![IOM INTERNATIONAL ORGANIZATION FOR MIGRATION]

CONFERENCE ROOM PAPER

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-fourth Session

**REPORT OF THE EXTERNAL AUDITOR TO
THE 110TH SESSION OF THE COUNCIL OF THE
INTERNATIONAL ORGANIZATION FOR MIGRATION
FOR THE FINANCIAL YEAR 2018**

Office of 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 2018 financial year.

During the year under review, we carried out compliance audits of IOM offices in Romania; Poland; Finland; Italy; Senegal; Libya; Tunisia; and Burundi. We also reviewed some operations at Headquarters and the Manila Administrative Centre, carried out Performance Audit of IOM Procurement Management and validated the Financial Statements of IOM for the financial year ended 31 December 2018.

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, 2018. I have placed an unqualified audit opinion on the IOM's financial statements for the financial year ended 31 December 2018.

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

Financial performance

The overall budget for the year 2018 was USD 1,805.80 million for the Operational Part and CHF 50.73 million for the Administrative Part. During the year 2018, the total revenue was USD 1,862.73 million against a total expenditure of USD 1,841.57 million, leaving a surplus of USD 21.16 million. After considering exchange losses of USD 35.65 million and Administrative programme revaluation adjustment (credit) of USD 345, the net deficit amounted to USD 14.49 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2018 stood at USD 4.34 million and USD 175.12 million respectively. The key financial indicators of IOM for the year ended 31 December, 2018 were as follows:

a. IOM recorded a surplus (before exchange rate difference) of USD 21.16 million during year 2018, compared to a surplus of USD 7.88 million registered in 2017, an increase of USD 13.28 million or 169 per cent.

b. IOM revenue showed an increase of USD 248.44 million in 2018 over the 2017 amount of USD 1,614.29 million.

c. Though due to increase in activities, most of the components of expenditure registered an increase in 2018 over the 2017 figures, the expenditure continued to remain within budget and revenue during 2018.

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

Unliquidated Obligations

Our sampled analysis of the outstanding commitments as at the end of October 2018, indicated that a total amount of USD 2,900,373.75 (55%) out of USD 5,250,249.68 spanned beyond two months and have not been reviewed to be cancelled in order to release the related budget allocation. **We recommended that Management should strengthen its monitoring reviews on unliquidated obligations and ensure that overdue commitments are timely followed up with country offices to unfreeze funds that can be used to implement other project- related activities.**

Staff vendor account unblocked upon separation

Our review of the staff vendor master data showed that some separated staff as at October 2018, had their staff vendor account remaining active and not blocked as required **Management should ensure that country offices regularly review the staff vendor master list and promptly block separated staff from the Organization. Internal controls should be instituted with clear timelines to ensure regular updates of staff vendor list.**

Overdue Voluntary Contribution Receivable

We noted that as at 30 September, 2018, the total amount of voluntary contribution receivable stood at USD 216,204,343 with un-booked receivables at USD 108,934,179. Our further analysis of the receivables showed that an amount of USD 8,410,820 remained beyond one year resulting in unrealized exchange losses after fair value adjustment amounting to USD 278,158. **Management should continue to follow up with country offices and standard operating procedures on the follow-up of outstanding receivables, including escalation procedures, should be developed to improve collectivity.**

Need to review overdue down payments

Our review of the down payments made in respect of air transportation, supplies and services showed that out of the total amount of USD 102,563,968, an amount of USD 89,649,283 represented payments made to vendors older than two months. **We recommended that Management strengthens its timely monitoring and supervisory controls to ensure comprehensive review of the down payments. Management should also ensure that all overdue transactions are supported by adequate documentation, and settled by the vendor.**

Need to adopt a long-term funding strategy for capital expenditure

We noted from the 22nd Session of the Standing Committee on Programmes and Finance (SCPF) Resolution 18, referenced S/22/RES/18, the decision to drawdown capital expenditure of USD 3.2 million from the 2018 Operational Support Income (OSI) to fund capital expenditure due to the expected future growth as well as the increasing complexity of IOM's operations. **We recommended that Management should liaise with the SCPF and consider the development 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 with clear funding sources and disbursement procedures to ensure its sustainability.**

Failure to block suspended vendors

During our review, we noted that out of 12 vendors suspended as at 31 December 2016, due to their improper conduct of business with IOM (as published by GPSU), only 4 had been deactivated or blocked leaving 8 vendors unblocked in the SAP PRISM vendor database. **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.**

Incomplete information on vendor accounts

We observed that three offices other than Global Procurement and Supply Unit (GPSU) were responsible for policies and procedures on the management and maintenance of vendor master data and some instances vendor information were registered in another language other than English in the SAP PRISM. We further noted that the PRISM was configured to allow payments in any payment method, regardless of those specified in the vendor master records. **We recommended that Management should introduce a comprehensive policy to facilitate coordination among all the shared services and review the vendor master data and limit the payment methods as a means to reduce risks.**

Absence of procedures to implement Financial Disclosure Interest

We noted that the Organization's IN/13 on financial and other obligations of staff members does not provide procedures for staff financial disclosure to enhance the continuous efforts in promoting transparency within the Organization. **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.**

Need to enhance efficiency in the internal controls system

Although we have not identified material failure in the operation of the internal controls of the Organization, the continuous use of non-updated instructions or rules to field officers is not keeping pace with the Organization's dynamic growth and expansion. We also noted that, the proposed Internal Governance Framework (IGF) showed no formally established standard operating policy and procedures that clearly define the roles and responsibilities. **We urged Management to include as part of the draft IGF, a policy or guidance that defines clear roles, responsibilities and implementation timeliness as well as key performance indicators to facilitate monitoring and evaluation.**

Enhance staff data processing input for annual employee benefit liability computation

Our testing of the Human Resource (HR) master data showed that the HR functionality of SAP is quite adequate with a few exceptions such as the absence of the start and end date of staff, which remained open in some cases. We also noted the absence of a clear standard operating procedures (SoP) between HR and ACO for the sharing of staff data to facilitate timely assessments of employees' benefits. **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.**

Construction of new IOM headquarters building

We noted, in this regard, that the Administration had opened a vacancy for the recruitment of a Project Director (Grade D1) with the sole responsibility for the entire management of the Project and the estimated amount of CHF 68.1 million was done without a prototype design for the new building to serve as a guide to the Organization in the determination of the estimated building cost. **We urged Management to take the necessary steps to ensure timely recruitment of the Project Director and ensure the timely development of the prototype design for the new building. 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.**

Need to enhance ombudsman functions

During our review, we noted that the workload of the office of Ombudsman requires extensive travelling to deal with cases and undertake outreach as well as awareness-raising activities with limited staff strength. **To strengthen the internal justice system of IOM, we urged Management to consider the need to augment the human and financial resources available to the Ombudsman Office**

Need to review ICT governance framework

Our review of IT Advisory Board's terms of reference as stipulated in IOM's ICT Strategy does not extend to cross-cutting ICT issues, such as fostering an enterprise-wide application to harmonized ICT tools, systems compatibility, as well as managing ICT investments and mitigation of IT risks. **In our view, considering priority for establishing smart controls with the aid of automation, 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.**

PERFORMANCE AUDIT ON PROCUREMENT VALUE CHAIN EFFICIENCY AND EFFECTIVENESS

The objective of the audit was to determine and give assurance to management as whether the IOM instituted practices, procedures and internal controls has supported contracting and procurement activities and has ensured procurement and supply chain efficiency and effectiveness.

The audit focused on Procurement of Goods, Work and Services, from 2014 to 30 September 2018, IOM Procurement and Supply Division (PSD) at the Headquarters (Geneva), Turkey and IOM Global Procurement and Supply Unit (GPSU) in Manila.

Procurement planning and need assessment for goods, works or service

We reviewed the Procurement Manual and found that procurement planning was not done consistently across projects and offices. Often procurement requirements are not based on needs assessment and there is no formal framework to institutionalise linking project development to procurement planning.

We further noted that given the diversity of IOM`s activities in size, nature and geographic locations, it is challenging for IOM to secure funding to engage adequate staff with the necessary skillset for all the offices.

To improve upon procurement planning, we recommended that IOM should ensure that issues of procurement plan should be assessed and PSD and its delocalized functions to be restructured to serve as a specialized unit in supply chain and value management.

Specification of the requirement during procurement

We noted that procurement specifications are prepared by project managers at the country offices and submitted to Procurement Officers and RMOs, for the procurement process through the use of Purchase Requisition (PR). However, we noted that the information contained in the PRs are not sufficiently described to facilitate the procurement in an efficient manner.

We also noted that unlike other UN agencies like the UNICEF, UNHCR and WFP, have improved their supply value chain by resorting to categorization and standardization of items. This has created opportunity for these agencies to leverage their knowledge of the market with other UN agencies to aggregate their procurement.

To improve item descriptions/specifications during procurement, we recommended that IOM should categorize and standardize items with specifications for global commodity, products and materials to make description of items easier and make procurement faster and more controlled. In addition, introduce a centralize end-to-end procurement and supply chain activities under functional supervision of PSD, this includes the global prepositioning (Global Stock), warehousing management, and asset management.

Agreeing list of potential vendors and vendor Management

Our review of the vendor database in PRISM showed that eight vendors out of 284 in HQ's vendor list have been black listed for various breaches of contract conditions within the audit period and this had not been captured on the PRISM. Also, we noted that the guide and Code of Conduct for Suppliers is not prescriptive enough to give guidance in the area of Vendor Management which, is critical to deliver and meet project objectives.

As required by the Procurement Manual, every office maintains a vendor database in PRISM and this is not linked to the IOM Global Vendor database resulting in creation of multiple registration of vendors in PRISM.

Vendor management is an integral part of an effective procurement and value chain management to enhance value for money. We therefore recommended that Management should ensure that vendor information is reviewed and updated constantly. Also, Management should introduce a supply chain system solution that can interface with PRISM.

Invitation of tenders, evaluation and award of contract

We noted that because of the emergency nature of some procurement items, RMOs continue to do things as they are accustomed to without recourse to the thresholds and approval requirement and sometimes enter into contracts before requesting for approval from GPSU.

To improve upon its procurement options, we recommended that Management should review the Procurement Manual to better align with the UN standard procurement policy structure and ensure compliance in all offices.

Evaluation of contract performance, payments and documentation of procurement actions

Our review of the Vendor Evaluation Performance Form (VPEF) showed that the background of the evaluator which is a critical requirement to the evaluation process are not indicated on the Form. In some of the IOM offices or where there is lack of specialist, the requisitioner who could also be the evaluator undermines the principle of segregation of duties and increase the risk of conflict of interest.

We further noted that policy, guidelines, SOPs and updates of Annex for technical requirement has been prepared and yet to be disseminated to all offices to ensure standardization in procedure and practice for quality control. Again, the IOM Project Handbook does not prescribe the need to report on post project evaluation of procurement activities undertaken within the scope of a project.

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 and conduct systematic review of vendor/contract performance at all IOM country offices including the Headquarters.

AUDIT OF REGIONAL AND COUNTRY OFFICES

Disaster Recovery and Business Continuity Planning

We observed that the Country Office (CO) Helsinki is yet to finalize its draft Business Continuity Plan (BCP) and did not also carry out yearly simulation exercises as provided under IN/88 for the ICT component of the BCP. **To ensure that the CO's information assets are properly safeguarded, we recommended that the BCP should be finalized, approved and implemented.**

Sustainability of Denmark IOM Office

We noted at CO Denmark, that though two projects have reached 83.33% of the time duration, the budget utilization rate as at 19 October 2018, was 57.37% for project RT.1338 and 40.77% for project RT.1339 indicating that the projects were behind schedule. **We recommended that the CoM should increase its engagement with the Danish government for possible extension of the two projects and attract donor funding.**

Project implementation

Our review of projects at CO Bujumbura showed that DP1966, which has to utilize Euro 299,999.80 by December 2018, has line items for procurement, but as at 25 October 2018, there is no procurement plan. We also noted a number of reversals on RE0304,

DP1877, DP1869 and DP 1729 due to uncoordinated internal implementation strategy. **We urged Management to involve all relevant units in project implementation planning to enhance efficiency and effectiveness of delivery.**

VAT recoveries

We observed that CO Bujumbura has not been reimbursed with the VAT paid on goods and services amounting to BIF 127,712,392.00 over the last 10 months. Again, we noted that CO Rabat has not been reimbursed with VAT of 1,308,998.31 MAD paid on goods and services which have been accumulating since May 2017. **We recommended that Management should ensure that VAT recoveries are consistently filed within the stipulated time.**

Need for comprehensive review of the organisational structure

We noted that at CO Tunisia/Libya, some strategic positions such as Senior Field Security Officer, Migration Health Officer, Program Engineers and Monitoring and Evaluation officers have been vacant for some years now. **We recommended that the Office should have a comprehensive review of its organizational structure by engaging the services of an HR expert to develop a Human Resource strategy for the Office.**

Failure to prepare procurement plan for projects

Our review of procurement activities in CO Libya disclosed that project managers did not prepare procurement plans for their projects after endorsement. **To ensure that the procurement unit is able to strategize its procurement processes and logistical needs, we recommended that Management should ensure that all Project Managers prepare and submit their project procurement plans upon endorsement and funding confirmations.**

Review of the Office's sustainability status

Our review of active projects in CO Warsaw showed that whilst one of the three active projects, would be ending by December 2018, the project activities as well as the budget allocations of the Office had been decreasing and there is not enough funding to cater for the core structure as well as other office supporting cost. **We therefore urged the Head of Office (HoO) to liaise with the IOM Regional Office in Brussels to exploit opportunities for funding and enhance project development activities as well as update the actual situation for the consideration of Management at IOM Headquarters.**

Need to update the Compliance Control Self-Assessment

We noted that CO Warsaw and Bucharest had not conducted a Compliance Control Self- Assessment (CCSA) review since March 2016 with some of the staff identified as risk owners separating from the Organization due to downsizing. **We urged the HoO to liaise with the Regional Office to update the CCSA in 2019 as scheduled and ensure significant control deficiencies are appropriately assigned to the risk owners.**

Need to establish procedures on fee based self-payer service

Our review at CO Warsaw showed that although, the Office had a novel mechanism to enhance resource mobilization, there are no documented procedures to ensure coherent corporate messages to potential clients and also give guidance to staff during engagement with non-government partners. **We recommended that the HoO should formulate documented procedures to give guidance to staff for use in the engagement process to avoid ad hoc approaches.**

Governance

We noted that CO Bucharest does not have a strategic or action plan developed to establish a system for managing the Organization's priorities through an elaborate system for managing risk, monitoring implementation, evaluating performance and documenting lessons learnt. **We recommended that in view of the widening scope of service activities undertaken by CO Bucharest, the HoO should develop a strategic or action plan, using results-based management framework to serve as a planning, reporting and evaluation tool for the Office.**

Evaluation of individual consultants

We reviewed the activities of 15 consultants engaged by CO Rome and noted that five were renewed without recourse to the requirement for performance assessment on how well or otherwise they adhered to timelines and deliverables on their previous contracts. **We recommended that a proper evaluation mechanism would enhance accountability, transparency and efficiency and also serve as an institutional memory for use by the Office.**

Delayed delivery of goods procured

During our review of procurements activities in CO Dakar, we noted long delays in the delivery of goods procured for the implementation of projects. **We recommended that the CoM should ensure that the project managers collaborate with the procurement and logistics unit to ensure timely and effective delivery of projects.**

Failure to set out technical specifications before procurement

We noted that technical specifications were not stated before procurement of goods for projects in CO Dakar neither did the Office examine samples before the procurement of caps, blankets, USB drives and a laptop. **We recommended that the CoM should ensure that project managers collaborate with the procurement and logistics unit to forestall these procurement lapses.**

Absence of a media and communication strategy

We noted that CO Dakar has not established a media and communication unit and has no media and communication strategy. **To ensure that IOM is visible within the Country and beyond, we urged Management to develop a media and communication strategy to guide communication of programme implementation activities.**

INTRODUCTION

1.	The 106th Session of IOM Council in December 2015, by Resolution 1312, appointed the Ghana Audit Service as the External Auditor for the International Organization for Migration (IOM) for 2016, 2017 and 2018 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 Offices[2] and 413 field locations. We carried out an interim financial audit in Manila in November 2018 and the final audit in Geneva in April 2019.

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, 2018 to 31 December, 2018. Our audit of the Financial Statements for 2018 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December, 2018 and its financial performance during the period 1 January, 2018 to 31 December, 2018.

6.	Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the financial year ended 31 December, 2018.

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[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.

FINANCIAL PERFORMANCE

7. The overall budget for the year 2018 was USD 1,805.80 million for the Operational Part and CHF 50.73 million for the Administrative Part. In the year 2018, total revenue was USD 1,862.73 million and the total expenditure was USD 1,841.57 million, leaving a surplus of USD 21.16 million. After considering exchange loss of USD 35.66 million and Administrative programme revaluation adjustment (credit) of USD 345, the net deficit amounted to USD 14.50 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2018 stood at USD 4.34 million and USD 175.12 million respectively.

Surplus/ Deficit

8. IOM recorded a fluctuating trend of surplus/deficit (before exchange rate difference) during the years 2014 and 2016 but the surplus decreased during the year 2017 and increased in 2018 as shown in Table 1. While the surplus decreased by 41 percent during 2016 and 2017, there was an increase of 169 per cent during the year 2018 as compared to surplus registered during the year 2017. IOM recorded deficits (after exchange rate difference) in three successive years, i.e., 2013 to 2015 and a surplus in 2016. In 2017, there was a 387 percent increase in surplus when compared with the 2016 and a decrease of 121 percent in 2018 as compared to 2017.

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 Fund Balance Surplus/(Deficit)
2013 (Restated)	(6.30)	9.90	36.85
2014	(32.55)	21.99	5.86
2015 (Restated)	(24.72)	9.29	(15.85)
2016	14.16	13.32	(1.48)
2017 (Restated)	68.98	7.88	77.83
2018	(14.49)	21.16	67.98

9. During the year 2018, IOM recorded an exchange loss of USD 35.65 million as against an exchange gain of USD 59.14 million in 2017 and an exchange gain of USD 0.56 million in 2016. The accumulated fund balance surplus of USD 77.83 million in 2017 decreased to USD 67.98 million (a decrease of USD 9.85 million) during 2018, as compared to an increase of USD 79.31 million between 2017 and 2016. The net decrease in accumulated fund balance surplus was mainly represented by accumulated currency translation of foreign currency monetary assets and liabilities converted into US dollars together with realized exchange losses 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 2014 to 2016, a marginal decrease in 2017 and an increase in 2018 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
2014	1,487.06	1,465.07
2015 (Restated)	1,594.49	1,585.20
2016	1,615.63	1,602.31
2017 (Restated)	1,614.29	1,606.41
2018	1,862.73	1,841.57

11.   Staff salaries and benefits, which comprised 30 per cent of the expenses, increased by USD 83.27 million (18 per cent) in 2018 as compared to 2017 (Restated). Contractual services constituting 23 per cent of the total expenses, also increased by USD 92.41 million (27 per cent) in 2018 as compared to 2017 (Restated). Furthermore, Transport assistance, which represents 11 per cent of the expenses, decreased by USD 11.13 million (5 per cent) in 2018 as compared to 2017 (Restated). Summary details are shown in Table 3.

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

Component of Expenses	2018		2017	
	Amount	Per cent to total	Amount	Per cent to total
Transportation Assistance	207.29	11.26	218.42	13.60
Direct assistance to beneficiaries	233.86	12.70	212.92	13.25
Implementing Partner Transfers	97.22	5.28	85.49	5.32
Contractual services (including on behalf of beneficiaries)	432.59	23.49	340.18	21.18
Staff Salaries and Benefits	549.04	29.81	465.76	28.99
Supplies and Consumables	215.49	11.70	191.56	11.92
Others	106.08	5.76	92.16	5.74
Total	**1,841.57**	**100.00**	**1,606.41**	**100.00**

12.   The operational expenses during the year 2018 were within the budgetary provision. Against the final budgetary allocation for operational programmes of USD 1,805.80 million for 2018, the actual expenditure was USD 1,786.6 million.

Project Management

13.   The number of financially active projects increased to 3,441 during 2018 from 2,925 in 2017. Operationally active projects at the end of the fiscal year increased from 2,277 in in 2017 to 2,584 in 2018. 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
2014	2,400	1,990
2015	2,760	1,980
2016	3,020	1,710
2017	2,925	2,277
2018	3,441	2,584

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

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

Operational Programme		
Year	Expenses (excluding exchange rate difference)	Revenue
2013 (Restated)	1,192.16	1,200.98
2014	1,421.02	1,440.83
2015 (Restated)	1,539.38	1,551.34
2016	1,555.98	1,569.75
2017 (Restated)	1,552.31	1,564.83
2018	1,786.60	1,810.86

15.   The cash, cash equivalents and short-term investments increased from USD 1,069.66 million in 2017 to USD 1,429.34 million in 2018. The Deferred Revenue on voluntary contributions during the year 2018, showed an increase by USD 429.10 million as compared to the year 2017. This was mainly from voluntary contributions received from donors in advance of performance delivery under operational programme.

Current Assets and Current Liabilities

16.   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	2018	2017 (Restated)	2016	2015 (Restated)	2014	2013 (Restated)
Current Assets (CA)	1,793.01	1,350.77	1,062.31	906.44	933.53	782.27
Current Liabilities (CL)	1,558.10	1,110.07	913.41	780.70	806.34	616.96
Current Ratio (CA/CL)	1.15	1.22	1.16	1.16	1.16	1.27
Cash and cash equivalents (C&CE)	922.82	644.65	507.75	495.35	474.24	456.12
Ratio of C&CE to CL	0.59	0.58	0.56	0.63	0.59	0.74

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

AUDIT ISSUES

Unliquidated Obligations

17.   Our review showed that the Organization had sufficient controls in place for managing expired awards and conducting reviews of all outstanding commitments. However, our sampled analysis of the outstanding commitments as at the end of October 2018, indicated that a total amount of USD 2,900,373.75 (55%) out of USD 5,250,249.68 spanned beyond two months and have not been reviewed to be cancelled in order to release the related budget allocation.

Recommendation 1
18.   We recommended that Management should strengthen its monitoring reviews on unliquidated obligations and ensure that overdue commitments are timely followed up with country offices to unfreeze funds that can be used to implement other project- related activities.

19.   Management indicated that the amount of USD 2,900,373.75 (55%) for the January to September 2018 had most of the open POs pertaining to IPs (USD 1,319,186.74 (45%)) with July to September 2018 delivery dates and POs pertaining to Construction contracts (USD 648,414.67 (22%)). Also, most of the POs pertaining to IPs have partial MIGO posted and full MIGO will be performed upon completion of contract, which in these cases are still ongoing with some to be MIGO in December 2018 to February 2019.

20.   The review of open POs is regularly done as part of the Checklist for Offices Accounts Closure (CMAC), which offices must take action and complete at every month-end closure. Management confirmed that its central review teams at MAC and PAC will continue to review and follow-up on open POs, with passed delivery dates, within the periodic checklist reviews.

Staff vendor account unblocked upon separation

21.   Our review of the staff vendor master data showed that some separated staff as at October 2018, had their staff vendor account remaining active and not blocked as required. Below are the results of sampled staff vendor account reviewed.

Period of Termination	Staff Vendor Account		
	Number of staff separated	***Unblocked**	**Blocked**
2018	133	61	72
2017	95	13	82
2016	3		3

Recommendation 2

22.   We recommended that Management should ensure that country offices regularly review the staff vendor master list and promptly block separated staff from the Organization. Internal controls should be instituted with clear timelines to ensure that regular updates of staff vendor list are done in accordance with the required change management and authorization protocols of the Organization.

23.   Management agreed with the recommendation and explained that there is an ongoing dialog and effort on automating the blocking of separated staff vendor accounts . However, separated staff cannot be blocked immediately in all instances, mainly due to: when a separated staff member, has elected to participate in the After-Service Health Insurance or Medical Service Plan; the separation payment and subsequent clearance is still in process; and settlement/clearing of remaining vendor open items are ongoing.

Overdue Voluntary Contribution Receivable

24.   Whilst, we recognized the efforts of the Organization to follow up on outstanding voluntary contribution receivable, we noted that as at 30 September, 2018, the total amount stood at USD 216,204,343 with un-booked receivables at USD 108,934,179. Our further analysis of the receivables showed that an amount of USD 8,410,820 remained beyond one year resulting in unrealized exchange losses after fair value adjustment amounting to USD 278,158..

Recommendation 3

25.   We recommended that Management should continue to follow up with country offices and encourage donors to liquidate their arrears. Standard operating procedures on the follow-up of outstanding receivables, including escalation procedures, should be developed to improve collectivity.

26.   Management stated that the procedures to follow up receivable collection has already been incorporated into the Financial Management Rules and Procedures (FMRP) and shared with offices in October 2018. In addition, an escalation process has been agreed and documented between ACO and the central review teams, which is kept outside the FMRP to enable frequent revision as specific situation requires, this especially in view of the trend of continued increase in the contributions received by IOM in a calendar year.

27.   In addition, the Management confirmed that its central review teams continue to conduct monthly follow-up for accounts receivable for more than 90 days, directly with the responsible project managers, in close coordination with ACO HQ, and as mentioned, for escalation when necessary.

Need to review overdue down payments

28.   Our review of the down payments made in respect of air transportation, supplies and services showed that out of the total amount of USD 102,563,968, an amount of USD 54,242,259.95 represented payments made to vendors older than two months.

29.   We further noted that out of the 63 transactions (Down payment Air Transportation Vendor) with GL Code 152100, six transaction amounting to USD 11,786 were unrelated but charged to the above code.

Recommendation 4
30.   We recommended that Management strengthens its timely monitoring and supervisory controls to ensure comprehensive review of the down payments. Management should also ensure that all overdue transactions are supported by adequate documentation, and settled by the vendor.

31.   Management agreed with the recommendation and stated that coordination will be enhance with offices on the open items. In addition, the management confirmed that its central review teams will continue to review the downpayments/advances as part of the periodic checklist review at month end.

Need to adopt a long-term funding strategy for capital expenditure

32.   We noted from the 22nd Session of the Standing Committee on Programmes and Finance (SCPF) Resolution 18, referenced S/22/RES/18, the decision to drawdown capital expenditure of USD 3.2 million from the 2018 OSI to fund among others, enhancement of IT security; implementation of the ongoing work relating to the Project Implementation and Management Application (PRIMA); system enhancements required for the implementation of the ICSC compensation package; and Risk Management Information System. We further noted from the 23rd Session of the SCPF, the consideration of the Organization to demolish and construct a new Headquarters building to provide adequate office space for staff, due to the expected future growth as well as the increasing complexity of IOM's operations.

33.   In our view the Organization's current funding of capital expenditure shows an ad hoc approach through cash payments from regular budget, and occasionally through special arrangements in the form of borrowings from Member States; or commercial borrowing which is repaid from the regular budget or by the combination of the above methods.

Recommendation 5

34.   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.

35.   Management agreed with the recommendation and indicated that as initial step, Management will explore established approaches by benchmarking with other UN 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.

Failure to block suspended vendors

36.   During our review, we noted that out of 12 vendors suspended as at 31 December 2016, due to their improper conduct of business with IOM (as published by GPSU), only 4 had been deactivated or blocked leaving 8 vendors unblocked in the SAP PRISM vendor database.

37.   In addition, we noted that there was no instruction or supporting procedures for deactivation of vendor master records and the related threshold.

Recommendation 6

38.   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.

39.   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.

Incomplete information on vendor accounts

40.   We noted that three offices other than PU/GPSU were responsible for policies and procedures on the management and maintenance of vendor master data for supplies and services related to specific industry codes as shown below.

Industry Category	IOM Instruction	Document Owner	Effective Date
0002	IN/168: IOM Procurement Manual – Procurement of Goods, Works and Services	GPSU	12 May, 2016
0003	IB/00031: Air Ticket Vendors	RMMD	26 September, 2017
N/A	IN/267: Financial Management Rules and Procedures	ACO	19 October, 2018

41.   We also noted that although the SAP PRISM was configured to record information in English, there were some instances vendor information were registered in another language. In addition, despite the fact that the Organization`s Vendor Information Sheet (VIS) registration template submitted by requisitioning offices had mandatory fields to ensure successful vendor registration, we noted instances where vendors' details were without physical/postal address or tax identification number to facilitate easy communication.

We further noted that the PRISM was configured to allow payments in any payment method, regardless of those specified in the vendor master records.

Recommendation 7

42.   We recommended that Management should introduce a 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 Organisation's Vendor Information Sheet (VIS) should also provide information to vendors about the need to limit the payment methods as a means to reduce risks.

43.   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.

Absence of procedures to implement Financial Disclosure Interest

44.   We noted that the Organization's IN/13 on financial and other obligations of staff members does not provide procedures for staff financial disclosure, neither are there clear procedures attached as appendix to the USRR to enable the DG

operationalize Staff Regulation 1.2.1(f) in terms of scope, utilization, confidentiality, and staff obligations to enhance the continuous efforts in promoting transparency within the Organization.

Recommendation 8
45. 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.

46. Management agreed with the recommendation and stated that it will accordingly assess the necessary actions to be taken.

Need to enhance efficiency in the internal controls system

47. We noted that the Administration had initiated a holistic review of its internal governance system which goal is to ultimately improve the quality of IOM's overall functioning by driving continuous improvement through improved efficiency, accountability and transparency, among other things. This drive is also expected to meet the needs and expectations of Member States, donors and other stakeholders. We further noted that, to support and facilitate the application of the Internal Governance Framework (IGF), initial priorities would allow for the establishment of essential baselines in key areas such as: leadership for the framework; strengthening risk and change management capacities; improving delegation of authority; decision making and accountability; and ensuring that funding of the core structure remains sustainable and predictable.

48. Although we have not identified material failure in the operation of the internal controls of the Organization, we observed that IOM relies heavily on fixed manual-controls to govern its operations and transactions which are embedded within its core systems such as the PRISM. In addition, the continuous use of non-updated instructions or rules to field officers which is not keeping pace with the Organization's dynamic growth and expansion, the absence of an effective risk management framework, bureaucratic review and payment of staff medical claims, and delays in travel authorization impedes efficiency. Our review of the proposed IGF showed that there is no formally established standard operating policy and procedures that clearly define the roles and responsibilities.

Recommendation 9

49. 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.

50.   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.

Enhance staff data processing input for annual employee benefit liability computation

51.   In compliance with the effective date for implementation of the new standard on employee benefits (IPSAS 39), we noted that the Organization took timely action to adopt the new standard with the assistance from its Actuaries Consultant. The main change in this respect, is the end of the corridor approach, which allowed the impact of actuarial difference to be deferred. Also, all net actuarial differences are now recognised in the year when they occur and this led to the restatement of the Statement of Financial Position as at 31 December, 2017, increasing the liability arising from employee benefits payable by USD 9,397,198. Another, important change is that the net defined benefit liabilities are recognised with an offset to net assets and no longer to the Statement of Financial Performance.

52.   We also noted that IOM`s adoption of IPSAS 39 and its related adjustment or reinstatement of the prior year figures agrees with the manner in which the new standard was implemented. Our testing of the HR master data showed that the HR functionality of SAP is quite adequate. However there a few exceptions such as the absence of the start and end date of staff, which remained open in some cases. Again, we noted the absence of a clear standard operating procedures (SoP) between HR and ACO for the sharing of staff data to facilitate timely assessments of employees' benefits.

Recommendation 10

53.   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.

54.   Management agreed with the recommendation and stated that it will assess the options available in enhancing PRISM reporting capabilities towards HR data processing.

Construction of new IOM headquarters building

55.   We noted that the Administration had opened a vacancy for the recruitment of a Project Director, to the Grade D1 position, with the sole responsibility for the entire management of the Project.

56.   However, we also noted limited engagements with other institutions co-sharing the office space with the existing IOM that would be directly or indirectly affected by the new construction. We further noted that the estimated amount of CHF 68.1 million was done without a prototype design for the new building to serve as a guide to the Organization in the determination of the estimated building cost.

57.   In our view, thorough planning and comprehensive studies as well as continuous engagements with all relevant stakeholders, effective oversight functions and compliance with internal controls during the early stages of the Project, are prerequisites to ensuring timely access to budget, and efficient management of cost, as well as other related operational risks.

Recommendation 11

58.   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.

59.   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.

60.   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.

61.   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.

62.   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.

63.   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.

Need to enhance ombudsman functions

64.   During our review, we noted that the workload of the office of Ombudsman includes dealing with individual cases which are geographical distributed across the Organization. This requires extensive travelling to deal with both the cases and undertake outreach and awareness-raising activities. On the other hand the number of cases handled by the Office annually has more than doubled between 2014 and 2018. Below is the number of cases recorded by the Office for the relative years.

Cases	2014	2015	2016	2017	2018
Submitted	103	73	154	132	225
Handled	103	73	154	132	225

Source: Annual report from the Ombudsman

65.   Further, we noted that, the office has staff strength of three (3) made up of the head and two support officers, which, in our view is inadequate for the increasing number of cases, and could contribute to avoidable delays in settling critical disputes.

Recommendation 12

66.   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.

67.   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.

Need to review ICT governance framework

68.   In furtherance of this objective, the Organization had established an IT Advisory Board as part of its governance structure to: provide and validate the context of organizational objectives that are to be realized as ICT Strategy and Project goals; advise on competing priorities; demonstrate senior level commitment through active and visible participation in the process; resolve escalated issues, approve any major changes to project scope as emergent issues force changes to be considered; and support through alignment of other organizational changes as required so as to best accomplish the project goals.

69.   However, our review of IT Advisory Board (ITAB) terms of reference as stipulated in the Strategy does not extend to cross-cutting ICT issues, such as fostering an enterprise-wide application to harmonized ICT tools, systems compatibility, as well as managing ICT investments and mitigation of IT risks. We further noted that the hybrid structure comprising of a central ICT and ICT units located in the various regional offices limits the visibility of the ICTD on the overall impact of automated solutions.

Recommendation 13

70.   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.

71.   Management agreed with the recommendation and stated that they will provide an action plan by towards end 2019.

PERFORMANCE AUDIT ON PROCUREMENT VALUE CHAIN EFFICIENCY AND EFFECTIVENESS

72.   The objective of the audit was to determine whether the IOM instituted practices, procedures and internal controls has supported contracting and procurement activities and has ensured procurement and supply chain efficiency and effectiveness.

73.   The audit focused on Procurement of Goods, Work and Services, from 2014 to 30 September 2018, IOM Procurement and Supply Division (PSD) at the Headquarters (Geneva), Turkey and IOM Global Procurement and Supply Unit (GPSU) in Manila.

74.   We carried out the audit in accordance with the general requirement of INTOSAI auditing standards for performance audit. These standards require that the audit is planned and performed in a manner as to obtain reasonable assurance that the audit objectives are met.

75.   We employed various audit procedures that we considered necessary and appropriate to provide such assurance. The procedures included interviews with Chief, Procurement and Supply Division, Department Division Units Management and office of Director General (ODG) of IOM, Geneva, GPSU Manila and Turkey (Ankara and Gaziantep). We also interviewed the Regional Procurement and Logistics Compliance Officers for Latin America, East and Horn of Africa as well as key players in the procurement value chain in the offices we visited to enable us to draw our conclusions to be reflective of IOM offices globally

76.   We further carried out inspection at Gaziantep and Manila warehouses and inspected Non-Food Items (NFI) such as hygiene kits, tarpaulins, carpets and jerrycan stored at the facility. We also interrogated the PRISM for blocked and blacklisted vendor in Manila and Gaziantep. We reviewed GPSU e-mail correspondence to confirm oversight monitoring and guidance of offices.

Procurement planning and need assessment for goods, works or service

77.   We reviewed the Procurement Manual and found that procurement planning was a requirement to be carried out before procurements of goods, works and services. However, we found that procurement planning is not done consistently across projects and offices, and often procurement requirements are not based on needs assessment.

78.   We further noted that procurements needs in country offices are not coordinated in a comprehensive manner without assessment of possibilities to combine procurement across multiple projects to maximise efficiency and effectiveness. Also, the procurement policies of IOM does not make provision for standard / minimum lead-times in respect of submitting the requests for procurement that would have ensured some level of coordination by role players.

Recommendation 14

79.   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.

80.   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.

Specification of the requirement during procurement

81.   We noted that procurement specifications are prepared by project managers at the country offices and submitted to Procurement Officers and RMOs, for the procurement process through the use of Purchase Requisition (PR). In addition, we noted that the information contained in the PRs are not sufficiently described to facilitate the procurement in an efficient manner.

82.   We also noted that other UN agencies like the UNICEF, UNHCR and WFP, have improved their supply value chain by resorting to categorization and standardization of items. This has created opportunity for these agencies to leverage their knowledge of the market with other UN agencies to aggregate their procurement.

Recommendation 15

83.   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 UN 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.

84.   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.

Agreeing list of potential vendors and vendor management

85.   Our review of the vendor database, showed that eight vendors out of 284 in HQ's vendor list have been blacklisted for various breaches of contract conditions within the audit period but this had not been captured on the PRISM. Also, we noted that the guide and Code of Conduct for Suppliers is not prescriptive enough to give guidance in the area of vendor management which, is critical to deliver and meet project objectives.

86.   We further noted that every office maintains a vendor database in PRISM and this is not linked to the IOM Global Vendor database resulting in creation of multiple registration of vendors in PRISM.

Recommendation 16

87.   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.

88.   Management accepted the finding and indicated that the vendor management process will be reviewed to inform the development of a 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.

Invitation of tenders, evaluation and award of contract

89.   We noted that GPSU is not informed of any procurement contract entered by offices except when it is above the USD 100,000.00 threshold for which an approval is required. We further noted that because of the emergency nature of the procurement, RMOs continue to do things as they are accustomed to without recourse to the thresholds and approval requirement and sometimes enter into contracts before requesting for approval from GPSU.

Recommendation 17

90.   To improve upon its procurement options, we recommended that Management should review the Procurement Manual to align with UN 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.

91.   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.

Evaluation of contract performance, payments and documentation of procurement actions

92.   Our review of the Vendor Performance Evaluation Form (VPEF) showed that the background of the evaluator which is a critical requirement to the evaluation process were are not indicated on the Form.

93.   We further noted that policy, and procedures for technical requirement has been prepared and yet to be disseminated to all offices to ensure standardization in procedure and practice for quality control.

Recommendation 18

94.   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.

95.   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

Disaster Recovery and Business Continuity Planning

96.   We observed however that CO Helsinki is yet to finalize its draft Business Continuity Plan and did not also carry out yearly simulation exercises as provided under IN/88 for the ICT component of the BCP.

Recommendation 19
97.   We recommended that the BCP should be finalized, approved and implemented as well as conduct yearly simulation drills.

98.   The CoM 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.

Sustainability of Denmark IOM Office

99.   We noted that CO Denmark had two projects that have travelled 83.33 per cent of the time duration, the budget utilization rate as at 19 October 2018, was 57.37 per cent. Also, there are no project under development to be finalised for execution in 2019 as at the time of the audit.

Recommendation 20
100.   We recommended that the CoM should step up their engagements with the donor community and other stakeholders to attract funding for other projects.

101.   The CoM explained that the overall donor landscape in Denmark is challenging for IOM and are not necessarily compatible with IOM's mandate as well as institutional requirements.

Project implementation

102.   Our review of projects at CO Bujumbura showed that, not all units whose contribution will facilitate the smooth take off and running of the projects were involved at the beginning of the project.

Recommendation 21
103.   We urged Management to involve all relevant units in project implementation planning to enhance efficiency and effectiveness of delivery.

104.   The CoM agreed with the finding and stated that some gaps were identified during the implementation of projects and have taken several measures to ensure the gaps are reduced, if not completely removed.

VAT recoveries

105.   We observed that CO Burundi and CO Rabat have not been reimbursed with the VAT paid on goods and services amounting to BIF 127,712,392.00 and 1,308,998.31 MAD respectively as at the end of 2018.

Recommendation 22
We recommended that Management should consider using diplomatic means to resolve the issue to enable the Office obtain prompt reimbursement for taxes paid.

106.   The CoMs responded that efforts will be made to ensure timely reimbursement in accordance with the tax administration of the respective countries.

Need for comprehensive review of the organisational structure

107.   Our review of the organisational structure of CO Libya showed that some strategic positions such as Senior Field Security Officer, Migration Health Officer, Program Engineers and Monitoring and Evaluation officers have been vacant, irrespective of the rapid expansion of its programs from initial provision of humanitarian assistance, voluntary humanitarian return to protection, counter trafficking, community stabilization, labour migration and integrated boarder management.

Recommendation 23
108.   We therefore recommended that the Office should have a comprehensive review of its organizational structure by engaging the services of an HR expert on Organizational Design to develop an organizational structure and a Human Resource strategy for the Office.

109.   The CoM accepted our recommendation and stated that a HR expert will visit the Office and conduct a structural review exercise as well as advice on position grades and update ToRs.

Uncleared disbursement in the Offices Accounts

110.   We noted that, the CO Libya maintained two Bank accounts in Tunis and two in Tripoli for local currency and USD and prepares monthly Bank Reconciliation regularly. However, there were outstanding unclear transactions at the end of the period.

Recommendation 24
111.   We urged Management to conduct reconciliation of all uncleared transactions from the accounting system and take the appropriate actions.

112.   The CoM agreed with the recommendation and indicated that they would take steps to clear all pending items.

Project budget management

113.   Our review of active projects in CO Rabat showed that USD 490,742.63 and Euro 832,137.27 have been spent in excess of funds received for eight projects. Six other projects have overrun some budget lines totalling USD 103,775.00 and Euro 146,083.86, whilst one Project has exceeded its total budget by USD 12,134.82.

Recommendation 25
114.   We urged Management to monitor expenditure against funds received for projects and ensure that project managers spend from funds received for respective projects.

115.   The Management agreed with the recommendation and efforts will be put in place to negotiate funding agreements with appropriate pre-financing provided by donors.

Review of the Office's sustainability status

116.   The IOM Poland Office currently has three active projects, one of which will be ending by December 2018. We also noted that the project activities as well as the budget allocations of the Office had been decreasing and there is not enough funding to cater for the core structure as well as other office supporting costs.

Recommendation 26
117.   We urged the Head of Office (HoO) to liaise with the IOM Regional Office in Brussels to exploit opportunities for funding and if no new funding is realized by the end of the year, the Office should prepare an update of the actual situation for the consideration of Management at IOM Headquarters.

118.   The HoO stated that there are currently limited public funding opportunities for IOM in Poland and no external donors. Fundraising and project development capacities are limited given scarce human resources and updates of the office financial situation are regularly submitted to the RO Brussels.

Need to update the Compliance Control Self-Assessment

119.   We noted that CO Warsaw and CO Bucharest had not conducted a review of the CCSA since March 2016 and some of the staff identified as risk owners have separated from the Organization due to downsizing.

Recommendation 27
120.   We urged the HoOs to liaise with the Regional Office in Brussels to update the CCSA in 2019 as scheduled, and ensure that the significant control deficiencies identified are appropriately assigned to the risk owners.

121.   The HoOs responded that a regional CCSAT update is planned for rollout in early 2019, to incorporate the various recommendations set out in the latest Instruction for compliance.

Need to establish procedures on fee based self-payer service

122.   Our review of the project portfolio of CO Warsaw showed that the Office had initiated a novel mechanism by providing a fee based self-payer service to private sector institutions who engage immigrants to work in Poland. However, there are no documented procedures to ensure coherent corporate messages to potential clients and also give guidance to staff during engagement with non-government partners.

Recommendation 28
123.   We recommended that the HoO should formulate documented procedures to give guidance to staff for use in the engagement process to avoid ad hoc approaches.

124.   The HoO indicated that the principles of engaging with the private sector, including the due diligence process, were discussed with DRD prior to the actual engagement with the private sector in Poland. Nevertheless, given the potential of the private sector partnership, private sector's approach will be addressed in the CO's strategy to be developed in the coming months.

Governance

125.   We noted that CO Bucharest does not have a strategic or action plan developed to establish a system for managing the Organization's priorities in Romania through an elaborate system for managing risk, monitoring implementation, evaluating performance and documenting lessons learnt.

Recommendation 29
126.   We recommended that in view of the widening scope of service activities undertaken by CO Romania, the HoO should develop a strategic or action plan to serve as a planning, reporting and evaluation tool for the Office.

127.   The HoO stated that the IOM's Regional strategy has been recently updated and stemming from that, IOM Romania will elaborate a local strategy in early 2019 based on the MiGOF principles and objectives of the Global Compact on Migration.

Evaluation of individual consultants

128.   Our review of 15 consultants engaged by IOM Rome to perform consultancy services in 2017 and 2018 and noted that five were renewed without recourse to the requirement for performance assessment on how well or otherwise they adhere to timelines and deliverables on their previous contracts.

Recommendation 30
129.   We recommended that a proper evaluation mechanism and database thereon would enhance accountability, transparency and efficiency and also serve as an institutional memory for use by the Office.

130.   The CoM welcomed the observation and promised that the Office will establish a regular, written review of the performance of consultants to be filed with the Human Resource Unit.

Delay in submitting project financial report

131.   Our review of CO Dakar, disclosed significant delays in the submission of project final financial reports to donors by.

Recommendation 31
132.   We urged the CoM to ensure that project financial reports are submitted on time for effective decision-making.

133.   The CoM agreed with the recommendation and stated that an internal project monitoring system within the CO will be strengthened for timely follow up within the units involve and this will be reviewed monthly as well as coordinated by the Resource Management Unit.

Failure to set out technical specifications before procurement

134.   We noted that technical specifications for the procurement of goods for projects implementation in CO Dakar were not stated before the commencement of the procurement process.

Recommendation 32
135.   We recommended that the CoM should ensure that project managers collaborate with the procurement and logistics unit to effectively design procurement plans that can be implemented seamlessly throughout the process.

136.   The CoM accepted our recommendation and stated to strengthen procurement planning and increase collaboration with the unit heads.

Absence of a media and communication strategy

137.   We noted that IOM-Dakar has not established a media and communication unit and has no media and communication strategy.

Recommendation 33
138.   To ensure that IOM is visible within the Country and beyond, we urged management to develop a media and communication strategy.

139.   The CoM responded that it is not possible to create and maintain, a communications unit as the position is contingent on funding availability. However, the CO will synergize communications, awareness raising and visibility requirements of all programmes currently being implemented in the Office.

Cases of fraud and presumptive fraud

140.   We reviewed cases of frauds, presumptive frauds and write offs by Management and noted that the Administration reported 11 cases of fraud and 101 presumptive fraud in 2018. All of the cases were referred to OIG for investigation and a financial loss to IOM of USD 510,791.08 was reported. We are satisfied with the actions taken by Management in addressing the reported cases and all the 11 fraud cases had been closed and 101 presumptive fraud are ongoing as at 31 December, 2018.

Follow-up on recommendations from previous audit report

141.   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.

Acknowledgement

142.   The cooperation and courtesies extended to the audit team by the Management and staff members of IOM are greatly appreciated.

DANIEL YAW DOMELEVO
AUDITOR–GENERAL of GHANA
EXTERNAL AUDITOR
ACCRA, GHANA

6 June 2019

STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS 31 DECEMBER, 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 CERTIFICATION AUDIT GENEVA (17-CT-CH10-01)	We recommended that management should initiate steps to review the Strategy for Council's consideration to address the challenges associated with today's migration and improve governance in migration management as well as achieve Organizational synergies in a more coherent manner.	Management explained that, as the process of agreeing on a Global Compact will be completed this year, and the UN's ongoing examination of how the UN system works on Migration and the role IOM will play, it propose not to initiate a new strategy or structure review at this time. The review of the structure and new strategy will be taken up as a priority after the finalization of the GCM and related UN Reforms, under a new Director General who will take office on 1 October 2018.	The Office of the Director General has initiated a draft of the Strategic Vision for the organization, with internal consultations undertaken, both in HQ and in the field. The Director General has initiated briefings on the current draft for Member States.	Open	July 2019
2017 CERTIFICATION AUDIT GENEVA (17-CT-CH10-02)	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.	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.	The development of a manual is in progress and is being linked to the IGF framework implementation to ensure that its final content reflects proposed changes in the internal governance framework of IOM. On the other hand, policies and system updates of finance and procurement, including the instruction on Financial Management Rules and Procedures, has had a positive impact already on addressing and strengthening preventive controls. ACO, OIG and LEG will work together to combine and update existing instructions in a manual so to address various facets of fraud while incorporating directive, preventive, corrective and detective controls.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	Investigation capacity is being addressed using a phased strategic approach that encompasses system tools and human resources. The Programme and Budget for 2019 provides for two additional international positions in the Investigation Unit, and the ongoing Internal Governance Framework reform process has also prioritized the Internal Justice System for review in terms of processes and resources.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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 acknowledge 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 proposed institutional resource mobilization strategy has been finalized, presented to the Extended Senior Management Team and submitted to the Office of the Director General and is currently under review. | Open | June 2019 |

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	The recruitment of the consultant that will help prepare the ECO Charter is on hold. This is due to the work undertaken by the Office of the Director General on the Internal Governance Framework. Any succeeding instructions and/or policy documents, including the ECO Charter, will have to consider the final draft of the Internal Governance Framework.	Open	July 2019
2017 CERTIFICATION AUDIT GENEVA (17-CT-CH10-06)	We recommended that Management should initiate proactive steps to raise funds through resource camping activities to address the funding gap and bring donors closer through a partnership arrangement to support emergency operations timely.	Management agreed with the recommendation and stated that a necessary revision of the Migration Emergency Funding Mechanism (MEFM) is envisaged. Management indicated that Administration is considering options through which additional, predictable resources may contribute to the MEFM in a way that would make it less dependent on ad hoc voluntary contributions and added that upon conclusion of this exercise, a proposal will be submitted to Member States for their consideration.	In progress.	Open	August 2019
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.	Budgetary funding has been made available to the PRIMA initiative by means of a OSI Reserve draw-down (as per Resolution No. 18 of 27 June 2018 adopted by the SCPF at its Twenty-Second Session). PRIMA toll-out has started in RO Pretoria in February 2019 and continued according to a predefined roll-out schedule targeting full global roll-out by the end of 2019. A further drawdown from the OSI reserve has been proposed in 2019 to complete the rollout.	Open	September 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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 Administration has completed the selection process for expert consultants and service providers in relation to the centralized financial coordination platform and its sub-projects. Based on a phased approach, the schedule the pilot phase is to be completed during mid-year of 2019.	Open	June 2020
2017 CERTIFICATION AUDIT GENEVA (17-CT-CH10-09)	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.	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.	In September 2018, the IOM IT Advisory Board was presented with a preliminary timeline for the migration from the existing SAP platform to a cloud-based SAP solution. Internal consultations continue, and the business requirements of transitioning to a new platform, the timeline and the resource needs of the implementation modules is being analysed in depth in 2019. Ongoing.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 CERTIFICATION AUDIT GENEVA (17-CT-CH10-10)	Considering the fact that IDF is intended to serve as a unique global resource for eligible MS to develop capacities in migration management, we urged Management to define activities MS/beneficiary can provide as a service in kind support to facilitate and strengthen the participatory process which is a critical input for achieving intended objectives of project implementation	Management indicated that this recommendation can be reviewed during an IOM Development Fund evaluation proposed for early 2019 to assess if an upfront budget can be made available to facilitate consultations with stakeholders and governments. It explained that Project developments under IDF are normally initiated by Governments who submit a letter for the DG's consideration to address a specific migration need. The projects which are developed in response to the request are generally undertaken in close consultation with the Member States and coordinated by the Regional Offices where staff positions are covered by the core budget in support of the Country Offices.	The IOM Development Fund evaluation has commenced in March 2019, and the report thereon will be submitted to the Member States during the SCPF meeting to take place during the Autumn of 2019, where after the Administration will revert to this recommendation. In the meantime, Fund has worked extensively with the IOM Offices over the past year to guide them on stakeholder consultation before a project commences to encourage ownership/will and sustainability of these projects. Consultations have included the issue of in-kind contributions by the governments to the initiatives to strengthen a participatory approach and this seems to be working well.	Open	June 2019
2017 INTERIM AUDIT MANILA (17-IN-PH98-01)	We recommended that Management should review all the unliquidated advances and adopt an action plan which will ensure that the offices submit full liquidation documentation within a specified period. We also recommended that unresolved staff, travel and medical advances should be recovered from the staff in accordance with IOM's policies upon giving due written notice to the staff about such deduction.	Management agreed with the recommendation and indicated that a system enhancement has been introduced to address this issue in 2016 whereby apart from the periodic reviews performed by Regional Account Sections (which includes the staff open vendor items) the enhancement involves producing and distributing automated monthly staff vendor account statements for IOM staff members to verify their own vendor accounts, for completeness and accuracy and take timely action on any outstanding balances.	Management considers the recommendation as closed given that long-outstanding advances are being reviewed and related process flows reinforced, especially considering the issuance of the Financial Management Rules and Procedures in October 2018 and pro-active measure being taken to implement continuous monitoring tool within the FinCoorp project.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	Preparatory work has started on a comprehensive chart-of-account review. Further review actions on the chart-of-accounts will continue during 2019, once other pre-requisite related initiatives have been finalized.	Open	Dec 2019
2017 COMPLIANCE AUDIT DAR ES SALAAM (17-CO-TZ10-03)	We recommended that the Office should develop a tracking data on client satisfaction and monitor contested results as a feedback towards project implementation.	Management agreed with the recommendation and indicated that it will address the challenges to ensure that client satisfaction would be paramount in the UKTB programme. Management added that the information sheet has also been revised recently to include more guidelines and to be more user friendly, whilst a client survey is planned during 2018.	Client satisfaction surveys are being prepared for implementation by the IOM Office in the United Republic of Tanzania, and due to unforeseen delays has been rescheduled to be conducted in May 2019.	Open	July 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	In progress, and the Office is arranging meetings with the new elected Ministers in order to brief officials on IOM and its activities, whilst asking for their support to process the IOM file.	Open	December 2019
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.	In May 2018, a representative of the Office of Legal Affairs met with officials from the Ministry of Foreign Affairs, with whom negotiations are ongoing. Further meetings were held at IOM Headquarters in November 2018 and the final agreed version has been submitted to the Presidency of Cameroon for signature.	Open	July 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 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.	The business continuity plan has been prepared and planning to be tested during May 2019.	Open	July 2019
2017 COMPLIANCE AUDIT YAOUNDÉ (17-CO-CM10-01)	We urged Management to update the assets register and ensure that all assets are tagged appropriately with unique codes to enable reliance to be placed on the records for informed decision making.	Management agreed with the observation and indicated that steps have been taken such as physical inventory and also writing to the Global Procurement Unit and the Regional Office for support to address the lapse.	The asset tracking and asset tagging is underway to be completed in the near future, a physical inventory has been conducted early 2019 and required reports submitted for central review.	Open	July 2019
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, RO 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.	Latest version of the newly developed ZMSR report is available for final testing in EP1 (PRISM test environment). Finalization of testing is expected in second quarter 2019 with subsequent release in PRISM live system upon clearing by HQ (DRM).	Open	June 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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 UN agencies, according to the above-mentioned Article, but the legal process to make this change is long and require other parties, including Parliamentary involvement and endorsement. Management indicated that the Regional Director and the Head of CO Vienna will continue their negotiations with the Austrian counterparts, in coordination with LEG department and other relevant HQ units.	In progress. Management and the Head of Country Office, Vienna, coordinated a reply to IOM LEG (HQ) on discrepancies between IOM P&I versus UN P&I. Management and CO await Legal guidance on next steps.	Open	July 2019
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 UN Family in Vienna.	Management agreed with the finding and stated that this is a challenge for IOM in Vienna and both RO and CO have been working together on this issue in the past months to resolve it. However, RO Vienna as well as the CO Vienna will continue their efforts in negotiations and liaison with the UN HQ in Vienna to ensure provision of full privileges and entitlements for IOM offices and their staff in Vienna.	Progress has been made in the recent months in cooperation with the UN HQ in Vienna on this finding. All IOM Staff have been granted access to the UN Vienna International Center (VIC) premises as staff members though it is till different from the UN VIC based staff. UNOV informs IOM that a revised badge system is being devised, and expected to be implemented by December 2019, and it is expected that IOM will hold a similar badge as other UN VIC-based agency. In addition, IOM has been included in the UN mailing distribution lists; as well as accessing meeting and conferencing facilities within VIC. Other details in relation to this finding are linked to the host agreement with the Austrian government and dependent on further guidance from Legal (see response to 17-CO-AT99-04).	Open	July 2019

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IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	A high-level feasibility study was conducted on the implementation of the Statement of Internal Control at IOM, and the final consultancy report, is being assessed by the Administration. With the launch of the Internal Governance Framework reform and several other ongoing initiatives, IOM started the work to facilitate the implementation of the Statesmen of Internal Controls	Open	December 2020
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.	The new accounting standard on Employee Benefits (IPSAS39) has been implemented during 2018 and the results are being analyzed, to assess the impact of the possible funding options available, to inform IOM's governing bodies accordingly.	Open	December 2019
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.	In progress	Open	September 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	In progress	Open	September 2019
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 resolutions and regulations were adopted by the Standing Committee in June 2018. The Administration will pursue its discussions with Member States to identify sustainable funding for core structures.	Open	December 2019
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 office 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 IN/1 is currently being revised, however, is subject to first finalization of the Internal Governance Framework, which is in progress.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 COMPLIANCE AUDIT OTTAWA (16-CO-CA10-01)	We recommended that Management should pursue a host country agreement with the Government of Canada to enable the Office to enjoy full privileges and immunities as other intergovernmental organizations.	Management agreed with the finding and indicated that the granting of proper privileges and immunities is key to successful operations. It added that the Organization is constantly engaged in dialogue with Members States and other countries to achieve proper privileges and immunities and that the Director General will be increasing his efforts to ensure that IOM is accorded privileges and immunities substantively similar to those of the United Nations and the United Nations specialized agencies in view of IOM's current status as a UN related organization.	IOM will continue to raise this issue with the Canadian authorities as part of its ongoing efforts regarding privileges and immunities across the whole range of countries where it does not have privileges and immunities that are substantially similar to those provided for in the 1947 Convention. The outcome of these efforts, as regarding all other countries, does not depend only on the organization`s efforts.	Open	December 2019
2016 COMPLIANCE AUDIT OTTAWA (16-CO-CA10-02)	We recommended that in view of the widening scope of services after the closure of the Toronto Office, as well as the importance of activities and negotiations with other stakeholders in Canada, the Liaison Office should be re-evaluated for a possible upgrade to a Country Office with the required resources to underline Canada's contribution towards IOM migration initiatives. We also urged Management to develop a strategic or action plan, using results-based management as a planning, reporting and evaluation tool.	Agreeing with the observation, Management explained that it is in the process of discussing with the host government the strategic future of the IOM Ottawa office, including the possible appointment of an accredited Chief of Mission and introduction of a host country agreement with appropriate modalities and tax agreements. Management indicated that in the short-term, this is the necessary precondition before moving forward with an updated term of reference for the office and further clarification of the staffing levels and strategic directions including securing funding for a revised office structure.	Please refer to the update provided under 2016-CO-CA10-01.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 COMPLIANCE AUDIT OTTAWA (16-CO-CA10-03)	We recommended that the Office should be strengthened technically, and staff resources increased to achieve full-fledged substantive focus in liaising with Canada on behalf of the Organization and reach out to potential partners to seek opportunities that remain untapped in Canada.	Management indicated that it is in negotiations with the host government on the future status of the office, and specifically, on the possibility of creating a proper Chief of Mission position, as existing in many other IOM Country Offices. Management also concurred that the present staffing level is not a permanent solution and aligning with a normal and standard IOM field office structure would be the proper way forward.	Please refer to the update provided under 2016-CO- CA10-01.	Open	December 2019
2016 COMPLIANCE AUDIT WASHINGTON (16-CO-US10-01)	We recommended that Management should ensure that a resource mobilization strategy is developed, with the CoM providing guidance and oversight on its implementation and periodic review.	While agreeing with the finding, Management indicated that CO Washington is well located to pursue this objective, but this would require a whole-of-IOM fund raising strategy, establishing clear priorities, principles and related processes.	DRD has commenced with the institutional resource mobilization strategy development. CORMF Washington shared the draft strategy and provided input via conference calls and in writing to DRD team. It was agreed that the CORMF Washington strategy will be finalized upon release of the institutional resource mobilizations strategy. DRD shared the institutional resource mobilization strategy with the senior management team at HQ in February 2019. CORMF Washington resource mobilization strategy will be output 3.3 of the institutional resource mobilization strategy, which currently being reviewed by ODG.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
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.	In progress. The Administration remains committed to implementing internal audit recommendations. Several outstanding recommendations relate to security enhancements, which require huge financial investments and are difficult to implement given the projectized nature of the Organization.	Open	December 2019
2015 PERFORMANCE AUDITGENEVA (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.	IOM has participated actively in UN-wide efforts to define a Disability Inclusion Strategy for the whole UN System. That strategy will be approved by mid-June 2019 and IOM will strive to be the one of the first UN entities that puts that guidance into effect by issuing new and adapting existing policies accordingly. IOM will be expected to report on the new policy and framework indicators every year starting in 2019.	Open	June 2019
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.	The revised draft IN has now been through the majority of the consultation process and shared with relevant stakeholders in the field. It will be sent to the Office of Legal Affairs for clearance shortly, before being submitted onwards to ODG for approval.	Open	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2014 PERFORMANCE AUDIT GENEVA (14-PE-CH10-05)	IOM may consider implementing better reporting mechanisms as a managerial tool.	The ICT Division is currently finalizing the design blueprint. Once signed off, it will be developed into the PRIMA System. Funding has been secured to see the completion of PRIMA's development phase. Resource mobilization efforts continue to ensure that funding will be available for the rollout phase, foreseen for 2018. The PRIMA system will incorporate reporting tools that can display aggregated data which will provide a useful aid at various levels in IOM (project, Office, region, thematic, organization-wide).	Budgetary funding has been made available to the PRIMA initiative by means of an OSI Reserve draw-down (as per Resolution No. 18 of 27 June 2018 adopted by the SCPF at its Twenty-Second Session). PRIMA is in the final stages of development and testing, with user acceptance testing scheduled for late 2018 and a pilot scheduled for early February 2019 in Pretoria. Depending on funding availability, roll-out is scheduled to be completed in September 2019. PRIMA is already in production for Pretoria and Nairobi Regions, with Geneva and Bangkok to be completed within April-2019, and global rollout completion expected for fourth quarter 2019.	Open	September 2019
2014 PERFORMANC E 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 Headquarters backup solution was upgraded with a larger capacity duplication solution, new backup server implementation, and an expanded storage network (SAN). Funds were allocated to ICT for 2018 and 2019 security initiatives that provide the foundational steps to move forward with ISO27001. A 3-year / 3-phase funding request will be submitted to the administration within the 2019 budget cycle, to implement ISO27001 in 3 phases (2020/2021/2022).	Open	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 COMPLIANCE AUDIT KYIV (17-CO-UA10-03)	We urged the CoM to liaise with the Regional Director of Vienna and Headquarters to clearly develop operating guidance on the extent of cooperation and coordination.	Management agreed with the recommendation and indicated that the Office has been advocating and liaising for the promotion of IOM's global mandate and activities, as well as taking the necessary steps to reaffirm IOM's leading role on migration issues at the country level. It however, added that the establishment of standard operating procedures to define the extent of cooperation and coordination with other UN agencies in relation to migration issues will have to be discussed and agreed upon at the Global level.	The Country Office in Kyiv is regularly exchanging information with the Regional Office on this topic. This applies as much to IOM's involvement in cluster-related issues as to general coordination with the United Nations system and individual agencies.

As part of the strengthened Resident Coordinator System, the new UN Management and Accountability Framework lays out the coordination modalities between the UN Resident Coordinator and the UN Country Team members in further detail, including also the joint responsibility for the delivery of results in helping Member States to achieve the Sustainable Development Goals as part of the 2030 Agenda, of which migration is an important element.

At global level, IOM has taken on the role of the coordinator and secretariat of the new UN Network on Migration, which includes 38 UN entities. The Network will serve UN coordination on migration issues at global, regional, and country level. In this context management considers the recommendation closed. | Closed | April 2019 |
| 2017 COMPLIANCE AUDIT YAOUNDÉ (17-CO-CM10-05) | We urged management to consider the recruitment of an IT support staff to assist in the management of the Office's IT system. | Management agreed with the recommendation and indicated that the process of recruiting an IT Assistant is in its final stages. | The IT assistant recruitment has been finalized and the staff member is on board | Closed | April 2019 |

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 COMPLIANCE AUDIT ABUJA (17-CO-NG10-01)	We urged Management to ensure that physical inventory on assets are carried out regularly to confirm accuracy and existence of the Organization's assets.	Management agreed with the recommendation and indicated that a dedicated staff has been assigned as the Asset Management Assistant to ensure regular updating of the asset register and to conduct physical verification of asset. The staff member started to work on the asset physical verification, updating of AMRs, tagging verified asset with QR-coded asset tags and requiring assignees to sign Asset Assignment Forms which was 85% completed for the existing Office assets (backlog) and the remaining 15% of the backlog targeted to be completed by 31 March 2018.	The Office in Abuja finalized verification of the backlog of previously acquired assets and continues to verify newly acquired assets and completed the exercise in December 2018.	Closed	December 2018
2017 COMPLIANCE AUDIT KAMPALA (17-CO-UG10-01)	We urged management to obtain the necessary approval to dispose the assets to generate some revenue and also avoid cost of storage.	Management agreed with the recommendation and indicated that the Office is in process of finalising asset reconciliation for 2017, following which the selling/disposal of faulty and obsolete assets will take place before end of December 2017.	The reconciliation report of 2018 was submitted on during February 2019. The Office is yet to dispose obsolete assets due to delay in consolidating the items, to warrant bulk sale by Public Auction. This was complete in March 2019 and the planned disposal date is at end April 2019 and the recommendation is considered by management as closed.	Closed	April 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 PERFORMANCE AUDIT GENEVA (17-PE-CH10-04)	To keep a trail of all approvals given to offices on negotiations and agreements, we recommended that RMM should document and put on record all such approvals.	Management agreed with the recommendation and stated that communication of approvals is on record from all Offices that coordinate their local Air Ticket Agreements. Management added that in addition to the RMM records, LEG Contract review team maintains all records of the agreements as well as the coordination with various units/Departments.	All requests for approval for new Local Airline or ticket vendor Agreements are copied to the RMM Agreements Review Group, which is tasked with the responsibility of reviewing and keeping on record all approvals granted prior to LEG endorsement. Further to this, all responsible departments, divisions are informed that all Air Ticket Agreements must be reviewed and approved by RMM for subsequent endorsement, therefore ensuring compliance by all offices to share the Agreements with RMM. For institutional direction and guidance, the DOE Director in support of RMM's initiative sent a Compliance message to All offices worldwide on the procedures for coordinating Airline and Air ticket vendor agreements, included as part of the wider streamlining the operational procedures and reporting for all the movements managed by the organization. this worldwide message helped to close the loop, to ensure that all offices comply to the procedure that RMM has put in place.	Closed	March 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 PERFORMANCE AUDIT GENEVA (17-PE-CH10-08)	We observed that the good practice of instituting Quality Control regimes in Amman has been useful and recommended that management should require all offices to put in place similar quality control regimes	Management agreed with the recommendation and stated that RMM will study the Quality control regimes implemented in Amman and assess if similar practices exist in other offices. In 2018, management will focus on the training and deployment of the new iGATOR system to be completed by end of June 2019.	The new iGATOR System was deployed to all offices on 18 February 2019. This system includes new reports for quality control and monitoring the status of the Ticket Order Records (TORS) as well as Invoice and Credit Note statuses. The system also provides both operational and finance Managers with dashboards and reports for detailed analysis of the work of the staff in their respective offices. RMM is confident that the new iGATOR system considers all quality control regimes and best practices implemented in Amman and other offices.	Closed	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 PERFORMANCE AUDIT GENEVA (17-PE-CH10-09)	Some discrepancies in invoice fares submitted to AIS Manila and Airfares prices submitted to the offices delayed the payment process. We therefore recommended that management require all airlines to copy the Offices with the same Air Ticket Invoices that have been submitted to AIS Manila instead of only the ticket price quotes.	Management agreed with the recommendation and indicated that RMM will undertake to train all Operations staff on the procedures of obtaining the fares from Amadeus or from the ticket documents; for the TOR creation. Training will be conducted throughout the rollout/deployment of the upgraded iGATOR system with them aim to be finalized by end of Dec 2018 for all Offices.	All staff responsible for Airline bookings and ticket purchases were retrained and the Standard Operating Procedures (SOP) in preparation for the deployment of the new iGATOR system from December 2018 to February 2019. The iGATOR project team comprising of RMM colleagues, Airline Invoice Settlement (AIS) and the PRISM team trained a group of regional trainers who in turn trained the staff in their respective regions on the how to manage the Airline tickets and record the fares in iGATOR. the fares are obtained from the Airline agreements and the fares stored in the bookings in Amadeus system as well as the confirmations / offers received from the Air ticket vendor ahead of the ticketing. these fares once recorded in the system are the basis against which the AIS team verifies the Invoice before settlement to identify discrepancies or wrong application of the Agreements. Following the worldwide refresher training for the experienced users, it was also emphasized on the requirement to create the TOR as soon as tickets are issued to ensure that AIS can proceed with the Invoice processing and settlement as soon as Invoices are received.	Closed	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 PERFORMANCE AUDIT GENEVA (17-PE-CH10-10)	To address concerns about duplication of TOR entries in the iGATOR, we recommended that management should undertake a system review of the iGATOR to address the concerns of duplication.	Management agreed with the recommendation and indicated that implementation is ongoing. Management added that the new system should be ready for deployment by April 2018 and the training and rollout to all Offices worldwide will be completed by end of December 2018.	Comprehensive system review was undertaken, and it was resolved to upgrade the integrated ticket order record (iGATOR) system to a new SAP Fiori platform. This new platform on SAP was incorporated as a module in PRISM which enable real time validation for duplicate TOR entries, as the transactions are recorded directly in the financial system. further to the new system being in PRISM, a unique individual identifying number for all Migrants from MiMOSA and the staff personnel number for staff tickets was also incorporated to enhance the duplicate check business rules built into the system.	Closed	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2017 PERFORMANCE AUDIT GENEVA (17-PE-CH10-11)	We recommended that management should train the remaining operations staff from offices who have not yet participated in the "Movement Systems Support on the job training".	Management agreed with the recommendation and stated that this will be implemented with the introduction of the new system and added that training of all Operations staff will be done in 2018. Management further stated that RMM will undertake to incorporate the Invoice settlement procedure as part of the iGATOR training.	All staff required to use the iGATOR system were trained on the end to end processes of the new system, starting from creating the Ticket Order Records (TOR), Invoice processing, Credit note creation and updates for the reimbursed amounts. During the testing and user acceptance test, the iGATOR team trained 16 staff representatives from each region and select large offices who assisted with the in-depth testing of the system; Training of trainers. These staff (trainers) were then tasked with the responsibility of cascading the training to the operational and financial staff in all offices in their respective regions on the TOR and Invoice processing. The training on the Invoice and Credit Note processes, the financial processing of tickets, which is covered by the "Movement Systems Support on the job training" was necessary because the offices processing invoices for Local vendors, needed to be trained on these aspects. In building the new system, the team incorporated the best practices applied by Movement Systems Support (MSS) and Airline Invoice settlement (AIS) to the extent possible to benefit the Local office processes. The system has been successfully used for both Global and Local Air ticket vendors thus the training was effective.	Closed	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 CERTIFICATION AUDIT GENEVA (16-CT-CH10-09)	We recommended that Management should consider reviewing: the current RMF to include a systematic identification, review and prioritization of risks faced at both ROs/COs and Corporate/Headquarters levels; reporting timelines by risk owners; roles and responsibilities of line management staff and the risk committee; and the inclusion of risk maturity matrix. We also urged Management to leverage on its information technology to provide solutions which would ensure easy recording, analysis and monitoring at both operational and corporate levels to facilitate easy implementation in an integrated manner.	Management agreed with the recommendation and stated that it will continue its efforts to strengthen the risk management function.	A new position was approved in the budget in 2019 for the Risk Management Function. In addition, the Risk Information System is in the final stages of the procurement process and will be rolled out in second half of this year to strengthen the risk management processes by streamlining the input and analysis of risk information, to ensure that risk information can be channelled in a timely manner to facilitate effective action. In this context management considers the recommendation closed.	Closed	April 2019
2016 CERTIFICATION AUDIT GENEVA (16-CT-CH10-08)	We recommended that Management should consider amending the treasury policy guidelines to include the submission of report to SCPF which could highlight any changes in the investment and forex management policy; levels of investments made during the period; investment performance; and suggestion of other investment portfolios.	Management agreed with the recommendation and indicated that it will assess how to meet the requirements within the framework of current report submissions to the SCPF.	Management expanded the information provided within the within the Annual Financial Report to provide adequate information on the organization's investments.	Closed	June 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 INTERIM AUDIT MANILA (16-IN-PH98-01)	We urged Management to activate the Budget AVC to ensure that budget holders/programme managers respond timely to budget utilization alert to enable them take appropriate action to operate within amounts allotted them.	Management agreed with the finding but indicated that the activation of rigid system validation in line with the Budget Availability Control tool of SAP is not an option at this stage due to the operational requirements of IOM. However, automatic issuance of the notification alert will be prioritized, with due consideration given to the PRISM Working Group as regard to available resources and other priorities already in the pipeline. Management also added that adequate time will be allotted to raise awareness of offices before the alert is triggered, and reasonably estimates that the budget utilization alert in PRISM will be in place within the year 2017. It further indicated that the tool will also be utilized to ensure that budget balances are revised and uploaded in the system in a more frequent and timely manner to closely match budget with the actual project expenditures, and that from the current biannual request, project budget updates will now be processed three times a year.	Following the official launch of the Budget Consumption Alert system in year 2018, the functionality continuous to undergo review and monitoring to ensure that the requirement of the management and of the general users are met. In this line, several updates with its current design are expected to be incorporated as part of the system's enhancement. These changes are already in the pipeline for development and are targeted to take effect during 2019.	Closed	September 2018
2016 INTERIM AUDIT MANILA (16-IN-PH98-03)	We recommended that the Organization should develop a strategic asset management framework to incorporate all procedures and practices for acquisitions, operations and management of the Organization's assets and ensure efficient utilization.	Management agreed with the recommendation in principle that an Asset Management Strategy at a high level would guide the overall asset management activities within IOM, especially where related to major purchases such as land and buildings and also indicated that a whole section in the Financial Management Manual is foreseen to be dedicated to fixed assets and will address and summarize many of the elements mentioned in the observation.	The Financial Management Rules and Procedures including a dedicated module on asset management, have been finalized and released.	Closed	October 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 COMPLIANCE AUDIT WASHINGTON (16-CO-US10-03)	We urged Management to consider organizing structured dialogues with donors on financing and create harmonized external communication and advocacy tools, to assist in long-term sustainability and prioritization. Management should also impress upon Member States or donors, the need for assurance of availability and timeliness of release or lodgement of promised funding to allow for a greater degree of certainty in predicting availability of funds for efficient planning and effective delivery of programmes and projects.	Management agreed with the value of predictable and structured funding streams but stated that most of USG counterparts are funded by US Congress on annual basis and that counterparts in the US Administration cannot commit long term resources that Congress has to allocate on annual basis without breaching stipulations of Foreign Assistance Act and grant making processes.	The guidelines were developed and shared at Headquarters, with the Migrant Assistance Division, networks of regional thematic specialists and current project management sites. The ensuing follow-up calls resulted in proposals for a Western Hemisphere project (created by consolidating the existing Caribbean and Central America projects), an Africa project (consolidated North, West, Horn of and Southern Africa projects), and a Western Balkans and Asia Project (consolidated East Asia, Central Asia and Mekong projects). The guidelines specifically included the roll-out of the Migrants in Countries in Crisis Initiative as part of the emergency pillar of regional programmes and the broadest possible application of migration governance indicators. All the proposals have been finalized and are in the final stages of processing for funding, and management considers the recommendation implemented.	Closed	June 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 COMPLIANCE AUDIT WASHINGTON (16-CO-US10-04)	We urged Management to put in place measures for professional skills development and training in resource mobilization for personnel.	Management recognized the recommended value of a steady plan, access to eLearning and instructional technology and stated that to achieve this the office would need a strong support of more structures within HQ and RO such as SDL, Donor Relations Division (DRD) and Department of Resource Management.	Despite constraints in financial resources, skills development and training in resource mobilization for personnel is a priority for the CORMF. Throughout 2018, CORMF Washington Staff were trained and certified on resource mobilization through the certification of two courses 1 - Fundamentals of Fundraising and 2 - Mastering Major Gifts. These two courses led to the affiliation of staff to the Association of Fundraising Professionals (AFP) at the international, national and local chapters. During 2018, CORMF Washington Staff collaborated with field offices in the Caribbean, mainly Trinidad and Tobago and Dominica to establish their fundraising programs. Furthermore, IOM Washington developed a briefing book on USG priorities which was piloted in the Regional Meeting in San Jose and in the Global RTS DOE meeting in Washington. The CORMF recognizes that professional skills development is a continuous effort and the CORMF is continuously working on producing resource mobilization tools not just for the country office but for IOM wide use. Some of those that are in the pipeline are trainings on the fundamentals of fundraising, an update of the USAID handbook and webinars on WB/IOM cooperation.	Closed	December 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 COMPLIANCE AUDIT WASHINGTON (16-CO-US10-06)	We recommended that Management should institute a Knowledge Management mechanism to document lessons learnt and good practices and policies that yield the most desired results to improve its efficiency and effectiveness.	Management agreed with the finding and indicated that enhancement of knowledge management institutionally requires strengthening.	With respect to cooperation with the USAID Office of Foreign Disaster Assistance (OFDA), the IOM Office in Washington developed Rapid Response Fund (RRF) implementation guidelines, which were finalized in July 2018 and will be updated annually as needed. The guidelines were made available throughout IOM in August 2018, to provide Offices currently implementing RRF programmes and those interested in doing so with useful tools for internal and external use and circulation. IOM has been using the RRF, which is funded by USAID/OFDA, in countries affected by emergencies, including natural disasters, to quickly mobilize resources for local and international service providers. To ensure swift implementation and coherence of legal instruments, the Office of Legal Affairs, the IOM Office in Washington and USAID negotiated a standard template for OFDA-issued contracts, with mutually agreed legal provisions to apply consistently to all awards. Management considers the recommendation implemented.	Closed	August 2018
2016 COMPLIANCE AUDIT TOKYO (16-CO-JP10-06)	We recommended that future agreements should be rendered or translated into the official language of the Organization to facilitate appropriate reviews by third parties who may not understand the Japanese language.	Management agreed with the recommendation and stated that the Office will ensure to budget translation cost at least for longer term agreements such as those for office lease, office clearing and property insurance.	The Office is now in the process of relocating and a draft lease agreement and other relevant documents have been translated into English and are being reviewed and approved by the Office of Legal Affairs. Management considers the recommendation implemented.	Closed	August 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken	Status	Planned date of completion
		S/22/CRP/1	(until April 2019)		
2016 CERTIFICATION AUDIT GENEVA (16-CT-CH10-13)	We recommended that Management should streamline its review procedures on year end activities on self-payer reimbursement and ensure that office offices provide timely information on status of outstanding reimbursement fees. Management should also review its accounting procedures to provide guidance on self-payers who cannot be contacted for refund purposes and adopt timelines for the payment of refunds by field staff.	Management agreed with the recommendation.	IOM central units continue to regularly and extensively monitor and review IOM's accounts and follow up with related Offices. The Financial Management Rules and Procedures has been issued in October 2018, providing clear guidance on Refunds (see FMRP section H.5.10).	Closed	October 2018
2015 CERTIFICATION AUDIT GENEVA (15-CT-CH10-08)	For better internal control and reference, IOM may continue its efforts to develop a one-point source for all financial and accounting guidelines, instructions and procedures.	The drafting of the Financial Management Manual progressed significantly during 2017, the first drafts are undergoing focus groups coordination (including representatives from field offices, regional offices and central units) and will be followed by internal endorsement with the aim to release it as soon as possible current 2017.	The Financial Management Rules and Procedures have been finalized and final released.	Closed	October 2018
2015 PERFORMANCE AUDIT GENEVA (15-PE-CH10-20)	IOM may consider the adequacy of documentation where decisions are taken under delegated authority to mitigate associated financial and other risks.	A new draft policy on Delegation of Authority has been submitted to LEG for review. It should be issued in 2017.	The Instruction on Delegation of Authority in Human Resources matters (IN/270) came into effect on 10 December 2019. It establishes a coherent framework for the delegation of authority for HR matters within IOM and is working well.	Closed	December 2018