

**STANDING COMMITTEE ON PROGRAMMES AND FINANCE**

**Thirty-first 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 related to internal audit and investigation for the period from 1 September 2021 to 31 August 2022.

### 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 internal audit and investigation 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.

5. The Inspector General hereby confirms the Office's organizational independence. There was no management interference in the planning or reporting of work, nor were there any resourcing constraints or other issues that affected the independence of internal audit activities or assurance opinions. On an annual basis, and prior to each engagement, all members of the audit team confirm their adherence to the principles and rules of conduct in accordance with international auditing standards.

### Summary of activities during the reporting period

6. Table 1 summarizes the activities carried out by the Office from 1 September 2021 to 31 August 2022. (For more details on the work of each function, see the separate sections below.)

**Table 1: Breakdown of activities**

<b>Internal audits, including Agile audits</b>	<b>Investigations: cases closed</b>
52	1 187

7. Heads of both functions normally hold regular meetings with the Audit and Oversight Advisory Committee and act upon its recommendations. During the reporting period, three meetings were held, in November 2021, and in March and June 2022.

#### Office structure and resources

8. Table 2 summarizes the approved staffing levels in the 2020, 2021 and 2022 Programme and Budget.

**Table 2: Approved staffing levels**

	2020	2021	2022
<b>Approved staffing levels</b>			
Inspector General	1	1	1
Internal audit*	12	12	12
Investigation*	14	15	15
General Service support staff	2	2	2
<b>Temporary or project funded</b>			
Investigation	4	4	3
<b>Total</b>	<b>33</b>	<b>34</b>	<b>33</b>

\* 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	Investigation
<b>Geneva</b>	Approved staffing	2	3	15
	Temporary or project staff			3
<b>Manila</b>	Approved staffing	1	8	
<b>Panama</b>	Approved staffing		1	
	<b>Total</b>	<b>3</b>	<b>12</b>	<b>18</b>

#### 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 3 staff members are currently serving under special short-term contracts, and 10 investigators and support personnel are serving as consultants, including on a roster basis. During the reporting period, the Deputy Inspector General position was upgraded from P-5 to D-1 level and the Head of Intake position was upgraded from P-4 to P-5 level.

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 1,187 cases were handled by the investigation function as compared to 953 during the previous reporting period. Table 4 provides further details.

16. The backlog of cases reported in previous periods has been fully addressed. At the end of the reporting period, only 3 of the cases in Intake predated June 2022, only 25 cases under investigation predated 2021 and none of the cases under investigation predated 2020.

17. During the reporting period, 117 reports to the Office of Legal Affairs for consideration of disciplinary action were produced as compared to 130 during the previous reporting period. The slight decrease in reports produced is due to the smaller number of open cases, which results from the elimination of the pre-existing backlog of cases.

18. The number of allegations received rose to 1,184 as compared to 979 during the previous reporting period, 715 during the 2019–2020 reporting period and 325 during the 2018–2019 reporting period. On average, 99 allegations were received per month as compared to 81 per month during the previous reporting period, with 384 allegations received during the last three months alone. The consistent growth in the number of allegations is reflected in the number of open cases undergoing assessment, which stands at 124 as compared to 49 at the end of the previous reporting period. Although the allegations under assessment are current and ageing is consistent with the previous reporting period, the continuous rise in the number of allegations presents a challenge for the current team and risks creating a new backlog.

19. The continued increase in allegations is likely due to the greater visibility of the Office and the We are all in system for reporting allegations confidentially online. It could also be seen as an indicator of an effective, accessible and reliable internal accountability system.

20. In addition, the number of investigations concluded decreased slightly from 180 to 171 as a consequence of the elimination of the investigation backlog during the reporting period, which reduced the total number of open cases. Although the number of allegations received increased from 979 to 1,184, the number of open cases at the end of the reporting period decreased from 239 to 236.

21. Two IOM investigators attended the 22nd Conference of International Investigators, which was held in June 2022. In addition, staff members gave a presentation on the Office's mandate and work at the IOM Global Chiefs of Mission Meeting and the regional conference in Kenya. The Office is a

member of the United Nations Representatives of Investigation Services, the inter-agency working group convened by the Special Coordinator on Improving the United Nations Response to Sexual Exploitation and Abuse, and the Inter-Agency Digital Investigations Working Group. It is also represented on the IOM Headquarters Task Force on the Prevention of Sexual Exploitation and Abuse, and the We Are All In Working Group. During the reporting period, the investigation function continued to actively contribute to the drafting of IOM's new anti-harassment and anti-retaliation policies, as well as to several training modules regarding accountability, including training for IOM Chiefs of Mission and awareness campaigns against sexual harassment and sexual exploitation and abuse. The Office also offers continuous learning for its investigators and is further expanding its system of standard operating procedures and guidance material.

**Table 4: Investigation caseload**

<b>Status of investigations</b>	<b>Number of cases</b>
<b>Carried over from the previous period</b>	
Cases under investigation	162
Cases undergoing assessment	49
Cases assessed and pending investigation or closure	5
Cases under investigation by third parties	23
<b>Total cases carried over from the previous period</b>	<b>239</b>
Cases received during the reporting period (1 September 2021 to 31 August 2022)	1 184
<b>Total cases carried over and received</b>	<b>1 423</b>
<b>Cases closed during the reporting period</b>	
Post assessment	681
Finalized with an investigation report and referred to LEGGL	69
Referred to LEG Contracts	3
Referred to LEGGL with a referral report	48
Referred to other office(s)	246
Investigation conducted and case closed with closure note or closure report	102
Closed after proxy investigation	38
<b>Total cases closed during the reporting period</b>	<b>1 187</b>
<b>Status as at 31 August 2022</b>	
Cases under investigation	102
Cases undergoing assessment	124
Cases pending peer review or closure	0
Cases under investigation by third parties	10
<b>Total ongoing cases</b>	<b>236</b>

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

## Internal audit

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

23. The internal audit function continued to readjust its priorities in the light of the impact of the pandemic on the annual internal audit plan and due to 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 responsiveness.

24. The internal audit function is mandated to undergo an independent external quality assessment every five years to verify conformance with the standards. This comprehensive assessment was successfully completed in December 2021, with the function achieving the highest possible rating of “general conformance” for the second time in succession. The results were shared with IOM senior management and the Audit and Oversight Advisory Committee, while the areas identified for improvement are being addressed through a closely monitored action plan. The internal audit function also conducts self-assessments of compliance with the standards on a continuous basis. An internal quality assessment was performed during the reporting period, with the results used to further enhance protocols in preparation for the independent external quality assessment.

25. 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. At the 2021 conference of the United Nations Representatives of Internal Audit Services, the IOM internal audit function became part of a working group to establish common terms of reference and a programme of work for the audit of the United Nations country teams efficiency and effectiveness agenda, which is in progress.

26. During the reporting period, the internal audit function participated in working groups established for IOM’s ongoing governance initiatives, notably in relation to the delegation of authority framework, monetary engagement with partners and the internal control framework initiative. In addition, the function further enhanced its interaction with the Enterprise Risk Management Unit through frequent meetings and exchanges on risk assessment and other emerging areas.

27. The internal audit function participated in the Global Senior Resources Management Officers Annual Retreat, as well as two regional retreats, delivering presentations on cross-cutting areas of interest related to internal audit, as well as providing an overview of key messages linked to the governance, risk and control environment assessments performed through individual audit assignments.

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

29. Table 5 below reflects the audit assignments performed during the reporting period. In addition to the planned audits, the internal audit function continued to pilot the Agile audit protocol developed during the previous reporting period. This Agile audit approach will be developed further and implemented where appropriate in 2023, following successful trials and the review of lessons learned.

**Table 5: Breakdown of audits performed**

Region	Country office audits*	Regional office audits	Systems, process and functions audits	Project audits*
Asia and the Pacific	2	-	-	6
Southern Africa	1	1	-	-
Middle East and North Africa	4	1	-	10
East Africa and the Horn of Africa	3	-	-	18
West and Central Africa	2	-	-	-
South-Eastern Europe, Eastern Europe and Central Asia	1	-	-	-
Headquarters	-	-	3	-
<b>Total</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>34</b>

\* Of the total audits, 7 country offices, together with the projects under their management, were reviewed under the pilot Agile audit protocol.

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

31. Ongoing investments have been made to enhance the audit management software, including the purchase of an Agile audit module to adapt to the latest technological innovations in auditing. In January 2021, the internal audit function rolled out a system allowing audit clients to provide a direct update regarding outstanding recommendations online, so as to improve efficiency and timeliness, and better engage audit clients in the follow-up process. This system is now fully operational: all recommendations are tracked and monitored online, with audit clients able to sign in to the system to access recommendations and provide direct updates and supporting documents.

32. The reporting modules of the new system have also been developed further to allow more proactive monitoring of the ageing of audit recommendations through a dedicated dashboard, which shows the maturity of audit recommendations in relation to the implementation date agreed with audit clients. The internal audit function will continue to fine-tune the protocol for the follow-up of recommendations and keep IOM senior management and other stakeholders informed of any changes.

33. Table 6 provides a breakdown of the ageing of internal audit recommendations by level of risk.

**Table 6: Ageing of open recommendations by level of risk**

Status	Very high	High	Medium	Total
Due for follow-up	4	17	26	47
Upcoming follow-up	10	70	107	187
<b>Total</b>	<b>14</b>	<b>87</b>	<b>133</b>	<b>234</b>

34. All 234 audit recommendations reported in this period are considered to be current, as none are long outstanding (i.e. pending for more than 12 months after the established follow-up date). This is a significant improvement compared to the previous reporting period. Of the total recommendations, the 47 recommendations presented as due for follow-up have exceeded their implementation date by between one and three months and are being closely monitored with the respective owners of the recommendations. Regular updates on the status and context of all recommendations are circulated to the regional offices and relevant members of IOM senior management.

35. Since June 2022, the internal audit function has been involved in the establishment of key performance indicators regarding the implementation of internal audit recommendations as part of the results-based management initiative.

36. 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.

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

- (a) **Governance and management:** Weaknesses in delegations of authority in terms of completeness and accuracy, as well as alignment with system roles and responsibilities; need for management action regarding risk assessments of country offices and programmes;
- (b) **Programme and project management:** Need to involve resource management staff in the design of projects as part of a collaborative approach; 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, impacting the accounting and coding of projects;
- (c) **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;
- (d) **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;
- (e) **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;
- (f) **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; deficiencies in IT network and cybersecurity.

38. 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, three process audits of the third-party contractors framework, budgeting and financial planning, and the consolidation of financial statements 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.

39. The internal audit function continued to publish [executive summaries of its internal audit reports](#) after their release, together with the management response. To date, 88 executive summaries of audit reports released since 2017 have been made publicly available on the internal audit web page.