

29TH 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	2020
	External Auditor	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	Ghana Audit Service
Performance audit	Information Technology and Communication	Human Resources Management	Business Continuity Plan	Air Ticket Management	Procurement	Medical Claims	Account Receivable Management
Compliance audit	Belgium (CO & RO)	Argentina (CO & RO)	Canada	Austria (RO)	Burundi	Bangladesh	Afghanistan
	Egypt (CO & RO)	Colombia	China	Cameroon	Denmark	Belgium (CO)	Central African Republic
	Greece	Ethiopia	Japan	Côte d'Ivoire	Finland	Bosnia and Herzegovina	Costa Rica
	Jordan	Kenya (CO & RO)	Thailand (CO & RO)	Lebanon	Italy	Germany	Iraq
	Norway	Peru	United States of America (2 locations)	Nigeria	Libya	Ghana	Mozambique
	Sudan	Uganda		Uganda	Morocco	Mali	Myanmar
				Ukraine	Poland	Philippines (CO)	Niger
				United Republic of Tanzania	Romania	Serbia	Pakistan
					Senegal	Turkey	South Sudan
						Yemen	

For the 2021 audit cycle, the External Auditor has selected the IOM Pension Management as the Performance audit topic. For the compliance audits, the following IOM Country Offices were selected, namely; Brazil, Chad, Democratic Republic of Congo, Ecuador, El Salvador, Greece, Mexico, Sri Lanka, Sudan, Vietnam.

Recommendations Implementation Overview (yearly trends)

	Report on the implementation of the External Auditor's recommendations						
	2014	2015	2016	2017	2018	2019	2020
	S/16/CRP/15	S/18/CRP/10	S/20/CRP/1	S/22/CRP/1	S/24/CRP/1	S/26/CRP/1	S/28/CRP/1
Outstanding as at Y-1	20	27	19	39	52	41	38
Raised during the year	37	43	47	54	35	56	38
Closed during the year	-30	-51	-27	-41	-46	-59	-41
Outstanding as at yearly update to the Member States	27	19	39	52	41	38	35

Outstanding Recommendations – Regional View

	Recommendations by Category and Region				
	Global	Africa	Asia	Middle East	Total
Certification	16				16
Performance	6				6
Compliance		7	4	2	13
Outstanding as at yearly update to the Member States	22	7	4	2	35

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;
 - Certification: higher number of long-term strategic recommendations include;
 - e.g. Internal Governance Framework, Institutional Resource Mobilization Strategy, Statement of Internal Control, Chart of Accounts review, Business Transformation initiative, Vendor Management System enhancement.
 - 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.

Africa	Asia	Middle East
Bangui (4)	Islamabad (1)	Baghdad (1)
Juba (1)	Kabul (3)	Beirut (1)
Niamey (2)		

- Challenges in Country Offices relate to risk register implementation, local assets acquisition and disposal, tax exemptions, procurement, immunities and privileges, timely clearance of advances, local contract management, project development, implementation and monitoring, timely recruitment, staff training etc.

Recommendations Overview – Timeline & Management Actions

Recommendations planned date of completion	16	15	0	3	1
Year	2021	2022	2023	2024	2028

- Recommended in 2018, actions relating to new HQ building project with several initiatives since been undertaken, and the project completion is envisaged for 2028 (18-CT-CH10-06, page 9).
- Recommendation in 2018 to enhance procurement planning as a key area in supply chain management. Interventions will be implemented as part of BT for completion in 2024 (18-PE-CH10-06, page 10).
- Recommendation in 2017 to re-engineer/overhaul SAP. Review of technical proposals for new ERP underway and technology selection to be made by end of 2021 and project implementation planned by end of 2024 (17-CT-CH10-09, page 13).
- Recommendation in 2016 to issue a statement of internal controls. This is part of IGF/BT and other financial enhancements planned to be completed by end of 2024 (16-CT-CH10-02, page 14).

THANK YOU