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Twenty-sixth Session

REPORT OF THE EXTERNAL AUDITOR TO THE 111TH SESSION OF THE COUNCIL OF THE INTERNATIONAL ORGANIZATION FOR MIGRATION FOR THE FINANCIAL YEAR 2019

Office of the Auditor-General of Ghana

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

EXECUTIVE SUMMARY

This report presents the significant findings of the Auditor General of Ghana on the external audit of the International Organization for Migration (IOM) for the 2019 financial year.

During the year under review, we carried out compliance audits of IOM offices in Accra, Ankara, Bamako, Belgrade, Berlin, Brussels, Cox's Bazar, Manila and Sarajevo. We also reviewed some operations at Headquarters and the Manila Administrative Centre, carried out Performance Audit of IOM Medical Claims and validated the Financial Statements of IOM for the financial year ended 31 December 2019.

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, 2019. I have placed an unqualified audit opinion on the IOM's financial statements for the financial year ended 31 December 2019.

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

Financial performance

The overall budget for the year 2019 was USD 2,045.2 million for the Operational Part and CHF 52.2 million for the Administrative Part. During the year 2019, the total revenue was USD 2,127.1 million against a total expenditure of USD 2,096.3 million, leaving a surplus of USD30.75 million. Before considering exchange gains of USD 6.01 million and Administrative programme revaluation adjustment (credit) of USD 0.378 million, the net surplus amounted to USD 36.38 million. The receivables pertaining to assessed contributions (net) and voluntary contributions as at 31 December, 2019 stood at USD 4.08 million and USD 234.3 million respectively. The key financial indicators of IOM for the year ended 31 December, 2019 were as follows:

a. IOM recorded a surplus (before exchange rate difference) of USD 30.75 million during the year 2019, compared to a surplus of USD 18.24 million registered in 2018, an increase of USD 12.51 million or 68.6 per cent.
b. IOM revenue showed an increase of USD 315.30 million in 2019 over the 2018 amount of USD 1,811.77 million.
c. Though due to increase in activities, most of the components of expenditure registered an increase in 2019 over the 2018 figures, the expenditure continued to remain within budget and revenue during 2019.

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

Delay in VAT reimbursable

Our analysis of sampled outstanding tax reimbursable as at the end of 31 December 2019, indicated that a total amount of USD 2,122,585.15 out of USD 8,807,374.47 ranging between 1 to over 4years (365 days –over 1460days) had not been reimbursed by the host countries.

Out of the amount of USD 2,122,585.15 our further analysis revealed that 19% representing USD 404,573.53 of the outstanding VAT Refunds were between 3 and 5 years. **We recommended that management should impress on the Resource Management Officers and Chiefs of Mission to have regular follow up schedule with the tax authorities of the host counties to enhance timely inflow of the needed Value Added Tax reimbursable to support the resource requirement of IOM**.

Outstanding Staff vendor

Outstanding staff vendor

We noted in the review of the staff vendor accounts in SAP PRISM that an amount of USD 15,231,419.13 out of total outstanding figure of USD 16,989,537.31 remained un-cleared. The analysis indicated instances where some outstanding amounts ranging from 60 days and over 121 days. The review further showed that an amount of USD 5,649,655.85 representing 33.25% of the outstanding has been overdue for over 121 days. **We recommended to management to ensure that Accounting and Financial Reporting Division (ACO) enforces (through the field offices) the monitoring of staff entrusted with resources to account and retire advances timely and regularly. Additionally, management should encourage the Offices to be consistent in making the necessary deductions through payroll in line with the PRISM HR operation procedures to make funds available for timely projects execution.**

Receivables-Assessed Contribution

Our review of the member states assessed contribution receivable showed that an amount of USD 329,440.44 was captured under non-current. We further noted that, a revaluation of USD 8,109.30 was made on the outstanding amount thus bringing the total to USD 337,550. We did not find any discount on the non-current amount as required by IOM Policy Guidance Manual for International Public Sector Accounting Standards. We also did not find the establishment of the basis for the determination of the materiality in this instance to serve as a guide for the future. **We urged management to consider the determination of a threshold and a discount rate which would be applicable to guide assigned staff so as to eliminate any discretional interpretation on how the non-current assessed contribution receivable ought to be treated in the Annual Financial Report.**

Separated Staff

Our review and analysis of the separated staff list for the year 2019 against the staff vendor aging analysis showed that 4 staff who separated in 2019 had some outstanding against their names elapsing over a period of 121 days. Further analysis of the above data with that of the staff vendor list in PRISM showed that these staff had their status being 'Active' in the list notwithstanding that they have separated. **We recommended that urgent investigation be made to establish the true status of the accounts of the affected staff vendors for the necessary action to be taken.**

Need for effective Asset management

In our review of asset records from ten selected Country Offices, we noted that some of the Offices were working hard to meet the requirement outlined in the Project Management Handbook and the Financial Management Rules and Procedure.

However, we noted that there were still gaps that ought to be addressed to make the assets information complete in the PRISM system. **We urged management to expedite action to complete the gaps identified and take the requisite steps to eliminate all unserviceable assets from the registers for reliance to be placed on the records for informed decision making on assets under the control of the Offices.**

Budgetary Control

Our review of the United States Refugee Admission Program (USRAP) showed that there were negative variances for some selected Project activities. The United States Refugee Admission Program Fiscal year 2019 report stated that, in the New York Office, negative variances under medical costs were reimbursement checks (cheques) for DNA tests which had gone stale. No reasons were provided for the said stale cheques.

Additionally, we noted that the Resettlement from Turkey and Middle East under Project code RE.0283 was overrun by USD 19,615.78. There were other instances of non-utilization of budget lines, low budget consumption and overrun by some Offices. **On the stale cheques, management should consider the capturing of bank details of displaced persons who undertake the DNA tests at the point of service so that the reimbursements could be paid directly into such accounts to minimize the occurrence of unclaimed cheques. Management should take action to address the budget issues as early as practicable.**

Long-term Investment

Our review of the Financial Management Report (FMR) as well as the Annual Financial Report (AFR) showed that, IOM had made a long-term investment of EUR 40,000,000 (equivalent USD 43,763,677) and USD 100,000,000 though the IOM Financial Regulations provided opportunity for short term investment. Further enquiry made on the transaction led to a document tendered to the audit team which sought to justify the long-term portfolio. We also noted that, (the table under paragraph 30 of the FMR) and

Note 5 to the AFR presentation segregated the short-term investment as those with maturity period falling between 90 to 180 days & 180 to 365 days (within 12 months of the reporting date), whereas long term investment portfolio are those beyond 365 days maturity period. **We recommended that management should do further consultation on these investments to ensure that they meet the relevant provisions (Article 7) in the IOM Financial Regulations**.

PERFORMANCE AUDIT ON PROCESSING HEALTH CLAIMS FOR REIMBURSEMENT AT THE INTERNATIONAL ORGANISATION FOR MIGRATION

The objective of the audit was to determine how well the medical reimbursement system at IOM is delivering on its intended target and whether there is room for improvement.

Our review covered the three insurance schemes operated by the IOM: Health Insurance, Medical Service Plan and MSP US spanning January 2016 to September 2019 and it covered all the worldwide claims submitted from anywhere in the world for reimbursement.

The HCPU is doing its best to process claims with the current capacity of staff and the PRISM platform

The HCPU is currently processing about 83 per cent of medical claims received monthly with its staff capacity. However, all claims received in time are processed in the month. Selected staff at the HCPU has successfully reviewed medical claims up to CHF500 for subsequent processing. The computer system's inability to allow multiple users to access PERN numbers at the same time slows down the processing time of medical claims.

To increase the number of medical claims processed by the HCPU per month, we recommended that, the Human Resources Management (HRM) should redefine the tasks of the two most experienced staff in HCPU-Manila from their current schedule to concentrate on evaluation of claims only, and train the two staff who open pouches and sort claims to work on the electronic claims submission when it is operationalised to help increase the number of processed claims per month.

Poor quality of claim information is submitted to OHU/HCPU for processing

Many of the IOM staff submitted poor quality claim information which adds up to delays in processing of medical claims. This may be due to some staff's poor appreciation of the HI/MSP guidelines for the health insurance claims.

To ensure staff provide adequate information to support and enhance claims processing we recommended that the HRM Division should devise means of consistently providing orientation for new members of IOM on the HI/MSP guidelines. Compile and publish Frequently Asked Questions (FAQs) and their solutions on the PRISM Platform to provide solutions to common problems for staff.

HCPU processing of claims inherently seeks to deal with incidences of fraud

The HCPU is vigilant through its processes of vetting claims and is able to reduce unwarranted payments to the barest minimum. However, the introduction of submitting scanned documents to support claims is likely to bring in other forms of staff manipulating the new system for financial gain.

To improve on detection of altered document, the HCPU should combine a variety of ways in detecting the authenticity of documents including: checks for obvious mistakes in the scanned documents, look out for unusual alteration in the text which could be a manipulation of scanned text in the computer, and verify documents against official database from the proposed source of the document.

Geneva's support to processing of healthcare claims at HCPU (MAC) can be improved

The Head of HCPU does not have a formal deputy, to confidently take on her responsibilities in her absence. The Insurance Specialist's lack of physical presence in Manila implies that all information she needs for monitoring is from reports generated from Manila which could be misleading. This applies to Panama as well.

To facilitate staff motivation, improvements in accuracy and completeness of claims, we recommended that, management of IOM should design a formal structure for the HCPU to also take account of succession plan for the Unit to boost the morale of HCPU staff with regards to career progression. Increase the frequency of visits by the Insurance specialist in Geneva to Manila for first-hand information for decision-making and also to have physical contact with operational staff to discuss their concerns. The Head of HCPU-MAC should delegate more of her responsibilities to the longest serving staff in the HCPU to free her to execute strategic work.

HCPU staff are content with working at IOM in spite of the lack progression in the Unit and monotonous nature of work

The monotonous nature of the work of the HCPU staff and lack of a clear progression in the Unit is a recipe for demotivation of staff but the incentives of working in IOM has kept staff attrition over the years to zero. Performance appraisal system is not formally instituted in the HCPU although it is required as proof of measure of performance. **We recommended that, the HR Division should motivate staff and formerly assess their performance to inform management of the relevant training interventions required to complement their roles**.

Training for HCPU staff has not been frequent and systematic due to budget constraints

Training for HCPU staff has not been frequent and systematic. They have tended to be on the basis of when needed rather than systematic to constantly build staff capacity. Although, there is opportunity for training of the HCPU staff, the budget to implement the training and capacity building proposals have not been forthcoming.

We recommended that the HR Division should assess the training needs for the HCPU in order to provide them with 'tailor-made' training, and continue to support the HCPU staff where practicable to visit Offices with doctors to continuously expose them to medical facilities abroad and arrange for them to provide orientations to staff of the IOM on medical claims.

AUDIT OF REGIONAL AND COUNTRY OFFICES

Delayed delivery of items procured

We noted excessive delays in the delivery of goods procured for the implementation of projects in Cox's Bazar Office. In this regard, some items which were procured in 2018 and expected to be delivered in 2018 were not delivered until 2019 and in some cases the goods are yet to be delivered. **We recommended to management to sign short term contracts with vendors in Cox's Bazar and also urged management to be strict on vendors to ensure that goods procured were delivered on schedule.**

Need to recover the cost of lost items

We noted that, some items assigned to some staff of the Cox's Bazar Office were reported missing or stolen between the period January and September 2019. **We recommended to the Office to take appropriate measures to ensure that the costs of these items are recovered from the staff involved for possible replacement.**

Project evaluation

We observed that, the Project Support Unit of the Bangladesh Office did not carry out project evaluation to assess the worth or significance of the various projects because monitoring and evaluation of projects were not provided for in their budgets. **We recommended to management to explore the possibility of making evaluation compulsory at least for projects with substantial deployment of resources.**

Absence of Agreement with Luxemburg

We noted that though the **Luxembourg** office had facilitated the movement of about 1,400 migrants to their respective countries of origin such as Uganda, Iraq, Georgia, Kosovo, etc. the Office operates with project specific convention but without a Country

Agreement. **We recommended that the Country Office should take steps to regularize its activities through an Agreement with the Government of Luxembourg.**

Activity lag on project implementation

We observed that four out of the 12 active projects of the Brussels Office had low implementation rates of between 43% and 65%. We further noted that even though the four projects relating to Resettlement and Family assessment have been closed, they recorded low utilization of available funds. **We recommended that Management of the Office should expedite action to bring the projects to effective closure and also improve upon its planning in collaboration with implementing agencies.**

Expenditure in excess of budget EUR 18,546

We noted from our review of project implementation that the Brussels Office overspent the budget of two of its projects (FM.0526 and CT.1112) by 19% and 28% respectively. **We recommended that Management should improve on its budget formulation process and supervision of projects to ensure that the Office avoid overspending project budgets.**

Vendor Management

We observed that most of the vendors in the Berlin Office database had not undergone the formal registration process and there was no evidence of the use of the Vendor Information Sheets (VIS) to indicate that periodic evaluation of vendors had been performed. **We recommended regular vendor evaluations, and adherence to IOM regulations coupled with the deployment of the VIS to update the database.**

Project Management

Our review of active projects in PRISM showed that a total of USD 384,012.57 was overspent at Accra Office on two Projects as compared with the funds received. One project overrun some budget lines totaling EUR 327,857.54. **We recommended that Project managers should, in collaboration with the Resource Management Unit, monitor closely the project receivables and make sure to request funding tranches as per the donor agreement.**

Need for effective Asset management and coordination

Our review of SAP PRISM records on assets in the Accra Office showed instances where old assets were still in the register, but status of assets were not captured to provide information on the scan status in the register. **We recommended that management should take steps to update the register and retire old and obsolete assets in PRISM to enhance reporting and decision making.**

Staff Evaluation System

Our review the Staff Evaluation System (SES) of the Accra Office disclosed that some of the evaluations lacked certain information to achieve the objectives of the evaluation exercises. **We recommended that management should coordinate with the relevant unit at Headquarters to ensure that training and staff development are adequately reflected in IOM Staff Evaluation System.**

Sustainability of staff

We observed that six out of the seven active projects under the Accra Office would end in 2020 whilst the remaining one ends in 2021. We also noted from our review of the Staff list that 45 Projectized staff have some dependency on projects that are ending in 2020. **We recommended that management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Ghana Country Office.**

Vendor Management and Evaluation

We noted that the Bamako Office conducted vendor evaluation only during new acquisitions instead of adhering to the criteria set out in the Procurement Manual. The Office did not have long term agreements with vendors even though several purchases were made from the same vendors. **We recommended to the Office to conduct vendor evaluation and verification in advance to have a well-established and updated vendor list.**

Procurement Plan

We observed that although Operation activity of the Bamako Office constitutes 66 to 78 percent of the total budget of ongoing projects, the Office did not have a comprehensive procurement plan for all procurement activities over the project life spanning three years. **We recommended that the Office should develop procurement plan as part of project management process to enhance coordination, transparency and efficiency in the procurement activities.**

Risk Management

Our assessment of activities and processes at the Bamako Office indicated that although the Office took action to mitigate control risks identified, there were no records of risk analysis with related risk matrix as a management tool. The Office has not conducted a formal review of activities to identify the associated risks so that they can be assessed in an effective and coordinated manner to elicit the appropriate mitigating control. **We recommended that the COM should establish effective risk management process in compliance with IN213 and ensure systematic identification and documentation of significant risk and put in place the necessary controls to mitigate them.**

Sustainability of staff

Our review of ongoing activities at Bamako Country Office showed that of the 10 active projects, five will end in 2019 whilst the remaining five ends in 2020. **We recommended that Management should strategize on harnessing the expertise from the Regional**

Office to come up with projects that can secure funding to enhance sustainability of the Mali Office in the contest of projectization.

Management of retirement and unsighted allocated assets

We noted that the Bamako Office had retired about 52 Class 6000 assets to be donated but no Deed of Donation had been prepared. We also found that 478 Class 5000 asset type were not sighted at the Office at the June 2019 Inventory exercise. **We recommend to management to devise a strategy to guide the management of assets at the Office. We also recommended that Management should locate the assets that could not be found and arrange to have the Deed of Donation prepared to facilitate that transfer of the assets to the earmarked beneficiaries.**

Incomplete Purchase Orders

We noted that about 92% of the Purchase Orders (POs) we reviewed in Manila Office were not consented with the vendor's requirement in paragraph 7.0c of IN/168. **We recommended that Management should ensure that the vendors should sign all PO's in compliance with the above provisions.**

Sustainability of staff

Our review of the Staff list at the Manila Office disclosed that 18 Projectized staff depend 100% on four projects which are ending in December, 2019 and February, and December 2020 and May 2022. **We recommended that Management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Office.**

Deficits on Project Line Items

Our review of five projects in the Manila Office showed that some budget lines were exceeded whereas in three instances expenses were incurred on budget lines without allocated budgets. **We recommended that management should realign the budget to accommodate the variations identified and put in place the necessary controls to ensure that such occurrences are dealt with as early as practicable.**

Staff evaluation system

Our review of a sample of completed Staff Evaluation System (SES) in the Manila Office for eight staff members in 2018 indicated that seven staff members did not state clearly their training needs to inform management on interventions for their professional development. **We recommended that management should ensure that supervisors help those they appraised to state clearly their training needs. Additionally, management should work on the training needs to improve efficiency of identified staff.**

Outstanding Staff vendor account
We noted in our review of the staff vendor accounts in SAP PRISM of the Manila Office that there were some outstanding balances ranging from 60 days to over 120 days. **We recommended that the Office regularly recover the amounts from staff per the agreed terms to be consistent with the PRISM HR operation procedures to prevent lapse in recoveries as well as the cleaning of the Staff Vendor balances.**

Vendor Management and Evaluation
Our review of the procurement process at the Manila Office disclosed that, Vendor Evaluation was not done because of reliance on Global Procurement Services (GPS) approved vendor list. **We also noted that the Office does not have long term contract agreements though repeated purchases were made from the same vendors. We recommended that the CoM should work progressively towards securing long-term agreements with reliable suppliers to contribute to effective delivery of projects driven mostly by emergencies.**

Stock Management /Stock Control
We observed that office supplies/consumable stores procured and used by the Sarajevo Office during the review period were not controlled with stores records at the Sarajevo office. **We recommended that bin cards be used at the migrant camps alongside the electronic entries to facilitate reconciliation between physical stock and ledger/book balances.**

Exit Interviews /Staff Turnover
We noted a staff turnover rate of 10% mainly in the category of non-core /support staff at the Sarajevo Office in the period covered by the Audit. We also noted that exit interviews with staff separating from the Office were not documented. **We urged management to conduct and document interviews with departing staff with a view to providing valuable information for use in the preparation of vacancy notices and minimize the incidence of rampant staff attrition.**

Procurement Planning
We noted from our review that the Sarajevo Office procurement activities were not supported by annual procurement plans to provide guidance regarding the development of expected deliverables in the execution of procurement activities. **We encouraged Management to prepare annual procurement plans to support Office's approved work plan with a view to properly aligning the work plan activities with the approved budget.**

Vendor Database
Our audit disclosed that the procurement manual prescriptions under section 5.5 have not been fully complied with by the Sarajevo Office as the list was still under compilation at the time of the audit in October 2019. **We recommended that**

management should fast-track the compilation process and also keep and regularly update files with the requisite documentation.

ICT Disaster Recovery

We observed that though the Sarajevo Office has put together a Business Continuity Plan, it did not carry out yearly simulation exercises as required by IN/88. **We recommended that management should regularly update the BCP to include simulation procedures and conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.**

Data Backup off IOM Premises

We noted that the aspects of IN/88, that require Offices to have a safe location off-premises to store monthly and yearly backups on cartridges to protect data/information against potential disasters, have not been complied with by the Sarajevo Office. **We recommended to Management to have a data backup storage at a safe location off-premises to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.**

Updating of asset inventory

Our review of assets management, disclosed that Assets/Inventory Register of the Sarajevo Office had not been updated since January 2018. **We recommended that Management should institute appropriate controls to ensure adequate monitoring of assets. We also recommended that the Head of Administration and Finance should ensure the immediate and regular update of the inventory register to avert the payment of insurance premium payments for obsolete/ outmoded assets.**

Need to pay revenue collections in gross

We observed that the Belgrade Office made direct disbursements from the cash collected before depositing the remaining balance into the designated bank account. **We urged management to desist from making direct disbursement from the cash collections and ensure that funds collected are paid in gross into the designated bank account.**

High staff attrition

We noted from our review of the personal records that a total of 134 staff separated from the Ankara Office between January 2018 and September 2019 to seek greener pastures in Embassies and other institutions. **We recommended that management should continue engaging with the Headquarters to find a permanent solution to the high staff turnover.**

Donor support

We observed that the Ankara Office has challenges in providing reasonable forecasts to aid future projectization of migration activities due to unpredictability of donor funds. **We urged management of the Office to liaise with Headquarters to effectively pursue donors to agree to fund multi-year projects.**

Need to streamline multiple reporting requirements

We observed that the Ankara Office SAP PRISM functionality for Project reporting was not adequate to accommodate all the specific reporting requirements of each donor. **We recommended that management should liaise with Headquarters to engage donors to agree on specific reporting requirements in a suitable format acceptable to all donors.**

Delayed implementation of three projects

Our review of the performance of various projects in Ankara disclosed that two UK projects (Program for AVRR for IM and Support DGMM Removal Centers) scheduled to begin in April 2019, commenced in September 2019, resulting in five months delay due to long approval process. **We recommended that such requirements should be secured from the Legal Office ahead of project effective date and a global contract template should be agreed with the Donor.**

Lapse of allocated funds for Labour Migration – GBP 118,000

We noted that the Ankara Office was unable to utilize all the funds available under the Labour Migration Project in Gazientep for the implementation period. **We recommended effective cooperation between IOM Turkey and Headquarters to streamline the approval processes to aid speedy resolution of all contractual issues with Donors. Management of the Office should also prioritize projects of similar nature to avoid refunds to the Donors.**

Delay in submission of Donor reports

We noted from our review of implementations that the Ankara Office delayed in the submission of 44 out of 121 donor reports due between September 2018 and September 2019. **We recommended to Management to improve coordination between the Office and Regional Office and assist Project Managers to ensure timely resolution of outstanding issues with implementing Partners.**

INTRODUCTION

1. The 109th Session of IOM Council held in November 2018, by Resolution No 1371, appointed the Ghana Audit Service as the External Auditor for the International Organization for Migration (IOM) for 2019, 2020 and 2021 financial years. The scope of the audit is in accordance with Regulation 12.1 of the Financial Regulations and principles set out in the Annex to these regulations. The audit was conducted in accordance with the International Standards on Auditing and focused on financial, compliance and performance auditing.

2. IOM has nine Regional Offices (RO)[1], two Special Liaison Offices[2] and 398 field locations. We carried out an interim financial audit in Manila in November 2019 and the final audit in Geneva in April 2020.

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, 2019 to 31 December, 2019. Our audit of the Financial Statements for 2019 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December, 2019 and its financial performance during the period 1 January, 2019 to 31 December, 2019.

6. Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the financial year ended 31 December, 2019.

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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

The overall budget for the year 2019 was USD 2,045.2 million for the Operational Part and CHF 52.2 million for the Administrative Part. During the year 2019, the total revenue was USD 2,127.1 million against a total expenditure of USD 2,096.3 million, leaving a surplus of USD30.75 million. After considering exchange gains of USD 6.01 million and Administrative programme revaluation adjustment (credit) of USD 0.378 million, the net surplus amounted to USD 36.38 million. The receivables pertaining to assessed contributions (net) and voluntary contributions as at 31 December, 2019 stood at USD 4.08 million and USD 234.3 million respectively.

Surplus/ Deficit

7. IOM recorded a fluctuating trend of surplus/deficit (before exchange rate difference) during the years 2015 and 2017 but there were significant increases in surplus during the year 2018 and 2019 as shown in Table 1. While the surplus decreased by 41 percent during 2016 and 2017, there was an increase of 68.6 per cent during the year 2019 as compared to surplus registered during the year 2018. IOM recorded deficits (after exchange rate difference) in two successive years, i.e., 2014 and 2015 and a surplus in 2016 and 2017. In 2018, there was a 125 percent decrease in surplus when compared with the 2017 and an increase of 309 percent in 2019 as compared to 2018.

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)
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 (restated)	(17.42)	18.24	57.56
2019	36.38	30.75	95.06

8. During the year 2019, IOM recorded an exchange gain of USD 6.01 million as against an exchange loss of USD 35.65 million in 2018 (restated) and an exchange gain of USD 59.14 million in 2017. The accumulated fund balance surplus of USD 57.56 million in 2018 rose to USD 95.06 million (a rise of USD37.5 million or 65 percent) during 2019, as compared to a decrease of USD 20.27 million between 2018 and 2017.

9. The net increase in accumulated fund balance surplus was mainly represented by non-exchange transactions.

Revenue and Expenses.

10. The revenue and expenditure of IOM showed an increasing trend in 2015 and 2016, a slight decrease in 2017 and an increase in 2018 and 2019 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
2015 (Restated)	1,594.49	1,585.20
2016	1,615.63	1,602.31
2017 (Restated)	1,614.29	1,606.41
2018 (Restated)	1,811.77	1,793.53
2019	2,127.07	2,096.32

11. IOM incurred a total expenditure of USD 2,096.32 million in 2019 compared with USD 1,793.53 million in 2018(Restated) which was a reduction of USD 302.79 million or 16.9 percent. Staff salaries and benefit cost amounting to USD 636.81million and representing 30.4 per cent of the total expenditure rose by USD 89.86 million or 16.4 percent over the previous year's figure of USD 546.95 million.

12. Contractual services constituting 20.2 per cent of the total expenses, also increased by USD 35.6 million or 9.2 per cent) in 2019 as compared to 2018 (Restated). Furthermore, Other direct assistance to beneficiaries, which represents 10.5 per cent of the expenses, decreased by USD 12.85 million or 5.5 per cent) in 2019 as compared to 2018 (Restated). Summary details are shown in Table 3.

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

Component of Expenses	2019		2018 (Restated)	
	Amount	Per cent to total	Amount	Per cent to total
Transportation Assistance	270.72	12.91	206. 97	11.54
Other direct assistance to beneficiaries	220.98	10.54	233.84	13.04

Implementing Partner Transfers	159.18	7.59	97.22	5.42
Contractual services (including on behalf of beneficiaries)	422.68	20.16	387.08	21.58
Staff Salaries and Benefits	636.81	30.38	546.96	30.49
Supplies and Consumables	261.10	12.46	215.17	12.00
Others	124.85	5.96	106.29	5.93
Total	2,096.32	**100.00**	**1,793.53**	**100.00**

12. The operational expenses during the year 2019 were within the budgetary provision. Against the final budgetary allocation for operational programmes of USD 2,045.20 million for 2019, the actual expenditure was USD 2,041.92 million.

Project Management

13. The number of financially active projects increased to 3,523 during 2019 from 3,441 in 2018. Operationally active projects at the end of the fiscal year increased from 2,584 in in 2018 to 2,863 in 2019. 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
2015	2,760	1,980
2016	3,020	1,710
2017	2,925	2,277
2018	3,441	2,584
2019	3,523	2,863

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)

Year	Expenses (excluding exchange rate difference)	Revenue
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 (restated)	1,738.57	1,759.90
2019	2,041.92	2,074.14

Financial Position

15. A summary of total assets and liabilities of the Organization as at 31 December 2019, and comments on these are provided below:

Table 6: Total assets and liabilities

	2019	**2018 (Restated)**	
	USD	**USD**	**% Increase/ (Decrease)**
Assets			
Current assets	1,839.33	1,792.60	2.6
Non-current assets	198.22	67.76	192.5
Total Assets	**2,037.55**	**1,860.36**	**9.5**
Liabilities			
Current Liabilities	1,684.67	1,569.03	7.4
Non - Current Liabilities	162.80	131.55	23.8
Total Liabilities	**1,847.47**	**1,700.58**	**8.6**
NET Assets /Equity			
Accumulated Surplus/Deficit	95.07	57.57	65.1
Reserves	88.87	90.18	(1.5)
Assets Revaluation Reserves	23.07	23.07	0
Actuarial gains/ loss	(16.93)	(11.04)	(53.4)
Total Net Assets/Equity	**190.08**	**159.78**	**19.0**
Total Liabilities and Net Assets	**2,037.55**	**1,860.36**	**9.5**

16. As at 31 December 2019, total assets of IOM stood at USD 2,037.55 representing an increase of USD 177.19 million or 9.5 per cent over previous year's figure of USD 1,860.36 million. Cash and cash equivalent, short term investments and long term investments constituted 73 per cent of the total assets increased from USD 1,429.34 million in 2018 to USD 1,494.70 million in 2019.

17. Receivables during the year 2019, increased by USD 66.58 million compared with the 2018 figure of USD 205.34 million. This was mainly from voluntary contributions received from donors in advance of performance delivery under operational programme.

18. Total liabilities stood at USD 1,847.47 million at the end of the year, compared with 2018 figure of USD 1,700.58 million, a rise of USD 146.89 or 8.6%. Funds received in advance - voluntary contribution of USD 1,159.27 million constituted 62.7 percent of the total liabilities, whilst Agent advance payments, payables to suppliers and Employees benefits of USD 603.6 million accounted for 32.7 percent of the total liabilities.

19. The Liquidity position as measured by the current ratio analysis during the last five years, as shown in Table 7, indicates that IOM will be able to meet its short-term obligations as and when they fall due.

Table 7: Current assets and liabilities - (amounts expressed in USD millions)

Description	2019	2018 (Restated)	2017 (Restated)	2016	2015 (Restated)
Current Assets (CA)	1,839.33	1,792.60	1,350.77	1,062.31	906.44
Current Liabilities (CL)	1,684.67	1,569.03	1,110.07	913.41	780.70
Current Ratio (CA/CL)	1.09	1.14	1.22	1.16	1.16
Cash and cash equivalents (C&CE)	886.99	922.82	644.65	507.75	495.35
Ratio of C&CE to CL	0.53	0.59	0.58	0.56	0.63

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

AUDIT ISSUES

Delay in VAT reimbursable

20. Our review showed that the Organization had sufficient controls in place for managing and monitoring claims for tax reimbursable from the host countries through the procedure in the Financial Management Rules and Procedure (FMRP). Whereas we acknowledge the Offices' hard work in these regard towards the Value Added Tax refunds from the tax authorities, Our analysis of sampled outstanding tax reimbursable as at the end of 31 December 2019, indicated that a total amount of USD 2,122,585.15 out of USD 8,807,374.47 ranging between 1 to over 4years (365 days –over 1460days) had not been reimbursed by the host countries. Out of the amount of USD 2,122,585.15 our further analysis revealed that 19% representing USD 404,573.53 of the outstanding VAT Refunds were between 3 and 5 years.

Recommendation 1

21. **We recommended that management should impress on the Resource Management Officers and Chiefs of Mission to have regular follow up schedule with the tax authorities of the host counties to enhance timely inflow of the needed Value Added Tax reimbursable to support the resource requirement of IOM.**

22. The Management agreed with the recommendation and stated that the Periodic Checklist Reviews performed by Regional Accounting Focal points includes direct follow up with Offices on outstanding VAT receivables. Additionally, in some instances, a large office has a staff member dedicated for the VAT reimbursement, and in another, the office has contracted an external agency with expertise on VAT recoveries to do the presentation and follow up with the respective Government.

23. Management further indicated that most of the VAT reimbursement delays are beyond IOM's control. Where offices face specific challenges in claiming the VAT refunds, similar delays are experienced by other UN agencies present at the country as well, and as such the follow-ups with respective Governments have been coordinated by the UN Resident Coordinators. In addition, management regularly highlights and urges Member States to expedite settlement of tax reimbursements, including via their Permanent Representations in Geneva.

Staff vendor Outstanding

24. We noted from our review of the staff vendor accounts in SAP PRISM that an amount of USD 15,231,419.13 out of total outstanding of USD 16,989,537.31 remained un-cleared. The analysis indicated instances where some outstanding ranged from 60 days and over 121 days. The review further showed that an amount of USD 5,649,655.85

representing 33.25% of the outstanding has been overdue for over 121 days as shown in the table below.

Staff Vendor Analysis	Current (Not Due)	1 - 30 Past Due (USD)	31 - 60 Past Due (USD)	61 - 90 (USD)	91 - 120 (USD)	Over 121 (USD)	Total	Amount outside due date
Outstanding	1,758,118.18	2,982,998.08	2,654,641,.07	1,908,854.54	2,035,269.61	5,649,655.85	16,989,537.31	15,231,419.13
Amount in % over the Total	**10.35**	**17.56**	**15.63**	**11.24**	**11.98**	**33.25**	**100**	**89.65**

Recommendation 2

25. **We recommended to management to ensure that Accounts Division (ACO) enforces (through the field offices) the monitoring of staff entrusted with resources to account and retire advances timely and regularly. Additionally, management should encourage the Offices to be consistent in making the necessary deductions through payroll in line with the PRISM HR operation procedures to make funds available for timely projects execution.**

26. Management agreed with the recommendation and stated that monitoring and follow-up, a system enhancement has been introduced to address this issue in 2016. Apart from the periodic reviews performed by RAS (which includes the staff open vendor items) the enhancement involves producing and distributing automated monthly staff vendor account statements. These statements allow all IOM staff members to verify their own vendor accounts, for completeness and accuracy, whilst required to take timely action on any outstanding balances. These statements are generated after the central closure of the monthly accounts and circulated to all staff members via email (regardless of whether they have any outstanding balance or not). In addition, a read-only access to staff vendor accounts (via the Employee Self Service portal) limited to each staff member`s own vendor account has also been introduced, ensuring all staff can access with read only functionality, in real time, their own staff vendor account.

27. Management highlighted that the largest part of the old outstanding items pertains to Education Grant advances, and by policy, Educational Grant advances can only be cleared by staff members once the eligible child attended minimum 2/3rd of the school year. Hence these advances cannot be cleared earlier, however related HR regulation (last updated in 2019) ensures that staff members can get no new advance without clearance a past advance and that overdue non-cleared advances become deductible. Management indicated it would ensure that the due date of these advances would be adjusted to reflect the policy and to ensure more accurate aging analyses.

28. The Management further highlighted that for Education Advances a monthly accrual posting procedure is in place which ensures timely projectization and hence funding coverage for the related expenses.

Receivables-Assessed Contribution

29. Our review of the member states assessed contribution receivable showed that an amount of USD 329,440.44 was captured under non-current. We further noted that, a revaluation of USD 8,109.30 was made on the outstanding amount thus bringing the total to USD 337,550. We did not find any discount on the non-current amount as required by IOM Policy Guidance Manual for International Public Sector Accounting Standards. We also did not find the establishment of the basis for the determination of the materiality in this instance to serve as a guide for the future.

Recommendation 3

30. **We urged management to consider the determination of a threshold and a discount rate which would be applicable to guide assigned staff so as to eliminate any discretional interpretation on how the non-current assessed contribution receivable ought to be treated in the Annual Financial Report**.

31. Management agreed with the recommendation and stated that they would determine a threshold and discount rate for non-current assessed contribution receivables.

Separated Staff

32. Our review and analysis of the separated staff list for the year 2019 against the staff vendor aging analysis showed that four staff who separated in 2019 had some outstanding against their names elapsing over a period of 121 days. Further analysis of the above data with that of the staff vendor list in PRISM showed that the status of these staff were 'Active' in the list whilst they have separated.

Recommendation 4

33. **We recommended that urgent investigation be made to establish the true status of the accounts of the affected staff vendors for the necessary action to be taken.**

34. Management agreed with the recommendation and explained that there is an ongoing dialog and effort on automating the blocking of separated staff vendor accounts between PCST, HRM and PRISM. Management further stated that a process has been put in place, and PCST is undertaking a monthly review of staff accounts (PRISM Access rights) based on a PRISM report provided on separated staff members. However, in practise, where a staff member has separated the staff accounts cannot be blocked immediately in all instances, mainly due to:

a. The separated staff member, when entitled, has elected to participate in the after-service Health Insurance or Medical Service Plan.
b. The separation payment and subsequent clearance is still in process.
c. Settlement/clearing of remaining vendor open items are ongoing.

35. The open accounts are being regularly followed up with offices for appropriate action during the Periodic Checklist Reviews performed as performed by the Regional Accounting Support function (RAS). In addition, the review of vendor accounts (staff and local vendors) as to the validity is also included within the Checklist for Mission Accounts Closure, which are required to be completed by all Offices monthly, which requires that invalid accounts should be blocked.

Need for effective Asset management

36. In our review of asset records from ten selected Country Offices, we noted that some of the Offices were working hard to meet the requirement outlined in the Project Management Handbook and the Financial Management Rules and Procedure.

37. However, we noted that there were still gaps that ought to be addressed to make the assets information complete in the PRISM.

38. Management confirms that currently the following monitoring mechanism are in place, namely:

- Unblocked assets are monitored and coordinated with offices on a monthly basis prior to period closing.
- Instructions to complete the required asset fields are included within the periodic checklist review for offices accounts as based on PRISM data.
- Asset stocktake exercise is done annually with compliance and completeness being followed up and monitored centrally.

Recommendation 5

39. **We urged management to expedite action to complete the gaps identified and take the requisite steps to eliminate all unserviceable assets from the registers for reliance to be placed on the records for informed decision making on assets under the control of the Offices.**

40. Overall management concur that there is a need for enhanced mechanisms that will enable compliance on providing additional asset information, through system validation, to be tailored to ensure that during asset acquisition the data fields are prompted to be completed (prior to proceeding in acquiring the asset within the system).

41. In addition to strengthen communication with Offices on completing the required information as part of the quarterly periodic checklist procedure. Further roll-out of the MAIA (Mobile Asset Inventory Application) tool, facilitating the bar code scanning as mandatory for the year-end stocktake will enable an efficient and improved solution to support the physical stock take of IOM assets and information completeness.

Budgetary Control

42. Our review of the United States Refugee Admission Program (USRAP) showed that there were negative variances for some selected Project activities. The United States Refugee Admission Program Fiscal year 2019 report stated that, in the New York Office, negative variances under medical costs were reimbursement checks (cheques) for DNA tests which had gone stale. No reasons were provided for the said stale cheques. Additionally, we noted that the Resettlement from Turkey and Middle East under Project code RE.0283 was overrun by USD 19,615.78. There were other instances of non-utilization of budget lines, low budget consumption and overrun by some Offices.

Recommendation 6

43. **On the stale cheques, management should consider the capturing of bank details of displaced persons who undertake the DNA tests at the point of service so that the reimbursements could be paid directly into such accounts to minimize the occurrence of unclaimed cheques. Management should take action to address the budget issues as early as practicable.**

44. Management confirms that the list of beneficiary names is received from PRM including the amounts to be reimbursed to the beneficiaries. IOM prepares the checks as per these instructions, which does not provide the bank account details as a payment option. In relation to the budget consumption, management highlights that it is not only constricted to the approved budget amount as under and/or overutilization of each individual refugee sending country are also subject to other factors, namely; the number of refugees assisted by these Offices, which requires continuous coordination between IOM Washington and the donor (PRM) and is an ongoing dialogue during project implementation and thus budgetary decisions are addressed as early as practical possible within the operations implementation cycle.

Long-term Investment

45. Our review of the Financial Management Report (FMR) as well as the Annual Financial Report (AFR) showed that, IOM had made a long-term investment of EUR 40,000,000 (equivalent USD 43 ,763 ,677) and USD 100,000,000 though the IOM Financial Regulations provided opportunity for short term investment. Further enquiry made on the transaction led to a document tendered to the audit team which sought to justify the long-term portfolio. We also noted that, (the table under paragraph 30 of the FMR) and Note 5 to the AFR presentation segregated the short-term investment as those with maturity period falling between 90 to 180 days & 180 to 365 days (within 12 months of

the reporting date), whereas long term investment portfolio are those beyond 365 days maturity period.

Recommendation 7

46. **We recommended that management should do further consultation on these investments to ensure that they meet the relevant provisions (Article 7) in the IOM Financial Regulations**.

47. Management stated that the instrument met the spirit and requirements of the IOM Financial Regulation, as the funds can be liquidated in under three months such as serving as short term investment in financial management terms. As such investing to the Money Market Funds are fully in line with the Financial Regulations.

48. The Management acknowledges that the definitions applied within IOM accounting policies, in compliance for these financial instruments, differ from the above treasury classification and that investment decisions and classifications on the banking market cannot be fully driven by accounting considerations and definitions.

49. Treasury classification of investments must consider the size and duration of the investment portfolio, jointly with the time need for liquidating the funds in response to the liquidity requirements of IOM.

50. Management further explained that its decision to invest to this new instrument was conscious and widely coordinated with a great deal of internal consultation which was made regarding the funds with the Chief Risk Officer, DRM, LEG and ODG. Such decision addresses known risks to IOM`s overexposure to the financial sector by accessing marketable corporate bonds and are designed to comply with IOM`s Ethical, Social and Governance criteria, more close aligning the IOM investment portfolio with the SDGs.

PERFORMANCE AUDIT ON PROCESSING HEALTH CLAIMS FOR REIMBURSEMENT AT THE INTERNATIONAL ORGANISATION FOR MIGRATION

51. The objective of the audit was to determine how well the medical reimbursement system at IOM is delivering on its intended target and whether there is room for improvement.

52. Our review covered the three insurance schemes operated by the IOM; Health Insurance, Medical Service Plan and MSP US spanning January 2016 to September 2019 and it covered all the worldwide claims submitted from anywhere in the world for reimbursement.

53. The criteria used in assessing the health claims are:
   a) Claim submitted in one month will be processed and paid in following month (HI 44.2)
   b) Payment should be free from fraud
   c) Staff of the HCPU should be properly appraised and their capacity built.

54. We interviewed all the persons involved in the evaluation and processing of claims. These included officials from Occupational Health Unit (OHU) and HCPU in Manila and Panama. We made a sample of 100 claim files from each year of 2016 to 2019 to review for compliance with insurance rules and general problems faced by the processing staff that were provided as comments on the processed claim sheet. We also reviewed insurance documents and HR policy documents for deeper understanding of the workings of IOM in general and the HR Division in particular. We also interrogated the PRISM platform through which all staff submit their claims. It was to determine how easy or difficult it was to use the platform.

The HCPU is doing its best to process claims with the current capacity of staff and the PRISM platform

55. The HCPU is currently processing about 83 per cent of medical claims received monthly with its staff capacity. However, all claims received in time are processed in the month. Selected staff at the HCPU has successfully reviewed medical claims up to CHF500 for subsequent processing. The computer system's inability to allow multiple users to access PERN numbers at the same time slows down the processing time of medical claims.

Recommendation 8

56. **To increase the number of medical claims processed by the HCPU per month, we recommended that, the HR Division should redefine the tasks of the two most experienced staff in HCPU-Manila from their current schedule to concentrate on evaluation of claims only, and train the two staff who open pouches and sort claims to work on the electronic claims submission when it is operationalised to help increase the number of processed claims per month.**

57. Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.

Poor quality of claim information is submitted to OHU/HCPU for processing

58. Many of the IOM staff submitted poor quality claim information which adds up to delays in processing of medical claims. This may be due to some staff' poor appreciation of the HI/MSP guidelines for the health insurance claims.

Recommendation 9

59. **To ensure staff provide adequate information to support and enhance claims processing we recommended that the HR Division should devise means of consistently providing orientation for new members of IOM on the HI/MSP guidelines. Compile and publish Frequently Asked Questions (FAQs) and their solutions on the PRISM Platform to provide solutions to common problems for staff.**

60. Management agreed with the recommendation and is taking relevant actions to ensure common staff queries are addressed. Q & As have been already submitted to be published in the PRISM Platform.

HCPU processing of claims inherently seeks to deal with incidences of fraud

61. The HCPU is vigilant through its processes of vetting claims and is able to reduce unwarranted payments to the barest minimum. However, the introduction of submitting scanned documents to support claims is likely to bring in other forms of staff manipulating the new system for financial gain.

Recommendation 10

62. **To improve on detection of altered document, the HCPU should combine a variety of ways in detecting the authenticity of documents including: checks for obvious mistakes in the scanned documents, look out for unusual alteration in the text which could be a manipulation of scanned text in the computer, and verify documents against official database from the proposed source of the document.**

63. Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.

Geneva's support to processing of healthcare claims at HCPU (MAC) can be improved

64. The Head of HCPU does not have a formal deputy, to confidently take on her responsibilities in her absence. The Insurance Specialist's lack of physical presence in Manila implies that all information she needs for monitoring is from reports generated from Manila which could be misleading. This applies to Panama as well.

Recommendation 11

65. **To facilitate staff motivation, improvements in accuracy and completeness of claims, we recommended that, management of IOM should design a formal structure for the HCPU to also take account of succession plan for the Unit to boost the morale of HCPU staff with regards to career progression. Increase the frequency of visits by the Insurance specialist in Geneva to Manila for first-hand information for decision-making and also to have physical contact with operational staff to discuss their concerns. The Head of HCPU-MAC should delegate more of her responsibilities to the longest serving in the staff HCPU to free her to execute strategic work.**

66. Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally.

HCPU staff are content with working at IOM in spite of the lack progression in the Unit and monotonous nature of work

67. The monotonous nature of the work of the HCPU staff and lack of a clear progression in the Unit is a recipe for demotivation of staff but the incentives of working in IOM has kept staff attrition over the years to zero. Performance appraisal system is not formally instituted in the HCPU although it is required as proof of measure of performance.

Recommendation 12

68. **To ensure that HCPU staff are maintained and have the relevant skills which will be utilised efficiently, we recommended that, the HR Division should motivate staff and formerly assess their performance to inform management of the relevant training interventions required to complement their roles**.

69. Besides agreeing with our recommendation, management highlighted further that if claims continue to be processed internally relevant actions will be taken to improve current processes and procedures. These will include, revision of current roles and team building activities to ensure good transition.

Training for HCPU staff has not been frequent and systematic due to budget constraints

70. Training for HCPU staff has not been frequent and systematic. They have tended to be on the basis of when needed rather than systematic to constantly build staff capacity. Although, there is opportunity for training of the HCPU staff, the budget to implement the training and capacity building proposals have not been forthcoming.

Recommendation 13

71. **We recommended that the HR Division should assess the training needs for the HCPU in order to provide them with 'tailor-made' training, and continue to support the HCPU staff where practicable to visit Offices with doctors to continuously expose them to medical facilities abroad and arrange for them to provide orientations to staff of the IOM on medical claims.**

72. Management agreed with the recommendation and wish to highlight ongoing assessment if claims are to be processed internally. Management highlighted that if claims continue to be processed internally relevant actions will be taken to improve current processes and procedures. These will include, training to staff members to enable in depth comprehension of new processes and procedures to increase efficiency.

Delayed delivery of items procured

73. We noted excessive delays in the delivery of goods procured for the implementation of projects in the Cox's Bazar Office. In this regard, some items that were procured in 2018 and expected to be delivered in 2018 were not delivered until 2019 and in some cases the goods are yet to be delivered.

Recommendation 14

74. **We recommended to management to sign short term contracts with vendors in Cox's Bazar and also urged management to be strict on vendors to ensure that goods procured were delivered on schedule.**

75. The Office responded that due to the limited available suppliers have been facing challenges for on-time delivery of ordered items, whereas the suppliers are also relying on a limited number of sources for supplying all the agencies requirements. The Office has taken internal measures to expand the supplier base and blacklisting those with poor performance.

Need to recover the cost of lost items

76. We noted that, some items assigned to some staff of the Bangladesh Offices were reported missing or stolen between the period January and September 2019.

Recommendation 15

77. **We recommended to the Office to take appropriate measures to ensure that the costs of these items are recovered from the staff involved for possible replacement.**

78. The Office in response stated that it has a standing internal procedure for recovering costs from the staff responsible for the loss. The Office will continue to complete the process for items identified and reported on.

Project evaluation

79. We observed that, the Project Support Unit of the Bangladesh Mission did not carry out project evaluation to assess the worth or significance of the various projects because monitoring and evaluation of projects were not provided for in their budgets.

Recommendation 16

80. **We recommended to management to explore the possibility of making evaluation compulsory at least for projects with substantial deployment of resources.**

81. The Office in response stated that the Resource Management unit, in coordination with the Project Support unit, organize the project kick off meeting in

which the project deliverables, work plan and procurement plan is reviewed and agreed upon. Following the recommendation, the Office will expand this process to a mid-term and closing meeting to address any challenges in time.

Absence of Agreement with Luxemburg

82. We noted that though the Luxembourg office had facilitated the movement of about 1,400 migrants to their respective countries of origin such as Uganda, Iraq, Georgia, Kosovo, etc. the Office operates with project specific convention but without a Country Agreement.

Recommendation 17

We recommended that the Country Office should take steps to regularize its activities through an Agreement with the Government of Luxembourg.

83. The Office in response stated that all the activities were covered by yearly project related conventions. Nevertheless, in September 2019 the Government of Luxembourg and IOM agreed on signing a Framework agreement that lists all areas of cooperation and can serve as a basis for future enhanced collaboration. The estimated date for signing is the end of 2019.

Activity lag on project implementation

84. We observed that four out of the 12 active projects of the Brussels Office had low implementation rates of between 43% and 65%. Also, though four projects relating to Resettlement and Family assessment have been closed, they recorded low utilization of available funds.

Recommendation 18

85. **We recommended that management of the Office should expedite action to bring the projects to effective closure and also improve upon its planning in collaboration with implementing agencies.**

86. According to the Office, the expense to budget ratio on these projects are low as the actual caseload was lower than what was initially planned. In relation to this kind of projects the estimated caseload of beneficiaries is coordinated with the donor at the proposal stage but the actual number is dependent on external factors. On other projects, IOM was able to implement nearly all activities as planned in the project document e.g. CE.0395 and LM.0337 with 90% and 94% respectively of the budget.

87. Also, the project manager ensures IOM has the capacity to serve the budgeted caseload of migrants, but in case the caseload is lower than the budgeted one then the actual expenses are lower than the budget and unused funds are always returned to the donor, i.e. IOM requests funds only for expenditures that are spent on activities. The above applies to the four projects mentioned above noting that the selected projects –

resettlement, voluntary returns and reintegration – are dependent on external factors that cannot be influenced by IOM.

Absence of Strategic Plan for the Office

88. We noted that the Brussels Office operates without a long-term Strategic plan as the 2019 to 2023 Strategic Plan was yet to be finalized.

Recommendation 19

89. **We urged the Chief of Mission to expedite action on the Strategic Plan being developed for implementation.**

90. According to Office, the country office had a strategic plan for year 2018 and it was used as basis for developing the long-term Strategic Plan.

Expenditure in excess of budget EUR 18,546

91. We noted from our review of project implementation that the Office overspent the budget of two of its projects (FM.0526 and CT.1112) by 19% and 28% respectively.

Recommendation 20

92. **We recommended that Management should improve on its budget formulation process and supervision of projects to ensure that the Office avoid overspending project budgets.**

93. According to the Office, the projects in question were managed by IOM London Office. All the activities implemented by IOM Brussels were coordinated with the managing Office and any overspending was done with the approval of the managing Office which has a global overview of all shifts between budget lines that can ensure it is in line with donor agreement.

Expenditure in excess of revenue

94. Our review of the project reports in PRISM disclosed that expenses on five projects exceeded their respective revenue by a total of EUR 756,507.68.

Recommendation 21

95. **We recommended that Project Managers should closely monitor progress of projects and ensure that requests for reimbursements were submitted on time and in accordance with Project agreement.**

96. The Office agreed with our recommendation and explained that due to unforeseen long-term sick leave of the RMO in 2Q and 3Q of 2019, the issuance of the invoices was postponed till RMO position was temporary filled. However, steps have been taken to issue invoices on monthly basis again without delays. The delays were done mainly for RR.0019, RR.0031 and RR.0033. The Office further stated that the final payment for

completed projects, as was the case with RT.1416, was requested after the final financial report is endorsed internally, and this is usually done two months after project implementation. Hence the negative difference between revenue and expenses for the project.

Consolidation of Procurement Plans

97. We observed that though the Berlin Office's procurement activities were supported by annual procurement plans, to provide guidance regarding the development of expected deliverables in the execution of procurement activities, the plans were in fragments.

Recommendation 22

98. **We recommended that Management should consolidate the procurement plans to support the Office's approved work plan with a view to properly align the work plan activities with the approved budget.**

99. IOM Berlin is compliant with the procurement manual IN/168 rev 2 – herewith mentioning the development of a yearly procurement plan. The Office considers the general services and goods requirements of the office as well as the project specific activities and translates these in plans by targeting specific projects, IT procurement planning and general procurement planning. Even with having separate procurement plans the procurement unit keeps a continuous overview and coordinates agreements.

100. Accordingly, by combining project requirements, this did not impede the correct identification of procurement method, establishment of contract packages or optimal management of Office´s resources. Following the recommendation, the Office will consolidate the procurement plan for the upcoming year.

Vendor Management

101. We observed that most of the vendors in the Berlin Office's database had not undergone the formal registration process and there was no evidence of the use of the Vendor Information Sheets (VIS) to indicate that periodic evaluation of vendors had been performed.

Recommendation 23

102. **We recommended regular vendor evaluations, and adherence to IOM regulations coupled with the deployment of the VIS to update the database.**

103. IOM Berlin has a vendor selection and registration procedure which is compliant with the existing IOM Regulations and Rules as prescribed in the IN/168 rev.2. Prior to being selected, each vendor is verified against the German Chamber of Commerce Register as well as against the UN and EU sanction list. These documents are included with the Vendor Creation/Change Form. Any changes are duly reviewed, approved,

and recorded in PRISM. There is a paper trail which proves this. Furthermore, with every quarterly check conducted by RAS we review the PRISM Vendor List.

104. As for the regular vendor evaluation – the services are evaluated as they happen and the Office agreed that the evaluation step should be conducted in a systematic way and in line with the IN/168 rev. 2.

Asset Management/Disposal of Vehicle

We observed that a secondhand BMW 525i saloon acquired in 2010 by the Berlin Office had been parked with the intention to sell due to age and increasing cost of maintenance. However, management had made arrangements with a service provider for rental of vehicles for official work.

Recommendation 24

105. **We urged management to expedite action on the disposal of the old vehicle inconsonance with IN/00271 and other instruction to avoid extra expenditure on insurance payments and license plate renewals and keep separate files for each vehicle it will acquire and ensure vehicle log book is promptly updated.**

106. Management stated that the operational lease entered with the service provider is for a mobile counselling project. Regardless of the age or condition of the Office vehicle, the operational lease was concluded as the most cost-effective option for mobile counselling throughout the Berlin and Brandenburg area whilst the IOM Office vehicle has been also used for specific Berlin COs activities.

107. As noted, the Office is preparing the vehicle for sale and will follow the External Audits recommendation to expedite this process to reduce likelihood of incurring additional unnecessary cost. The acquisition of a new replacement vehicle will be evaluated.

108. Concerning the filing of the supporting documents, the Office agreed with External Audit's recommendation. Presently the administrative documents are thematically separated and follow, to a certain extent, the geographical and thematical separation of the administration. With the gradual move of the Administration to Berlin, documentation will be fully consolidated in Berlin.

109. The Office accepted the External Audits recommendation to ensure that vehicle logbooks are promptly updated and continuously checked for compliance in this regard.

Project Management

110. Our review of active projects in PRISM showed that a total of USD 384,012.57 was overspent by the Accra Office on two Projects as compared with the funds received. One project overrun some budget lines totaling Euro 327,857.54.

Recommendation 25

111. **We recommended that Project managers should, in collaboration with the Resource Management Unit, monitor closely the project receivables and make sure to request funding tranches as per the donor agreement.**

112. The Office agreed with the auditors' recommendation and reassures that close follow up is being done on receivables from donors whenever due as per the terms of project agreements. The Office also would like to highlight that it has no pending receivables under the current active projects.

113. Regarding the noticed overspending on some budget lines, the Resource Management Officer is sharing the financial status of each project periodically with the relevant project manager, based on which a monthly meeting is held to discuss any financial discrepancies and corrective actions.

Project Implementation Delays

114. Our review of projects at the Accra Office showed that, two projects scheduled to end in February and May 2020 run the risk of not closing as originally planned because the burn rates on substantial activities are relatively low.

Recommendation 26

115. **We recommended that management should closely monitor how the remaining activities would be carried out to avoid delays. We also recommended that lessons learnt from the delays should be shared as required to guide future activities.**

116. The Office agreed with the auditor's recommendations and is taking relevant actions to ensure that projects are closed without delays. These include periodically revising and updating the work plans of projects and having senior management and projects strategic planning coordination meetings where all activities, challenges, and achievements are discussed. During these meetings, remedial actions are agreed to address deviations from timelines.

117. In some cases, where the implementation delay is due to external uncontrollable circumstances, IOM ensures to transparently share the situation with donors and if non-cost extension (NCE) is not avoidable IOM ensures that it is coordinated in a timely manner.

Need for effective Asset management and coordination

118. Our review of SAP PRISM records on assets in the Accra Office showed instances where old assets were still in the register, but status of assets were not captured to provide information on the scan status in the register.

Recommendation 27

119. **We recommended that management should take steps to update the register and retire old and obsolete assets in PRISM to enhance reporting and decision making.**

120. The Office agreed with the auditors' recommendation and is coordinating with relevant units in Manila to procure the most advanced tools and equipment for asset management.

121. The Office is also in the process of enhancing the logistics unit with additional staffing who will be working mainly on assets management.

Staff Evaluation System

122. Our review of the Staff Evaluation System (SES) of the Accra Office disclosed that some of the evaluations lacked certain information to achieve the objectives of the evaluation exercises.

Recommendation 28

123. **We recommended that management should coordinate with the relevant unit at Headquarters to ensure that training and staff development are adequately reflected in IOM Staff Evaluation System.**

124. The Office took note of the auditors' recommendations in this regard and indicated that relevant information will be shared with Geneva for more coverage of training matters in the SES form.

125. The Office would like to highlight that IOM Ghana had 100% compliance rate for SES in previous years, which means that all staff and all supervisors managed to complete the cycle. To enhance the quality of the process and to ensure that reports are complete and self-explanatory, the Office is planning to have a detailed session for all staff to discuss the importance of the SES, how to set SMART objectives, stay focused, and evaluate strategies and criteria.

Sustainability of staff

126. We observed that six out of the seven active projects under the Accra Office would end in 2020 whilst the remaining one ends in 2021. We also noted from our review of the Staff list that 45 Projectized staff have some dependency on projects that are ending in 2020.

Recommendation 29

127. **We recommended that management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Ghana Country Office.**

128. The Office agreed with the auditors' recommendation and understand the importance of periodic analysis of Office sustainability, for this purpose the Resource Management Officer prepares and updates a quarterly projectization plan for staff and office costs. This plan and the common cost table is being discussed with the CoM and program support unit to ensure that all the positions under the Office structure and all fixed costs are covered under the current or upcoming projects.

Vendor Management and Evaluation

129. We noted that the Bamako Office conducted vendor evaluation only during new acquisitions instead of adhering to the criteria set out in the Procurement Manual. The Office did not have long term agreements with vendors even though several purchases were made from the same vendors.

Recommendation 30

130. **We recommended to the Office to conduct vendor evaluation and verification in advance to have a well-established and updated vendor list.**

131. The Office accepted the recommendation and further stated that the process of resolving the issues mentioned above are already ongoing. An EOI for vendor screening has already been launched to develop prospective supplier profiles and assess their capacity so as to create a vendor database, which is effective and efficient, to be opened on the 17th of October. The PLU planned to have a functioning database by the end of November 2019 for new suppliers, including the cleanup of existing vendors.

132. The PLU has also registered with the United Nations Global Market Place (UNGM) which gives us access to all vendors that have been vetted by the UN, available for IOM Mali to use, including a list of blacklisted vendors.

133. Also mentioned during the audit, the CO has recently launched various Long-Term Agreements (LTAs), 25 for reintegration alone, with vetted vendors. These LTAs will help us shorten the sourcing process, particularly for the reintegration needs.

Procurement Plan

134. We observed that although Operation activity of the Bamako Office constitutes 66 to 78 percent of the total budget of ongoing projects, the Office did not have a comprehensive procurement plan for all procurement activities over the project life spanning three years.

Recommendation 31

135. **We recommended that the Office should develop procurement plan as part of project management process to enhance coordination, transparency and efficiency in the procurement activities.**

136. The Office accepted the recommendation and added that the process is already ongoing and templates already shared with the subsequent projects, one unit has already put its procurement plan in place, but waiting for some units to complete it for the last quarter; follow up will be done with the projects to get them end of October.

137. For subsequent years, the CO is committed to have the Initial Annual procurement work plan that shall be every End of March with Quarterly Reviews.

138. Coordination shall be improved between the projects and the PLU during the Project's work planning, where PLU can advise the Projects on the procurement and Logistics considerations to put in place in their plans after which the plan will be consolidated and monitored by the PLU.

Risk Management

139. Our assessment of activities and processes at the Bamako Office indicated that although the Office took action to mitigate control risks identified, there were no records of risk analysis with related risk matrix as a management tool. The Office has not conducted a formal review of activities to identify the associated risks so they can be assessed in an effective and coordinated manner to elicit the appropriate mitigating control.

Recommendation 32

140. **We urged the Chief of Mission to establish effective risk management process in compliance with IN213 and ensure systematic identification and documentation of significant risk and put in place the necessary controls to mitigate them.**

141. The Office stated that further guidance will be sought with the Regional Office Dakar and the IOM Chief Risk Officer in HQ in order to establish the Risk Management Matrix.

Management of handing over notes

142. Our review of the Human Resource (HR) records showed that, four out of 13 staff who separated from the Office between August 2018 and September 2019 did not prepare handing over notes. We also observed that two of the separated staff were on the Canadian Visa Application Center Project which has been outsourced.

Recommendation 33

143. **We urged the CoM to ensure that such an important transition process is effectively managed with the involvement of human resource unit to forestall any future challenges associated with handing over during separation or leave period.**

144. The Office stated that the administrative requirement per IN/75 of the handover process were respected. The projects above mentioned were duly reported in the former COM's handover notes.

145. However, the handing over notes for the four officers were not made available to the audit team at the time of the audit.

Sustainability of staff

146. Our review of ongoing activities at Bamako Office showed that of the 10 active projects, five will end in 2019 whilst the remaining five will end in 2020.

Recommendation 34

147. **We recommended that Management should strategize on harnessing the expertise from the Regional Office to come up with projects that can secure funding to enhance sustainability of the Mali Office in the contest of projectization.**

148. The Office indicated that the Mali Country Office has gone through several changes in the past year in terms of projects and staffing at the top management level. With the arrival of the new Chief of Mission in February 2019, IOM Mali is developing a strategy which will position IOM as the leading migration agency to donors, the Government of Mali and the International community by end of December 2019. As such, projects will be designed and presented to donors based on this strategy. At this moment, IOM Mali has submitted three project proposals to donors that are awaiting funding confirmation before the end of 2019.

149. The Office has also reviewed its organizational and staffing structure which establishes a core structure to function based on areas of work/units rather than projects.

150. In respect of the office action plan the Office indicated that they intend to submit two project proposals before the end of December 2019 and that projects in the pipeline for the Office would also be completed by December 2019.

Management of retirement and unsighted allocated assets

151. We noted that the Bamako Office had retired about 52 Class 6000 assets to be donated but no Deed of Donation had been prepared. We also found that 478 Class 5000 asset type were not sighted at the Office at the June 2019 Inventory exercise.

Recommendation 35

152. **We recommend to management to devise a strategy to guide the management of assets at the Office. We also recommended that Management should locate the assets that could not be found and arrange to have the Deed of Donation prepared to facilitate that transfer of the assets to the earmarked beneficiaries.**

153. The Office stated that the asset inventory verification is an ongoing process and that part of the process to trace the unsighted assets, which will be done and recorded in PRISM following the IOM policies on Asset Management. This will be done in the same time the updating is being done, planned by end of November 2019, in time for the year-end stock-take.

154. The office further stated that the PLU has already started the verification process of beneficiary assets, working closely with the Reintegration Unit, of which most assets are related with, most of which have already been handed over to the migrants. After internal verification, coordination will be done with CAS on how to go about with the retirement from PRISM. These are not usual beneficiary assets for donation, but reintegration assistance, some of which included in Kits, distributed to the thousand migrants covered by the project. We expect to retire all asset class 6000 by end of November 2019.

Incomplete Purchase Orders

155. We noted that about 92% of the Purchase Orders (POs) we reviewed in Manila Office were not consented with the vendors requirement in paragraph 7.0c of IN/168.

Recommendation 36

156. **We recommended that Management should ensure that the vendors should sign all PO's in compliance with the above provisions.**

157. The Office stated that during the audit, "copies" had been requested and those copies were unsigned. The originals contain the vendors' signatures and many of those PO's are attached to accounting documents, some of which are stored off-site, which means it will take some time to retrieve.

Sustainability of staff

158. Our review of ongoing activities at the Manila Office showed that there are five ongoing projects under the Office (PH10). However, one is ending in 2019, and two will be ending in 2020. The remaining two would also end in 2021 and 2022 respectively. Our review of the Staff list at the Office disclosed that 18 Projectized staff depend 100% on four projects which are ending in December, 2019 and February, and December 2020 and May 2022.

Recommendation 37

159. **We recommended that Management should re-strategize and come up with projects that could secure funding to enhance sustainability of the Office.**

160. The Office in response indicated that the Office has successfully negotiated and secured extension for two of the projects that would keep the affected staff for another one and a half years. The Office expressed the optimism of obtaining funding for some of the 14 project proposals it had submitted to donors and added that there have been significant efforts to develop and market new projects. The reality is that IOM finds it difficult to compete with other humanitarian aid actors and attempts to raise funds are sometimes constrained by geopolitical factors beyond IOM's control.

Deficits on Project Line Items

161. Our review of five projects in the Manila Office showed that some budget lines were exceeded whereas in three instances expenses were incurred on budget lines without allocated budgets.

Recommendation 38

162. **We recommended that management should realign the budget to accommodate the variations identified and put in place the necessary controls to ensure that such occurrences are dealt with as early as practicable.**

163. The Office stated that projects are monitored on a weekly basis and shared with project implementation staff, with increased monitoring towards the end of the projects in order to avoid deficits. Although some budget lines are overspent, each one is monitored to determine whether this will cause any problems during donor reporting. In many cases, budget revisions are undertaken to resolve overspent lines however, those revisions are not done every time a budget line becomes overspent, but periodically, depending on whether or not the budget revision is an internal realignment or requires donor approval.

Staff evaluation system

164. Our review of a sample of completed Staff Evaluation System (SES) in the Manila Office for eight staff in 2018 showed that seven staff members did not state clearly their training needs to inform management on interventions for their professional development.

Recommendation 39

165. **We recommended that management should ensure that supervisors help those they appraised to state clearly their training needs. Additionally, management should work on the training needs to improve efficiency of identified staff.**

166. The Office accepted the recommendation and indicated that beside the SES, they used other means to have the staff trained and that 75% of those sampled had undergone training in 2019. HR, according to management, is currently tracking all training opportunities provided to each staff member to ensure staff are provided with adequate opportunities.

Outstanding Staff vendor account

167. We noted in our review of the staff vendor accounts in SAP PRISM of the Manila Office that there were some outstanding balances ranging from 60 days to over 120 days.

Recommendation 40

168. **We recommended that the Office regularly recover the amounts from staff per the agreed terms to be consistent with the PRISM HR operation procedures to prevent lapse in recoveries as well as the cleaning of the Staff Vendor balances.**

169. The Office responded that 13 out of the 14 selected vendors belonged to Manila Administrative Centre (MAC). The one which pertained to the CO was caused by advances paid by IOM Country Office in Mozambique as the staff member is on loan to that Office to assist with an emergency response. Several messages have been sent to the IOM office in Mozambique to try to resolve the open item in the vendor account. The issue was escalated to the Regional Office in Pretoria.

Vendor Management and Evaluation

170. Our review of the procurement process at the Manila Office disclosed that, Vendor Evaluation was not done because of reliance on Global Procurement Services (GPS) approved vendor list. We also noted that the Office does not have long term contract agreements though repeated purchases were made from the same vendors.

Recommendation 41

171. **We recommended that the CoM should work progressively towards securing long-term agreements with reliable suppliers to contribute to effective delivery of projects driven mostly by emergencies.**

172. The Office indicated that, in reality the CO rarely relies on GPSU to carry out procurement activity for CO managed projects. Notwithstanding, it is accepted that vendor evaluation may be strengthened. It is worth noting that the CO is currently, and very actively, discussing the creation of tools to help map our supply chain (due diligence). The donor-funded project, whereas this private sector donor specializes in this area, will assist the Office with the creation of these tools.

173. Management further explained that the two staff currently assigned to the Procurement Unit are fully occupied addressing requests from the user community.

Dedicating additional time to vendor evaluation and long-term agreements may require additional resources to be assigned to the unit.

Stock Management /Stock Control

174. We observed that office supplies/consumable stores procured and used by the Sarajevo Office during the review period were not controlled with stores records at the Sarajevo office.

Recommendation 42

175. **We recommended that bin cards be used at the migrant camps alongside the electronic entries to facilitate reconciliation between physical stock and ledger/book balances.**

176. The Office accepted our recommendation and indicated that they intend to organise an ICT assessment with support of RO Vienna, to develop a system (software application under working title SMART CAMP) that provides a real time data on all services provided to the beneficiaries residing in migration centers.

177. The Office stated that at the global level, IOM is in the process of introducing the procurement and supply chain initiative, to enhance and strengthen its overall procurement and supply management process, which will subsequently impact the warehouse and stock management, analytics and reporting. This comprehensive plan involves digitizing and automating processes that are currently being done manually, from requisition to warehousing. Furthermore, as of 1 November, and as a partial solution, a restructured Materials Master Data List is in use at the Office for more accurate recording of purchased goods, assets and services.

Exit Interviews /Staff Turnover

178. We noted a staff turnover rate of 10% mainly in the category of non-core /support staff at the Sarajevo Office in the period covered by the audit. We also noted that exit interviews with staff separating from the Office were not documented.

Recommendation 43

179. **We urged management to conduct and document interviews with departing staff with a view to providing valuable information for use in the preparation of vacancy notices and minimize the incidence of rampant staff attrition.**

180. Management explained that recognizing the benefits of the exit interviews and surveys, the Office had addressed the issue with IOM HR Policy and Talent Management Unit for further coordination and it is expected that new guidance on this will be issued by 31 January 2020.

Procurement Planning

181. We observed that the Sarajevo Office procurement activities were not supported by annual procurement plans to provide guidance regarding the development of expected deliverables in the execution of procurement activities.

Recommendation 44

182. **We encouraged Management to prepare annual procurement plans to support Office's approved work plan with a view to properly aligning the work plan activities with the approved budget.**

183. The Office stated that it recognizes the necessity of establishing annual procurement plan in order to ensure the most effective and efficient purchase of goods, services and works and will implement the External Auditors' recommendation.

184. The Office will develop an annual procurement plan for 2020, whereas each newly approved budget should submit a project procurement plan align with the work plan activities, which would subsequently be incorporated into the Annual plan.

Vendor Database

185. Our audit disclosed that the procurement manual prescriptions under section 5.5 have not been fully complied with by the Sarajevo Office as the list was still under compilation at the time of the audit in October 2019.

Recommendation 45

186. **We recommended that management should fast-track the compilation process. We also recommended that files should be kept and regularly updated with the requisite documentation.**

187. The Office took note of our recommendation and indicated that in-spite of having several procedures for verification of vendors, will further conduct a two-year obligatory evaluation of vendors registered in the local PRISM database.

ICT Disaster Recovery.

188. We observed that though the Sarajevo Office had put together a Business Continuity Plan, it did not carry out yearly simulation exercises as required by IN/88.

Recommendation 46

189. **We recommended that management should regularly update the BCP to include simulation procedures and conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.**

190. The Office agreed to comply with the recommendation.

Data Backup off IOM Premises

191. We noted that aspects of IN/88 that require Offices to have a safe location off-premises to store monthly and yearly backups on cartridges to protect data/information against potential disasters had not been complied with by the Sarajevo Office.

Recommendation 47

192. **We recommended that to Management to have a data backup storage at a safe location off-premises to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.**

193. The Office agreed to comply with the recommendation.

Updating of asset inventory.

194. Our review of assets management disclosed that Assets/Inventory Register of the Sarajevo Office had not been updated since January 2018.

Recommendation 48

195. **We recommended that Management should institute appropriate controls to ensure adequate monitoring of assets. We also recommended that the Head of Administration and Finance should ensure the immediate and regular update of the inventory register to avert the payment of insurance premium payments for obsolete/ outmoded assets.**

196. The Office accepted the recommendations and stated that they will introduce appropriate control to monitor the assets thus preventing any potential irregularities. In practice the Office will therefore introduce a regular quarterly update of the status of the damaged/unusable assets in order to reconcile the inventory records and physical stock of the assets.

197. In addition, the Office's Administration and Finance Department will be requested to immediately update inventory registers to prevent any unnecessary costs for obsolete and outmoded assets.

Non-certification of staff driving IOM vehicles

198. We observed that due to increased operations at the Sarajevo Office, management has permitted staff members to drive the official vehicles.

Recommendation 49

199. **To ensure the safety of the Office's staff and vehicles, we recommended that management should subject the staff allowed to drive IOM vehicles to the same third-party certification standards required of persons appointed as official drivers.**

200. The Office took note of our recommendation and stated that as a practical solution, they will explore the possibility of transferring transportation services to implementing partner, which would in future significantly reduce number of staff driving IOM vehicles.

Need to pay revenue collections in gross

201. We noted in our review of the cash management process that the Belgrade Office made direct disbursements from the cash collected before depositing the remaining balance into the designated bank account.

Recommendation 50

202. **We recommended to management to desist from making direct disbursement from the cash collections and ensure that funds collected are paid in gross into the designated bank account.**

203. The Office accepted our recommendation and explained that the internal controls were put in place to prevent inappropriate usage of cash. The Office stated that the cashier conducts regular cash counts which is daily evidenced out of the system, compared with the PRISM cash journal and occasionally checked by RMO. The Office further stated that surprise cash counts are performed twice in a month and cash counting at the month end, both duly documented.

High staff attrition

204. We noted from our review of the personal records that a total of 134 staff separated from the Ankara Office between January 2018 and September 2019 to seek greener pastures in Embassies and other institutions.

Recommendation 51

205. **We recommended that Management should continue engaging with the Headquarters to find a permanent solution to the high staff turnover.**

206. IOM Turkey is expecting results of comprehensive salary scale review for national staff. In addition, Office is requesting general Office re-classification from HRM for both national and international staff to align with UN grades in Turkey.

Donor support

207. We observed that the Ankara Office has challenges in providing reasonable forecasts to aid future projectization of migration activities due to unpredictability of donor funds.

Recommendation 52

208. **We urged Management of the Office to liaise with Headquarters to effectively pursue donors to agree to fund multi-year projects.**

209. The Office stated that Co-Funding is desirable but not very realistic, with further Headquarters support this could be made a reality in future. IOM Turkey does not receive any funds from Headquarters or other IOM Offices, 100% of funds come from projects developed by the Turkey Office. IOM Turkey coordinates with Headquarters regarding fundraising. However, donors have restrictions and do not always agree to fund projects for multiple years. Therefore, at Turkey and Headquarters level this is not always possible.

Need to streamline multiple reporting requirements

210. We observed that the Ankara Office SAP PRISM functionality for Project reporting was not adequate to accommodate all the specific reporting requirements of each donor.

Recommendation 53

211. **We recommended that Management should liaise with Headquarters to engage donors to agree on specific reporting requirements in a suitable format acceptable to all donors.**

212. Management agreed with our recommendation and stated that it has established a standalone Project Development-Reporting Unit and Resource Management Unit to manage narrative and financial reporting duties in the Office. Also, IOM Turkey Office can only suggest to IOM Headquarters, namely the Legal Department and Donor Relations Division. This has not been done and has negatively affected the Office's contractual negotiations and implementation of projects, particularly with the UK FCO and the EU Delegation to Turkey.

Delayed implementation of three projects

213. Our review of the performance of various projects in Ankara disclosed that two UK projects (Program for AVRR for IM and Support DGMM Removal Centers) scheduled to begin in April 2019, commenced in September 2019, resulting in five months delay due to long approval process.

Recommendation 54

214. **We recommended that such requirements should be secured from the Legal Office ahead of project effective date and a global contract template should be agreed with the Donor.**

215. The Office attributed it to disagreement between IOM Legal Department, Procurement and Supply Division with the UK FCO. This happened because there is no standard global template between IOM and UK FCO.

216. The Office also indicated that it is widely recognized at a global level that long approval processes hinder IOM Offices' ability to negotiate agreements. The only exception is related to Level-3 Emergencies which are negotiated with donors and activated within IOM quickly.

Lapse of allocated funds for Labour Migration - £118,000

217. We noted that the Ankara Office was unable to utilize all the funds available under the Labour Migration Project in Gazientep for the implementation period.

Recommendation 55

218. **We recommended effective cooperation between IOM Turkey and Headquarters to streamline the approval processes to aid speedy resolution of all contractual issues with Donors. Management of the Office should also prioritize projects of similar nature to avoid refunds to the Donors.**

219. The Office explained that the results were not under the control of Turkey Office as the signature of contract with the UK FCO was delayed five months because of absence of agreed contracted template between IOM and the Donor, the quadripartite contract was delayed by the IOM LEG department, and the economic situation did not make some aspects of implementation possible.

220. The Office indicated that they are operating in a challenging environment which require the Office to submit many contracts to the Legal Department that has low capacity and requires additional support at Headquarters, Manila and Panama which tends to slow down the Office's implementation.

Delay in submission of Donor reports

221. We noted from our review of implementations that the Ankara Office delayed in the submission 44 out of 121 donor reports due between September 2018 and September 2019.

Recommendation 56

222. **We recommended to Management to improve coordination between the Office and Regional Office, and assist Project Managers to ensure timely resolution of outstanding issues with implementing Partners.**

223. Management explained that it currently has a rate of on-time reporting of 64%, which is 29% better than IOM in general. In addition, IOM Turkey has more reports due than most Offices, had to work with more endorsing bodies than any other Office in the

world (RO Vienna, RO Brussels, RO Cairo, Donor Relations Division, Syria Coordination Cell, Department of Operations and Emergencies, IOM Washington, IOM Tokyo, IOM Jordan, IOM Lebanon), and Regional Accounting Support Europe. IOM Turkey also has understandable challenges with reporting on Cross-Border projects related to the Syria crisis context, as the Office is remotely managing many Syrian Implementing Partner NGOs, which often have difficulty meeting requirements due to the conflict.

224. The Office further stated specifically that CFCU significantly delays the approval process with reporting and has recommended to Headquarters to streamline approval processes throughout the organization and to remove unnecessary checks and balances through process improvement.

Cases of fraud and presumptive fraud

225. We reviewed cases of frauds, presumptive frauds and write offs by Management and noted that the Administration reported 160 cases of fraud and 84 presumptive fraud in 2019. All of the cases were referred to OIG for investigation and a financial loss to IOM of USD 30,278 was reported. We are satisfied with the actions taken by Management in addressing the reported cases and all the 160 fraud cases had been closed and 84 presumptive fraud are ongoing as at 31 December, 2019.

Follow-up on recommendations from previous audit report

226. 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

227. 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

1 June 2020

Annexure

Annex

STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS 31 DECEMBER, 2019

ONGOING RECOMMENDATIONS

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-01)	We urged Management to enhance internal communication among various offices and units and introduce standard operating procedures for deactivating vendors whose actions have been duly investigated and concluded by the Organization to be non-compliant.	Management agreed with the recommendation and confirms that the currently decentralized process for blocking vendors in PRISM will be reviewed, as part of the planned comprehensive process review of vendor management. This review will inform the development of a comprehensive SOP for blocking vendor and will further clarify the roles and responsibilities of IOM offices and central units within this process.	Management has launched a comprehensive vendor management review and mapping exercise as part of the procurement transformation process. Vendor eligibility is at the core of the lifecycle management approach, to be reinforced by the procurement policy guidelines and vendor management standard operating procedures.	December 2020

The acronyms used in this table include the following:
BCP: business continuity plan
CCSAT: Compliance Control Self-assessment Tool
ICT: information and communication technology
iGATOR: the integrated global airlines ticket order record system
IGF: Internal Governance Framework
KPI: key performance indicator
OSI: Operational Support Income
PRIMA: Project Information and Management Application
PRISM: Processes and Resource Integrated Systems Management, the IOM enterprise resource planning system
SOP: standard operating procedure
TOR: ticket order record
VAT: value added tax

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-02)	We recommended that Management should introduce comprehensive policy coordination and supporting procedures to facilitate coordination among all the shared services with regards to vendor master data management. Furthermore, IOM shall establish control mechanisms systematically reviewing the vendor master data to correct incomplete data fields, particularly in relation to information about vendors' names, contact address and bank accounts. The Organization's Vendor Information Sheet (VIS) should also provide information to vendors about the need to limit the payment methods as a means to reduce risks.	Management agreed with the recommendation and stated that it will assess the options available to automate related control mechanisms both for centrally and for locally maintained vendor accounts.	Management has launched a comprehensive vendor management review and mapping exercise as part of the IGF procurement transformation process. In addition, as part of IGF finance transformation, management is implementing a software tool for continued compliance monitoring that will run on PRISM. Once fully in place, the new solution will help to ensure timely detection of master data deviations. Taken together, the above steps will fully address the audit recommendation and strengthen related internal controls.	December 2020
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-03)	We urged Management to review IN/13, and introduce procedures for disclosing staff financial interests, and initiate financial disclosure interest programmes through the Ethics Office as a measure to enhance staff compliance and ensure transparency and accountability.	Management agreed with the recommendation and stated that it will accordingly assess the necessary actions to be taken.	As part of the Organization's overall, revised Internal Governance Framework, the Ethics and Conduct Office will assess management's recommendation to initiate a financial disclosure programme as a control and reporting measure, and gauge what action needs to be taken.	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-04)	We urged Management to include as part of the draft IGF, a policy or guidance that: defines clearly roles and responsibilities; the process to assess internal control efficiency and effectiveness; and provide a strategy to ensure that it is communicated timely to all those concerned. In addition, the Framework should have clear implementation timeliness and key performance indicators to facilitate monitoring and evaluation.	Management indicated that it considers the first part of the recommendation implemented. As shared with the auditors, IOM has developed a comprehensive IGF that outlines the essential requirements for a modern and fit-for-purpose internal governance system and developed a Strategic Vision and Strategic Landscape. These documents are undergoing consultation with IOM`s Member States currently. With respect to the clear timeliness and KPIs, IOM will be able to establish such targets once resources to implement the IGF are secured / confirmed.	IOM continues to work on application of the IGF to priority areas. A comprehensive IGF workplan has been prepared in anticipation of sharing this workplan with Member States mid-2020. The transition to a new Enterprise Resource Planning system will be dependent on the availability of funding. IOM will have established timelines and KPIs but, again, these are contingent on funding to move ahead with the proposed reforms under the IGF.	June 2021
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-05)	We recommended that Management should establish SoP to guide the process for sharing HR data with the relevant offices and conduct an assessment of SAP PRISM with a view to enhancing its reporting capabilities towards this process. All mandatory staff record fields such as entry and end date should be appropriately filled to ensure accurate determination of employee benefits.	Management agreed with the recommendation and stated that it will assess the options available in enhancing PRISM reporting capabilities towards HR data processing.	The key data fields required for automating data reporting and validation are identified and the solution is under development, pending progress of the business transformation.	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-06)	We urged Management to take the necessary steps to ensure timely recruitment of the Project Director and include as part of their terms of engagement clear timelines in liaising with the necessary stakeholders and act on the actions outlined in the Council's resolution. Management should also ensure the timely development of the prototype design for the new building and assess the impact to the other occupants of the adjoining building sharing the same perimeter with IOM. Furthermore, we would continue to provide independent assessment as part of our annual audit assurance of the Organization's operations to augment oversight activities on the implementation of the Project to enable the Organization take proactive measures to mitigate any potential operational or financial risk.	Management stated that IOM has not engaged with other institutions in the annex building regarding the Project, and further stated that although the two buildings share common services for heating and garage, the owners of the properties manage them independently. The Swiss Building Foundation for International Organizations (FIPOI) provides general oversight for both buildings so is responsible for any overarching issues that impact the owners of the buildings. FIPOI is also formally the designated focal point of the Government of Switzerland for the new IOM building project. Consequently, any issues relating to the new building which will impact IOM neighbours will be managed by them. The construction of the new building will not have any direct impact on the adjoining building. The IOM Administration will nonetheless take proactive steps to inform the neighbours on development as appropriate. IOM is currently in the process of procuring a consultancy to start preparatory work that will be used to undertake the initial assessment and establish the pre-requisite for the project in order to define the exact cost of the Project. This initial work by the Consultant will be continued by the Project Director for whom the recruitment will take a longer time. The Director General has already established a Steering Committee which provides oversight to the whole process and the Administration commits to ensure that adequate planning, consultation and active engagement with Member States, stakeholders and stringent procurement and internal controls measures will be strictly adhered to. The Administration will continue to rely on the independent assessments of the External Auditors throughout the life of the project from the initial conceptualization phase to completion.	To date the following actions have been undertaken by the Administration: The project director has been recruited and joined IOM in March 2020; A needs analysis has been undertaken , ensuring the participation of staff and other stakeholders in the process through workshops, interviews and online surveys; The Organization has been assisted by a consulting firm in defining its needs by developing different occupancy models; The firm consulted also with local Swiss authorities on a number of aspects such as land survey assessment; Management is working in close contact with the external consultants, cooperating with FIPOI on the Host State loan and on the coordination of building development projects (IOM building and adjoining buildings sharing the same perimeter). The Coordination Committee comprising of representatives of the host Government (Federal Department of Foreign Affairs, the Canton of Geneva and the Building Foundation for International Organizations - FIPOI) and IOM to discuss political, financial and legal questions pertaining to the project held a meeting at the end of 2019 and will meet again in 2020 as soon as possible. The Operational Group which discusses operational and technical issues, has been established and will hold meetings in 2020 to discuss coordination and impact of other projects under development, in the vicinity of IOM, as well as preparing for the next Coordination Committee. Also, at the request of the Swiss Permanent Mission, IOM presented the status of the project to the finance sub-committee of the Swiss Parliament in February 2020 in Geneva.	To be determined

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-08)	We urged Management to strengthen the ICT governance process, especially, in terms of management of business owners' initiatives on ICT solutions, using an enterprise-wide approach in achieving value across the Organization.	Management agreed with the recommendation and stated that they will provide an action plan by towards end 2019.	The Information and Communications Technology Division progressed on streamlining its business engagement through (i) stronger business relationship management structure; (ii) establishing a new ICT project management and implementation framework and (ii) establishing a joint business–ICT project and programme prioritization mechanism based on value creation and a strategic business focus.	September 2020
2018 INTERIM AUDIT Manila (18-IN-PH98-05)	We recommended that Management should liaise with the SCPF and consider the development and implementation of a long-term capital expenditure funding strategy; and the establishment of a dedicated Headquarters Capital Fund for the purpose of covering the cost of major construction works, repairs, renovation, system enhancement and replacement of equipment. The Fund should have clear funding sources and disbursement procedures to ensure its sustainability.	Management agreed with the recommendation and indicated that as initial step, Management will explore established approaches by benchmarking with other 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.	Initial steps were taken briefly to explore established approaches to long-term capital expenditure funding. The matter will be revisited as progress is made on assessments and studies in relation to the new Headquarters building.	July 2020
2018 COMPLIANCE AUDIT Rabat (18-CO-MA10-01)	We recommended that Management should consider using diplomatic means to resolve the issue to enable the Office to obtain prompt reimbursement for taxes paid.	The CoMs responded that efforts will be made to ensure timely reimbursement in accordance with the tax administration of the respective countries.	Focal points have been nominated both for IOM and for the Moroccan Ministry of Finance regarding VAT recovery which eases communication and monitoring of VAT recovery. While VAT recovery remains to be a lengthy process as reimbursement the appointment of focal points streamlined the process.	December 2020

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-01)	To improve upon procurement planning, we recommended that IOM should ensure that: issues of procurement plan should be assessed and addressed at project development stage; PSD should strengthen its oversight functions; staffing position at GPSU and PSD should be improved; IOM should restructure PSD and widen its scope to serve as a specialized unit in supply chain and value management.	Management accepted the recommendation and indicated that additional guidance on procurement planning will be provided within the upcoming revisions of the Procurement Manual (IN168) and Project Handbook (IN/250). PSD will continue issuing Procurement and Supply Chain alerts to facilitate information sharing and enhance oversight and compliance to standards and procedures. In collaboration with HRM/Staff Learning and Development, PSD will develop training modules for the end-to-end procurement value chain that will be accessible and certifiable	Initial investment was made to strengthen resources capacity at PSD and GPSU. Future structure of PSD is under review as part of the ongoing Internal Governance Framework application and business transformation initiative. The proposed structure aims to enhance the oversight function and role to drive strategic sourcing interventions at improved supply chain responsiveness in supporting IOM achieving its strategic vision.	December 2020
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-02)	To improve item descriptions/ specifications during procurement, we recommended that IOM should: categorize and standardize items with specifications for global commodity; implement procurement category management approach, similar to peer 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.	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.	IOM has implemented new material master database by harmonizing with UN Standard Codes for Products and Services (UNSPSc). A workplan has been developed. Projects such as the institutional review of procurement and supply chain processes (PSC Process Mapping), Online Purchases Requisition solution (Online PR), Vendor Management System (VMS) are well underway to confirm procurement and supply chain processes to be streamlined/centralized, and digitized and automated whenever possible. Implementation ongoing as part of the IGF procurement transformation process.	June 2020

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-03)	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.	Management accepted the finding and indicated that the vendor management process will be reviewed to inform the development of comprehensive guidelines. An assessment of institutional supply chain system solution enabling automatization of transactions and using direct interface with PRISM will be part of the broader Procurement and Supply Chain Management reforms.	Projects are underway to integrate, digitize and automate the existing procurement and supply chain processes. Specifically, Vendor Management System will define the to-be-state of the lifecycle management of vendors, including the procurement/vendor review committee, in line with UN Model Policy Framework. GPSU is piloting the activation of PRISM Material Management functionalities in PRISM, which can be implemented across offices.	December 2020
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-04)	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.	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.	New IOM Procurement Manual has been drafted using the harmonized UN table of content. The draft manual will be completed with additional findings from the ongoing review of existing procurement and supply chain practices (PSC Process Mapping). Upon broad-based consultation and finalization, online training and training certification will be developed and implemented to drive adoption and compliance across offices.	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-05)	We therefore recommended that Management should implement authorization of procurement and payment process-flows in PRISM using technology to leverage human time for efficiency of processing payments. Also, clear guidelines for specification and TORs with the new Procurement Manual.	Management accepted the finding and indicated that the automation of authorization of procurement and payment process-flows will be assessed and implemented as part of broader Procurement and Supply Chain Management reforms. Enhanced guidelines for specification and TORs will be provided.	Foundational interventions such as Material Master Data (2019), Online-Purchase Requisition (2020), and Vendor Management System (2020) will facilitate the integration, digitization and automation of procure-to-pay process in the PRISM, including the efficient and quality of payment processing. New procurement-to-pay processes will be incorporated in the new procurement manual, with specific user guide will be developed for training and use.	December 2020
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.	As stated above it is anticipated that various elements of the IGF will mature in the coming months and OIG will incorporate these new processes in its upcoming planning and annual review as of 2021. This to provide assurance to internal and external stakeholders that these newly implemented processes are effective and efficient and do minimize the risks that could impact the achievement of objectives. The audits and reviews could include integrity and ethics-related risks, human errors and fraud risk, design quality of financial management processes, and IT security risk, among others.	June 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-04)	We recommended that management should develop a resource mobilization strategy that will outline principles in resource mobilization activities, harmonize various strategies for funding IOM operations in a more coherent manner.	Management agreed with the recommendation and stated that it acknowledges the need for an organization-wide resource mobilization strategy and is currently developing a Resource Mobilization (RM) strategy for the period 2018-2022 which will include a narrative, a results matrix and a work plan. Management added that consultations for the RM strategy have already been held with the four CORMFs (Washington DC, Berlin, Helsinki and Tokyo) as well as all nine Regional Offices and is expected that the strategy will be finalized before the end of 2018. Management stated that this will be used to provide a framework for RM strategies being developed at Country and Regional Office level and would help country and regional offices to develop a more structured approach to fundraising, with the possibility of setting up resource mobilization targets to meet their needs and monitoring the achievement of these objectives. Management also indicated that the MI publication is not stricto sensu a fundraising tool, but rather considered as a corporate document, or institutional “business card” that captures the variety of the Organization’s programming aspirations, as framed by the MIGOF.	The proposed institutional resource mobilization strategy has been finalized, presented to the Extended Senior Management Team and submitted to the Office of the Director General. The resource mobilization strategy will be revised as now integrated into the HQ Strategic priorities for 2020.	June 2021
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.	In line with the Internal Governance Framework, Ethics and Conduct office will be working to develop a charter for the Ethics and Conduct office as soon as possible.	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
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 process of selecting expert consultants and service providers for the centralized financial coordination platform and its subprojects. The new Financial Coordination Platform (FinCoorP) was piloted live in August 2019 and implementation continues as per the predefined phased implementation plan with completion expected by end of 2020.	December 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.	The business transformation case study has been developed. Work continues on its expected impact. Preliminary timelines for the relevant project stages will be set out in the IGF workplan including funding needs. IOM will be able to establish firm timelines once funding has been secured / confirmed.	June 2021

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
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.	A comprehensive Chart-of-Account review is on the implementation roadmap of the ongoing Business Transformation process. However, the review can only take place follow strategic sequencing with regards to other ongoing initiatives, including but not limited to those related to vendor and donor structure reviews and remapping of reporting requirements. The Administration is considering conducting a comprehensive enterprise accounts structure review as part of the business transformation process, in order to take account of the broad interdependence between the current efforts to transform various business functions and their impact on financial master data and the Chart of Accounts.	June 2021
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 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.	On 26th November 2019, IOM Council voted in favor of Lebanon membership in the organization unanimously during the 110th session for the council. Mission is now working with MoFA to complete the formalities for the membership and to sign a status agreement with the host government and we are expecting this process to be finalized by the mid of this year.	June 2020
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.	Final PRISM tests were conducted in the second quarter of 2019 of the new report (ZMSR). The technical ICT team is still working on final adjustments of the tool. More testing is in progress.	June 2020

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
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 changes 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. CO Vienna will continue their negotiations with the Austrian counterparts, in coordination with LEG department and other relevant HQ units.	December 2020
2017 COMPLIANCE AUDIT Vienna (17-CO-AT99-05)	We recommended that Management and the Head of Country Office, Vienna should liaise with Headquarters with the view to resolve these challenges to enable staff of IOM enjoy equal rights and privileges as their counterparts in the 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.	New badges have been issued for IOM staff which facilitates their access to the UN premises, however in general IOM continues not to benefit from the same privileges as UNOV staff. Management considers that the implementation of 17-CO-AT99-04 above will implement this recommendation at the same time.	December 2020
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.	The work related to the future issuance of the Statement of Internal Controls continues within the framework of the IGF, given the close link between the need for enhanced capacities to monitor the efficiency of the control framework and systems, and pre-conditions of issuing the Statement of Internal Controls. The timing of first SIC issuance by IOM is largely dependent on the progress of IGF and the Business Transformation processes.	December 2021

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-04)	We therefore recommended that Management should prepare departmental plans under the core funding structure to closely link with the Migration Governance Framework and budget consumption with what has been delivered in terms of outputs and outcomes to ensure integrated performance reporting under RBM. We further recommended that Management should provide the required electronic tools to facilitate monitoring, evaluation and timely reporting of the process.	Management accepted the recommendation and agreed that further efforts should be made to move in that direction. It added that the Organization will continue integrating Results Based Management principles to its operational and reporting processes within the resources available and within the applicable regulatory framework and that the recently re-activated Member State-led Working Group on Budget Reform will also afford some opportunity to drive the process.	The strategic vision and landscape finalised in November 2019 does not replace the Migration Governance Framework but also takes into consideration the need for IOM to work towards the Sustainable Development Goals and the implementation of the Global Compact for Safe, Orderly and Regular Migration. Work continues on institutional strategic planning and is expected to result in draft revised global results framework and regional strategies by the end of June 2020 and finalized versions by end 2020. The revised strategic plan will also inform (electronic) results-based reporting.	December 2020
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-06)	We recommended that Management should adopt a more comprehensive Knowledge Management framework and procedures aligned with the Organization's mandate, goals and objectives. These may be based on an assessment of current and future knowledge management needs and include measures for implementation.	Management agreed with the recommendation and stated that it will continue strengthening the knowledge management framework of IOM.	The Policy Hub is exploring the potential to develop a new knowledge management strategy and is developing a Policy Repository to support Missions to exchange on policy-related work. Other platforms for knowledge management – for example, on return and reintegration – are also being prioritised across the organisation.	December 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
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 the core structure. In addition, some of the unearmarked contributions made by some Member States have been invested in core services and as seed funding for the IGF initiative. The administration has been engaging with Member States regarding the inadequate core structure and some of them have provided some unearmarked contributions while ongoing discussions on budget reform continues	December 2020
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-11)	We recommended that Management should review IN/1 to strengthen policies and procedural coordination within the Organization. Management could also consider the establishment of a Policy Coordinating Unit to have close collaboration with technical members of departments to ensure that policy, normative and operational management are coordinated and aligned with IOM's mission and objectives.	Management concurred that it is essential to maintain an up-to-date, well organized, coordinated and complete series of policies, and that this is an important part of any well- managed and transparent organization. It indicated its commitment to explore specific approaches to improving the current regime, including reviewing the IN/1 and any structural solutions to help improve in this area.	Consultations with relevant stakeholders are ongoing on revising Instruction 1 (Improving Issuance of and Adherence to Instructions and Guidance). A working group has been formed and is working closely with the Internal Governance Framework to ensure a coherent approach.	December 2020

IOM tracking number	**Recommendation**	**Management response**	**Subsequent action taken (as at March 2020)**	**Planned date of completion**
	S/22/CRP/1			
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.	The Administration remains committed to implementing internal audit recommendations and IOM country offices are making progress on specific recommendations and reporting back on their status to the Office of the Inspector General. There are also several ongoing institutional initiatives related to policy and system enhancements. These initiatives often require huge financial investments and are hard to implement given IOM's projectized system. Once fully implemented, however, they will further improve organization-wide controls and strengthen the control areas highlighted in some of the audit recommendations.	December 2020
2015 PERFORMANCE AUDIT Geneva (15-PE-CH10-15)	IOM may explore inclusion of policy provisions specific to staff with disabilities as part of efforts to create a diverse and inclusive work environment.	A new Diversity and Inclusion Officer position was approved in the 2017 budget (under recruitment currently) and a Staff Welfare Position has been established in 2016. These positions will be tasked to promote inclusion of staff members with disabilities.	IOM has been working with the UN System for the implementation of the United Nations Disability Inclusion Strategy (CEB/2019/1/Add.6); an internal Working Group meets about quarterly under the supervision of the Deputy Chief of Staff to move forward. While HRM is looking at many of the internal questions for staff, the WG also looks at the question of disability of beneficiaries.	December 2020
2015 PERFORMANCE AUDIT Geneva (15-PE-CH10-17)	IOM may devise performance evaluation indicators for each category of consultancy and their functional competencies.	HRM is planning to revise its instruction on consultants (IN/84) this year and will include robust performance indicators for evaluation of consultants.	IN/84 (Guidelines for Selection and Employment of Consultants) has been revised based on consultations and the draft shared with relevant stakeholders in the field. It is currently undergoing internal coordination for final comments, where after to be submitted to the Office of the Director General for approval. The revised instruction includes performance evaluation criteria and a suggested rating grid.	May 2020

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at March 2020)	Planned date of completion
	S/22/CRP/1			
2014 PERFORMANCE ICT AUDIT Geneva (14-PE-CH10-14)	ITC may ensure that confidentiality and integrity of organization-wide data is strengthened by adopting ISO 27001 certification and updating its backup system.	No funding has been approved for the IC Division to implement compliance with ISO 27001. Although the latest ICT Strategy (2017-2020) incorporates ISO 27001 certification as one of its objectives within the period. This objective is supported by defined action to be delivered by ICT between now and 2020.	The draft implementation plan is available and will be actioned once funding is secured.	December 2023

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-07)	To achieve greater efficiency in a dynamic work environment, and as a means of strengthening the internal justice system, we urged Management to consider the need to augment the human and financial resources available to the Ombudsperson.	Management stated that the Administration will further investigate this amongst other priorities and within the limitation of resources made available to IOM. In the meantime, for a portion of the year 2019, the Ombudsperson has been allocated with funding to support functions in promoting conflict management skills and Ombudsperson services and the conduct of awareness-raising activities.	The approved Programme and Budget for 2020 provides for additional resources to be made available for the Office of the Ombudsperson. Management considers the recommendation closed.	October 2019
2018 INTERIM AUDIT Manila (18-IN-PH98-01)	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.	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. 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.	Management considers the recommendation closed, given that long-outstanding purchase orders are being reviewed and related process flows reinforced under, in particular, the Financial Management Rules and Procedures issued in October 2018 and that proactive measures are being taken to implement a continuous monitoring tool as part of the financial coordination platform project.	October 2018

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2018 INTERIM AUDIT Manila (18-IN-PH98-03)	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.	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. 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.	Management considers the recommendation closed, given that long-outstanding receivables are being reviewed and followed up, and related process flows reinforced under, in particular, the Financial Management Rules and Procedures issued in October 2018. Additional proactive measures are being taken to implement a continuous monitoring tool as part of the financial coordination platform project and to automate donor invoicing via PRISM (in the final implementation stage).	October 2018
2018 INTERIM AUDIT Manila (18-IN-PH98-02)	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.	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.	Management considers the recommendation closed, having reduced the 74 accounts initially noted to 28. Central review units continuously follow up with Country Offices via established review processes, and possible solutions for automation are being considered.	September 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2018 INTERIM AUDIT Manila (18-IN-PH98-04)	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.	Management agreed with the recommendation and stated that coordination will enhance with offices on the open items. In addition, the management confirmed that its central review teams will continue to review the down payments/advances as part of the periodic checklist review at month end.	As part of the IGF finance transformation process, IOM is implementing a new financial coordination platform and continued compliance monitoring software that will run on PRISM. In addition, it has engaged a consultant to provide independent advice on how these new assets can be used to enhance existing financial control procedures. Using these new solutions, the annual soft and year-end closings focus on identifying further enhancements to the current system and processes in respect of unliquidated obligations. To date, outstanding advances have been considerably reduced, from USD 103 million during the audit period to USD 40 million. Given that, under the above initiatives, central review teams continue to monitor the situation and take follow-up action as part of the monthly checklist review, management considers the recommendation closed.	September 2019
2018 COMPLIANCE AUDIT Helsinki (18-CO-FI10-01)	We recommended that the BCP should be finalized, approved and implemented as well as conduct yearly simulation drills.	The Office indicated that the BCP will be finalized and shared with the Regional Office as well as take the necessary steps to perform simulation drills on yearly basis.	The BCP has been finalized at the end of 2019. In particular, the ICT components of the BCP were successfully tested on 03 Dec 2019 by our local IT (data restoration from a back-up tape). The data restoration was completed upon consultation with the central ICT department in Manila.	December 2019

IOM tracking number	**Recommendation**	**Management response**	**Subsequent action taken (as at August 2018)**	**Completed in**
	S/22/CRP/1			
2018 COMPLIANCE AUDIT Bucharest (18-CO-RO10-01)	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.	The Office 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.	The CCSAT was updated by the Regional Office in Brussels and sent to all offices in April 2019. IOM Romania completed the CCSAT and sent it to the Regional Office in May 2019.	May 2019
2018 COMPLIANCE AUDIT Tripoli (18-CO-LY10-02)	We urged Management to conduct reconciliation of all uncleared transactions from the accounting system and take the appropriate actions.	The Office agreed with the recommendation and indicated that they would take steps to clear all pending items.	All uncleared disbursements aged over 6 months had been reversed by IOM Tripoli by 31 August 2019, as part of its review of bank reconciliations. This is currently being reviewed and will be cleared by central review functions.	August 2019
2018 COMPLIANCE AUDIT Tripoli (18-CO-LY10-01)	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.	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.	During a December 2018 visit to IOM Libya in Tunis to conduct a reclassification review exercise under IN/216 (Classification of Positions), the Head of the Organizational Design and Classification Unit at the Panama Administrative Centre conducted 19 desk audits of national positions and reviewed, with the Chief of Mission, the organizational structure and reporting lines of IOM Tunis and Tripoli. Seventeen positions were reclassified and four published positions were regularized and listed at the correct grades. The reclassifications were completed around the end of April 2019.	April 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2018 COMPLIANCE AUDIT Rome (18-CO-IT10-01)	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.	Management welcomed the recommendation and commit that the Office will establish a regular, written review of the performance of consultants to be filed with the Human Resource Unit.	IOM Rome has established a process whereby consultants contracted by it are subject to a written evaluation of their performance at the end of the contract.	August 2019
2018 COMPLIANCE AUDIT Dakar (18-CO-SN10-03)	To ensure that IOM is visible within the Country and beyond, we urged management to develop a media and communication strategy.	Management responded that it is not possible to create and maintain, a communications unit within the Office as the position is contingent on funding availability. However, the Office will synergize communications, awareness raising and visibility requirements of all programmes currently being implemented in the Office.	In 2019, a national sensitization and communication strategy has been developed under the EUTF/JI, the main project ongoing at the country level. This strategy follows the orientations of the Regional Communications Strategy developed within the framework of the same project at the regional level. The Communications team has been applying the activities outlined by the national sensitization and communication strategy and replicated the initiatives to the other projects ongoing, ensuring communications and visibility to all the units and providing technical support to awareness raising activities design and implementation. The Communication Unit has supported the Office of the Chief of Mission on all communication and information dissemination issues.	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2018 COMPLIANCE AUDIT Warsaw (18-CO-PL10-01)	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.	The Office 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.	Updates on the financial situation were regularly shared with the Regional Office in Brussels and additional OSI requested. Funding opportunities were actively sought. Four national and regional project proposals were submitted to the Asylum, Migration and Integration Fund. One assisted voluntary return project amounting to PLN 6 million was approved for funding. A decision is pending on two projects; however, considering the progress made, management considers the recommendation closed.	September 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
2018 COMPLIANCE AUDIT Bujumbura (18-CO-BI10-01)	We urged Management to involve all relevant units in project implementation planning to enhance efficiency and effectiveness of delivery.	The Office 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.	In order to ensure participation in project implementation, management encouraged project managers and resource mobilization units to have kick-off meetings to discuss the issues presented and assign clear responsibilities to each unit. In the meetings, the project managers discuss their work plan and the supporting units produce procurement plans, identify implementing partners and raising any other aspects that might come up during implementation. At the end of each month, the finance unit shares the office project monitoring reports with department coordinators, who then share them with the project managers. The aim is to allow the programme team to have a clear picture of project burn rates and to identify areas where immediate action is needed. The programme team, resource mobilization unit and other partners usually meet after each reporting period to discuss gaps and propose solutions to ensure smooth implementation.	August 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2018 COMPLIANCE AUDIT Bujumbura (18-CO-BI10-02)	We recommended that Management should consider using diplomatic means to resolve the issue to enable the Office to obtain prompt reimbursement for taxes paid.	The CoMs responded that efforts will be made to ensure timely reimbursement in accordance with the tax administration of the respective countries.	Burundi's VAT legislation designates IOM as a tax collection agent that must submit the taxes collected every month. Those taxes are reimbursed once the Burundian Revenue Authority has conducted a critical analytical review and justified the reimbursement. The role of management is to ensure VAT returns (collection reports) are submitted in time for the review. Management confirms that the VAT returns are submitted monthly after central closing of the accounts, with all appropriate supporting documents. Management met officially in November 2018 with the Commissioner General of the Burundian Revenue Authority and subsequently sent a note verbal to the Ministry of Foreign Affairs and the Revenue Authority aimed at speeding up the reimbursement process. IOM Burundi is currently receiving refunds and management therefore considers the recommendation closed.	August 2019
2018 COMPLIANCE AUDIT Copenhagen (18-CO-DK10-01)	We recommended that the CoM should step up their engagements with the donor community and other stakeholders to attract funding for other projects.	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.	Given the latest developments, and with new funding confirmed (e.g. for the Korea Visa Application Centre) or in the pipeline (e.g. for resettlement), IOM Copenhagen is in the process of diversifying its project portfolio and considerably enhancing its financial sustainability/outlook. It therefore considers the recommendation closed as at September 2019.	September 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
2018 COMPLIANCE AUDIT Bucharest (18-CO-RO10-02)	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.	The Office 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.	IOM Bucharest has developed a local strategy for 2019–2023, which it will share with the Regional Office in Vienna in September 2019 for review and approval. Management therefore considers the recommendation implemented.	September 2019
2018 COMPLIANCE AUDIT Warsaw (18-CO-PL10-02)	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.	The Office 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.	The CCSAT for IOM Warsaw has been prepared and submitted to the Regional Office in Brussels.	September 2019
2018 COMPLIANCE AUDIT Warsaw (18-CO-PL10-03)	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.	The Office 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.	IOM Warsaw has established procedures for engagement with the private sector.	September 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
2018 COMPLIANCE AUDIT Rabat (18-CO-MA10-02)	We urged Management to monitor expenditure against funds received for projects and ensure that project managers spend from funds received for respective projects.	The Management agreed with the recommendation and efforts will be put in place to negotiate funding agreements with appropriate pre-financing provided by donors.	The Monitoring and Evaluation Officer, the Chief of Mission and the Resource Mobilization Officer now hold monthly meetings with project managers to monitor project expenditure against funding received.	September 2020
2018 COMPLIANCE AUDIT Dakar (18-CO-SN10-01)	We urged the CoM to ensure that project financial reports are submitted on time for effective decision-making.	Management agreed with the recommendation and stated that an internal project monitoring system within the Office 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.	IOM Dakar is coordinating with resource mobilization staff and project managers to ensure the timely submission of reports to donors. In addition, the resource mobilization unit is now providing periodic monitoring reports to project managers, in order to identify any potential issues.	September 2019
2018 COMPLIANCE AUDIT Dakar (18-CO-SN10-02)	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.	Management accepted the recommendation and stated to strengthen the Office procurement planning and increase collaboration with the unit heads.	Coordination between units has been enhanced to improve procurement planning and avoid unnecessary delays. Enhancements continue to be made, and IOM Dakar considers that activity implementation is better planned. The Chief of Mission and the Resource Mobilization Officer are continuously verifying the processes in place, to ensure smooth implementation.	September 2019

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-03)	We recommended that Management should take a second look at the resource needs, in terms of human and tools to enhance OIG's investigation capacity, efficiency and strategic reach to enable the Office adopt a preventive approach instead of the reactive approach in handling wrongdoings.	The Office of the Inspector General agreed with the recommendation and indicated that collaborative efforts are underway with management through a three-layer approach to first conduct needs analysis, prioritize needs and request for immediate to short-term additional resources both in terms of human and systems, within twelve months. Secondly to perform an independent external assessment of the function to assure quality and standardization; and finally, to harmonize and consolidate the Investigation function along with all the other central functions of the OIG, i.e. Internal Audit, Evaluation and Inspection.	Resources have been made available to OIG with the number of investigations related positions increasing from 8 to 14 at the end of 2019 and an increase in funding for consultants and travel. Additional systems resources have also been made available in the form of funding for a new case management system which is currently in the testing phase. These have contributed to a tangible increase in OIG's investigative capacity and response time.	March 2020
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 submitted a draft strategic vision for internal consultations at Headquarters and in the field. The Director General has started briefing Member States on the current draft.	July 2019

IOM tracking number	**Recommendation**	**Management response**	**Subsequent action taken (as at August 2018)**	**Completed in**
	S/22/CRP/1			
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.	Following the Standing Committee session in June 2018, the Director General decided to add the MEFM (specifically, its funding status, options and scope) to the list of items being considered by the Working Group on Budget Reform. The Working Group is scheduled to meet in October 2019, and management therefore considers this recommendation closed.	September 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.	The management considers the recommendation completed. PRIMA roll-out has been completed in 2019, while subsequent fine tuning of the solution is ongoing.	December 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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 been completed and the draft report is being finalized. It does not recommend that a pre-project amount be set aside for stakeholder consultations. Instead, it recommends that the Fund continue to work closely with IOM country offices on stakeholder consultation before a project commences, to encourage project ownership and sustainability. Consultations continue to cover government contributions in kind, to strengthen the participatory approach, and seem to be working well.	September 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 closed given that long-outstanding advances are being reviewed and related process flows reinforced, especially under the Financial Management Rules and Procedures issued in October 2018, and that proactive measures are being taken to implement the continuous monitoring tool as part of the financial coordination platform.	December 2018

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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.	IOM Kyiv regularly exchanges information with the Regional Office in Vienna on this topic, which 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 reinforced resident coordinator system, the new United Nations management and accountability framework stipulates the modalities for coordination between the resident coordinator and the country team members, including joint responsibility for the delivery of results in helping Member States to achieve the Sustainable Development Goals, of which migration is an important element. At the global level, IOM is the coordinator and secretariat for the new United Nations Network on Migration, of which 38 United Nations entities are members. The Network will coordinate action on migration issues at global, regional and country level. Management therefore considers the recommendation closed.	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.	IOM Cameroon finalized the BCP, which was subsequently approved by the Regional Director and the Regional Security Officer. The BCP is to be tested with the coming of the Regional Security Officer in March or April 2020.	April 2020

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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.	On the 21 January 2020 the host agreement between the International Organization for Migration and the Government of the Republic of Cameroon was signed	January 2020
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 has been recruited and taken up the post.	April 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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.	IOM Abuja finished verifying the backlog of previously acquired assets and newly acquired assets in December 2018.	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 2018 reconciliation report was submitted in February 2019. It took time, however, to consolidate obsolete items with a view to their bulk sale by public auction, and the items were therefore disposed of only at the end of April 2019.	April 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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.	The client satisfaction survey was carried out from May to June 2019 at the IOM Dar es Salaam refugee processing centre, which provides office space, transportation, accommodation and other services for refugees, other organizations and governmental bodies. The results are being analysed and will serve to draw up recommendations to improve service delivery.	September 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.	IOM Yaoundé recently updated its inventory of assets, and all assets will have been tagged by September 2019 at all locations (Buea, Douala, Maroua and Yaoundé). It coordinated with the Global Procurement and Supply Unit to upload the assets and is awaiting confirmation. Management considers the recommendation closed.	September 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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 to approve new local airline or ticket vendor agreements are copied to the Resettlement and Movement Management Division (RMM) Agreements Review Group, which is responsible for reviewing and keeping a record of all approvals granted before endorsement by the Office of Legal Affairs. All departments and divisions were subsequently informed that all air ticket agreements must be reviewed and approved by RMM for subsequent endorsement. For institutional direction and guidance, the Director of the Department of Operations and Emergencies sent a compliance message to all offices worldwide on the procedures for coordinating airline and air ticket vendor agreements. This worldwide message helped to ensure that all offices comply with the procedure put in place.	March 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. It includes new reports for quality control and monitors the status of TORS, invoices and credit notes. It also provides both operational and finance managers with dashboards and reports for detailed analysis of the work of staff in their respective offices. The Resettlement and Movement Management Division is confident that iGATOR incorporates all quality control systems and best practices implemented by IOM Amman and other offices.	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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 SOPs drawn up for the deployment of the new iGATOR system between December 2018 and February 2019. The iGATOR project team, comprising staff from the Resettlement and Movement Management Division, the Airline Invoice Settlement Section and the PRISM team, trained a group of regional trainers who in turn trained staff in their respective regions in airline ticket management and recording of fares in iGATOR. The fares are obtained from airline agreements, information stored in bookings in the Amadeus system and confirmations/offers received from the air ticket vendor ahead of ticketing. Once recorded, they are used by the Airline Invoice Settlement Section to check invoices and identify discrepancies or misapplication of agreements. Following a worldwide refresher course for experienced users, it was emphasized that TORs should be created as soon as tickets are issued, to ensure that the Airline Invoice Settlement Section can process and settle invoices as soon as they are received.	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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.	Pursuant to a comprehensive system review, the decision was made to upgrade the iGATOR system to a new SAP Fiori platform. The new platform was incorporated into PRISM, enabling real time validation of duplicate TOR entries, as the transactions are recorded directly in the financial system. Further to this development, each migrant was attributed a unique individual identifying number from the Migrant Management Operational System Application (MiMOSA). The number is used to apply the duplicate check business rules built into the system (for staff travel, the individual staff member’s Personnel Number is used).	February 2019

IOM tracking number	Recommendation	Management response	Subsequent action taken (as at August 2018)	Completed in
	S/22/CRP/1			
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 received end-to-end training, which covered the creation of TORs, invoice processing, credit note creation and reimbursement updates. During the testing and user acceptance phase, the iGATOR team trained 16 staff representatives from each region and select large offices, who then cascaded the training on invoice and credit note processing down to the operational and financial staff in offices in their respective regions processing invoices from local vendors. In building the new system, the team incorporated the best practices applied by the Movement Systems Support and the Airline Invoice Settlement Units wherever possible. The system has been successfully used for both global and local air ticket vendors, proving that the training was effective.	February 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-03)	We recommended that Management should develop funding strategies with the aim of fully funding the ASHI by creating an asset base instead of the "pay as you go" model for the Administrative part of the budget as well.	Management acknowledged the recommendation and agreed to consult with IOM's Governing Bodies with regards to a proposal to charge 6% Terminal Emolument in the modality of funding ASHI liabilities under the Administrative Part of the budget.	The new accounting standard on employee benefits (IPSAS 39) was implemented in 2018 and the results have been analysed with a view to assessing the impact. Based on the analysis, the Administration confirms (a) that the administrative programme remains a very small part of total expenditure, accounting for less than 3 per cent of consolidated expenditure in 2019 (b) the employee liabilities on the Operational part of the budget are fully funded despite the Organization's growth and expansion in staff headcounts. It has been concluded that the exposure due to the "pay as you go model" for the Administrative Part of the budget represents a tolerable risk with regards to unfunded liabilities in the context of the overall employee liabilities of IOM and the management considers the current funding mechanism in place appropriate. An annual assessment will be maintained, to verify if the event of any future changes requires reassessing the current position in consultation with IOM's governing bodies. Management considers the recommendation closed.	March 2020

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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 for risk management was approved in the Programme and Budget for 2019. In addition, a risk information system is in the final stages of the procurement process and will be rolled out in the second half of this year. It will strengthen risk management processes by streamlining the input and analysis of risk information, ensuring that risk information can be channelled in a timely manner to facilitate effective action. In this context, management considers the recommendation 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 on the Organization’s investments in the Annual Financial Report.	June 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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 conduct regular and extensive reviews of IOM accounts and follow up with the field offices concerned. The Financial Management Rules and Procedures issued in October 2018 provide clear guidance on refunds.	October 2018
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.	The budget consumption alert launched in PRISM in 2018 was reviewed and monitored, to ensure that the requirements of management and general users were met. Several updates were decided on as a result; they are currently being developed and are to take effect in 2019.	September 2018

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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.	October 2018
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.	The Donor Relations Division started to develop an institutional resource mobilization strategy, with IOM Washington providing input via conference calls and in writing. The Division shared the draft strategy with the senior management team at Headquarters in February 2019. The IOM Washington resource mobilization strategy will be output 3.3 of the institutional strategy, which is currently being reviewed by the Office of the Director General. Management therefore considers the recommendation closed.	December 2018

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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 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 regularly raises this issue with the Canadian authorities and will continue to do so. As in all other countries, however, the outcome does not depend on its efforts alone. Given the passing of time, the absence of meaningful progress and the fact that no improvement is expected in the foreseeable future, management considers the matter closed.	September 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.	September 2019

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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.	September 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 the current financial constraints, skills development and training in resource mobilization is a priority for IOM Washington. In 2018, staff participated in two certification courses in resource mobilization, allowing them to join the international, national and local chapters of the Association of Fundraising Professionals. They also helped field offices in the Caribbean, mainly Trinidad and Tobago and Dominica, to draw up their fundraising programmes. IOM Washington also developed a briefing book on United States Government priorities that was piloted at the regional meeting in San José, Costa Rica, and at the global meeting of regional thematic specialists in Washington. IOM Washington recognizes that professional skills development is an ongoing effort and to that end regularly produces resource mobilization tools for its own use and for use Organization-wide. Tools currently in the pipeline include training in the fundamentals of fundraising, an update of the USAID handbook and webinars on World Bank/IOM cooperation.	December 2018

IOM tracking number	Recommendation S/22/CRP/1	Management response	Subsequent action taken (as at August 2018)	Completed in
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 released.	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 in human resource matters within IOM and is working well.	December 2018
2014 PERFORMANCE ICT 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).	New tools and reporting mechanisms were considered in the context of PRIMA development, and PRIMA is already in production for the Regional Offices in Pretoria, Nairobi, Bangkok, Buenos Aires and San José, and for Headquarters.	September 2019