

27TH SESSION STANDING COMMITTEE ON PROGRAMMES AND FINANCE

AGENDA ITEM 6

PROGRESS REPORT ON THE IMPLEMENTATION OF THE EXTERNAL AUDITOR'S RECOMMENDATIONS

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Audits of IOM

- The External Auditor audits the accounts of the Organization in accordance with the principles set out in the Annex to the Financial Regulations and with such other directives as the Council may decide;
- **Certification Audit:** To provide assurance that the accounts and underlying financial transactions are free from material error and/or misstatements and comply with IOM's Financial Regulations and IPSAS;
- **Performance Audit:** Specific performance audit topic is selected yearly taking into account various IOM operations or activities, the risk factors, and efficiency measures among other considerations;
- **Compliance Audit:** Examine whether the activities of IOM are in accordance with the relevant laws, regulations and authorities that govern the Organization. This undertaking reviews the Administration's accountability for its actions and good governance.

Annual External Auditor scope

	2014	2015	2016	2017	2018	2019
	External Auditor	External Auditor	External Auditor	External Auditor	External Auditor	External Auditor
Certification audit	Comptroller and Auditor General of India	Comptroller and Auditor General of India	Ghana Audit Service	Ghana Audit Service	Ghana Audit Service	Ghana Audit Service
Performance audit	Information Technology and Communication	Human Resources Management	Business Continuity Plan	Air Ticket Management	Procurement	Medical Claims
Compliance audit	Belgium (CO & RO)	Argentina (CO & RO)	Canada	Austria (RO)	Burundi	Bangladesh
	Egypt (CO & RO)	Colombia	China	Cameroon	Denmark	Belgium (CO)
	Greece	Ethiopia	Japan	Côte d'Ivoire	Finland	Bosnia and Herzegovina
	Jordan	Kenya (CO & RO)	Thailand (CO & RO)	Lebanon	Italy	Germany
	Norway	Peru	United States of America (2 locations)	Nigeria	Libya	Ghana
	Sudan	Uganda		Uganda	Morocco	Mali
				Ukraine	Poland	Philippines (CO)
				United Republic of Tanzania	Romania	Serbia
					Senegal	Turkey

For the 2020 audit cycle, Receivables management is the Performance audit topic.

Compliance audits are being undertaken in; Afghanistan, Central African Republic, Costa Rica, Iraq, Mozambique, Myanmar, Niger, Pakistan, South Sudan and Yemen.

Recommendations Implementation Overview (yearly trends)

	Report on the implementation of the External Auditor's recommendations					
	2014 S/16/CRP/15	2015 S/18/CRP/10	2016 S/20/CRP/1	2017 S/22/CRP/1	2018 S/24/CRP/1	2019 S/26/CRP/1
Outstanding as at Y-1	20	27	19	39	52	41
Raised during the year	37	43	47	54	35	56
Closed during the year	-30	-51	-27	-41	-46	-59
Outstanding as at yearly update to the Member States	27	19	39	52	41	38

2019 Outstanding Recommendations – Regional View

	Recommendations Category					
	Global	Africa	Americas	Asia	Europe	Total
Certification	20					20
Performance	13					13
Compliance		1	0	1	3	5
Outstanding as at yearly update to the Member States	33	1	0	1	3	38

Recommendations Overview - management comments

- Recommendations outstanding are mainly due to:
 - Higher level, strategic type of recommendations, with more extensive time and resources required to implement;
e.g. Internal Governance Framework, Institutional Resource Mobilization Strategy, Statement of Internal Control, Chart of Accounts review, Financial Coordination Platform, Vendor Management System enhancement, Ethics and Conduct Office financial disclosure, Revisions to privileges and immunities agreement.
 - Performance: funding challenges and timeline constraints;
e.g.: ISO27001 – Information Security Management System, Supply Chain Management review.

Recommendations Overview - management comments

- Compliance: larger organization and different level of maturity in country offices.
- Challenges in Country Offices relate to local assets acquisition and disposal, tax exemptions, procurement, immunities and privileges, local contract management, project monitoring, staff training etc.

Recommendations Overview – timeline & Management Actions

Recommendations planned date of completion	24	12	1	1
Year	2020	2021	2023	TBD

- Assessed Contribution Receivables: An appropriate threshold and discount rate for incorporation into the IOM IPSAS Manual for enhanced IPSAS compliance is under review (19-CT-CH10-03, page1).
- Management is in process of assessing if medical claims should continue to be processed internally (19-PE-CH10-01, 19-PE-CH10-03, 19-PE-CH10-04, 19-PE-CH10-05 and 19-PE-CH10-06, page 2 – 4).
- A comprehensive vendor management review and mapping exercise as part of the procurement transformation process has been launched (18-CT-CH10-01 and 18-CT-CH10-02, page 4 - 5).
- External consultants have been engaged to support the development of the new HQ building project and the loan application process (18-CT-CH10-06, page 7).

Management actions underway

- The ICT strategy is being aligned with IOM's strategic vision, focusing on streamlined business engagement, project governance and joint business-IT project and programme mechanisms (18-CT-CH10-08, page 8).
- As part of the Organization's overall Internal Governance Framework, a comprehensive anti-fraud manual is being drafted (17-CT-CH10-02, page 11).
- A pilot roll out on the implementation of a Centralized Financial Coordination Platform has been completed and further roll-out is ongoing (17-CT-CH10-08, page 12).
- A review of knowledge management at IOM is currently in progress (16-CT-CH10-06, page 17).
- IT Security is being enhanced and preparation for the ISO 27001 certification ongoing (14-PE-CH10-14, page 19).

THANK YOU