

# 28th SESSION STANDING COMMITTEE ON PROGRAMMES AND FINANCE

## AGENDA ITEM 5

# Financial Report for the year ended 31 December 2020

Joseph S. Appiah

*Comptroller / Director*

*Department of Resource Management*

# Financial Report for the year ended 31 December 2020

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

The financial report, related notes and other disclosures give a true and fair view of the financial position for the year ended 31 December 2020.

3. In arriving at its opinion, the External Auditor undertook certification: performance (IOM Receivables Management) and compliance audits: (10 offices: Afghanistan, Central African Republic, Costa Rica, Iraq, Mozambique, Myanmar, Niger, Pakistan, South Sudan, Yemen).
4. Continued IPSAS compliance.

# Highlights



Total revenue increased in 2020 with USD2,183 million (2019: USD2,127 million).



**CHF 18 million in outstanding assessed contributions**, an increase of CHF 10.6 million (2019: CHF 7.4 million.)



Total expenses increased in 2020 with USD2,178 million (2019: USD2,095 million).



**14% increase of funds committed for activities beyond 2020** at USD1,320.2 million in 2020 (2019: USD1,159.3 million)



USD 213.3 million **receivables** related to project activities (2019: USD 234.3 million).



**Strong liquidity, with an increase of 18% in the combined cash and investments** at USD1,765 million in 2020 (2019: 1,495 million)



**Advances to vendors and Implementing Partners** in 2020 was USD 178.8 million (2019: USD 152.8 million).



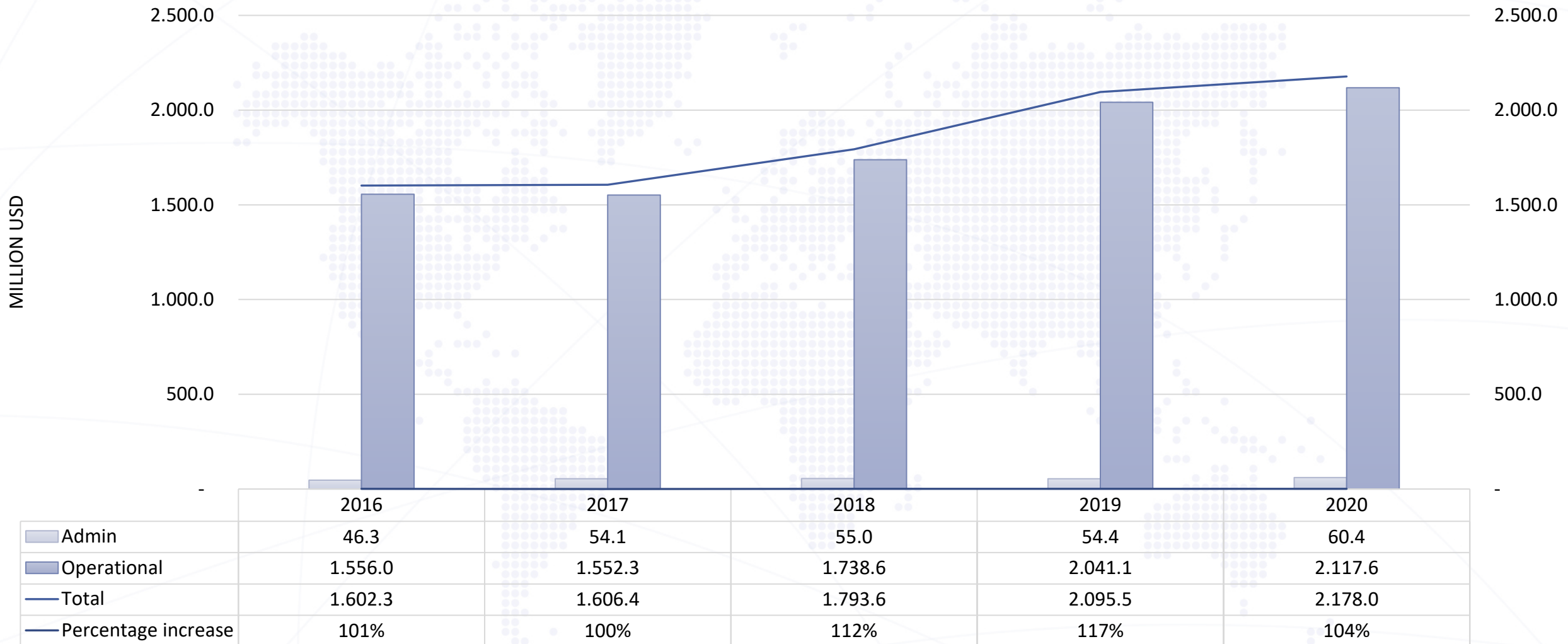
**Assets increase overall by 14%**, USD2,266 million in 2020 (2019: USD1,984 million)



**Payable to suppliers increase by 51%**, USD 230 million in 2020, mainly due to consultancy services, implementing partners and suppliers (2019: USD 152 million)



# Total Expenses - 5 years trend (in USD million)



# Statement of financial performance

## Administrative part of the Budget

The Administrative programme accounts for 3 per cent of consolidated expenditure in 2020.

The Administrative programme resulted in a surplus of CHF 443,492 before provision for doubtful receivables for 2020.

After factoring in the increase in the provision for doubtful receivables of CHF 2,671,416 and the excess of expenses brought forward at the beginning of the year, the administrative programme ended with a deficit of CHF 3,708,298.

### REVENUE EXPENSES

Total: Staff salaries, benefits, travel and representation

Total: General office

Total: Contractual services

Total: Others

**Subtotal: Expenses - before provision for doubtful receivables**

**SURPLUS/(DEFICIT) BEFORE PROVISION FOR DOUBTFUL RECEIVABLES IN CHF**

(Increase)/decrease in provision for doubtful receivables

**SURPLUS/(DEFICIT) FOR THE PERIOD IN CHF (on modified accruals (budgetary) basis)**

Excess of resources/(expenses) brought forward at the beginning of the year

**SURPLUS/(DEFICIT) AT THE END OF THE PERIOD IN CHF**

### BUDGET

2020  
CHF

### ACTUAL

2020  
CHF

2019  
CHF

52 242 614

52 240 024

41 541 000

41 344 689

42 314 483

4 498 760

4 422 649

3 813 223

1 896 854

1 830 902

1 910 067

4 306 000

4 200 882

4 200 056

52 242 614

51 799 122

52 237 829

443 492

2 195

(2 671 416)

(398 858)

(2 227 924)

(396 663)

(1 480 374)

(1 083 711)

(3 708 298)

(1 480 374)

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2020  
(in USD million)

## ASSETS

- Cash and cash equivalents, short-term investments and long-term investments increased by USD270.4 million (18% increase), implying a strong liquidity position.
- Other assets composed mainly of operational advances to vendors and Implementing Partners increased by USD26.1 million (17% increase).

Assets	2020	2019 (restated)	Increase / (Decrease)	%
Cash and cash equivalents	655 190 311	886 988 668	(231 798 357)	(26%)
Short term investments	955 176 990	474 306 164	480 870 826	101%
Voluntary contributions receivables	213 314 953	234 277 754	(20 962 801)	(9%)
Assessed contributions receivables	13 473 793	4 081 409	9 392 384	230%
Other receivables	31 234 062	33 558 032	(2 323 970)	(7%)
Inventories	1 544 438	1 177 441	366 997	31%
Long term investments	154 780 203	133 402 768	21 377 435	16%
Property, plant and equipment	58 698 984	59 617 325	(918 341)	(2%)
Intangible Assets	1 192 693	1 188 085	4 608	0%
Other assets	181 775 024	155 669 704	26 105 320	17%
<b>Total Assets</b>	<b>2266 381 451</b>	<b>1984 267 350</b>	<b>282 114 101</b>	<b>14%</b>

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2020  
(in USD million)

## LIABILITIES

- Contributions received from donors in advance of performance delivery for activities to be completed beyond 2020 increased by USD 160,9 million (14% increase).
- The Employee benefit liabilities increased by USD41 million (27% increase). The Employee benefit liability under the Operational Part of the Budget fully funded via the Terminal Emoluments reserve. Under the Administrative Part of the Budget terminal emoluments are funded by a yearly allotment CHF 700,000 in 2020.

Liabilities and Net Assets/Equity	2020	2019 (restated)	Increase / (Decrease)	%
Funds received in advance :				
- voluntary contributions	1 320 208 502	1 159 268 956	160 939 546	14%
- assessed contributions	924 700	1 010 275	(85 575)	(8%)
- agency relationships	214 774 279	245 421 502	(30 647 223)	(12%)
- other	25 313 240	16 670 725	8 642 515	52%
Payables relating to employee benefits	193 831 126	152 809 040	41 022 086	27%
Payables to suppliers	230 166 516	152 122 862	78 043 654	51%
Borrowings	5 426 759	5 292 747	134 012	3%
Refugee Loan Fund – US equity	24 903 625	22 615 432	2 288 193	10%
Other liabilities	29 478 262	39 019 445	(9 541 183)	(24%)
<b>Total Liabilities</b>	<b>2 045 027 009</b>	<b>1 794 230 984</b>	<b>250 796 025</b>	<b>14%</b>
<b>Total Net Assets/Equity</b>	<b>221 354 442</b>	<b>190 036 366</b>	<b>31 318 076</b>	<b>16%</b>
<b>Total Liabilities and Net Assets/Equity</b>	<b>2 266 381 451</b>	<b>1 984 267 350</b>	<b>282 114 101</b>	<b>14%</b>



# Employee Benefits liability

	2020	2019
After-Service Health Insurance (ASHI)	65 549 121	48 548 779
Sum of entitlements due upon separation	117 105 874	93 310 177
<b>Sub-total - Employee Benefits liability</b>	<b>182 654 995</b>	<b>141 858 956</b>
Other payables	11 176 131	10 950 084
<b>Total Payables relating to employee benefits</b>	<b>193 831 126</b>	<b>152 809 040</b>

- Of the total payables to staff USD 193.8 million, USD 182.7 million of this relates to the terminal emoluments liability.
- USD 157.3 falls under the operational part of the budget and is fully covered by the TE reserve.
- USD 25.4 million under the administrative part of the budget is unfunded and actual disbursements are covered by annual budgetary allotment.



# OPERATIONAL SUPPORT INCOME

(IN USD MILLION)

USD 6.5 million more OSI generated compared to budget

USD 6.5 million plus the net savings on budgeted activities of **USD 6.6 million** – due to actual expenditures being less than the approved Operational Support Income budget lines – totalled **USD 13.1 million**, which has been applied as follows:

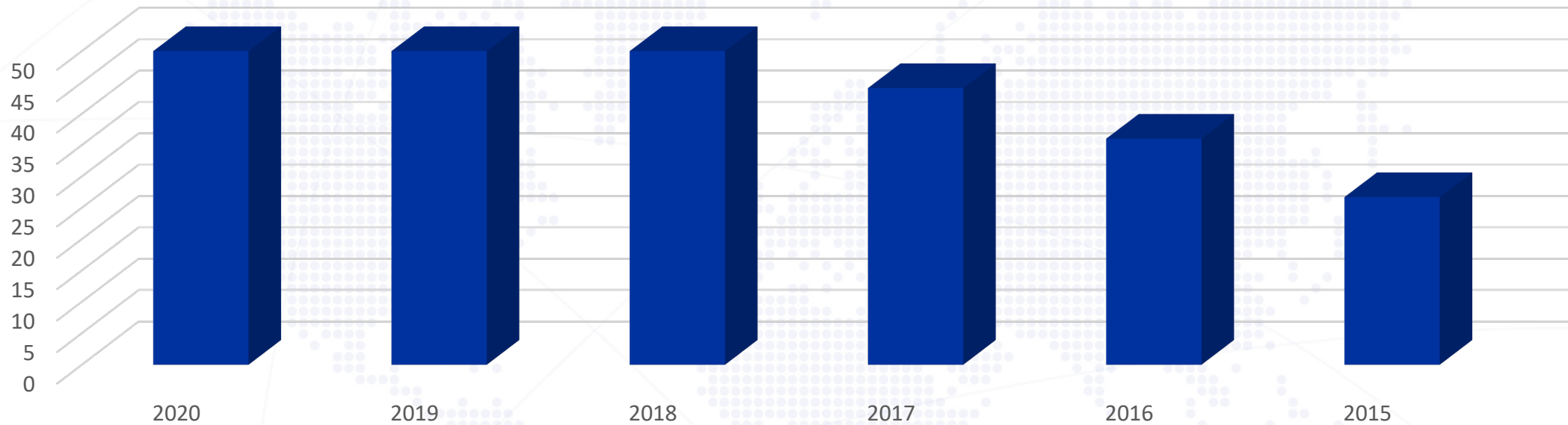
- **USD 4 million** allocated to the IOM Development Fund;
- **USD 1 million** applied to unforeseen and unbudgeted project shortfalls, and;
- **USD 8.1 million** has been added to the OSI reserve.

## OPERATIONAL SUPPORT INCOME (2020)

OSI SOURCES	2020 Budget	Actual Sources	Variance
Total project-related overhead	107 000 000	116 223 023	9 223 023
Total miscellaneous income	16 000 000	13 312 130	(2 687 870)
<b>TOTAL SOURCES</b>	<b>123 000 000</b>	<b>129 535 153</b>	<b>6 535 153</b>

# The Operational programmes - 2020

Operational Support Income reserve balance (IN USD MILLION)



**OSI 2019 Carry forward**

**USD 68,075,099**

2020 Additional OSI

USD 8,061,713

OSI Reserve Drawdown 2020

(USD 13,159,000)

**OSI Reserve balance 31 December 2020**

**USD 62,977,812**

**Threshold - 1% of 2019 total expenditure\***

**(USD 20,954,936)**

**Utilization balance**

**USD 42,022,876**

\* C/111/RES/1390

# 2020 Operational Support Income Reserve Drawdown Allocations (Resolution No. 24 of 1 July 2020)

COVID-19 related costs	6 000 000
Consolidation of the Valencia data centre	1 500 000
Enhancing cybersecurity	2 469 000
Consolidation of local staff payroll	190 000
Business Transformation project (Internal Governance Framework)	3 000 000
<b>Total - 2020 drawdown</b>	<b>13 159 000</b>

- **COVID-19 related costs** – to provide an adequate response to the challenges imposed by the COVID 19 pandemic
- **Consolidation of the Valencia data centre** – to start the consolidation of its global data centres currently located in Geneva, Manila and Panama into one location to Valencia, Spain.
- **Enhancing cybersecurity** – to urgently improve detection of critical vulnerabilities in the Organization's systems, applications and databases.
- **Consolidation of local staff payroll and Business Transformation project** – to provide ongoing institutional reforms.



# CONTINGENT LIABILITIES

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

- Contractual dispute in Afghanistan amounting to USD 1.9 million, related to termination of a service provider contract by IOM due to non-performance that is being contested.
- Out-of-country voting project (Iraq) where a claim of USD 57 million has been dismissed in IOM's favour, but further opportunities for appeal exist.

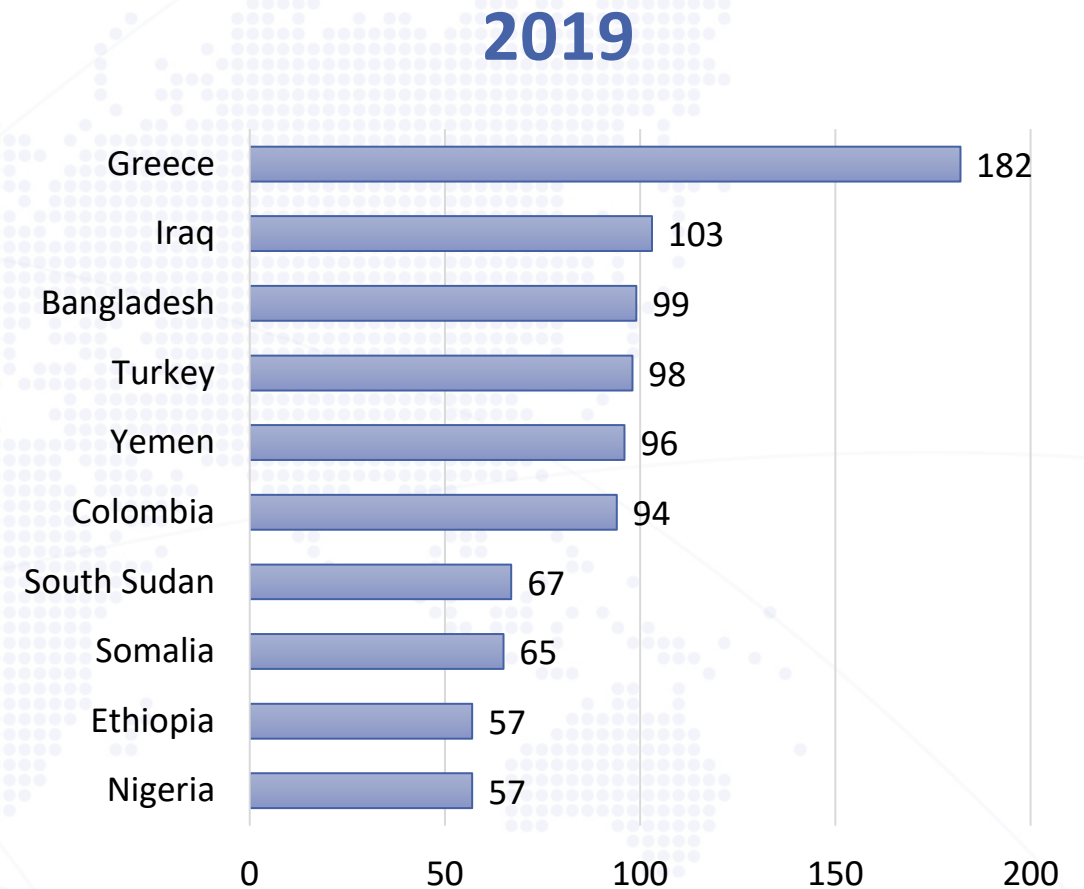
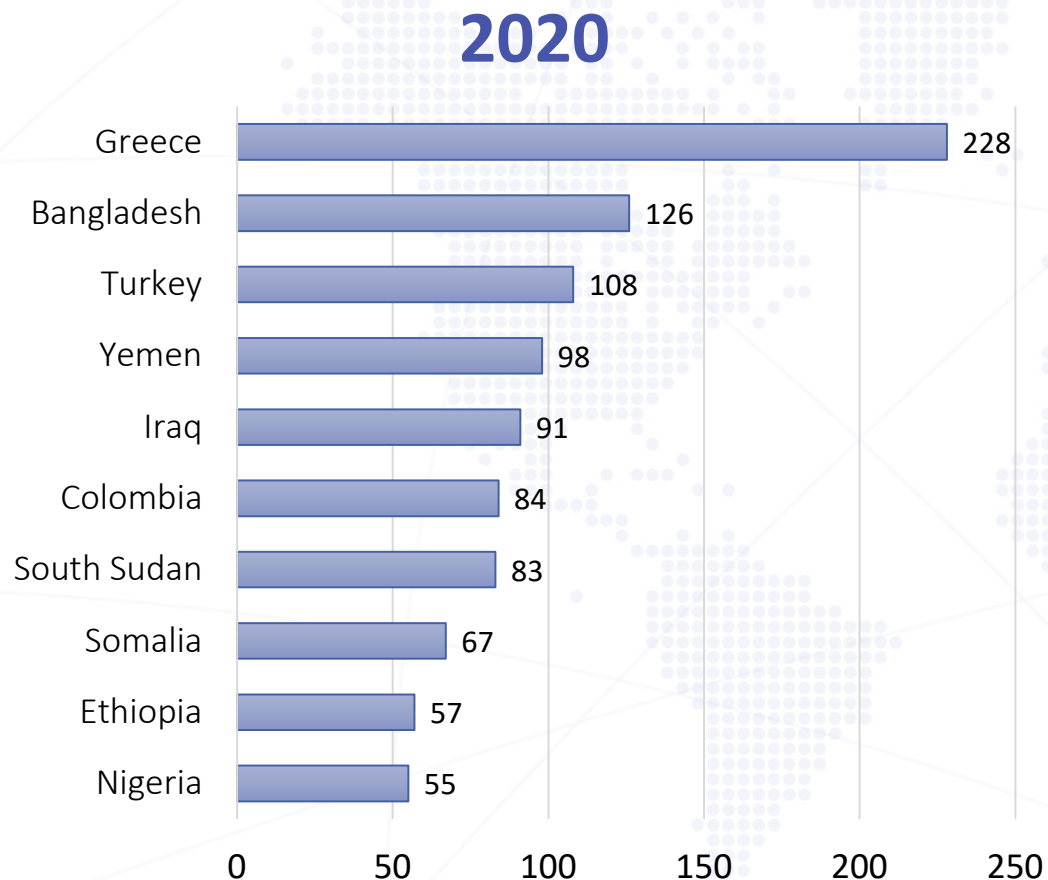
During 2020 the following Contingent Liabilities have been resolved:

- Co-funding - Certain donors commit to finance only a fixed percentage of total project expenditure and specifically require co-funding from other sources to cover the remaining percentage. For 2020 there was no exposure
- Frozen bank accounts in Guatemala, amounting to USD 10.8 million, the legal dispute has been settled.

C/110/3 pages 45, Note 18

# Offices with Highest Level of Expenditure\*

(in USD million)



# Expenditure per Service segment and Region

Service Area	Asia	Africa	Europe	Latin America and the Caribbean	Middle East	North America	Global Activities	Administrative Programme	Total 2020	Total 2019	% Increase (Decrease)
Movement, Emergency and Post-Crisis Migration Management	188.2	349.4	325.0	101.5	218.5	15.5	114.5		1 312.6	1 228.6	7%
Migration Health*	38.8	53.3	5.7	9.7	32.7	1.4	50.6	-	192.2	186.3	3%
Migration and Development	5.9	19.5	5.3	5.7	5.1	0.2	2.3		44.0	42.6	3%
Regulating Migration	54.4	170.3	150.2	15.0	18.9	3.4	16.0	-	428.2	466.3	(8%)
Facilitating Migration	7.8	5.4	43.6	15.3	2.7	0.1	25.2		100.1	88.0	14%
Migration Policy, Research and Communications	0.2	5.0	1.8	0.4	0.6	-	5.4	-	13.4	10.1	33%
Land, Property and Repatriation Programmes	0.3		0.3	12.1	0.1		1.0		13.8	19.0	(27%)
General Programme Support/Services	6.8	13.1	10.2	8.9	3.3	1.7	(30.7)	-	13.3	0.2	6550%
Administrative Programme								60.4	60.4	54.4	11%
<b>Total 2020</b>	<b>302.4</b>	<b>616.0</b>	<b>542.1</b>	<b>168.6</b>	<b>281.9</b>	<b>22.3</b>	<b>184.3</b>	<b>60.4</b>	<b>2 178.0</b>	<b>2 095.5</b>	<b>4%</b>
<b>Total 2019</b>	<b>317.1</b>	<b>587.0</b>	<b>525.9</b>	<b>168.3</b>	<b>284.5</b>	<b>17.2</b>	<b>141.1</b>	<b>54.4</b>	<b>2 095.5</b>		
<b>% Increase (Decrease)</b>	<b>(5%)</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>(1%)</b>	<b>30%</b>	<b>31%</b>	<b>11%</b>	<b>4%</b>		

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



# SERVICES IN KIND

Donor	Type/Class of services in kind received	Unit/Measure
City of Lausanne (SYNI Programme)	Personnel services	100 days
Danish Refugee Council	Personnel services	556 days
Dutch Surge Support (DSS)	Personnel services	747 days
Government of Ghana	Audit Service	246 days
iMMAP	Personnel services	627 days
Microsoft	Personnel services	Substantial
Norwegian Refugee Council	Personnel services	4 969 days
RedR Australia	Personnel services	561 days
Swedish Civil Contingencies Agency (MSB)	Personnel services	1 838 days
Swiss Agency for Development and Cooperation	Personnel services	602 days
Swiss State Secretariat for Migration	Personnel services	8 months
United States Department of Labor/ILO	Personnel services	163 days

# SUMMARY OF APPENDIXES

Appendix 1 – Assessed Contributions for the period ended 31 December 2020

Appendix 2 – Outstanding Assessed Contributions for the period ended 31 December 2020

Appendix 3 – Statement of Financial Performance by Service for the period ended 31 December 2020

Appendix 4 – Sources and Application of Operational Support Income

Appendix 5 – Expenditure by Location for the period ended 31 December 2020

Appendix 6 – Refugee Loan Fund

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

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

# THANK YOU

Joseph Appiah

Comptroller / Director, Department of Resource Management

[jappiah@iom.int](mailto:jappiah@iom.int)

