

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-fifth Session

REPORT OF THE IOM AUDIT AND OVERSIGHT ADVISORY COMMITTEE

ACTIVITIES FROM SEPTEMBER 2018 TO AUGUST 2019

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Summary of observations

1. The Audit and Oversight Advisory Committee is relatively satisfied with IOM's cooperation but suggests that further recommendations should be implemented to improve operations in some key areas, including the Office of the Inspector General (OIG).
2. During the reporting period, the Committee covered many thematic areas. It made recommendations to the Director General on those areas requiring improvement.
3. Communication with IOM senior management was good, considering that the change in leadership sometimes resulted in management being less available.

Committee membership

4. During the reporting period, the Committee had the following members:
 - Jean-Pierre Garitte, Chairperson
 - Loxly Epie, Vice-Chairperson
 - Carol Bellamy
 - Catherine Bragg
 - Gerardo Carstens

Committee meetings and activities

5. During the reporting period:
 - The Vice-Chairperson reported on the Committee's activities from September 2017 to August 2018 at the Twenty-third Session of the Standing Committee on Programmes and Finance.
 - Four Committee members convened for the Committee's twelfth meeting in Geneva on 1 and 2 November 2018.
 - The Chairperson and Vice-Chairperson participated in the third meeting of United Nations system oversight committees on 11 and 12 December 2018 in New York.
 - The Committee convened for its thirteenth meeting on 4 and 5 February 2019.
 - A Committee member visited the Regional Office for Asia and the Pacific in Bangkok on 15 February 2019.
 - Between 12 and 14 March 2019, during a visit to the IOM Country Office in Bogotá, a Committee member made a day trip to Cúcuta, to observe operations conducted in connection with large-scale movements of migrants in the region.
 - Four Committee members convened for the Committee's fourteenth meeting in Geneva on 4 and 5 May 2019.
 - Committee members had various phone calls and video meetings with IOM staff, including representatives of OIG.
6. Generally speaking, the Audit and Oversight Advisory Committee looks at the broader aspects of good governance: risk management, internal controls, internal audit, ethics, organizational structure, and various financial and non-financial processes.

Office of the Inspector General

7. The Committee remains strongly in support of an independent OIG. Any future reorganization of IOM should ensure that OIG remains intact and should be carried out in adherence with its Charter.

8. To avoid any impediment to the independence of OIG, the Committee considers that all relevant budgetary issues need to be discussed between the Director General and the Inspector General.

9. The Committee discussed the cost–benefit aspects of having OIG spread over three offices in three continents. In the meantime, IOM has decided to consolidate the investigation function at Headquarters and to move the Head of Internal Audit and one more auditor to Headquarters.

10. The Committee acknowledged the challenging situation in which OIG, especially the Inspector General, had to work during the reporting period.

Internal audit

11. The Committee supported the internal audit function plans to give increased attention to reviews of Headquarters processes and procedures, and to carry out thematic audits.

12. The Committee asked the internal audit function to prepare a table of outstanding and long-overdue recommendations ahead of each meeting so that it could discuss them with the parties concerned, as necessary. It has since held a teleconference with a regional office and chief of unit at Headquarters.

13. The Committee was concerned about what appeared to be a few shortcomings in the performance of internal audit work:

- Less than optimum use of the audit software to track the implementation of recommendations;
- Changes in internal audit protocols that apparently affected the overall quality of audit work;
- Insufficient communication among OIG leadership.
- A perceived increase in complaints from auditees.

Evaluation

14. The evaluation function continued strengthening IOM's evaluation and monitoring (M&E) capacity, particularly through training of regional M&E officers. As a result, and also because of the scarcity of central budget for evaluations, there did not seem to be a programme of independent internal or external evaluations.

15. The Audit and Oversight Advisory Committee received the 2018 MOPAN (Multilateral Organisation Performance Assessment Network) Report on IOM. The relevant sections on the evaluation function raised concerns regarding its independence, coverage and quality, which the Committee discussed extensively with OIG.

Investigations

16. During the reporting period, the Committee witnessed a deterioration in the investigation function which ultimately resulted in the departure of the Chief Investigator. The Inspector General took it upon himself to provide the Committee with a systematic approach to investigations, including a full action plan for the future.

Risk management

17. The Committee reaffirmed its view that the Chief Risk Officer should report to the Director General or Deputy Director General. It was pleased to learn that the risk management capacity had been expanded with the creation of an additional post.

System reviews

18. The Committee was informed that both the procurement process and the internal justice system were still under review. It reiterated the need for speedy action in both areas.

Internal Governance Framework

19. While the Committee was encouraged by the development of an internal governance framework and strategy championed by the Deputy Director General, it was concerned that the project might not be finished by the time of her intended departure, at the end of August 2019. It therefore recommended that the framework be drawn up and handed over while the Deputy Director General was still in office.

Visit to the Country Office in Bogotá

20. In March 2019, a Committee member made an official visit to the IOM Country Office in Bogotá, which also works in the context of the large-scale movement of Venezuelan nationals. He also visited Cúcuta, where many of the Venezuelans had ended up. He concluded from the visit that all activities performed by the Country Office were well coordinated and integrated with those of the many United Nations agencies also active there, such as the Office of the United Nations High Commissioner for Refugees and UNICEF. Taking advantage of the visit, the member made several recommendations relating to the programmes that will be included in the annual plan for 2020 and overall internal control at the Country Office.

Visit to the Country and Regional Offices in Bangkok

21. Despite IOM's long-term presence in the country, the Organization's programme there continues to face very significant risks and liabilities as the Government of Thailand has not granted IOM privileges and immunities similar to those granted to United Nations specialized agencies. This literally means that there is no overall protection for the 450 staff in the Country Office or for the 50 staff in the Regional Office. It also leads to critical restrictions in travel, visas and banking arrangements.

22. The Country Office is facing significant challenges as the country increasingly moves to middle-income status and the focus of its work shifts to labour migration and private sector engagement. This is likely to result in a need for fewer but more sophisticated staff.

Extension of mandates

23. In view of the changes in the Administration, and to ensure continuity, permit new senior management members to benefit from the Committee's experience and knowledge, and allow enough time to select new members for the Committee, the Chair proposed to the Director General that Committee members extend their mandates on a staggered basis. The Director General approved the following schedule, subject to the Member States agreement:

- Carol Bellamy leaving on 31 December 2020 instead of March 2020;
- Loxly Epie leaving on 31 December 2021 instead of March 2020;
- Jean-Pierre Garitte leaving on 31 December 2021 instead of March 2020.

24. The Administration will establish a selection panel that includes representatives of Member States.