and templates used in Vendor Management. Expected implementation by mid of 2021, delays experienced mainly due to COVID19.	June 2021
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-05)	We recommended that Management should establish SOP to guide the process for sharing HR data with the relevant offices and conduct an assessment of SAP PRISM with a view to enhancing its reporting capabilities towards this process. All mandatory staff record fields such as entry and end date should be appropriately filled to ensure accurate determination of employee benefits.	Management agreed with the recommendation and stated that it will assess the options available in enhancing PRISM reporting capabilities towards HR data processing.	During the 2020 actuarial exercise, the Accounting and Financial Reporting Division coordinated the data collection with Manila Budget Section and Manila Human Resources Operations, as well as with the Actuarial service provider, establishing a reporting templated, which was implemented during the 2020 Actuarial employee benefit valuation. Automating this report is ongoing, whereupon the SoP will be finalized.	September 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-06)	We urged Management to take the necessary steps to ensure timely recruitment of the Project Director and include as part of their terms of engagement clear timelines in liaising with the necessary stakeholders and act on the actions outlined in the Council's resolution. Management should also ensure the timely development of the prototype design for the new building and assess the impact to the other occupants of the adjoining building sharing the same perimeter with IOM. Furthermore, we would continue to provide independent assessment as part of our annual audit assurance of the Organization's operations to augment oversight activities on the implementation of the Project to enable the Organization take proactive measures to mitigate any potential operational or financial risk.	Management stated that IOM has not engaged with other institutions in the annex building regarding the Project, and further stated that although the two buildings share common services for heating and garage, the owners of the properties manage them independently. The Swiss Building Foundation for International Organizations (FIPOI) provides general oversight for both buildings so is responsible for any overarching issues that impact the owners of the buildings. FIPOI is also formally the designated focal point of the Government of Switzerland for the new IOM building project. Consequently, any issues relating to the new building which will impact IOM neighbours will be managed by them. The construction of the new building will not have any direct impact on the adjoining building. The IOM Administration will nonetheless take proactive steps to inform the neighbours on development as appropriate. IOM is currently in the process of procuring a consultancy to start preparatory work that will be used to undertake the initial assessment and establish the pre-requisite for the project in order to define the exact cost of the Project. This initial work by the Consultant will be continued by the Project Director for whom the recruitment will take a longer time. The Director General has already established a Steering Committee which provides oversight to the whole process and the Administration commits to ensure that adequate planning, consultation and active engagement with Member States, stakeholders and stringent procurement and internal controls measures will be strictly adhered to. The Administration will continue to rely on the independent assessments of the External Auditors throughout the life of the project from the initial conceptualization phase to completion.	<p>The Study loan document has been submitted to the host State in due time and has been already successfully reviewed by FIPOI. The Administration will follow up during the year on steps of the process taken by the governmental authorities of the host State.</p> <p>A Staff Consultation Group (SCG) is being set up to provide guidance on matter of program, usage and functioning of the future building.</p> <p>The Workspace scenario and program validated by DG will be translated into an organigram and ToRs of specific program parts to be integrated into the general ToR of the Architectural competition. This task will be performed in close coordination with all stakeholders, SCG, and heads of departments and will be validated by DG, considering risks and opportunities related to the program and the eventual necessary arbitration between stakeholders needs.</p> <p>The ToR of the Competition will be compiled by a specialist service provider in close coordination with stakeholders (FIPOI, Commune of Grand-Saconnex, administrative departments of Geneva, etc.) and submitted to the host State administration (Geneva) as well as SIA (Societe des Ingenieurs et Architects Suisses) for validation.</p> <p>All specialists and service providers to be procured for the architectural competition will be according to OIM's adequate procurement process in coordination with PSD advisers.</p> <p>The Organization has engaged, with the assistance of legal counsel, in discussions with host State on the new land lease agreement that will have to be updated prior to the project development phase and signed before the construction phase.</p>	December 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-08)	We urged Management to strengthen the ICT governance process, especially, in terms of management of business owners' initiatives on ICT solutions, using an enterprise-wide approach in achieving value across the Organization.	Management agreed with the recommendation and stated that they will provide an action plan by towards end 2019.	The process was started with a bottom-up ownership, prioritisation and alignment of business initiatives as part of IGF processes related to ICT. It is expected that the updating of the governance related to ICT investments and their value (from a top-down perspective) will be a key part of the IGF exercise. Current delivery date is June 2022.	June 2022
2018 INTERIM AUDIT Manila (18-IN-PH98-05)	We recommended that Management should liaise with the SCPF and consider the development and implementation of a long-term capital expenditure funding strategy; and the establishment of a dedicated Headquarters Capital Fund for the purpose of covering the cost of major construction works, repairs, renovation, system enhancement and replacement of equipment. The Fund should have clear funding sources and disbursement procedures to ensure its sustainability.	Management agreed with the recommendation and indicated that as initial step, Management will explore established approaches by benchmarking with other United Nations entities, for such a dedicated fund, following which a proposal to adopt a long-term funding mechanism for capital expenditures will be presented to member states for consideration.	The assessments and studies to explore established approaches to long-term capital expenditure funding, as related as well with the new Headquarters building is ongoing.	December 2021
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-01)	To improve upon procurement planning, we recommended that IOM should ensure that: issues of procurement plan should be assessed and addressed at project development stage; PSD should strengthen its oversight functions; staffing position at GPSU and PSD should be improved; IOM should restructure PSD and widen its scope to serve as a specialized unit in supply chain and value management.	Management accepted the recommendation and indicated that additional guidance on procurement planning will be provided within the upcoming revisions of the Procurement Manual (IN168) and Project Handbook (IN/250). PSD will continue issuing Procurement and Supply Chain alerts to facilitate information sharing and enhance oversight and compliance to standards and procedures. In collaboration with HRM/Staff Learning and Development, PSD will develop training modules for the end-to-end procurement value chain that will be accessible and certifiable	Global support structure enhancement done, current staff: GPSU 20 and PSD 5; Ongoing discussion with ODG about regional support structure and possible additional enhancements; Expected more updates on possible global structure updates by mid of 2021;	July 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
<p>2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-03)</p>	<p>We therefore recommended that Management should: establish a review committee to ensure that vendor information is reviewed and updated constantly; assess institutional supply chain system solution enabling automatization of transactions; and the functionalities of PRISM should be expanded to include modules with functions sufficient for the entire procurement supply value chain management.</p>	<p>Management accepted the finding and indicated that the vendor management process will be reviewed to inform the development of comprehensive guidelines. An assessment of institutional supply chain system solution enabling automatization of transactions and using direct interface with PRISM will be part of the broader Procurement and Supply Chain Management reforms.</p>	<p>Supply Chain system enhancements and additional digitalization: a. completed Procurement Contracting module upgrades; b. completed PR application; c. working on payment process and system digital solution; d. working on Vendor Management enhancements; e. PRS application for review of procurement process, ongoing second phase of upgrade for online submission of documents for review and approval; f. Global Long Term Agreement functionality developed with GPSU Manila in use, under review and further development for technical solution to grant access to global vendors by the missions; Expecting most of the interventions to be completed by end of 2021.</p>	<p>December 2021</p>
<p>2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-04)</p>	<p>To improve upon its procurement options, we recommended that Management should review the Procurement Manual to align with United Nations standard procurement policy structure and ensure compliance in all offices. Again, mandatory institutional procurement training should be conducted for all procurement and non-procurement staff to ensure that human errors are minimized.</p>	<p>Management accepted the finding and indicated that the revision of the Procurement Manual and compliance with the manual will be monitored by strengthened oversight. Mandatory procurement training will be prioritized as part of the implementation of the revised manual through a change management strategy.</p>	<p>Procurement Manual IN168/ Rev 3 draft version pending for revision. Planned by end of 2021 to have it ready and implemented;</p>	<p>December 2021</p>

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-05)	We therefore recommended that Management should implement authorization of procurement and payment process-flows in PRISM using technology to leverage human time for efficiency of processing payments. Also, clear guidelines for specification and TORs with the new Procurement Manual.	Management accepted the finding and indicated that the automation of authorization of procurement and payment process-flows will be assessed and implemented as part of broader Procurement and Supply Chain Management reforms. Enhanced guidelines for specification and TORs will be provided.	Completed Material Master Data restructuring; Completed PR online application; Ongoing enhancement of Payment procedure and digitalization expected completion second half of 2021; Ongoing preparation to roll out PO new functionality in PRISM – expected to be operational by May 2021; Ongoing preparation of e-filing procurement system under existing solution in PRISM; Preparation for Receipt – MIGO process enhancement and segregation of duties – expected completion – second half of 2021;	July 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
<p>2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-02)</p>	<p>We recommended that Management should develop a comprehensive anti-fraud manual that responds to its operational and administrative environment, taking advantage of lessons learned and best practices developed in the course of preventing, detecting, investigating and sanctioning fraud that have occurred.</p>	<p>The Office of the Inspector General agreed with the finding and recommendation to update and consolidate the existing fragmented instructions into a comprehensive manual that addresses the full spectrum of fraud prevention and control strategies. It added that the Internal Audit function has produced a draft manual that will address most of the prevention, detection and monitoring strategies and that a manual for investigation that will outline various elements addressing protocols related to fraud response will also be produced.</p>	<p>The IOM progress of implementing IGF components is ongoing. From OIG perspective the prescribed action under points 1 and 2 per the July 2020 update, was reprioritized due to the ongoing pandemic and its implications as follows:</p> <ol style="list-style-type: none"> 1. OIG Internal Audit submitted a COVID-19 action response to IOM senior management with a focus to remote auditing protocols (also in line with the UN community audit services). The review of the OIG IA strategy and structures is still a priority in 2021 and is anticipated to be addressed within the year, also considering the ease out of the pandemic. Regarding the HQ dedicated audit assignments for the coming two to three years, these will be incorporated in the strategy document. In 2021, several headquarters audits are already at the initiation stage, as part of the 2021 annual audit workplan. 2. Regarding the forensic data analytics references, and in relevance to the headquarters audits planned to be conducted in 2021, OIG IA has prioritized data visualizations to be embedded in one audit assignment, including identifying the characteristics of relevant and reliable data, specifying the audit documentation requirements for data analytics procedures, recognizing the process flow for dealing with notable items, and identifying the uses to which grouping and filtering activities can be put when engaging in audit data analytics. 	<p>December 2021</p>

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-04)	We recommended that management should develop a resource mobilization strategy that will outline principles in resource mobilization activities, harmonize various strategies for funding IOM operations in a more coherent manner.	Management agreed with the recommendation and stated that it acknowledges the need for an organization-wide resource mobilization strategy and is currently developing a Resource Mobilization (RM) strategy for the period 2018-2022 which will include a narrative, a results matrix and a work plan. Management added that consultations for the RM strategy have already been held with the four CORMFs (Washington DC, Berlin, Helsinki and Tokyo) as well as all nine Regional Offices and is expected that the strategy will be finalized before the end of 2018. Management stated that this will be used to provide a framework for RM strategies being developed at Country and Regional Office level and would help country and regional offices to develop a more structured approach to fundraising, with the possibility of setting up resource mobilization targets to meet their needs and monitoring the achievement of these objectives. Management also indicated that the MI publication is not stricto sensu a fundraising tool, but rather considered as a corporate document, or institutional “business card” that captures the variety of the Organization’s programming aspirations, as framed by the MIGOF.	The 13th meeting of the Policy Coordinating Committee (PCC) held in September 2020 endorsed an Action Point calling for a review of the draft Resource Mobilization Strategy (RMS) that was presented to senior management in January 2018. Consequently, DRD put forward a request for funding to support the hiring of a service provider who could facilitate the RMS review. The RMS is listed within the ICP Department workplan as well as the IGF workplan for 2021. Given the limited resources currently available, however, this was not prioritised for funding at this stage.	June 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
<p>2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-09)</p>	<p>Due to the capital outlay needed to reengineer/overhaul SAP implementation, we recommended that Management should perform a user assessment survey of the system application and develop a business case or a sustainability plan, including funding requirements, for the consideration of MS before the year 2025.</p>	<p>Management agreed with the recommendation and indicated that actions are under way to achieve the target of replacing SAP before 2025. It added that ICT has started the initial discussion at DRM level to prepare for the replacement of SAP and that this will be tabled during 2018 IT Advisory Board meeting and will be included in the budget review process.</p>	<p>The Business Transformation (BT) initiative is underpinned by the need to move to a next-generation Enterprise Resource Planning (ERP) platform to replace the existing PRISM ERP. Alongside the upgrade of IOM's systems and solutions, the BT will involve the complete transformation of the underlying business processes in IOM's administrative, resource management and support functions. The BT is planned to run from Q4 2020 through Q1 2024. The BT commenced its foundational phase in October 2020 with "as-is" baselining of how support functions operate today, including the capture of over 2,200 "needs, improvements and wants" to feed into the future business model design process. This baselining was performed through consultations with over 400 colleagues from across the Organization, representing all regions, administrative centers, and headquarters. At the beginning of 2021, for each process area, there was a defined future vision, proposed service model, identification of the transformative or big-impact ideas and the business rules that will be used to enable this future. These requirements will not only serve to guide the development of future solutions but will also form the basis to determine the best fit ERP platform during the request for proposal (RFP) process in 2021.</p>	<p>December 2021</p>

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2017 INTERIM AUDIT Manila (17-IN-PH98-05)	We recommended that Management should review the chart of accounts to include account definitions that are descriptive and instructive of the actual financial transactions of IOM. Management should also consider embedding a maintenance framework/guideline into standard business processes to ensure relevance of the chart of account.	Management agreed with the recommendation and stated that it is a priority for the Accounting Division. It indicated that preliminary work started in 2017 and will continue as time and resources allow. Management added that the policy on CoA revision and guidance on GL usage to offices, will be addressed as first priority in the CoA review process and will incorporate emerging donor and management financial information needs (e.g. CBI, Implementing Partner transfers and many others) as well as the necessary restructuring of material codes related GLs to better serve the various information needs.	The Chart of Accounts (CoA) revision is one of the items under consideration within the Business Transformation initiative as part of the Enterprise Accounts Structures review. As of now, documentation of the existing and "To Be" attribute requirements of the CoA have been completed via deliberations involving stakeholders across IOM Field Offices, Administrative Centers and HQ, outlining issues, gaps, maintenance process, policies, procedures and formal governance schemes. Further will be undertaken on the COA's synergetic alignment in the context of the overall Enterprise Accounting Structure (EAS) and Enterprise Organization Structure (EOS) review in order to design a new lean, fit-for-future and scalable COA structure embodying integrated representation of the principal information classes used to record business transactions, enabling sound financial controls as well as multidimensional reporting to meet IOM's current and emerging internal and external reporting commitments.	September 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2017 COMPLIANCE AUDIT Beirut (17-CO-LB10-01)	We urged Management to continue with its efforts in ensuring that the Country Office obtains an agreement with the government of Lebanon to enable the office to reinvest the savings from VAT exemptions into catering for migration needs.	Management explained that it was doing its best to finalize and sign an MoU with the Government as early as practicable. It indicated that the Office was working with the Ministry of Foreign Affairs, Ministry of Interior/General Security Department (GSD) and Office of the Prime Minister to draft the MOU and the response so far has been very positive but added that final approval was still under discussion.	While the mission status remains unchanged in the country, another modality for letter of exchange is being discussed with MoFA and hopefully that will facilitate the situation of IOM and its staff status in Lebanon. In parallel, MoU is also under discussion, however it may take a little longer to finalize it due to imposed COVID-19 restrictions and in the absence of a legitimate government.	September 2021
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-02)	Although a Statement of Internal Control is not required under IPSAS to be presented as part of the Financial Statements of the Organization, we recommended that the Organization should work towards the adoption of this best practice to issue a Statement on Internal Control as part of the financial reporting to provide assurance to all stakeholders that IOM is effectively managing and controlling the resources entrusted to it.	Management agreed with the usefulness of the Internal Control Statement as an emerging corporate governance tool and indicated that it will evaluate the feasibility of adopting such practice, giving due consideration to the time and additional resources needed for implementing the necessary certification procedures within IOM's decentralized structure without increased administrative burden on its lean central structure and existing high demands on field offices.	As part of the IGF workstream to strengthen existing business processes, ACO has launched initiative for Financial Accounts Control Optimization. This was further reinforced by the foreseen establishments of a new Financial Controlling Model stipulated as a transformative idea/requirement under the Finance-to-Manage workstream of the Business Transformation Initiative and the ongoing Delegation of Authorities project under the IGF. The new Financial Controlling Model is envisioned to provide solutions not only to further enhanced safeguarding of the organization's assets, facilitate management decisions and execution of IOM's activities while remaining agile and responsive to changing control requirements using integrated, automated controls. The Business Transformation initiative has also generated, as part of the various transformative ideas, a target to have automated platform for the planning and execution the financial consolidation and closure processes under which the gathering of information, documentation, certifications necessary to support the Statement of Internal Control will be coordinated in a digital/paperless fashion without heightening the related administrative burden. These are viewed as enablers for the issuance of Statement of Internal Control.	December 2023

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-04)	We therefore recommended that Management should prepare departmental plans under the core funding structure to closely link with the Migration Governance Framework and budget consumption with what has been delivered in terms of outputs and outcomes to ensure integrated performance reporting under RBM. We further recommended that Management should provide the required electronic tools to facilitate monitoring, evaluation, and timely reporting of the process.	Management accepted the recommendation and agreed that further efforts should be made to move in that direction. It added that the Organization will continue integrating Results Based Management principles to its operational and reporting processes within the resources available and within the applicable regulatory framework and that the recently re-activated Member State-led Working Group on Budget Reform will also afford some opportunity to drive the process.	The draft SRF was presented to senior management in December 2020. It is now undergoing a final consultation with HQ divisions, who will scrutinize the four overarching objectives, the long-term and short-term outcomes, the outputs, and the indicators. A consolidation workshop, due in March, will crystallize the assumptions, mainstreaming risk management across the SRF, as well as the cross-cutting commitments. The roll-out of the SRF is foreseen during quarter one or two of 2020. Another results framework, based on Organizational Effectiveness, is also being revised to complement the SRF. It will include elements for the upcoming IGF results framework, in an effort to streamline and integrate monitoring of the internal performance of the Organization. IGF BT workshops during November and December have presented an excellent opportunity to drive such vision through a comprehensive ERP and integrated platforms. The SDG/GCM wizard has been created in PRIMA, based on a RBM mapping of IOM's areas of work to the international frameworks. A preselection of SDG targets and GCM objectives is visible at project development stage. This wizard will enable IOM to meet its reporting commitments to the UN Chief Executive Board, starting 1 January 2021. However, it must be emphasized that reporting will only become comprehensive once all active projects are integrated in PRIMA, and all relevant fields are completed, which is not currently the case.	June 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-06)	We recommended that Management should adopt a more comprehensive Knowledge Management framework and procedures aligned with the Organization's mandate, goals, and objectives. These may be based on an assessment of current and future knowledge management needs and include measures for implementation.	Management agreed with the recommendation and stated that it will continue strengthening the knowledge management framework of IOM.	The development of "my IOM" has made great strides in 2020 and will contribute to knowledge management and strategic decision-making. "My IOM" will include content from the current IQ cycle and be piloted in March. It is expected that the resulting feedback from managers across the Organization will be analyzed during quarter two for further improvements to the platform.	June 2021
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-11)	We recommended that Management should review IN/1 to strengthen policies and procedural coordination within the Organization. Management could also consider the establishment of a Policy Coordinating Unit to have close collaboration with technical members of departments to ensure that policy, normative and operational management are coordinated and aligned with IOM's mission and objectives.	Management concurred that it is essential to maintain an up to date, well organized, coordinated and complete series of policies, and that this is an important part of any well-managed and transparent organization. It indicated its commitment to explore specific approaches to improving the current regime, including reviewing the IN/1 and any structural solutions to help improve in this area.	The working group has met in Oct 2020 and several members have been working on relevant issues since then. With having had the most recent meeting in April 2021, the working group is overall progressing towards finalizing the IN/1.	September 2021
2015 CERTIFICATION AUDIT Geneva (15-CT-CH10-07)	The resolution of the problems faced in non-implementation of recommendations of internal audit may be addressed by the Management/Audit Advisory Committee so that corrective action envisaged under these recommendations could be taken.	OIG is reporting statistics on the Ongoing audit recommendations. The administration is following up to address the recommendations at all levels including by country offices, regional offices, the administrative centers, and Headquarters.	Opportunities for implementing further measures to strengthen management follow-up of audit recommendations will be pursued and evaluated under the IGF.	September 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2021)	Planned date of completion
2015 PERFORMANCE AUDIT Geneva (15-PE-CH10-15)	IOM may explore inclusion of policy provisions specific to staff with disabilities as part of efforts to create a diverse and inclusive work environment.	A new Diversity and Inclusion Officer position was approved in the 2017 budget (under recruitment currently) and a Staff Welfare Position has been established in 2016. These positions will be tasked to promote inclusion of staff members with disabilities.	By March 2021 work by a disability inclusion consultant was finalized, delivering: a) a draft reasonable accommodation policy and guidance document; b) a basic accessibility guideline document for IOM premises; c) an accessibility guide for events; d) an accessibility guide for recruitment. By the December 2021 the aim is to have a comprehensive review and adoption of the reasonable accommodation policy. On March 2021 IOM submitted its annual report for the UN Disability Inclusion Strategy with inputs from different stakeholders. Regular meetings of the internal working group take place on a regular basis.	December 2021
2015 PERFORMANCE AUDIT Geneva (15-PE-CH10-17)	IOM may devise performance evaluation indicators for each category of consultancy and their functional competencies.	HRM is planning to revise its instruction on consultants (IN/84) this year and will include robust performance indicators for evaluation of consultants.	IN/84 (Guidelines for Selection and Employment of Consultants) has been revised based on consultations and the draft shared with relevant stakeholders in the field. It is currently undergoing internal coordination for final comments, after which it will be submitted to the Office of the Director General for approval. The revised instruction includes performance evaluation criteria and a suggested rating grid.	June 2021
2014 PERFORMANCE ICT AUDIT Geneva (14-PE-CH10-14)	ITC may ensure that confidentiality and integrity of organization-wide data is strengthened by adopting ISO 27001 certification and updating its backup system.	No funding has been approved for the IC Division to implement compliance with ISO 27001. Although the latest ICT Strategy (2017-2020) incorporates ISO 27001 certification as one of its objectives within the period. This objective is supported by defined action to be delivered by ICT between now and 2020.	The Data Centre consolidation seeks to leverage the cloud and its attainment of ISO 27001 certification. IOM data will be migrated to the March to December 2021 and certification normally ensured by these activities.	December 2023

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
<p>2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-01)</p>	<p>We recommended that management should impress on the Resource Management Officers and Chiefs of Mission to have regular follow up schedule with the tax authorities of the host counties to enhance timely inflow of the needed Value Added Tax reimbursable to support the resource requirement of IOM.</p>	<p>The Management agreed with the recommendation and stated that the Periodic Checklist Reviews performed by Regional Accounting Focal points includes direct follow up with Offices on outstanding VAT receivables. Additionally, in some instances, a large office has a staff member dedicated for the VAT reimbursement, and in another, the office has contracted an external agency with expertise on VAT recoveries to do the presentation and follow up with the respective Government.</p> <p>Management further indicated that most of the VAT reimbursement delays are beyond IOM's control. Where offices face specific challenges in claiming the VAT refunds, similar delays are experienced by other United Nations agencies present at the country as well, and as such the follow-ups with respective Governments have been coordinated by the United Nations Resident Coordinators. In addition, management regularly highlights and urges Member States to expedite settlement of tax reimbursements, including via their Permanent Representations in Geneva.</p>	<p>IOM regularly follows up with the relevant government tax authorities to expedite timely recovery of outstanding VAT claims. IOM offices are committed to the timely submission of claims, which are also reviewed and followed up by central review functions, so as to ensure claims are not delayed. Given that reimbursement delays are beyond IOM's control, management considers the recommendation closed.</p>	<p>September 2020</p>

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-02)	We recommended to management to ensure that Accounts Division (ACO) enforces (through the field offices) the monitoring of staff entrusted with resources to account and retire advances timely and regularly. Additionally, management should encourage the Offices to be consistent in making the necessary deductions through payroll in line with the PRISM HR operation procedures to make funds available for timely projects execution.	Management agreed with the recommendation and stated that monitoring and follow-up, a system enhancement has been introduced to address this issue in 2016. Apart from the periodic reviews performed by RAS (which includes the staff open vendor items) the enhancement involves producing and distributing automated monthly staff vendor account statements. These statements allow all IOM staff members to verify their own vendor accounts, for completeness and accuracy, whilst required to take timely action on any outstanding balances. These statements are generated after the central closure of the monthly accounts and circulated to all staff members via email (regardless of whether they have any outstanding balance or not). In addition, a read-only access to staff vendor accounts (via the Employee Self Service portal) limited to each staff member's own vendor account has also been introduced, ensuring all staff can access with read only functionality, in real time, their own staff vendor account. Management highlighted that the largest part of the old outstanding items pertains to Education Grant advances, and by policy, Educational Grant advances can only be cleared by staff members once the eligible child attended minimum 2/3rd of the school year. Hence these advances cannot be cleared earlier, however related HR regulation (last updated in 2019) ensures that staff members can get no new advance without clearance a past advance and that overdue non-cleared advances become deductible. Management indicated it would ensure that the due date of these advances would be adjusted to reflect the policy and to ensure more accurate aging analyses. The Management further highlighted that for Education Advances a monthly accrual posting procedure is in place which ensures timely projectization and hence funding coverage for the related expenses.	Management considers the recommendation closed: (a) advances are scrutinized during the periodic reviews performed by regional accounting support central review functions (including of staff open vendor items); (b) automated monthly staff vendor account statements are produced for and distributed to all staff; (c) internal controls established by a human resource regulation ensure that no new advances are issued without past advances having first been cleared; and (d) advances are accrued monthly, ensuring timely projectization for funding coverage of related expenses.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-04)	We recommended that urgent investigation be made to establish the true status of the accounts of the affected staff vendors for the necessary action to be taken.	Management agreed with the recommendation and explained that there is an ongoing dialog and effort on automating the blocking of separated staff vendor accounts between PCST, HRM and PRISM. Management further stated that a process has been put in place, and PCST is undertaking a monthly review of staff accounts (PRISM Access rights) based on a PRISM report provided on separated staff members. However, in practise, where a staff member has separated the staff accounts cannot be blocked immediately in all instances, mainly due to: a. The separated staff member, when entitled, has elected to participate in the after-service Health Insurance or Medical Service Plan. b. The separation payment and subsequent clearance is still in process. c. Settlement/clearing of remaining vendor open items are ongoing. The open accounts are being regularly followed up with offices for appropriate action during the Periodic Checklist Reviews performed as performed by the Regional Accounting Support function (RAS). In addition, the review of vendor accounts (staff and local vendors) as to the validity is also included within the Checklist for Office Accounts Closure, which are required to be completed by all Offices monthly, which requires that invalid accounts should be blocked.	Steps are being taken to automate blocking of separated staff vendor accounts. Management considers the recommendation closed, as open vendor accounts related to separated staff have been investigated and an additional review (checklist during month-end closure) and follow-up action have been carried out by central review functions.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 INTERIM AUDIT Manila (19-IN-PH98-01)	We urged management to expedite action to complete the gaps identified and take the requisite steps to eliminate all unserviceable assets from the registers for reliance to be placed on the records for informed decision making on assets under the control of the Offices.	<p>Overall management concur that there is a need for enhanced mechanisms that will enable compliance on providing additional asset information, through system validation, to be tailored to ensure that during asset acquisition the data fields are prompted to be completed (prior to proceeding in acquiring the asset within the system).</p> <p>In addition to strengthen communication with Offices on completing the required information as part of the quarterly periodic checklist procedure. Further roll-out of the MAIA (Mobile Asset Inventory Application) tool, facilitating the bar code scanning as mandatory for the year-end stocktake will enable an efficient and improved solution to support the physical stock take of IOM assets and information completeness.</p>	Management considers the recommendation closed, as all offices were instructed to operationalize the Mobile Asset Inventory Application for the year-end inventory count in June 2020. The Application will improve the transparency of the internal control exercise when it comes to safeguarding assets and allowing offices to verify all assets in terms of quantity and quality (or serviceability).	July 2020
2019 INTERIM AUDIT Manila (19-IN-PH98-02)	On the stale cheques, management should consider the capturing of bank details of displaced persons who undertake the DNA tests at the point of service so that the reimbursements could be paid directly into such accounts to minimize the occurrence of unclaimed cheques. Management should take action to address the budget issues as early as practicable.	Management confirms that the list of beneficiary names is received from PRM including the amounts to be reimbursed to the beneficiaries. IOM prepares the checks as per these instructions, which does not provide the bank account details as a payment option. In relation to the budget consumption, management highlights that it is not only constricted to the approved budget amount as under and/or overutilization of each individual refugee sending country are also subject to other factors, namely; the number of refugees assisted by these Offices, which requires continuous coordination between IOM Washington and the donor (PRM) and is an ongoing dialogue during project implementation and thus budgetary decisions are addressed as early as practical possible within the operations implementation cycle.	Management considers the recommendation closed: it cannot avoid stale cheques for unclaimed DNA reimbursements because it follows donor instructions on the issuance of cheques. Furthermore, in relation to budget consumption, quarterly expense reports are prepared for the donor (United States Bureau for Population, Refugees and Migration), which coordinates constantly and meets regularly with the United States Refugee Assistance Program Global Management Team. The purpose of these coordination actions is to update the donor on any issues and activities, including issues with the use of current budgets, in a timely manner throughout the year.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 INTERIM AUDIT Manila (19-IN-PH98-03)	We recommended that management should do further consultation on these investments to ensure that they meet the relevant provisions (Article 7) in the IOM Financial Regulations.	Management stated that the instrument met the spirit and requirements of the IOM Financial Regulation, as the funds can be liquidated in under three months such as serving as short term investment in financial management terms. As such investing to the Money Market Funds are fully in line with the Financial Regulations. The Management acknowledges that the definitions applied within IOM accounting policies, in compliance for these financial instruments, differ from the above treasury classification and that investment decisions and classifications on the banking market cannot be fully driven by accounting considerations and definitions. Treasury classification of investments must consider the size and duration of the investment portfolio, jointly with the time need for liquidating the funds in response to the liquidity requirements of IOM. Management further explained that its decision to invest to this new instrument was conscious and widely coordinated with a great deal of internal consultation which was made regarding the funds with the Chief Risk Officer, Department of Resource Management (DRM), Legal Department (LEG) and Office of the Director General (ODG). Such decision addresses known risks to IOM's overexposure to the financial sector by accessing marketable corporate bonds and are designed to comply with IOM's Ethical, Social and Governance criteria, more close aligning the IOM investment portfolio with the Sustainable Development Goals (SDGs).	Management considers the recommendation closed. The matter has been discussed and a policy is in place and being adhered to. The portfolio must be arranged to minimize risks and reflect a proper balance between assets and liabilities in terms of duration. The three-month rule allows IOM to achieve this while respecting the Financial Regulations.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-01)	We recommended that Management should continue engaging with the Headquarters to find a permanent solution to the high staff turnover.	IOM Turkey is expecting results of comprehensive salary scale review for national staff. In addition, Office is requesting general Office re-classification from HRM for both national and international staff to align with United Nations grades in Turkey.	Management considers the recommendation closed. Following coordination between IOM Headquarters and the United Nations Country Team, the comprehensive salary scale was adopted in the Salary Survey Report and approved by the Steering Committee on 25 November 2019. The increase is equivalent to 10.3% for the NO category and 31.9% for the GS category. The amount of the child allowance was revised to TRY 3,259 per child per annum, subject to a maximum of six children. The annual language allowance in the GS category was revised to TRY 4,505 for the first language and TRY 2,253 for the second. Two reclassification exercises resulted in 62 reclassified positions for national staff and three for international staff.	September 2020
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-02)	We urged Management of the Office to liaise with Headquarters to effectively pursue donors to agree to fund multi-year projects.	The Office stated that Co-Funding is desirable but not very realistic, with further Headquarters support this could be made a reality in future. IOM Turkey does not receive any funds from Headquarters or other IOM Offices, 100% of funds come from projects developed by the Turkey Office. IOM Turkey coordinates with Headquarters regarding fundraising. However, donors have restrictions and do not always agree to fund projects for multiple years. Therefore, at Turkey and Headquarters level this is not always possible.	Management considers the recommendation closed. IOM, in conjunction with the United Nations Country Team, continuously advocates for multi-year funding. Funding for multi-year projects is constricted by the humanitarian structure: humanitarian donors provide funds for 12 or 18 months, while non-humanitarian donors provide multi-year funding (24 or 48 months).	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-03)	We recommended that Management should liaise with Headquarters to engage donors to agree on specific reporting requirements in a suitable format acceptable to all donors.	Management agreed with the recommendation and stated that it has established a standalone Project Development Reporting Unit and Resource Management Unit to manage narrative and financial reporting duties in the Office and that the Office liaise with IOM Headquarters, namely the Legal Department and Donor Relations Division.	Management considers the recommendation closed. IOM Turkey continues to liaise with the Donor Relations Division and the Regional Office in Brussels for support in non-standard contracting procedures, which are expected by some local donor counterparts. In 2019 and 2020, it requested support from the Donor Relations Division, IOM London and the Regional Office in Brussels for projects funded by the United Kingdom Foreign, Commonwealth & Development Office and the Delegation of the European Union. IOM Turkey is working to mitigate delays in receiving approvals from the Office of Legal Affairs.	July 2020
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-04)	We recommended that such requirements should be secured from the Legal Office ahead of project effective date and a global contract template should be agreed with the Donor.	<p>The Office attributed it to disagreement between IOM Legal Department, Procurement and Supply Division with the United Kingdom FCO. This happened because there is no standard global template between IOM and United Kingdom FCO.</p> <p>The Office also indicated that it is widely recognized at a global level that long approval processes hinder IOM Offices' ability to negotiate agreements. The only exception is related to Level-3 Emergencies which are negotiated with donors and activated within IOM quickly.</p>	IOM will continue to work towards a global template. To avoid future delays, IOM and the United Kingdom Foreign, Commonwealth & Development Office recently agreed to implement an upcoming project six months after the start of the United Kingdom's financial year. As projects are usually approved at the start of the financial year, this provides more time for legal negotiations and avoids retroactive start dates. In view of the ongoing efforts and negotiations, management considers the recommendation closed.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-05)	We recommended effective cooperation between IOM Turkey and Headquarters to streamline the approval processes to aid speedy resolution of all contractual issues with Donors. Management of the Office should also prioritize projects of similar nature to avoid refunds to the Donors.	<p>The Office explained that the results were not under the control of Turkey Office as the signature of contract with the United Kingdom FCO was delayed five months because of absence of agreed contracted template between IOM and the Donor, the quadripartite contract was delayed by the IOM LEG department, and the economic situation did not make some aspects of implementation possible.</p> <p>The Office indicated that they are operating in a challenging environment which require the Office to submit many contracts to the Legal Department that has low capacity and requires additional support at Headquarters, Manila and Panama which tends to slow down the Office's implementation.</p>	Management considers the recommendation closed. IOM Turkey is in the final stages of recruiting a legal officer, who will work mainly on contract issues in coordination with the IOM Office of Legal Affairs. The aim is to expedite endorsement of agreements and to improve the approval process for all contractual agreements with implementing partners and donors.	September 2020
2019 COMPLIANCE AUDIT Ankara (19-CO-TR10-06)	We recommended to Management to improve coordination between the Office and Regional Office and assist Project Managers to ensure timely resolution of outstanding issues with implementing Partners.	Management explained that it currently has a rate of on-time reporting of 64%, which is 29% better than IOM in general. In addition, IOM Turkey has more reports due than most Offices, had to work with more endorsing bodies than any other Office in the world (Regional Office Vienna, Regional Office Brussels, Regional Office Cairo, Donor Relations Division, Syria Coordination Cell, Department of Operations and Emergencies, IOM Washington, IOM Tokyo, IOM Jordan, IOM Lebanon), and Regional Accounting Support Europe. IOM Turkey also has understandable challenges with reporting on Cross-Border projects related to the Syria crisis context, as the Office is remotely managing many Syrian Implementing Partner NGOs, which often have difficulty meeting requirements due to the conflict.	Management considers the recommendation closed. IOM Turkey has recruited a compliance officer dedicated to providing capacity-building to implementing partners, to ensure that they implement project activities in line with donor expectations, and to furthering internal control mechanisms.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Belgrade (19-CO-RS10-01)	We recommended to management to desist from making direct disbursement from the cash collections and ensure that funds collected are paid in gross into the designated bank account.	<p>The Office accepted our recommendation and explained that the internal controls were put in place to prevent inappropriate usage of cash. The Office stated that the cashier conducts regular cash counts which is daily evidenced out of the system, compared with the PRISM cash journal, and occasionally checked by RMO. The Office further stated that surprise cash counts are performed twice in a month and cash counting at the month end, both duly documented.</p> <p>The Office further stated specifically that CFCU significantly delays the approval process with reporting and has recommended to Headquarters to streamline approval processes throughout the organization and to remove unnecessary checks and balances through process improvement.</p>	Management considers the recommendation closed. IOM Belgrade has increased the frequency of cash deposits in bank accounts as a result of the recommendation. It has also significantly decreased the number of cash disbursements, as the bank agreed to execute payments for office costs (utilities, telephone bills) for the rented premises from the office bank account as of January 2020.	July 2020
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-01)	We recommended that bin cards be used at the migrant camps alongside the electronic entries to facilitate reconciliation between physical stock and ledger/book balances.	Management accepted the recommendation and the Office indicated that they intend to organise an ICT assessment with support of Regional Office Vienna, to develop a system (software application under working title SMART CAMP) that provides a real time data on all services provided to the beneficiaries residing in migration centers. The Office stated that at the global level, IOM is in the process of introducing the procurement and supply chain initiative, to enhance and strengthen its overall procurement and supply management process, which will subsequently impact the warehouse and stock management, analytics and reporting. This comprehensive plan involves digitizing and automating processes that are currently being done manually, from requisition to warehousing. Furthermore, as of November 2019, and as a partial solution, a restructured Materials Master Data List is in use at the Office for more accurate recording of purchased goods, assets, and services.	IOM Sarajevo has recruited a logistic/ warehouse assistant – assets, who is responsible for all logistics-related matters. Version one of the SMART CAMP application, developed to improve management of all processes in migrant camps, is in the final phase of deployment in the camps. It will be used for activities such as procurement planning, so as to facilitate stock management and reporting, and to record distribution data per camp user. The current Excel spreadsheets used for ordering goods and reporting on stock management will be replaced by the SMART CAMP module. Input and reporting will be unified for all camps, to facilitate tracking and unified order management. The pilot phase is to be finalized before year end. In the light of the efforts made and ongoing initiatives, management considers the recommendation closed.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-02)	We urged management to conduct and document interviews with departing staff with a view to providing valuable information for use in the preparation of vacancy notices and minimize the incidence of rampant staff attrition.	Management explained that recognizing the benefits of the exit interviews and surveys, the Office had addressed the issue with IOM HR Policy and Talent Management Unit for further coordination and it is expected that new guidance on this will be issued by 31 January 2020.	Management considers the recommendation closed. Implementation of exit interviews was finalized at the end of 2019 in coordination with the Panama and Manila Administrative Centres and the IOM Policy and Advisory Services and Talent Management Units. The Panama Administrative Centre approved the internal use of exit interviews for IOM Sarajevo, in anticipation of global adoption. The use of exit interviews became mandatory on 1 January 2020.	January 2020
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-03)	We encouraged Management to prepare annual procurement plans to support Office's approved work plan with a view to properly aligning the work plan activities with the approved budget.	<p>The Office stated that it recognizes the necessity of establishing annual procurement plan to ensure the most effective and efficient purchase of goods, services and works and will implement the External Auditors' recommendation.</p> <p>The Office will develop an annual procurement plan for 2020, whereas each newly approved budget should submit a project procurement plan align with the work plan activities, which would subsequently be incorporated into the Annual plan.</p>	Management considers the recommendation closed. The procurement plan for 2020 was drawn up on the basis of the template received from Headquarters and adapted based on the needs of IOM Sarajevo's Procurement Unit and project managers. For ongoing projects, the plan was developed in coordination with the project managers, and coordination meetings were held during which the Procurement Unit presented the plan's purpose and the template, explained the task and collected feedback for improving the template content. The plan is updated on a quarterly basis. In addition, IOM Sarajevo started implementing the online procurement tool in August 2020.	August 2020
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-04)	We recommended that management should fast-track the compilation process. We also recommended that files should be kept and regularly updated with the requisite documentation.	The Office took note of our recommendation and indicated that in spite of having several procedures for verification of vendors, will further conduct a two-year obligatory evaluation of vendors registered in the local PRISM database.	Management considers the recommendation closed. IOM Sarajevo completed the vendor review exercise, during which bank data were updated as required in line with new IOM instructions and the change in bank key at global level. Original Vendor information sheet documents approved for the creation of new vendors are properly stored. In addition, regular evaluations are conducted of the vendor database, before the monthly closure of accounts, with a view to blocking double vendors and double-checking the data on vendors on the business area list.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-05)	We recommended that management should regularly update the BCP to include simulation procedures and conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.	The Office agreed to comply with the recommendation.	Management considers the recommendation closed. IOM Sarajevo has developed simulation scenarios and the first tests will be documented by the end of the year. The tests focus on Internet connectivity of the infrastructure within the camps and office areas. This exercise is being conducted in coordination with the Regional ICT Officer.	September 2020
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-06)	We recommended that to Management to have a data backup storage at a safe location off-premises to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.	The Office agreed to comply with the recommendation.	Management considers the recommendation closed. IOM Sarajevo is currently establishing server-free infrastructure for critical data in coordination with the Regional ICT Officer. All the Office's servers are in the process of decommissioning active roles in daily operations. MS Teams and OneDrive sharing are already in place.	September 2020
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-07)	We recommended that Management should institute appropriate controls to ensure adequate monitoring of assets. We also recommended that the Head of Administration and Finance should ensure the immediate and regular update of the inventory register to avert the payment of insurance premium payments for obsolete/ outmoded assets.	<p>The Office accepted the recommendations and stated that they will introduce appropriate control to monitor the assets thus preventing any potential irregularities. In practice the Office will therefore introduce a regular quarterly update of the status of the damaged/unusable assets to reconcile the inventory records and physical stock of the assets.</p> <p>In addition, the Office's Administration and Finance Department will be requested to immediately update inventory registers to prevent any unnecessary costs for obsolete and outmoded assets.</p>	Management considers the recommendation closed. IOM Sarajevo conducted the end-of-year inventory for 2019, submitting asset disposal forms to the Central Accounting Support unit in accordance with protocols. The unified asset nomenclature for procurement staff was introduced and is used for PRISM entries, and all entries are corrected to ensure proper data on assets within the asset management module. A handover process was established for proper tracking of assets and the process of labeling assets is ongoing. All staff responsible for assets continue to send reports on damaged assets. The count and reconciliation of assets for the third quarter was scheduled for the end of September 2020. Resources have been mobilized to commence implementation of the Mobile Asset Inventory Application in accordance with related instructions, with a target start date of November 2020.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Sarajevo (19-CO-BA10-08)	To ensure the safety of the Office's staff and vehicles, we recommended that management should subject the staff allowed to drive IOM vehicles to the same third-party certification standards required of persons appointed as official drivers.	The Office took note of our recommendation and stated that as a practical solution, they will explore the possibility of transferring transportation services to implementing partner, which would in future significantly reduce number of staff driving IOM vehicles.	Management considers the recommendation closed. IOM Sarajevo has transferred transportation services in migrant transit centres to the Red Cross as per the Auditor's recommendations. The Chief of Mission has approved a certification exercise and tasked the Security Assistant licensed with Smith System (Driver Improvement Institute, Inc. from Arlington, Texas), an official United States Government driver certifier and the Logistic/Warehouse Assistant – Assets (the holder of a United Nations driving license for 25 years) to certify IOM staff for driving official IOM vehicles. Road safety training was conducted earlier this year, before the driving test, and was designed based on the United Nations Department of Safety and Security Policy Manual, Chapter 7, Section C – Road safety. The vehicle maintenance inspection check list has been finalized, made mandatory and distributed to all related users. IOM Sarajevo is drafting related SOP in accordance with IOM instructions. The Logistic/Warehouse Assistant, working in cooperation with drivers, is responsible for ensuring overall proper management of IOM vehicles. In the camps, the Global Camp Coordination and Camp Management Cluster has appointed staff responsible for implementing procedures, while IOM vehicles at the main office are under the direct supervision of the Logistic/Warehouse Assistant.	July 2020
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-01)	We recommended that Management should ensure that the vendors should sign all PO's in compliance with the above provisions.	The Office stated that during the audit, "copies" had been requested and those copies were unsigned. The originals contain the vendors' signatures and many of those PO's are attached to accounting documents, some of which are stored off-site, which means it will take some time to retrieve.	As a matter of routine, all vendors sign purchase order forms. For logistical reasons related to document storage, the Office provided "unsigned copies" generated directly from PRISM to expedite responses to the audit request. Management considers that the recommendation was closed before the audit, as the original archived purchase orders bear the vendor signatures.	N/A

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-02)	We recommended that Management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Office.	The Office in response indicated that the Office has successfully negotiated and secured extension for two of the projects that would keep the affected staff for another one and a half years. The Office expressed the optimism of obtaining funding for some of the 14 project proposals it had submitted to donors and added that there have been significant efforts to develop and market new projects. The reality is that IOM finds it difficult to compete with other humanitarian aid actors and attempts to raise funds are sometimes constrained by geopolitical factors beyond IOM's control.	Management considers the recommendation closed. Substantial amounts of management time are dedicated to resource mobilization and the formulation of proposals. IOM Manila has activated 14 new donor-funded projects. The COVID-19 appeal was hugely successful in that the amount of funds raised exceeded the appeal amount. In addition, since the external audit, IOM Manila has diversified its donor base by bringing in eight new donors (United Kingdom, New Zealand, the Global Fund to End Modern Slavery, Norway, Germany, the Central Emergency Response Fund, Japan and the Korea International Cooperation Agency).	September 2020
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-03)	We recommended that management should realign the budget to accommodate the variations identified and put in place the necessary controls to ensure that such occurrences are dealt with as early as practicable.	The Office stated that projects are monitored on a weekly basis and shared with project implementation staff, with increased monitoring towards the end of the projects to avoid deficits. Although some budget lines are overspent, each one is monitored to determine whether this will cause any problems during donor reporting. In many cases, budget revisions are undertaken to resolve overspent lines however, those revisions are not done every time a budget line becomes overspent, but periodically, depending on whether or not the budget revision is an internal realignment or requires donor approval.	Management considers the recommendation closed. IOM Manila has revised its weekly monitoring spreadsheet to include notes on each project's "budget tolerance level", to help assess the risk of a tolerance breach and trigger consultation with the donor to initiate a process of realignment.	September 2020
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-04)	We recommended that management should ensure that supervisors help those they appraised to state clearly their training needs. Additionally, management should work on the training needs to improve efficiency of identified staff.	The Office accepted the recommendation and indicated that beside the SES, they used other means to have the staff trained and that 75% of those sampled had undergone training in 2019. HR, according to management, is currently tracking all training opportunities provided to each staff member to ensure staff are provided with adequate opportunities.	Management considers the recommendation closed. In January 2020, IOM Manila introduced a system to collect information on staff development, learning and training needs. Unit heads are requested to complete a form and submit it to the Human Resources Unit on a quarterly basis.	February 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-05)	We recommended that the Office regularly recover the amounts from staff per the agreed terms to be consistent with the PRISM HR operation procedures to prevent lapse in recoveries as well as the cleaning of the Staff Vendor balances.	The Office responded that 13 out of the 14 selected vendors belonged to Manila Administrative Centre (MAC). The one which pertained to the Office was caused by advances paid by IOM Country Office in Mozambique as the staff member is on loan to that Office to assist with an emergency response. Several messages have been sent to the IOM office in Mozambique to try to resolve the open item in the vendor account. The issue was escalated to the Regional Office in Pretoria.	Management considers the recommendation closed. Of the staff vendor accounts noted for the Philippines Country Office (PH10), nine were cleared and the remaining two relate to education grant advances that will be cleared in 2020. The IOM offices concerned continue to monitor the situation and to take appropriate escalation action.	August 2020
2019 COMPLIANCE AUDIT Manila (19-CO-PH10-06)	We recommended that the Chief of Mission should work progressively towards securing long-term agreements with reliable suppliers to contribute to effective delivery of projects driven mostly by emergencies.	Management accepted that the Office vendor evaluation should be strengthened and noted that the Office is currently, and actively, discussing the creation of tools to facilitate mapping its supply chain from a due diligence perspective. For donor-funded projects, drawing on the private sector donors whom specializes in this area, will assist the Office with the creation of these mapping tools. Management further explained that the two staff currently assigned to the Procurement Unit are fully occupied addressing requests from the user community.	IOM Manila continues to enter into long-term agreements with suppliers whenever the agreement is deemed fit for purpose and fit for use. However, due to the varied nature of the goods and services required for each programme or project, additional coordination and joint planning are required for long-term agreements.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-01)	We recommended to the Office to conduct vendor evaluation and verification in advance to have a well-established and updated vendor list.	The Office accepted the recommendation and further stated that the process of resolving the issues mentioned above are already ongoing. An EOI for vendor screening has already been launched to develop prospective supplier profiles and assess their capacity to create a vendor database, which is effective and efficient, to be opened on the 17th of October. The Procurement and Logistics Unit planned to have a functioning database by the end of November 2019 for new suppliers, including the cleanup of existing vendors. The Procurement and Logistics Unit has also registered with the United Nations Global Market Place (UNGM) which gives us access to all vendors that have been vetted by the United Nations, available for IOM Mali to use, including a list of blacklisted vendors. Also mentioned during the audit, the Office has recently launched various Long-Term Agreements (LTAs), 25 for reintegration alone, with vetted vendors. These LTAs will help us shorten the sourcing process, particularly for the reintegration needs.	Management considers the recommendation closed. A new expression of interest was launched in July 2020, and the responses are being analysed. A list has been established of vendors interested in working with IOM, for screening. In addition, all reintegration vendors (which account for the highest percentage of vendors) are being screened. IOM Bamako currently obtains vendors via the United Nations Global Marketplace. The vendors have references from other United Nations agencies and appear in existing databases.	July 2020
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-02)	We recommended that the Office should develop procurement plan as part of project management process to enhance coordination, transparency and efficiency in the procurement activities.	Management accepted the recommendation and added that the Office has initiated the process and templates have been shared with the subsequent project managers, one unit has already put its procurement plan in place, and ongoing for the units remaining to complete it by last quarter 2020. A follow up exercise will be conducted with the project managers by end October 2020. For subsequent years, the Office is committed to establish an Initial Annual procurement work plan at end March of every year with quarterly reviews. This will improve coordination between the project managers and the Procurement and Logistics Unit during the project's work planning stage, during which Procurement and Logistics Unit can advise the Projects on the procurement and Logistics considerations, which required to have in place. The plans will be consolidated and monitored by the Procurement and Logistics Unit.	Management considers the recommendation closed. IOM Bamako has developed a procurement plan and intends to follow up by establishing the process on an ongoing basis, especially where changes are made to procurement planning. The procurement function is represented during project planning, making it possible for logistics staff to provide input for improved execution of project activities.	October 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-04)	We urged the Chief of Mission to ensure that such an important transition process is effectively managed with the involvement of human resource unit to forestall any future challenges associated with handing over during separation or leave period.	The Office stated that the administrative requirement per IN/75 of the handover process were respected. The projects above mentioned were duly reported in the former COM's handover notes. However, the handing over notes for the four officers were not made available to the audit team at the time of the audit.	Management considers the recommendation closed, as the Office complies with the requirements per IN/75.	September 2020
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-05)	We recommended that Management should strategize on harnessing the expertise from the Regional Office to come up with projects that can secure funding to enhance sustainability of the Mali Office in the contest of projectization.	The Office indicated that the Mali Country Office has gone through several changes in the past year in terms of projects and staffing at the top management level. With the arrival of the new Chief of Mission in February 2019, IOM Mali is developing a strategy which will position IOM as the leading migration agency to donors, the Government of Mali, and the International community by end of December 2019. As such, projects will be designed and presented to donors based on this strategy. At this moment, IOM Mali has submitted three project proposals to donors that are awaiting funding confirmation before the end of 2019. The Office has also reviewed its organizational and staffing structure which establishes a core structure to function based on areas of work/units rather than projects. In respect of the office action plan the Office indicated that they intend to submit two project proposals before the end of December 2019 and that projects in the pipeline for the Office would also be completed by December 2019.	Management considers the recommendation closed. As part of its positioning, and to reinforce its programmes, IOM Mali has put in place a coordination mechanism to monitor current projects and projectization of staff and resources. The aim is to improve planning and ensure the Office's sustainability. Ongoing development projects have been pursued with the continued support of the Regional Office in Dakar and Headquarters. Since the audit, IOM has submitted 17 project proposals to donors, three of which have been funded. Additionally, the Regional Office and Headquarters have deployed two staff experts to reinforce the Office's humanitarian portfolio; a third is to be deployed in October to assist with project development. These additional human resources will continue to promote the development of projects and thereby ensure the Office's sustainability. Moreover, one donor has agreed to fund a Junior Professional Officer position, to strengthen liaison with donors in support of the Office's migration and development portfolio. The Office's organizational structure has been finalized.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Bamako (19-CO-ML10-06)	We recommend to management to devise a strategy to guide the management of assets at the Office. We also recommended that Management should locate the assets that could not be found and arrange to have the Deed of Donation prepared to facilitate that transfer of the assets to the earmarked beneficiaries.	Management accepted the recommendation. The Office stated that the asset inventory verification is an ongoing process and that part of the process to trace the unsighted assets, which will be done and recorded in PRISM following the IOM policies on Asset Management. This will be done at the same time the updating is being done, planned by end of November 2019, in time for the year-end stock-take. The office further stated that the Procurement and Logistics Unit has already started the verification process of beneficiary assets, working closely with the Reintegration Unit, of which most assets are related with, most of which have already been handed over to the migrants. After internal verification, coordination will be done with Central Accounting Support on how to go about with the retirement from PRISM. These are not usual beneficiary assets for donation, but reintegration assistance, some of which included in Kits, distributed to the thousand migrants covered by the project. The Office expects to retire all beneficiary assets by end of November 2019.	Management considers the recommendation closed. The 2019 physical inventory has been completed in the sub-offices. It has not been completed in the Bamako office owing to the COVID-19 pandemic and the deadline for finalizing asset disposals has been extended. Beneficiary assets have been finalized and outstanding items resolved.	April 2020
2019 COMPLIANCE AUDIT Accra (19-CO-GH10-01)	We recommended that Project managers should, in collaboration with the Resource Management Unit, monitor closely the project receivables and make sure to request funding tranches as per the donor agreement.	<p>The Office agreed with the auditors' recommendation and reassures that close follow up is being done on receivables from donors whenever due as per the terms of project agreements. The Office also would like to highlight that it has no pending receivables under the current active projects.</p> <p>Regarding the noticed overspending on some budget lines, the Resource Management Officer is sharing the financial status of each project periodically with the relevant project manager, based on which a monthly meeting is held to discuss any financial discrepancies and corrective actions.</p>	Management considers the recommendation closed. IOM Accra's Resource Management Unit is holding regular meetings with various project managers, has taken corrective action in the form of budget amendments and reallocations, and has refined processes to ensure that collection notifications for project receivables are sent on a timely basis.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Accra (19-CO-GH10-02)	We recommended that management should closely monitor how the remaining activities would be carried out to avoid delays. We also recommended that lessons learnt from the delays should be shared as required to guide future activities.	<p>The Office agreed with the auditor's recommendations and is taking relevant actions to ensure that projects are closed without delays. These include periodically revising and updating the work plans of projects and having senior management and projects strategic planning coordination meetings where all activities, challenges, and achievements are discussed. During these meetings, remedial actions are agreed to address deviations from timelines.</p> <p>In some cases, where the implementation delay is due to external uncontrollable circumstances, IOM ensures to transparently share the situation with donors and if non-cost extension (NCE) is not avoidable IOM ensures that it is coordinated in a timely manner.</p>	Management considers the recommendation closed. Project coordination meetings and extended senior management meetings are now being held on a weekly basis to discuss achievements, upcoming activities and workplans. This is in addition to periodic bilateral meetings between project managers and the Resource Management Unit to review burn rates.	September 2020
2019 COMPLIANCE AUDIT Accra (19-CO-GH10-03)	We recommended that management should take steps to update the register and retire old and obsolete assets in PRISM to enhance reporting and decision making.	<p>The Office agreed with the auditors' recommendation and is coordinating with relevant units in Manila to procure the most advanced tools and equipment for asset management.</p> <p>The Office is also in the process of enhancing the logistics unit with additional staffing who will be working mainly on assets management.</p>	Management considers the recommendation closed. IOM Accra addressed the recommendation by taking various steps. It is labelling all assets at the three offices in Accra, has reconciled all data with PRISM and is coordinating with Central Accounting Support at the Manila Administrative Centre on asset retirement and disposal.	September 2020
2019 COMPLIANCE AUDIT Accra (19-CO-GH10-04)	We recommended that management should coordinate with the relevant unit at Headquarters to ensure that training and staff development are adequately reflected in IOM Staff Evaluation System.	<p>The Office took note of the auditors' recommendations in this regard and indicated that relevant information will be shared with Geneva for more coverage of training matters in the SES form.</p> <p>The Office would like to highlight that IOM Ghana had 100% compliance rate for SES in previous years, which means that all staff and all supervisors managed to complete the cycle. To enhance the quality of the process and to ensure that reports are complete and self-explanatory, the Office is planning to have a detailed session for all staff to discuss the importance of the SES, how to set SMART objectives, stay focused, and evaluate strategies and criteria.</p>	Management considers the recommendation closed. IOM Accra held two sessions in February 2020 with all staff, underlining the importance of the Staff Evaluation System, and provided training on designing relevant SMART objectives. Self-development and training were among the key points made, so as to ensure that due consideration is given to these important aspects and that they are reflected accordingly in individual staff members' objectives, comments and evaluations.	February 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Accra (19-CO-GH10-05)	We recommended that management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Ghana Country Office.	The Office agreed with the auditors' recommendation and understand the importance of periodic analysis of Office sustainability, for this purpose the Resource Management Officer prepares and updates a quarterly projectization plan for staff and office costs. This plan and the common cost table is being discussed with the Chief of Mission and program support unit to ensure that all the positions under the Office structure and all fixed costs are covered under the current or upcoming projects.	Management considers the recommendation closed. Not only does the Resource Management Officer plan staff and office costs and provide quarterly updates on projectization thereof, IOM Accra is holding regular project development meetings and is closely coordinating with donors, stakeholders and government counterparts on new projects. Several proposals and concept notes have been developed and submitted, and some of them are very likely to be launched between September and December 2020.	September 2020
2019 COMPLIANCE AUDIT Berlin (19-CO-DE10-01)	We recommended that Management should consolidate the procurement plans to support the Office's approved work plan with a view to properly align the work plan activities with the approved budget.	<p>IOM Berlin is compliant with the procurement manual IN/168 rev 2 – herewith mentioning the development of a yearly procurement plan. The Office considers the general services and goods requirements of the office as well as the project specific activities and translates these in plans by targeting specific projects, IT procurement planning and general procurement planning. Even with having separate procurement plans the procurement unit keeps a continuous overview and coordinates agreements.</p> <p>Accordingly, by combining project requirements, this did not impede the correct identification of procurement method, establishment of contract packages or optimal management of Office's resources. Following the recommendation, the Office will consolidate the procurement plan for the upcoming year.</p>	Management considers the recommendation closed. IOM Germany prepared an initial annual procurement plan in December 2019 for 2020. The plan was adjusted at the beginning of 2020 following project manager meetings in which all relevant parties participated, including the Procurement and Logistics Team. The project managers/coordinators shared the procurement plans and the procurement timeline with the Procurement and Logistics Team and ICT colleagues. These initial planning needs were aligned with the budget estimate and the project proposal. They are re-evaluated at the beginning of the project. In January 2020, this was done for all projects that had started at the beginning of the year. Based on this assessment, the Procurement and Logistics and the ICT teams prepared an annual procurement plan that is regularly reviewed and updated as new projects come in and/or on a quarterly basis.	January 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Berlin (19-CO-DE10-02)	We recommended regular vendor evaluations, and adherence to IOM regulations coupled with the deployment of the VIS to update the database.	<p>IOM Berlin has a vendor selection and registration procedure which is compliant with the existing IOM Regulations and Rules as prescribed in the IN/168 rev.2. Prior to being selected, each vendor is verified against the German Chamber of Commerce Register as well as against the United Nations and European Union sanction list. These documents are included with the Vendor Creation/Change Form. Any changes are duly reviewed, approved, and recorded in PRISM. There is a paper trail which proves this. Furthermore, with every quarterly check conducted by RAS we review the PRISM Vendor List.</p> <p>As for the regular vendor evaluation – the services are evaluated as they happen, and the Office agreed that the evaluation step should be conducted in a systematic way and in line with the IN/168 rev. 2.</p>	Management considers the recommendation closed. IOM Germany continues to implement the vendor selection and registration procedure in line with IOM procurement rules. Vendors are evaluated before any contractual arrangements are made and subsequently registered in the PRISM vendor database. The services provided by the vendors are evaluated on completion/delivery of the service/order. The vendor information is regularly updated, and the vendor evaluations as prescribed by IN/168 rev 2 for all vendors in PRISM related with the procurement of goods and services was completed in August 2020.	August 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Berlin (19-CO-DE10-03)	We urged management to expedite action on the disposal of the old vehicle inconsonance with IN/00271 and other instruction to avoid extra expenditure on insurance payments and license plate renewals and keep separate files for each vehicle it will acquire and ensure vehicle log book is promptly updated.	<p>Management stated that the operational lease entered with the service provider is for a mobile counselling project. Regardless of the age or condition of the Office vehicle, the operational lease was concluded as the most cost-effective option for mobile counselling throughout the Berlin and Brandenburg area whilst the IOM Office vehicle has been also used for specific Berlin COs activities.</p> <p>As noted, the Office is preparing the vehicle for sale and will follow the External Audits recommendation to expedite this process to reduce likelihood of incurring additional unnecessary cost. The acquisition of a new replacement vehicle will be evaluated.</p> <p>Concerning the filing of the supporting documents, the Office agreed with External Audit's recommendation. Presently the administrative documents are thematically separated and follow, to a certain extent, the geographical and thematical separation of the administration. With the gradual move of the Administration to Berlin, documentation will be fully consolidated in Berlin.</p> <p>The Office accepted the External Audits recommendation to ensure that vehicle logbooks are promptly updated and continuously checked for compliance in this regard.</p>	Management considers the recommendation closed. The old vehicle was disposed of in November 2019. IOM Berlin currently has two vehicles, both used by the mobile counselling projects. Each vehicle has its own folder, where all relevant documents are filed. The staff members who use the vehicles (the counsellors) are required to submit the respective logbooks for review by the Procurement and Logistics Team.	November 2019
2019 COMPLIANCE AUDIT Brussels (19-CO-BE10-01)	We recommended that the Country Office should take steps to regularize its activities through an Agreement with the Government of Luxembourg.	Management accepted the recommendation and the Office confirmed that all the activities were covered by annual project related conventions. Nevertheless, in September 2019 the Government of Luxembourg and IOM agreed on signing a Framework agreement that lists all areas of cooperation and can serve as a basis for future enhanced collaboration. The estimated date for signing is the end of 2019.	Management considers the recommendation closed. Throughout 2019, IOM Brussels took all necessary steps to advance the framework agreement. After thorough internal coordination with all relevant departments at Headquarters, a revised draft was shared with the Government of Luxembourg and the latest reminder sent in July 2020.	July 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Brussels (19-CO-BE10-02)	We recommended that management of the Office should expedite action to bring the projects to effective closure and also improve upon its planning in collaboration with implementing agencies.	<p>According to the Office, the expense to budget ratio on these projects are low as the actual caseload was lower than what was initially planned. In relation to this kind of projects the estimated caseload of beneficiaries is coordinated with the donor at the proposal stage, but the actual number is dependent on external factors. On other projects, IOM was able to implement nearly all activities as planned in the project document e.g. CE.0395 and LM.0337 with 90% and 94% respectively of the budget.</p> <p>Also, the project manager ensures IOM has the capacity to serve the budgeted caseload of migrants, but in case the caseload is lower than the budgeted one then the actual expenses are lower than the budget and unused funds are always returned to the donor, i.e. IOM requests funds only for expenditures that are spent on activities. The above applies to the four projects mentioned above noting that the selected projects –resettlement, voluntary returns, and reintegration – are dependent on external factors that cannot be influenced by IOM.</p>	Management considers the recommendation closed. IOM Brussels underlines that the recommendation focused on projects that are covered by multi-year agreements and that only the operational budget is negotiated on a yearly basis. These projects are dependent on external factors (e.g., number of beneficiaries for assisted voluntary return and reintegration, Government of Belgium resumption of resettlement activities, etc.) and that the operational budgets are therefore based on estimates agreed with the donor.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Brussels (19-CO-BE10-03)	We urged the Chief of Mission to expedite action on the Strategic Plan being developed for implementation.	According to Office, the country office had a strategic plan for year 2018 and it was used as basis for developing the long-term Strategic Plan.	<p>Management considers the recommendation closed. In 2019, IOM Brussels finalized its four-year strategic plan (2019–2023), which has three main objectives and outcomes. The following priority areas of intervention have been identified:</p> <ul style="list-style-type: none"> – Migrants and societies experience inclusion and social cohesion in Belgium; – Policies and programmes facilitate safe and ethical labour migration; – Government policies and practices ensure improved access to assistance, care and protection for migrants in vulnerable situations; – The reintegration policies and programmes adopted by Belgium are based on an integrated approach to the reintegration of migrants, taking into account the situation of the returning migrants themselves, the host communities in countries of origin and the country of origin as a whole; – Coherent policies and programmes create conditions for migrants and diasporas to fully contribute to sustainable development in all countries; – An enhanced protection space demonstrates Belgian solidarity with the populations concerned and shared responsibility with host States; – Respect for migrants' rights is ensured in return policies in Belgium and assisted voluntary return and reintegration is incorporated into the national return framework for the return of third-country nationals, regardless of the individual's nationality and legal status; – Awareness is raised of the benefits of migration; – A structured approach is taken to education outreach on migration. 	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Brussels (19-CO-BE10-04)	We recommended that Management should improve on its budget formulation process and supervision of projects to ensure that the Office avoid overspending project budgets.	According to the Office, the projects in question were managed by IOM London Office. All the activities implemented by IOM Brussels were coordinated with the managing Office and any overspending was done with the approval of the managing Office which has a global overview of all shifts between budget lines that can ensure it is in line with donor agreement.	Management considers the recommendation closed. IOM Brussels systematically avoids overspending of project budgets.	September 2020
2019 COMPLIANCE AUDIT Brussels (19-CO-BE10-05)	We recommended that Project Managers should closely monitor progress of projects and ensure that requests for reimbursements were submitted on time and in accordance with Project agreement.	The Office agreed with our recommendation and explained that due to unforeseen long-term sick leave of the RMO in 2Q and 3Q of 2019, the issuance of the invoices was postponed till RMO position was temporary filled. However, steps have been taken to issue invoices on monthly basis again without delays. The delays were done mainly for RR.0019, RR.0031 and RR.0033. The Office further stated that the final payment for completed projects, as was the case with RT.1416, was requested after the final financial report is endorsed internally, and this is usually done two months after project implementation. Hence the negative difference between revenue and expenses for the project.	Management considers the recommendation closed. IOM Brussels agreed to stronger coordination between administrative and finance support and project managers under the overall supervision of the Chief of Mission. The measures taken include weekly team meetings, during which the administrative and finance support team meets with one specific unit to ensure close monitoring of project budgets.	September 2020
2019 COMPLIANCE AUDIT Dhaka (19-CO-BD10-01)	We recommended to management to sign short term contracts with vendors in Cox's Bazar and urged management to be strict on vendors to ensure that goods procured were delivered on schedule.	The Office responded that due to the limited available suppliers have been facing challenges for on-time delivery of ordered items, whereas the suppliers are also relying on a limited number of sources for supplying all the agencies requirements. The Office has taken internal measures to expand the supplier base and blacklisting those with poor performance.	Management considers the recommendation closed. IOM Dhaka continues to expand the supply chain for its main humanitarian supplies and is currently in a position to finalize long-term agreements with selected suppliers (based on proven satisfactory performance). A periodic performance review results in poorly performing vendors being placed on a sanctions list.	September 2020
2019 COMPLIANCE AUDIT Dhaka (19-CO-BD10-02)	We recommended to the Office to take appropriate measures to ensure that the costs of these items are recovered from the staff involved for possible replacement.	The Office in response stated that it has a standing internal procedure for recovering costs from the staff responsible for the loss. The Office will continue to complete the process for items identified and reported on.	Management considers the recommendation closed. IOM Dhaka has SOP and internal procedures/controls for the recovery of assets lost as a result of staff negligence.	September 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 COMPLIANCE AUDIT Dhaka (19-CO-BD10-03)	We recommended to management to explore the possibility of making evaluation compulsory at least for projects with substantial deployment of resources.	The Office in response stated that the Resource Management unit, in coordination with the Project Support unit, organize the project kick off meeting in which the project deliverables, work plan and procurement plan is reviewed and agreed upon. Following the recommendation, the Office will expand this process to a mid-term and closing meeting to address any challenges in time	Management considers the recommendation closed. IOM Dhaka organizes kick-off meetings for new projects and pre-closing reviews two months before project end. This is managed through a project review calendar.	September 2020
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-02)	To ensure staff provide adequate information to support and enhance claims processing we recommended that the HR Division should devise means of consistently providing orientation for new members of IOM on the HI/MSP guidelines. Compile and publish Frequently Asked Questions (FAQs) and their solutions on the PRISM Platform to provide solutions to common problems for staff.	Management agreed with the recommendation and is taking relevant actions to ensure common staff queries are addressed. Q & As have been already submitted to be published in the PRISM Platform.	Management considers the recommendation closed. Frequently Asked Questions were submitted in July 2019 for publication on the PRISM Platform.	October 2019
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-07)	To achieve greater efficiency in a dynamic work environment, and as a means of strengthening the internal justice system, we urged Management to consider the need to augment the human and financial resources available to the Ombudsperson.	Management stated that the Administration will further investigate this amongst other priorities and within the limitation of resources made available to IOM. In the meantime, for a portion of the year 2019, the Ombudsperson has been allocated with funding to support functions in promoting conflict management skills and Ombudsperson services and the conduct of awareness-raising activities.	Management considers the recommendation closed. The Programme and Budget for 2020 provides for additional resources to be made available for the Office of the Ombudsperson.	October 2019
2018 COMPLIANCE AUDIT Helsinki (18-CO-FI10-01)	We recommended that the BCP should be finalized, approved and implemented as well as conduct yearly simulation drills.	The Office indicated that the BCP will be finalized and shared with the Regional Office as well as take the necessary steps to perform simulation drills on yearly basis.	The BCP was finalized at the end of 2019. In particular, the ICT components were successfully tested on 3 December 2019 by local IT staff (data restoration from a back-up tape). The data restoration was completed following consultation with the Information and Communications Technology Operations Centre at the Manila Administrative Centre.	December 2019

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2018 COMPLIANCE AUDIT Dakar (18-CO-SN10-03)	To ensure that IOM is visible within the Country and beyond, we urged management to develop a media and communication strategy.	Management responded that it is not possible to create and maintain, a communications unit within the Office as the position is contingent on funding availability. However, the Office will synergize communications, awareness raising, and visibility requirements of all programmes currently being implemented in the Office.	In 2019, a national awareness-raising and communication strategy was developed under the European Union Emergency Trust Fund Joint Initiative, the main project being carried out at the country level. The strategy is aligned with the Regional Communications Strategy developed within the framework of the same project at the regional level. The communications team has been implementing the activities outlined in the strategy and has replicated them in other ongoing projects, ensuring communications and visibility for all units and providing technical support for the design and implementation of awareness-raising activities. The Communication Unit has supported the Office of the Chief of Mission on all communication and information dissemination issues.	December 2019

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2018 COMPLIANCE AUDIT Rabat (18-CO-MA10-01)	We recommended that Management should consider using diplomatic means to resolve the issue to enable the Office to obtain prompt reimbursement for taxes paid.	The CoMs responded that efforts will be made to ensure timely reimbursement in accordance with the tax administration of the respective countries.	Management considers the recommendation closed. IOM Rabat is in constant contact with the Ministry of Foreign Affairs and liaises with the Ministry of Finance regarding all VAT to be recovered. It closely monitors VAT reimbursement, clearing all items from 2017 and 2018 and receiving reimbursements for the first two quarters of 2019. It has sent letters and notes verbales to the entities concerned about the third and fourth quarters and has been informed that it will receive the reimbursements owed in 2020.	September 2020
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-03)	We recommended that Management should take a second look at the resource needs, in terms of human and tools to enhance OIG's investigation capacity, efficiency and strategic reach to enable the Office adopt a preventive approach instead of the reactive approach in handling wrongdoings.	The Office of the Inspector General agreed with the recommendation and indicated that collaborative efforts are underway with management through a three-layer approach to first conduct needs analysis, prioritize needs and request for immediate to short-term additional resources both in terms of human and systems, within twelve months. Secondly to perform an independent external assessment of the function to assure quality and standardization; and finally, to harmonize and consolidate the Investigation function along with all the other central functions of the OIG, i.e. Internal Audit, Evaluation and Inspection.	Resources have been made available to the Office of the Inspector General, with the number of investigations-related positions increasing from 8 to 14 at the end of 2019 and an increase in funding for consultants and travel. Additional systems resources have also been made available in the form of funding for a new case-management system, which is currently in the testing phase. These measures have contributed to a tangible increase in the Office's investigative capacity and a reduction in its response time.	March 2020
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-05)	We recommended that Management should develop a charter for the Ethics and Conduct office that outlines its clear mandate and goals, appointment of Ethics Officers, authority, responsibilities and reporting requirements of the Office.	Management took note of the recommendation and indicated that as all Organizations and Funds within the United Nations System use the Secretary General's Bulletin of 30 December 2005, IOM will immediately start working on a similar document tailored to IOM operations and needs which will go through the internal unit coordination and cooperation process.	Management considers the recommendation closed. In line with the IGF, the Ethics and Conduct Office has developed a draft code of ethics. The draft has been shared with the Administration and internal coordination is in progress.	March 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-07)	We recommended that Management as part of seeking donor support to complete this initiative, should also provide budgetary funding in the core budget to ensure successful deployment of the working tool which is scheduled for a global rollout in the second half of 2018.	Management agreed with the recommendation and indicated that it is committed to rolling-out the package, PRIMA for All, in 2018. Management added that to complement ongoing fundraising efforts, the Administration commits to accommodate funding shortfall within the core budget and already in 2018 budget revision, management is requesting Member States for a draw-down from the OSI reserve mechanism.	Management considers the recommendation closed. PRIMA roll-out was completed in 2019, and the application is currently being fine-tuned.	December 2019
2017 COMPLIANCE AUDIT Yaoundé (17-CO-CM10-02)	We recommended that the Office should prepare a BCP in accordance with IOM BCP Guidelines and if possible, conduct simulation exercises or testing of the BCP.	Management agreed with the recommendation.	IOM Cameroon finalized the BCP, which was subsequently approved by the Regional Director and the Regional Security Officer.	April 2020
2017 COMPLIANCE AUDIT Yaoundé (17-CO-CM10-03)	We recommended that the Chief of Mission (CoM) should liaise with the Office of Legal Affairs at IOM Headquarters to dialogue with the Cameroon authorities to secure immunities for the Office.	Management intimated that they were having discussion with the Ministry of External Affairs and in May 2017, submitted an agreement to the Government and that the Head of Office met successively with the Minister of External Relations on 7 September 2017 and the Ministry of Common Wealth during the month of December 2017 to follow up on the file. Management added that the good collaboration with the national authorities has resulted in the creation by order No. 0717 of the President of the Republic dated November 2017 of a service in charge of relations with the IOM within the Ministry of External Relations. Also, the current Chief of Mission has been accredited by the national authorities and presented his letters of introduction at the level of the Ministry of Foreign Affairs in September 2017.	The host agreement between IOM and the Government of Cameroon was signed in January 2020.	January 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-03)	We recommended that Management should develop funding strategies with the aim of fully funding the ASHI by creating an asset base instead of the “pay as you go” model for the Administrative part of the budget as well.	Management acknowledged the recommendation and agreed to consult with IOM’s Governing Bodies with regards to a proposal to charge 6% Terminal Emolument in the modality of funding ASHI liabilities under the Administrative Part of the budget.	<p>Management considers the recommendation closed. The new accounting standard on employee benefits (IPSAS 39) was implemented in 2018 and the results analysed with a view to assessing the impact. Based on the analysis, the Administration confirms the following:</p> <p>(a) The Administrative Part of the Budget continues to account for a very small part of total expenditure, less than 3 per cent of consolidated expenditure in 2019;</p> <p>(b) employee liabilities in the Operational Part of the Budget are fully funded, despite the Organization’s growth and expansion in staff numbers.</p> <p>The conclusion is that the Organization’s exposure arising from the “pay-as-you-go” model for the Administrative Part of the Budget represents a tolerable risk in terms of unfunded liabilities in the context of IOM’s overall employee liabilities, and management therefore considers the current funding mechanism appropriate. It will review the situation annually, in order to ascertain whether any future changes require a reassessment of the current position in consultation with IOM’s governing bodies.</p>	March 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-04)	We urged Management to include as part of the draft IGF, a policy or guidance that: defines clearly roles and responsibilities; the process to assess internal control efficiency and effectiveness; and provide a strategy to ensure that it is communicated timely to all those concerned. In addition, the Framework should have clear implementation timeliness and key performance indicators to facilitate monitoring and evaluation.	Management indicated that it considers the first part of the recommendation implemented. As shared with the auditors, IOM has developed a comprehensive IGF that outlines the essential requirements for a modern and fit-for-purpose internal governance system and developed a Strategic Vision and Strategic Landscape. These documents are undergoing consultation with IOM's Member States currently. With respect to the clear timeliness and KPIs, IOM will be able to establish such targets once resources to implement the IGF are secured / confirmed.	In July 2020, IOM finalised and shared with Member States a comprehensive "Application of the Internal Governance Framework Work Plan" which outlines the governance structures established for the IGF reforms including the IGF Board and Steering Committee. The Workplan also sets out the initiatives currently under the auspices of the IGF, their timelines and expected impact. A results framework for the IGF is being developed. See update to recommendation 16-CT-CH10-04. Management considers this recommendation closed.	June 2020
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-08)	We recommended that Management should establish an automated centralized management system to provide timely access to audit trails in resolving financial adjustments and streamline the coordination process by including automated generation of reminders on outstanding issues and to strengthen ACO management capacity to oversee the process.	Management agreed with the recommendation and the resources needed for implementing such an automated centralized management system/tool. It added that because of the need to establish an automated centralized system and the expanded role of ACO in its management oversight responsibilities, management will assess and identify the needed staffing resources in ACO who will also coordinate with the Administrative Centres to enhance the Organization's financial management.	The implementation of the Financial Coordination Platform has been successfully completed for selected central accounting and financial reporting processes with over 57 processes already integrated. The system undergoes periodic optimization which focuses on the revision of implemented workflows, the harmonization of terminology and utilization of the system by the different IOM group agents, and the harmonization of SLAs based on service items to enable comparability and ease the analysis of possible incidents during the process. In addition, revision of checklists and processes based on external expert recommendations was largely completed in 2020. Moreover, the Continuous Compliance Monitoring (CCM) tool has been successfully deployed in PRISM and has been customized to enable filtering alerts by business area. Pilot activation of selected CCM alerts at the central level along with a rule-based accountability matrix has been completed during 2020. In light of the progress made and systems in place, management considers the recommendation closed.	December 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2017 COMPLIANCE AUDIT Vienna (17-CO-AT99-03)	We urged Management to liaise with the Head of ICT/SAP PRISM to consider the development of a business case to enhance the financial sustainability analytical tool for a possible adoption as an Organization wide application to improve timely identification of factors that affect the viability of COs and support decision making.	Management agreed with the finding and stated that developing new reporting options through PRISM will indeed help the ROs and COs to monitor financial situation of their Offices in a more effective way. Hence, Regional Office will bring this observation to the attention of Head of ICT/SAP and liaise for enhancement of reporting modules in PRISM before the end of the current year.	There have been significant progresses on this finding, even beyond the initial scope of the initial recommendation, and this item can be closed now. An automated tool through PRISM is now available to produce reports to measure financial sustainability of IOM missions. The report is called "Missions Sustainability Report" (ZMSR) and has been tested several times and been presented to different groups in the organization. A Manual has been developed on how to use this tool and an Alert is being published to announce its availability. This tool was developed fully internally using IOM internal resources and expertise. Concurrently, the Budget department also developed a similar tool but more comprehensive with the technical assistance of an external company. That tool is also now available and has been used extensively, especially during the COVID period, to measure financial stability of IOM missions and to mitigate any risk of deficit or unsustainability.	December 2020
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-10)	We recommended that Management should conduct an independent assessment of the Organization's management and effectiveness, including its decentralized nature, to help improve the core structure funding mechanism and to build a new foundation for continuous improvement as well as keep pace with the increasing rate of earmarked activities going forward.	Management agreed with the observation and added that a strong core structure is essential to ensure a well-managed and properly controlled organization, which is global and highly decentralized. Management indicated that it will explore the options to achieve this, including reviewing the possibility of an outside evaluation and stated that the re-convened Working Group on Budget Reform will be another avenue to help strengthen the core structure and indicated its commitment to working in that forum to achieve concrete results in the mid- to long- term.	Updated budget regulations and practices were adopted by the Council on 24 November 2020 (C/111/RES/1390), providing a degree of flexibility to the Director General in managing Operational Support Income to better govern the Organization and member states have considered the justifications outlined by the Administration in the budget reform discussions with the view to increasing funding to strengthen the core structure and management considers the recommendation closed.	December 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-03)	We urged Management to review IN/13, and introduce procedures for disclosing staff financial interests, and initiate financial disclosure interest programmes through the Ethics Office as a measure to enhance staff compliance and ensure transparency and accountability.	Management agreed with the recommendation and stated that it will accordingly assess the necessary actions to be taken.	The DG approved a "Yearly Declaration of Interest" form effective as of March 2021, which was sent out to all D1s and above, Directors of Department, Heads of Divisions, Chiefs of Mission and RMOs, for the period 1 Jan to 31 December 2020. The process is being has been implemented by the Office of Ethics and Conduct and management considers the recommendation implemented.	December 2020
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-01)	To increase the number of medical claims processed by the HCPU per month, we recommended that, the HR Division should redefine the tasks of the two most experienced staff in HCPU-Manila from their current schedule to concentrate on evaluation of claims only, and train the two staff who open pouches and sort claims to work on the electronic claims submission when it is operationalised to help increase the number of processed claims per month.	Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.	As of 1 March 2021, HRM outsourced the processing of health claims to CIGNA. This was after a thorough selection process, following a comprehensive Request for Proposals. CIGNA receives the claims directly from IOM staff and processes them according to our policies and instructions. CIGNA has a dedicated and skilled team providing the medical claims settlement process for IOM. In addition, they also have highly experienced staff and sophisticated algorithm system to assist in detecting and preventing medical claims fraud. The Health Claims Processing Unit ceased to exist as an IOM unit. Management considers the recommendation closed.	March 2021
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-03)	To improve on detection of altered document, the HCPU should combine a variety of ways in detecting the authenticity of documents including: checks for obvious mistakes in the scanned documents, look out for unusual alteration in the text which could be a manipulation of scanned text in the computer, and verify documents against official database from the proposed source of the document.	Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.	Management considers the recommendation closed (see detailed response under 19-PE-CH10-01)	March 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-04)	To facilitate staff motivation, improvements in accuracy and completeness of claims, we recommended that, management of IOM should design a formal structure for the HCPU to also take account of succession plan for the Unit to boost the morale of HCPU staff with regards to career progression. Increase the frequency of visits by the Insurance specialist in Geneva to Manila for first-hand information for decision-making and to have physical contact with operational staff to discuss their concerns. The Head of HCPU-MAC should delegate more of her responsibilities to the longest serving in the staff HCPU to free her to execute strategic work.	Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.	Management considers the recommendation closed (see detailed response under 19-PE-CH10-01)	March 2021
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-05)	To ensure that HCPU staff are maintained and have the relevant skills which will be utilised efficiently, we recommended that, the HR Division should motivate staff and formerly assess their performance to inform management of the relevant training interventions required to complement their roles.	Besides agreeing with our recommendation, management highlighted further that if claims continue to be processed internally relevant actions will be taken to improve current processes and procedures. These will include, revision of current roles and team building activities to ensure good transition.	Management considers the recommendation closed (see detailed response under 19-PE-CH10-01)	March 2021

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2019 PERFORMANCE AUDIT Geneva (19-PE-CH10-06)	We recommended that the HR Division should assess the training needs for the HCPU in order to provide them with 'tailor-made' training, and continue to support the HCPU staff where practicable to visit Offices with doctors to continuously expose them to medical facilities abroad and arrange for them to provide orientations to staff of the IOM on medical claims.	Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally. Management highlighted that if claims continue to be processed internally relevant actions will be taken to improve current processes and procedures. These will include training to staff members to enable in depth comprehension of new processes and procedures to increase efficiency.	Management considers the recommendation closed (see detailed response under 19-PE-CH10-01)	March 2021
2017 COMPLIANCE AUDIT Vienna (17-CO-AT99-04)	We recommended that Management and the Head of Country Office, Vienna should liaise with IOM Headquarters with the view of pursuing a supplemental host country agreement with the Government of Austria to regularize the post legal status of the Office and grant full privileges and immunities accorded other intergovernmental organizations and their staff.	Management explained that in principle, the Austrian Federal Ministry for Europe, Integration and Foreign Affairs recognizes IOM's right for equal entitlements and treatment similar to the other United Nations agencies, according to the above mentioned Article, but the legal process to make this changes is long and require other parties, including Parliamentary involvement and endorsement. Management indicated that the Regional Director and the Head of Office Vienna will continue their negotiations with the Austrian counterparts, in coordination with LEG department and other relevant HQ units.	IOMs LEG department has been informed by the Austrian delegation in Geneva that the government has two categories of intergovernmental organization, whereas IOM Vienna Office considered within a defined category for which the government provided IOM with the full scope of what that entails, and based thereon management considers the recommendation closed.	July 2020

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at September 2020)	Completed in
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-02)	To improve item descriptions/specifications during procurement, we recommended that IOM should: categorize and standardize items with specifications for global commodity; implement procurement category management approach, similar to peer United Nations agencies (UNICEF, UNHCR, and UNDP) to build synergies and possibly for combined procurement of items; and centralize end-to-end procurement and supply chain activities under functional supervision of PSD.	Management accepted the recommendation and indicated that implementation of standardization of global commodities will improve efficiency and effectiveness. Opportunities to build synergies and combined procurement of items will be considered as part of the broader strategic sourcing model. In addition, the feasibility of implementing technology enabled forecasting and planning tools are envisaged as part of broader Procurement and Supply Chain improvements.	In addition to Material master data enhancement and alignment with UN commodity mapping, established 70 global Long term Agreements; Under BT project and IGF interventions mapped commodity management Supply Chain new hybrid model which shall enable additional standardization of the specifications. Given the completion of the material master data and the online purchases requisition solution, whilst considering the BT project of long term, management considers the recommendation closed	December 2020
2017 COMPLIANCE AUDIT Vienna (17-CO-AT99-05)	We recommended that Management and the Head of Country Office, Vienna should liaise with Headquarters with the view to resolve these challenges to enable staff of IOM enjoy equal rights and privileges as their counterparts in the United Nations Family in Vienna.	Management agreed with the finding and stated that this is a challenge for IOM in Vienna and both Regional Office and Office have been working together on this issue in the past months to resolve it. However, Regional Office Vienna as well as the Office Vienna will continue their efforts in negotiations and liaison with the United Nations HQ in Vienna to ensure provision of full privileges and entitlements for IOM offices and their staff in Vienna.	IOMs LEG department provided information that the Austrian delegation in Geneva made it clear that Austria has two categories, and that IOM is considered in the smaller category and that Austria has given IOM the full scope of what that entails which may differs to other organizations of the UN family.	March 2021