

**STANDING COMMITTEE ON PROGRAMMES AND FINANCE**

**Twenty-fifth Session**

**REPORT ON THE WORK OF THE  
OFFICE OF THE INSPECTOR GENERAL**



## REPORT ON THE WORK OF THE OFFICE OF THE INSPECTOR GENERAL

### Introduction

1. The Office of the Inspector General submits an annual report to the Standing Committee on Programmes and Finance. The present report provides an overview of the activities of the Office, including evaluation, internal audit, investigation and inspection, for the period from 1 July 2018 to 30 June 2019.

### Mandate and strategies of the Office

2. The mandate of the Office is to provide the Director General with independent, objective assurance and systematic review and advice, to add value to and improve the design, delivery and operations of IOM's programmes and projects.

3. The purpose, authority and responsibilities of the Office are set out in the Charter of the Office of the Inspector General. The Office contributes to oversight at IOM through its evaluation, internal audit, investigation and inspection functions. As part of its assurance mandate, the Office determines whether the objectives of IOM are pursued efficiently and effectively and in compliance with the Organization's regulations, rules and expected results. It also provides the Administration with consulting and advisory services on organizational issues and policies and conducts independent reviews.

4. The Office carries out its internal audit function in general conformance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and its investigation function in alignment with the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators and with due regard to the jurisprudence of the International Labour Organization Administrative Tribunal. It performs evaluations in accordance with the Norms and Standards for Evaluation of the United Nations Evaluation Group, and with other guiding principles established by the Group concerning the conduct of evaluations.

### Summary of activities during the reporting period

5. Table 1 summarizes the activities carried out by the Office from 1 July 2018 to 30 June 2019. (For more details on the work of each function, see the separate sections below.)

**Table 1: Breakdown of activities**

Internal audits	Investigations: cases closed*	Central evaluations and project performance reviews	Inspections/ participation in reviews
34	160	4	4

\* For further breakdown of investigation activities see Table 3.

6. Heads of all functions held regular meetings with the Audit and Oversight Advisory Committee and acted upon the its recommendations.

**Office structure and resources**

7. Table 2 summarizes the approved staffing levels in the 2017, 2018 and 2019 Programme and Budget.

**Table 2: Approved staffing levels**

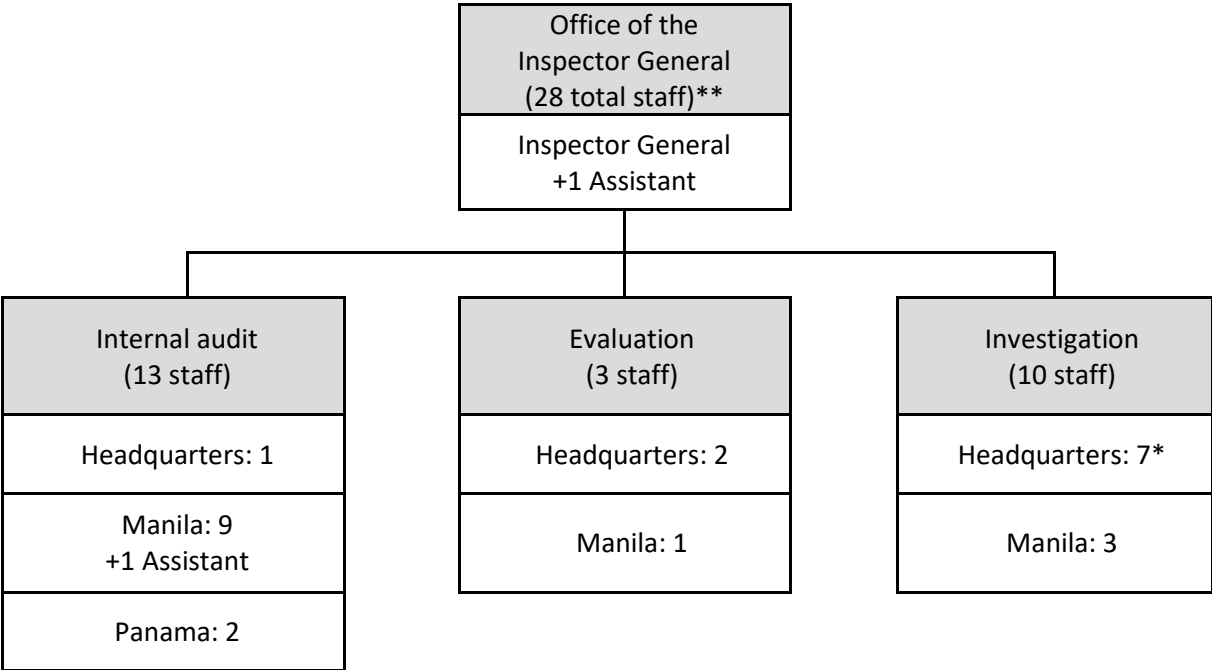
	2017	2018	2019
Inspector General	1	1	1
Internal audit*	12	12	12
Investigation*	4	6	10**
Evaluation	3	3	3
General Service support staff	2	2	2
<b>Total</b>	<b>22</b>	<b>24</b>	<b>28</b>

\* Including international and national officials.

\*\* Two approved positions remained vacant and consultants were hired for some of the reporting period.

8. The Office has staff in three locations: Headquarters, the Manila Administrative Centre and the Panama Administrative Centre (see figure below).

**Staffing by location**



\* Including two approved positions that are yet to be filled.

\*\* In addition, there are three temporary staff members at Headquarters working on projects.

9. During the reporting period, to support its investigations, the Office engaged investigation consultants to cover the two vacant positions; these consultants provided 546 workdays of service. The overall combined cost of the investigation consultants amounted to USD 284,000.

10. Two additional evaluation and monitoring staff working during the reporting period continued to be funded through unearmarked funds from specific donors.

11. Upon the recommendation of the Audit and Oversight Advisory Committee, a cost-benefit analysis of the Office of the Inspector General, including a consolidation plan, was submitted to the Director General in 2018.

## **Investigation**

12. Investigation is a formal fact-finding inquiry to examine allegations of misconduct and other wrongdoing in order to determine whether they have occurred and if so, the person or persons responsible.

13. The Office's investigation function is responsible for conducting independent and objective investigations to protect the integrity and improve the efficiency and effectiveness of IOM operations. With the exception of allegations of retaliation, the Office receives all allegations of misconduct, including those related to fraud, waste, workplace harassment, abuse of authority and sexual exploitation and abuse.

14. The investigation function is currently composed of seven fixed-term staff positions, including two that have been approved but not yet filled. Furthermore, three people have been recruited under special short-term contracts, including one working on data and forensics. Forensic and data analysis was a critical component of all investigations during the reporting period. The Office anticipates that computer forensics will continue to be a significant factor in future investigations.

15. The investigation function is supplemented by the services of 10 investigation consultants. Of this group, eight led and conducted investigations, one provided home-based support and one provided Arabic interpretation and translation.

16. During the reporting period, two investigators from the Office assisted with the implementation of investigative interview training at the World Food Programme and a further two investigators attended separate investigation training with the French gendarmerie. One investigator also represents the Office on the IOM Headquarters Task Force on the Prevention of Sexual Exploitation and Abuse, the aim of which is to coordinate the Organization's efforts in that area.

17. A total of 510 cases were handled by investigation staff members during the reporting period. Table 3 provides further details of this caseload.

18. The Office has created a three-phase, systems-based approach to investigations. The first phase of the plan – entitled "Enable" – was initiated at the end of the reporting period. The remaining phases, known as "Assure" and "Consolidate", will follow in due course.

19. The Inspector General would like to take this opportunity to sincerely thank the Director General, the Deputy Director General and all IOM Member States – with special thanks to the Government of the United States of America – for their efforts and support in transforming internal justice within the Organization.

**Table 3: Investigation caseload**

<b>Status of investigations</b>	<b>Number of cases</b>
<b>Carried over from the previous period</b>	
Cases under investigation	68
Cases undergoing assessment	105
Cases assessed and pending investigation or closure	12
<b>Total cases carried over from the previous period</b>	<b>185</b>
Cases received during reporting period	325
<b>Total cases carried over and received</b>	<b>510</b>
<b>Cases closed during the reporting period</b>	
Post assessment	66
Referred to other IOM offices (e.g. HRM, field offices, the Ombudsperson)	19
Directly referred to LEGHR	25
Substantiated with an investigation report and referred to LEGHR	19
Investigation conducted and case unsubstantiated	31
<b>Total cases closed during the reporting period</b>	<b>160</b>
<b>Status as at 30 June 2019</b>	
Cases under investigation	68
Cases undergoing assessment	249
Cases assessed and pending investigation or closure	33
<b>Total ongoing cases</b>	<b>350</b>

HRM: Human Resources Management Division; LEGHR: Human Resources Legal Issues Division.

## **Evaluation**

20. The Organization's central evaluation function continued to reinforce a culture of evaluation in IOM, offering expert advice and technical guidance to IOM field offices and Headquarters on monitoring and evaluation matters. Its work is guided by the three-year Monitoring and Evaluation Strategy (2018–2020), which promotes and supports an effective and decentralized approach to evaluation and focuses on enhancing capacity and learning on monitoring and evaluation.

21. The Office carried out its central evaluations as per its biennial evaluation workplans for 2017–2018 and 2019–2020. During the reporting period, two evaluations were completed. The reduction in number compared to the previous reporting period is mainly the result of the increased workload required for the finalization and launch of training initiatives, and the production of specific technical guidance. The Office also conducted two project performance reviews.

22. In July 2018, the Office requested to become a full member of the Inter-Agency Humanitarian Evaluation Steering Group. In May, three staff members attended the United Nations Evaluation Group Evaluation Week 2019 in Nairobi, which consisted of professional development seminars and evaluation practice exchange sessions, followed by the Annual General Meeting of the heads of United Nations evaluation offices.

23. The Office published a guidance note on the conduct of project performance reviews, which can be used to provide mid-term reviews and quick overviews of project implementation performance. The Office also provides support to adapt the process to the specific needs of different users within the Organization. For example, the global WASH team – which addresses activities related to water, sanitation and hygiene – within the Department of Operations and Emergencies designed a process for reviewing projects in that area. Furthermore, the Office started to work on other technical guidance notes and policies to comply with some recommendations of the 2017–2018 Performance Assessment by the Multilateral Organisation Performance Assessment Network (MOPAN), which was published during the reporting period.

24. In coordination with the Regional Offices in Cairo and Nairobi, a third training course on conducting internal evaluations took place in Nairobi in November 2018.

25. The facilitator-led e-learning course on monitoring and evaluation became available in October 2018. A facilitator guide and a roll-out plan were developed in collaboration with the Regional Monitoring and Evaluation Officers. With guidance from the Office, a training course was conducted by the Regional Office in Vienna and a further course was started in the Regional Office in Bangkok in June 2019. All training courses are available in the three official languages.

26. Eight of the nine Regional Offices have Regional Monitoring and Evaluation Officers working in close cooperation with the Office of the Inspector General. In December 2018, a global retreat was organized to strengthen collaboration, define a common course of action and learn from each other's experiences. A full day was dedicated to the roll-out of the online training.

27. The development and roll-out of the monitoring and evaluation training initiatives and technical guidance mentioned above was possible thanks to funding received from the Government of Sweden and the United Kingdom Department for International Development.

28. The Office manages a monitoring and evaluation network, which grew from 206 staff at the end of the previous reporting period to 243, located in 90 countries. Through this network, it organized two webinars and published material and guidance to share good practices. It also continued to strengthen monitoring and evaluation in the IOM results-based management approach.

29. Evaluation staff members continued their quality control of internal and external evaluations. In addition to the two aforementioned central evaluations conducted by the Office, thirty decentralized evaluations (11 external and 19 internal evaluations) were added to the evaluation webpage ([www.iom.int/evaluation](http://www.iom.int/evaluation)).

#### **Internal audit**

30. The function performs internal audits consistent with international audit standards. The audit universe is composed of processes, functions, and regional and country offices. The annual audit workplan, which is based on a detailed risk assessment, is endorsed by the Audit and Oversight Advisory Committee and approved by the Director General.

31. Tables 4 and 5 below reflect the audits performed during the reporting period.

**Table 4: Regional breakdown of audits performed**

	<b>Africa and the Middle East</b>	<b>European Economic Area</b>	<b>Asia and the Pacific</b>	<b>Central and North America and the Caribbean</b>	<b>Total</b>
Country office audit	10	8	7	-	25
Regional office assurance audit	1	1	1	1	4
Programme audit*	1	-	1	-	2

\* Commissioned by the internal audit function and performed by the external auditors.

**Table 5: Systems and process audits performed**

	<b>Personnel administration</b>	<b>Payroll function</b>	<b>Regional accounting support</b>	<b>Total</b>
Systems and process audit	1	1	1	3

32. In addition to the above audits, three special engagements for IOM management were completed. The internal audit function also participated in an inter-agency audit assignment led by UNICEF.

33. Although IOM management is responsible for implementing recommendations, the internal audit function increased its efforts to systematically monitor and follow up on outstanding recommendations with the units concerned.

34. Table 6 provides a breakdown of outstanding internal audit recommendations by level of priority, as at 30 June 2019.

**Table 6: Outstanding recommendations by level of priority**

<b>Year</b>	<b>Very high</b>	<b>High</b>	<b>Medium</b>	<b>Total</b>
2016	-	2	1	<b>3*</b>
2017	1	10	12	<b>23</b>
2018	13	73	102	<b>188</b>
2019	19	130	209	<b>358</b>
<b>Grand total</b>	<b>33</b>	<b>215</b>	<b>324</b>	<b>572</b>

\* The three outstanding recommendations from 2016 relate to vendor management. New implementation dates (in June 2020) have been coordinated with the Head of the Procurement and Supply Division.



35. A recurrent finding is defined as one that is substantially similar in nature to another identified in consecutive audits or during any other audit within the reporting period. Recurrent findings require significant management attention as they are considered to present a very high to high risk. The recurrent findings and key areas for improvement revealed during the reporting period were consistent with the annual audit risk assessment results and previous reports. The internal audit function will continue to identify and include the root causes of such recurrent audit findings in its risk assessment process to facilitate production of relevant annual audit plans.

36. The main recurrent audit findings presented per audited area are:

- (a) **Deficient segregation of duties and absence of a current delegation-of-authority matrix.** This is often coupled with deficient resource management structures, the absence of risk management plans or the performance of inadequate risk assessments, and inadequate security arrangements, in particular in highly complex operations.
- (b) **Weaknesses in human resources management** continue to be identified, the majority of which reflect the need for improved personnel file management (i.e. proper documenting of issues pertaining to individual staff members, such as missing documents and/or inappropriately filed medical examination records); strengthened compliance with the Unified Staff Rules and Regulations; and rectification of miscalculations and missing Compensation Plan contributions. In addition, there remain instances where the terms of reference do not reflect the actual duties and responsibilities assigned to staff. Lastly, training on gender matters and the prevention of sexual exploitation and abuse, and compliance with the Staff Evaluation System should be further improved in several locations.
- (c) **Suboptimal application of procurement rules** continued to be a major issue of concern. The frequency with which this issue occurred appears to indicate a widespread lack of understanding of how the rules help to improve efficiency and lower costs in individual country offices. In many instances, audit findings related to the absence of fully documented procurement processes, weaknesses in contracting processes and the inefficient use of PRISM to register and monitor procurement milestones. Asset management continued to be mentioned in audit reports predominantly in the context of absent or deficient insurance policies and poor inventory management coupled with poor use of PRISM dedicated modules.
- (d) **Inconsistencies in financial management** were identified in several audit findings. These included instances of old outstanding items in cost centre or vendor balances, instances of incorrect recordings and the use of suspense/general ledger accounts, as well as ineffective management of cash, especially in high-risk areas or operations.
- (e) **Delays in project implementation and donor reporting.** This often leads to project underspends or overspends. Delays in achieving project milestones, hold-ups in project activation and endorsement and frequent requests for no-cost extensions are indicative of poor project design and planning, with unrealistic implementation timelines vis-à-vis recruitment of project personnel and orderly procurement of goods and/or services. No-cost extensions and persistent delays in donor reporting pose a reputational risk for IOM. Deficiencies in managing project costs may lead to unrelated costs and disallowed expenses, resulting in value-for-money considerations, since funds originally allocated to operational activities are instead used for staff and office cost budget lines.
- (f) **Inconsistent application of IT procedures, policies and guidelines.** This included deficiencies in in-house application of controls, inadequate back-up procedures, IT equipment that was overdue for replacement and failure to apply the policy requiring staff to change their passwords on a regular basis. In some instances, inadequate IT training or support was observed.

37. The internal audit function continued to engage the services of an IT expert as a guest auditor, as well as subject matter experts who supported auditors during complex audits.

38. IOM also continued to publish condensed summaries of its internal audit reports within a reasonable timeframe after their release (available at [www.iom.int/internal-audit](http://www.iom.int/internal-audit)).

39. Internal audit staff participated in capacity-building initiatives, including training courses on the prevention of sexual exploitation and abuse and expert seminars conducted by the Institute of Internal Auditors.