

26th SESSION OF THE STANDING COMMITTEE ON PROGRAMMES AND FINANCE

1 JULY 2020
GENEVA

26th SESSION STANDING COMMITTEE ON PROGRAMMES AND FINANCE

AGENDA ITEM 4

Financial Report for the year ended 31 December 2019

Joseph Appiah

Comptroller / Director

Department of Resource Management

Financial Report for the year ended 31 December 2019

1. Management report
2. External Auditor opinion - Unqualified opinion

The financial report, related notes and other disclosures give a true and fair view of the financial position for the year ended 31 December 2019.

3. In arriving at its opinion, the External Auditor undertook certification: performance (Health claims processing) and compliance audits: (9 offices: Accra, Ankara, Bamako, Belgrade, Berlin, Brussels, Cox's Bazar, Manila and Sarajevo).
4. Continued IPSAS compliance.

Highlights



Total expenses USD 2.1 billion. An increased **USD 302.8 million** compared to 2018 results of USD 1.8 billion.



The revenue from voluntary contributions, combined with the **deferred revenue** (contributions secured for projects to be realized after the reporting period) reached **USD 3.3 billion** (2018: 2.7 billion)



Continued trend in **OSI increase** and funding for **IDF**.



Strong **liquidity**, over **USD 1.4 billion** in cash and short-term investments at year-end 2019 (2018: USD 1.4 billion)



USD 234.3 million **receivables** from donors related to project activities (an increase from 2018 USD 174.7 million).

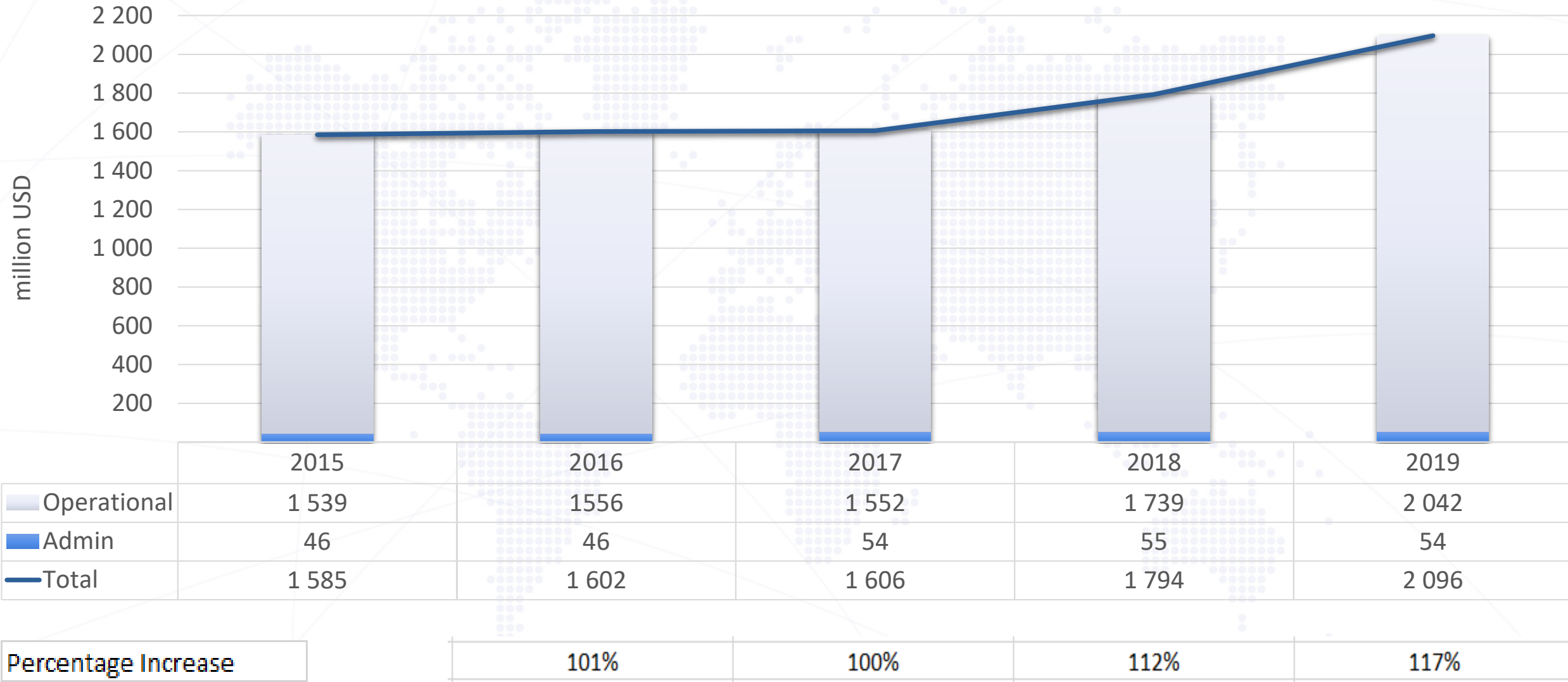


CHF 7.6 million outstanding assessed contributions a slight increase of CHF 0.2 million compared to 2018 CHF 7.4 million.



USD 1.5 million OSI applied to cover **write-offs** in the absence of other source of income.

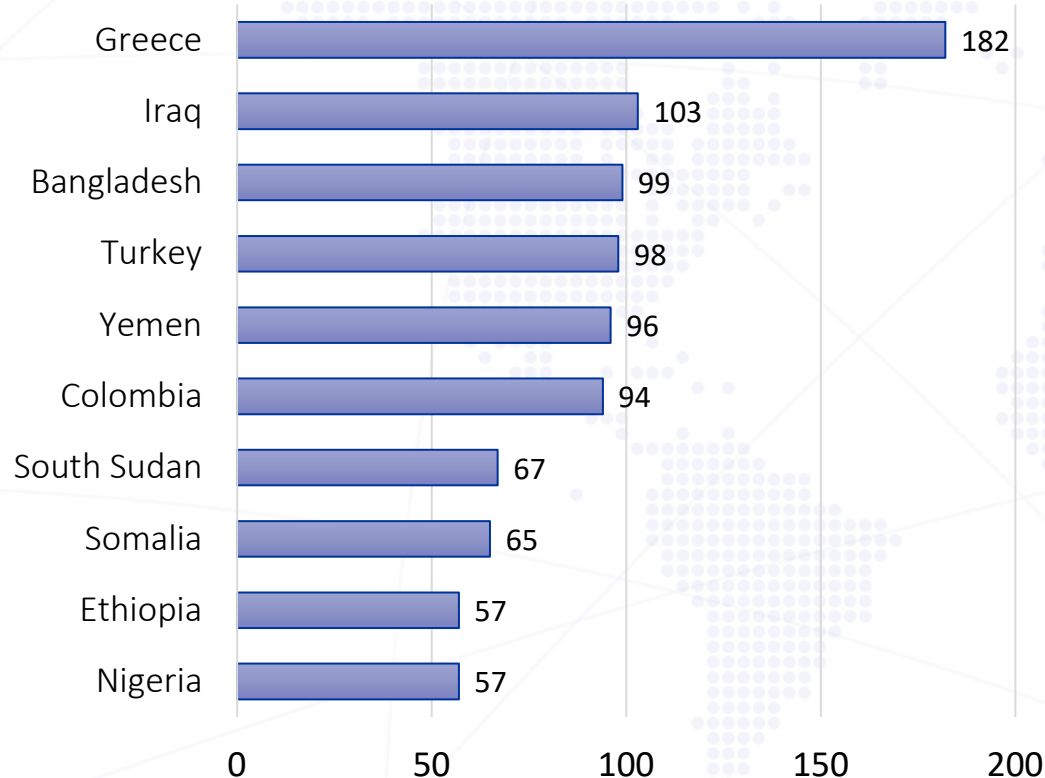
Total Expenses - 5 years trend (in USD million)



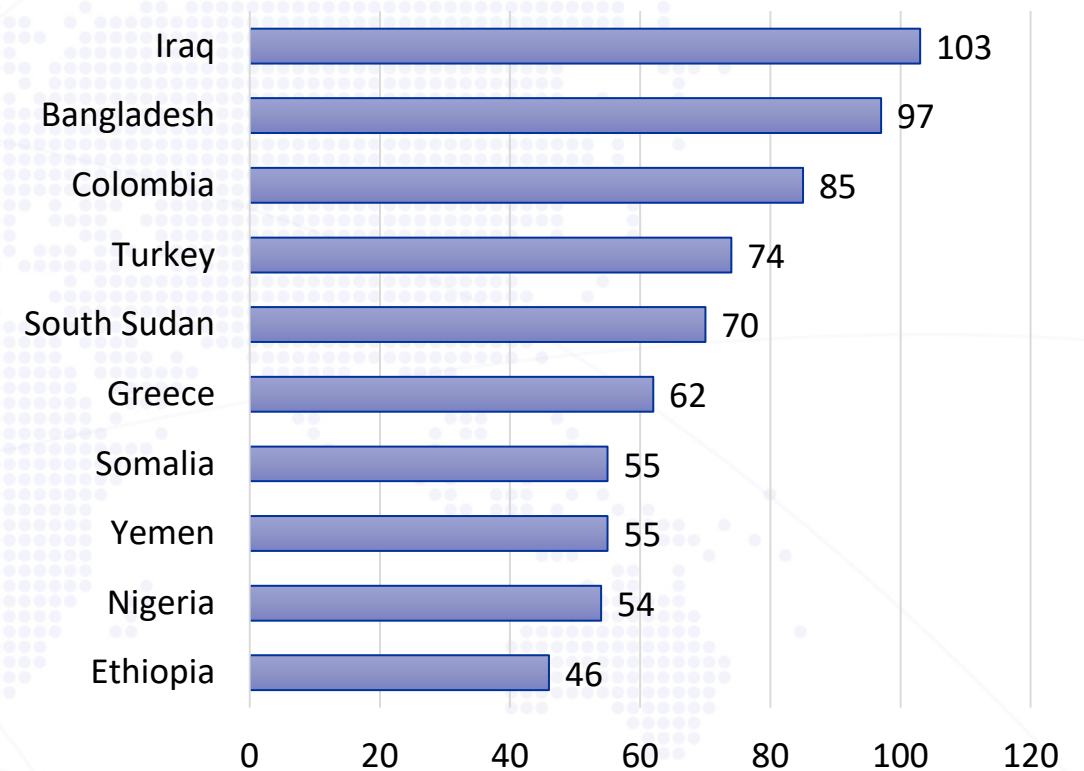
Offices with Highest Level of Expenditure*

(in USD million)

2019



2018



* Based on implementing office business area

Expenditure per Service segment and Region

Service Area	Asia	Africa	Europe	Latin America and the Caribbean	Middle East	North America	Global Activities	Administrative Programme	Total 2019	Total 2018	% Increase
Movement, Emergency and Post-Crisis Migration Management	192.8	363.8	292.0	99.1	205.5	10.6	67.0		1,230.8	1,028.1	20%
Migration Health*	26.5	44.4	7.9	5.4	41.2		61.8		187.3	151.1	24%
Migration and Development	4.8	16.8	6.7	9.2	3.4	0.6	1.2		42.7	48.0	(11%)
Regulating Migration	71.2	146.0	191.3	13.5	31.3	2.9	10.6		466.9	407.5	15%
Facilitating Migration	16.4	4.2	12.8	18.2	1.2	0.6	34.7		88.1	67.1	31%
Migration Policy, Research and Communications	0.7	1.6	2.3	0.3	0.2		4.8		10.1	10.8	(7%)
Land, Property and Repatriation Programmes	0.3		0.1	17.9	0.5		0.1		19.0	14.0	36%
General Programme Support/Services	4.9	11.1	13.4	5.0	2.1	2.4	(41.8)		(3.0)	11.9	(125%)
Administrative Programme								54.4	54.4	55.0	(1%)
Total 2019	317.6	587.9	526.5	168.7	285.5	17.1	138.5	54.4	2,096.3	1,793.5	17%
Total 2018	328.2	509.1	379.4	153.3	244.2	23.8	100.6	55.0	1,793.5		
% Increase	(3%)	15%	39%	10%	17%	(28%)	38%	(1%)	17%		

* Health issues cut across all areas of IOM's work. This figure reflects only specific migrant health activities and does not include the health-related expenditure integrated into other services.

Statement of financial performance

Administrative part of the Budget

Small part of total expenditure 3% of consolidated expenditure in 2019

Budget increased by CHF 10,362 (0.02% increase) due to new member state Uzbekistan.

Administrative programme result:

CHF 1,480,474 deficit due to carry forward from 2018 and increase in the provision for doubtful receivable in 2019.

	BUDGET	ACTUAL	
	2019 CHF	2019 CHF	2018 CHF
REVENUE		52 240 024	50 728 318
EXPENSES			
Total: Staff salaries, benefits, travel and representation	41 527 000	42 314 483	41 284 588
Total: General office	4 498 760	3 813 223	3 872 090
Total: Contractual services	1 908 264	1 910 067	3 055 783
Total: Others	4 306 000	4 200 056	2 548 246
Subtotal: Expenses - before provision for doubtful receivables	52 240 024	52 237 829	50 760 707
SURPLUS/(DEFICIT) BEFORE PROVISION FOR DOUBTFUL RECEIVABLES IN CHF		2 195	(32 389)
(Increase)/decrease in provision for doubtful receivables		(398 858)	517 229
SURPLUS/(DEFICIT) FOR THE PERIOD IN CHF (on modified accruals (budgetary) basis)		(396 663)	484 840
Excess of resources/(expenses) brought forward at the beginning of the year		(1 083 711)	(1 568 551)
SURPLUS/(DEFICIT) AT THE END OF THE PERIOD IN CHF		(1 480 374)	(1 083 711)

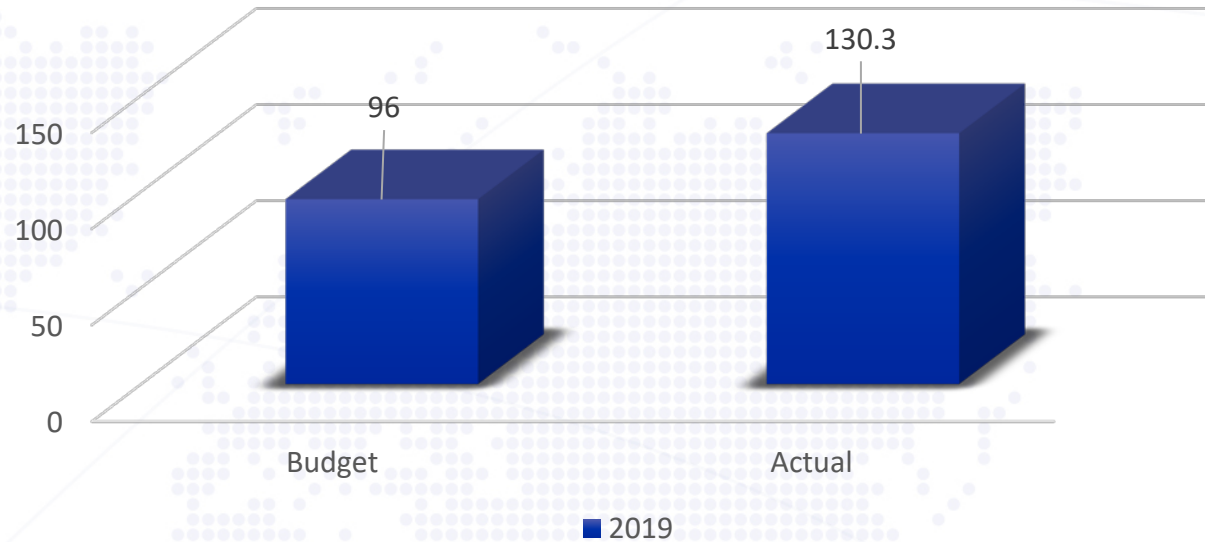
OPERATIONAL SUPPORT INCOME

(IN USD MILLION)

USD 34.3 million excess allocation:

- USD 4.9 million to Staff Security Mechanism
- USD 12.8 million to IOM Development Fund
- USD 1.9 million to overspent approved OSI budget lines
- USD 1.5 million to unforeseen and unbudgeted project shortfalls
- USD 13.2 million to the OSI reserve

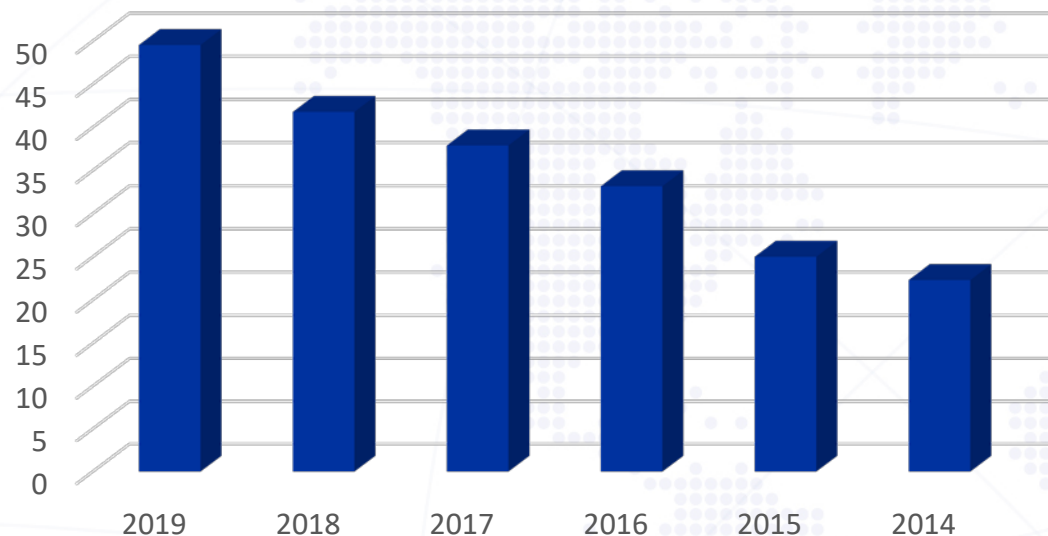
OPERATIONAL SUPPORT INCOME (2019)



OSI SOURCES	2019 Budget	Actual Sources	Variance
Total project-related overhead	89 300 000	110 803 262	(21 503 262)
Total miscellaneous income	6 700 000	19 520 059	(12 820 059)
TOTAL SOURCES	96 000 000	130 323 322	(34 323 322)

The operational programmes - 2019

Operational Support Income reserve balance (IN USD MILLION)



OSI 2018 Carry forward

USD 41,785,690

2019 Additional OSI

USD 13,148,234

SI Reserve Drawdown 2019

(USD 5,400,000)

OSI Reserve balance at 31 December 2019

USD 49,533,923

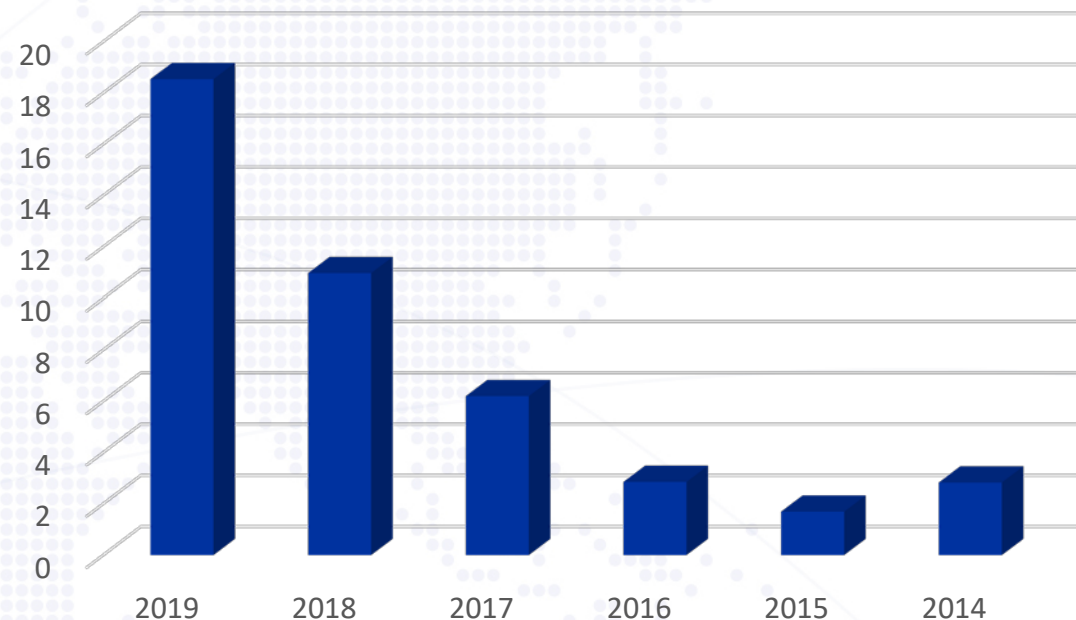
1% of Total Expenditures (S/22/RES/18)

(USD 20,963,188)

Utilization balance

USD 28,570,735

Carry-forward relating to the Staff Security Mechanism (IN USD MILLION)



SSU Carry forward 2018

USD 10,974,788

2019 additional overhead

USD 7,566,387

Balance at 31 December 2019

USD 18,541,175

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2019
(in USD million)

ASSETS

Assets	2019	2018	Increase / (Decrease)	%
Cash and cash equivalents	886 988 668	922 818 960	(35 830 292)	(4%)
Short term investments	474 306 164	506 518 879	(32 212 715)	(6%)
Voluntary contributions receivables	234 277 754	174 711 088	59 566 666	34%
Assessed contributions receivables	4 081 409	4 335 653	(254 244)	(6%)
Others receivables	33 558 032	26 294 382	7 263 650	28%
Inventories	1 177 441	663 211	514 230	78%
Long term investments	133 402 768		133 402 768	
Property, plant and equipment	58 792 160	60 676 776	(1 884 616)	(3%)
Intangible Assets	1 188 085	1 283 950	(95 865)	(7%)
Other assets	209 781 282	163 059 875	46 721 407	29%
Total Assets	2037 553 763	1860 362 774	177 190 989	10%

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2019
(in USD million)

LIABILITIES

Liabilities and Net Assets/Equity	2019	2018	Increase / (Decrease)	%
Funds received in advance :				
- voluntary contributions	1 159 268 956	937 637 358	221 631 598	24%
- assessed contributions	1 010 275	637 637	372 638	58%
- agency relationships	245 421 502	417 209 860	(171 788 358)	(41%)
- other	16 670 725	18 132 667	(1 461 942)	(8%)
Payables relating to employee benefits	152 809 040	125 727 669	27 081 371	22%
Payables to suppliers	205 367 425	150 129 783	55 237 642	37%
Borrowings	5 292 747	5 601 852	(309 105)	(6%)
Refugee Loan Fund – US equity	22 615 432	16 606 361	6 009 071	36%
Other liabilities	39 019 445	28 900 912	10 118 533	35%
Total Liabilities	1 847 475 547	1 700 584 099	146 891 448	9%
Total Net Assets/Equity	190 078 216	159 778 675	30 299 541	19%
Total Liabilities and Net Assets/Equity	2 037 553 763	1 860 362 774	177 190 989	10%

Employee Benefits liability

- Of the total payables to staff USD 152.8 million the total employee benefits liability related to terminal emoluments amounted is USD 141.9 million.
- USD 141.9 falls under the operational part of the budget and is fully covered by the 6% charge to staff costs on all operational projects.
- USD 21.3 million under the administrative part of the budget is unfunded and actual disbursements are covered by annual budgetary allotment.

	2019	2018
After-Service Health Insurance (ASHI)	48 548 779	40 434 763
Sum of entitlements due upon separation	93 310 177	75 490 013
Sub-total - Employee Benefits liability	141 858 956	115 924 776
Other payables	10 950 084	9 802 893
Total Payables relating to employee benefits	152 809 040	125 727 669

CONTINGENT LIABILITIES

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity.

Co-funding - Certain donors commit to finance only a fixed percentage of total project expenditure and specifically require co-funding from other sources to cover the remaining percentage. For 2019 the exposure for the remaining cover amounted to USD 76,162 (EUR 68,241)

Frozen bank accounts in Guatemala, amounting to USD 10.8 million, related to an ongoing legal dispute since 2008.

Contractual dispute amounting to USD 1.9 million, related to termination of a service provider contract in Afghanistan by IOM, due to non-performance, that is being contested.

Out-of-country voting project (Iraq) where a claim of USD 57 million has been dismissed in IOM's favour, but further opportunities for appeal exist.

SERVICES IN KIND

Donor	Type/Class of services in kind received	Unit/Measure
Audit and Oversight Advisory Committee	Audit advisory services	69 days
City of Lausanne (SYNI Programme)	Personnel services	812 days
Danish Refugee Council	Personnel services	216 days
Government of Ghana	Audit Service	325 days
iMMAP	Personnel services	993 days
Netherlands Enterprise Agency	Personnel services	244 days
Norwegian Refugee Council	Personnel services	4 286 days
RedR Australia	Personnel services	568 days
Swedish Civil Contingencies Agency (MSB)	Personnel services	1 000 days
Swiss Agency for Development and Cooperation	Personnel services	569 days
United Kingdom Department for International Development	Personnel services	236 days

SUMMARY OF APPENDIXES

Appendix 1 – Assessed Contributions for the period ended 31 December 2019

Appendix 2 – Outstanding Assessed Contributions for the period ended 31 December 2019

Appendix 3 – Statement of Financial Performance by Service for the period ended 31 December 2019

Appendix 4 – Sources and Application of Operational Support Income

Appendix 5 – Expenditure by Location for the period ended 31 December 2019

Appendix 6 – Refugee Loan Fund

Appendix 7 – List of Voluntary Contributions by Donor (Operational programmes)

Appendix 8 – List of Voluntary Contributions by Donor and Programme/Project (Operational programmes)

Appendix 9 – Government of Guatemala – Guatemala Fiduciary Fund

THANK YOU

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