

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-ninth Session

**REPORT ON THE WORK OF THE
OFFICE OF THE INSPECTOR GENERAL**

REPORT ON THE WORK OF THE OFFICE OF THE INSPECTOR GENERAL

Introduction

1. The Office of the Inspector General submits an annual report to the Standing Committee on Programmes and Finance. The present report provides an overview of the Office's activities, including evaluation, internal audit, investigation and inspection, for the period from 1 September 2020 to 31 August 2021. For the purpose of comparison, it should be noted that the previous reporting period was 14 months, rather than the standard 12 months.

Mandate and strategies of the Office

2. The mandate of the Office is to provide the Director General with independent, objective assurance and systematic review and advice, so as to add value to and improve the design, delivery and operations of IOM's programmes and projects.

3. The purpose, authority and responsibilities of the Office are set out in the Charter of the Office of the Inspector General. The Office contributes to oversight at IOM through its evaluation, internal audit, investigation and inspection functions. As part of its assurance mandate, the Office determines whether the objectives of IOM are pursued efficiently and effectively, and in compliance with the Organization's regulations, rules and expected results. It also provides, at the Administration's request, consulting and advisory services on organizational issues and policies, and conducts independent reviews.

4. The Office carries out its internal audit function in general conformance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and its investigation function in alignment with the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators and with due regard to the jurisprudence of the International Labour Organization Administrative Tribunal. It performs evaluations in accordance with the Norms and Standards for Evaluation of the United Nations Evaluation Group, and with other guiding principles established by the Group concerning the conduct of evaluations.

Summary of activities during the reporting period

5. Table 1 summarizes the activities carried out by the Office from 1 September 2020 to 31 August 2021. (For more details on the work of each function, see the separate sections below.)

Table 1: Breakdown of activities

Internal audits, including agile audits	Investigations: cases closed	Central evaluations
28	953	5

6. Heads of all functions normally hold regular meetings with the Audit and Oversight Advisory Committee and act upon its recommendations. During the reporting period, two meetings were held, one in February 2021 and the second in June 2021.

7. The Committee's membership was reconstituted in January 2021, with four new members joining one previous member, who was appointed as Chairperson. The Office was pleased to welcome the new Committee members.

Office structure and resources

8. Table 2 summarizes the approved staffing levels in the 2019, 2020 and 2021 Programme and Budget.

Table 2: Approved staffing levels

	2019	2020	2021
Approved staffing levels			
Inspector General	1	1	1
Internal audit*	12	12	12
Investigation*	10	14	15
Evaluation*	3	3	3
General Service support staff	2	2	2
Temporary or project funded			
Investigation		4	4
Evaluation	2	2	2
Total	30	38	39

* Recruitment of certain positions is currently being finalized.

9. The Office has staff in three locations: Headquarters, the Manila Administrative Centre and the Panama Administrative Centre (see Table 3 below).

Table 3: Staffing by location

Location	Staffing level	OIG	Internal audit	Evaluation	Investigation
Geneva	Approved staffing	2	3	2	15
	Temporary or project staff			2	4
Manila	Approved staffing		8	1	
Panama	Approved staffing		2		
Total		2	13	5	19

Investigation

10. An investigation is a formal fact-finding inquiry to examine allegations of misconduct and other wrongdoing in order to determine whether they have occurred and, if so, the person or persons responsible.

11. The Office's investigation function is responsible for conducting independent administrative investigations, based on law, to protect the integrity and improve the efficiency and effectiveness of IOM operations while contributing to accountability and transparency. The Office receives all allegations of misconduct, including those related to fraud, waste, workplace harassment, abuse of authority, and sexual exploitation and abuse. It also investigates allegations of retaliation received by the Ethics and Conduct Office.

12. The investigation function is currently composed of 15 fixed-term staff positions, including a Junior Professional Officer. An additional four staff members have been recruited under special short-term contracts, and 12 consultant investigators are engaged on a roster basis. During the reporting period, a Head of Investigations position at P-5 level was added.

13. The investigation team comprises former law enforcement personnel, lawyers and forensic accounting specialists; it has extensive experience of IOM systems and processes. This skill set gives it a critical advantage when it comes to resolving cases in a thorough and timely manner. Optimized application of IOM procedures and the case management system continue to heighten the function's efficiency; many cases can be dealt with using the current systems approach without introducing a field mission component.

14. The function continues to operate under delegation of authority to manage its budget and operations independently without the usual organizational constraints. Moreover, the increased funding for travel and consultant costs provided during the previous reporting period has been maintained.

15. A total of 953 cases were handled by the investigation function as compared to 852 during the previous reporting period. Table 4 provides further details.

16. The backlog of cases reported in previous periods has been addressed. None of the cases in Intake predates April 2021 and only 19 cases under investigation predate 2020. During the reporting period, 130 reports to the Office of Legal Affairs for consideration of disciplinary action were produced as compared to 134 during the previous reporting period, reflecting an increase of 13 per cent when taking into account the change in reporting period from 14 months to the standard 12 months.

17. The number of allegations received rose to 979 as compared to 715 during the previous reporting period. The increase in allegations was likely due to the greater visibility of the Office and the We are all in system for reporting allegations online and confidentially, but could also be seen as an indicator of an effective, accessible and reliable internal accountability system.

18. In addition, the number of investigations concluded increased significantly from 63 to 180, in spite of the difficulties and health risks posed by the COVID-19 pandemic and the resulting restrictions on travel and movement. The investigation function fielded 25 missions to 18 locations, including 3 to South Sudan, 2 to Nigeria and another to Yemen recently. Although the number of allegations received increased by almost 60 per cent as compared to the previous reporting period, the number of open cases at the end of the reporting period grew by only 31 per cent, from 213 to 239.

19. Two IOM investigators participated as speakers and panellists at the 21st Conference of International Investigators, which was held virtually in May 2021, and one IOM investigator assisted as part of the intake and planning group. Four investigators received certification as Certified Fraud Examiners. One investigator represents the Office on the IOM Headquarters Task Force on the Prevention of Sexual Exploitation and Abuse, which coordinates the Organization's efforts in that area and represents IOM on the working group tasked by the United Nations Victims' Rights Advocate to draft a victims' rights statement. The Office is also a member of the inter-agency working group convened by the Special Coordinator on Improving the United Nations Response to Sexual Exploitation and Abuse, the Inter-Agency Digital Investigations Working Group and the United Nations Representatives of Investigation Services. During the reporting period, the investigation function actively contributed to the reform of IOM's anti-harassment and anti-retaliation policies, as well as to several training modules regarding accountability. It also provided support to IOM's newly appointed Senior Coordinator for the Prevention of Sexual Exploitation and Abuse and Sexual Harassment.

Table 4: Investigation caseload

Status of investigations	Number of cases
Carried over from the previous period	
Cases under investigation	131
Cases undergoing assessment	49
Cases assessed and pending investigation or closure	12
Cases under investigation by third parties	21
Total cases carried over from the previous period	213
Cases received during the reporting period (1 September 2020 to 31 August 2021)	979
Total cases carried over and received	1 192
Cases closed during the reporting period	
Post assessment	469
Finalized with an investigation report and referred to LEGGL	55
Referred to LEG Contracts	14
Directly referred to LEGGL	75
Referred to other office(s)	198
Investigation conducted and case closed with closure note or closure report	125
Closed after proxy investigation	17
Total cases closed during the reporting period	953
Status as at 31 August 2021	
Cases under investigation	162
Cases undergoing assessment	49
Cases pending peer review or closure	5
Cases under investigation by third parties	23
Total ongoing cases	239

LEG Contracts: Office of Legal Affairs, Contract Division; LEGGL: Office of Legal Affairs, General and Administrative Law Division.

Evaluation

20. In line with the Office's Monitoring and Evaluation strategies for the periods 2018–2020 and 2021–2023, the Organization's central evaluation function continues to reinforce a culture of evaluation in IOM and to build monitoring and evaluation capacities, offering expert advice and technical guidance to IOM field offices and Headquarters on monitoring and evaluation matters in close collaboration with the regional monitoring and evaluation officers. The evaluation function works on effective systems to reinforce learning and accountability from evaluations.

21. The Office carried out its central evaluations as per its biennial evaluation workplans covering the periods 2019–2020 and 2021–2022. During the reporting period, five evaluations were completed. In addition, 37 decentralized evaluations (20 external and 17 internal evaluations) were added to the [IOM Evaluation Repository](#).

22. For IOM's 2020 report to the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women, the evaluation performance indicator was examined through an external assessment of the inclusion of gender in IOM evaluations instead of the usual self-assessment. Once again, IOM was rated as exceeding requirements for this indicator.

23. Evaluation function staff participated in several inter-agency evaluations, notably as members of the management group of the COVID-19 humanitarian response evaluation conducted by the Inter-Agency Humanitarian Evaluation Steering Group, and in the joint evaluation synthesis of United Nations system and development bank work towards Sustainable Development Goal 6. They are currently participating in other similar joint initiatives.

24. The Office continues to implement the recommendations of the report published by the Multilateral Organisation Performance Assessment Network (MOPAN) in 2019. In September 2020, the Office organized for IOM Member States the launch and presentation of the meta-evaluation of IOM evaluations published in April 2020, which was an important element in the follow-up of the recommendations. In addition, a peer review of the IOM evaluation function was completed in May 2021 by the United Nations Evaluation Group and the Development Assistance Committee Evaluation Network of the Organisation for Economic Co-operation and Development.

25. A request for proposal was finalized for the conduct of a feasibility study on establishing a long-term quality control mechanism, as recommended in both the MOPAN assessment and the meta-evaluation. A similar approach has been adopted for the set-up of a system to follow up on recommendations and reinforce the use of evaluations at IOM. In both cases, consultants for these studies are due to be recruited shortly.

26. Evaluation function staff participated actively in the work and publications of the United Nations Evaluation Group and the Inter-Agency Humanitarian Evaluation Steering Group.

27. The Office published *IOM Monitoring and Evaluation Guidelines*. The document – the first of its kind – was developed through a consultative process, with a monitoring and evaluation needs assessment conducted with 107 IOM staff members globally, and reviewed by a task force. The guidelines are based on the principles set out in the IOM evaluation and monitoring policies, and build on international standards and practice.

28. The Office issued guidance on requests for proposal and the selection of evaluation consultants and firms in coordination with the Department of Resource Management. A new IOM evaluation and monitoring portal is being finalized and is due to be launched in early September 2021.

29. In coordination with the regional monitoring and evaluation officers, the face-to-face IOM internal evaluator course was converted into a virtual course, which ran in December 2020 and June 2021. A total of 26 internal evaluators have been trained through this initiative. The Office continued its roll-out of the e-learning course on monitoring and evaluation; 328 staff members from 93 separate IOM missions completed the course. Results from the post-completion evaluation show that 44 per cent of respondents strongly agreed and 49 per cent agreed that the expertise gained from the course had enhanced their performance in the execution of their work.

30. The Office manages a monitoring and evaluation network, which grew from 312 staff at the end of the previous reporting period to 337 in August 2021. Three webinars organized for the network during this period had an average of 250 participants. The Office also works closely with the regional monitoring and evaluation officers on regional evaluation plans.

Internal Audit

31. The internal audit function performs internal audits consistent with international audit standards. The audit universe is composed of processes, functions, projects, and regional and country offices. The annual audit workplan, which is based on a detailed risk assessment, is approved by the Director General and reviewed by the Audit and Oversight Advisory Committee.

32. As reported during the previous period, the pandemic continued to impact the annual audit plan, and the internal audit function had to readjust its priorities in the light of ongoing restrictions on staff movement. It further enhanced the remote auditing protocols introduced previously and reviewed all established auditing protocols to explore the potential for greater agility.

33. The internal audit function is mandated to undergo an independent external quality assessment every five years to verify conformance with the standards; the next assessment is scheduled for the end of 2021. It also conducts self-assessments of compliance with the standards on a continuous basis. In addition, in line with established policies, two periodic internal quality assessments were performed during the reporting period, with the results used to further enhance protocols.

34. The function maintains its close communication with representatives of the internal audit services of other United Nations agencies and related organizations, and actively and regularly participates in working groups established to develop audit strategies and frameworks within the United Nations system during the pandemic. As part of the 2020 conference of the United Nations Representatives of Internal Audit Services, the IOM internal audit function hosted a virtual conference on agile auditing for the first time, in coordination with the International Atomic Energy Agency, the United Nations Development Programme, the International Civil Aviation Organization and the United Nations Office for Project Services. This enabled over 150 participants to exchange views on agile tools and techniques that could be used in response to the pandemic.

35. Internal audit staff continued to enhance their professional skills by obtaining additional certifications issued by the Institute of Internal Auditors.

36. Table 5 below reflects the audit assignments performed during the reporting period. In addition to the planned audits, the internal audit function piloted an agile audit protocol in collaboration with one of the big four auditing firms. At the request of IOM senior management, this agile audit covered a prioritized country office and involved reviewing the office's processes, 16 projects, and cyber and network security. The agile audit approach will be developed further and implemented where appropriate following successful trials.

Table 5: Breakdown of audits performed

	Country office audits	Systems, process and functions audits	Project audits	Cyber and network security audits	Total
Internal audits	5	4	1	-	10
Agile internal audits (pilot)	1	-	16	1	18
Total	6	4	17	1	28

37. Although IOM management is responsible for implementing recommendations, the internal audit function continued to increase efforts to monitor and follow up on outstanding recommendations. The engagement of auditees has been strong, and work with management on the implementation of recommendations is ongoing.

38. Table 6 provides a breakdown of the internal audit recommendations in progress. Of the 270 recommendations below, only one is long outstanding (i.e. more than 12 months since the last follow-up date), which is an improvement compared to the previous reporting period. The recommendation is of medium priority, and in the process of being resolved.

Table 6: Recommendations in progress by level of priority

Year	Very high	High	Medium	Total
2019	-	1	5	6
2020	7	13	25	45
2021	9	89	116	214
2022	-	-	5	5
Total	16	103	151	270

Note: The year given is the year of the follow-up due date.

39. In January 2021, following ongoing investment in enhancements to the audit management software, the internal audit function rolled out a system allowing auditees to provide a direct update regarding outstanding recommendations online, so as to improve efficiency and timeliness, and better engage auditees in the follow-up process.

40. A recurrent finding is defined as one that is substantially similar in nature to another identified in consecutive audits or during any other audit within the reporting period. Recurrent findings require significant management attention as they are considered to present a very high to high risk. Although the recurrent findings and key areas for improvement identified during the reporting period were consistent with previous reports, it is anticipated that the governance initiatives in progress will gradually address gaps. The internal audit function will continue to identify and include the root causes of such recurrent audit findings in its risk assessment process to facilitate production of relevant annual audit plans.

41. The main recurrent audit findings presented per audited area are as follows:

- (a) **Procurement and supply chain:** Weaknesses in terms of fully documented and transparent procurement and contracting processes, inconsistent use of electronic purchase orders, and deficiencies in the management of consultancy contracts;

- (b) **Programme and project management:** Need for project management training to address inconsistent use of project management systems; weaknesses in project budgeting and financial monitoring; delays in project initiation due to donor requirements, in implementation and in donor reporting;
- (c) **Asset management:** Poor inventory management related to reconciliation and tracking of assets coupled with inconsistent use of systems and monitoring of assets handled by beneficiaries;
- (d) **Financial management:** Weaknesses including instances of incorrect recording and the use of suspense/general ledger accounts, ineffective management of cash in the office, especially in high-risk areas or operations, and segregation of duties during the execution of transactions;
- (e) **Information technology:** Inadequate business continuity plans and IT risk registers, deficiencies with respect to password protection protocols and lack of dedicated terms of reference for IT staff, and instances in which access to sensitive ICT areas was not restricted.

42. In addition, based on these recurrent systemic findings, the internal audit function carries out process audit assignments in more complex areas to address institutional areas for improvement. During the reporting period, four process audits of the management of implementing partners, European Union Emergency Trust Fund for Africa activities, the IOM Office of Staff Security and the risk management function identified a number of institutional areas for improvement, several of which have been factored into Internal Governance Framework and Business Transformation activities with a view to strengthening core policy, oversight and monitoring frameworks throughout the Organization.

43. In accordance with established policies, the internal audit function sends client surveys to the management of audited areas upon completion of an audit. The results received are reviewed and areas for improvement identified based on auditee feedback. For the reporting period, the weighted average for responses regarding audit performance stood at 3.5, indicating strong auditee agreement (on a scale of 1 to 4, where 4 indicates the highest level).

44. The internal audit function continued to publish [executive summaries of its internal audit reports](#) after their release. In addition, an effort has been made since October 2019 to obtain and publish updated management responses and action plans, in order to demonstrate the effort undertaken by management to address identified weaknesses. To date, 79 executive summaries of audit reports released since 2017 have been made publicly available on the internal audit web page.