

32nd SESSION STANDING COMMITTEE
ON PROGRAMMES AND FINANCE

AGENDA ITEM 5

Financial Report for the year ended
31 December 2022

Joseph Samuel Appiah

Comptroller / Director

Department of Financial and Administrative Management

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. MANAGEMENT REPORT

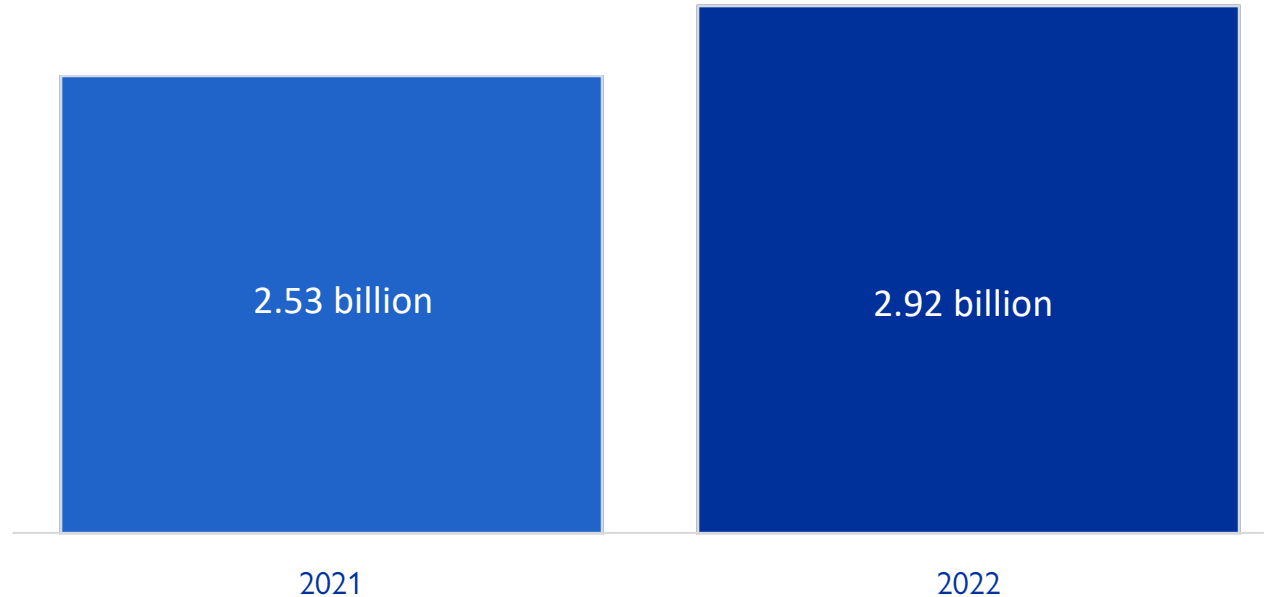
- Records provide reasonable detail and accurately reflects transactions.
- Transactions are executed in accordance with financial regulations.
- Reasonable assurance of prevention and detection of unauthorized acquisitions.

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 2022.
- In forming its opinion, the External Auditor undertook:
 - Performance audits (Field Payroll Operations), audit in Geneva, Greece and Manila
 - Compliance audits (11 offices: Algeria, Argentina, Australia, Burkina Faso, Guatemala, Guinea, Honduras, Kosovo, Malaysia, Micronesia, Spain).

HIGHLIGHTS FINANCIAL PERFORMANCE

TOTAL COMBINED EXPENDITURE (in USD billions)



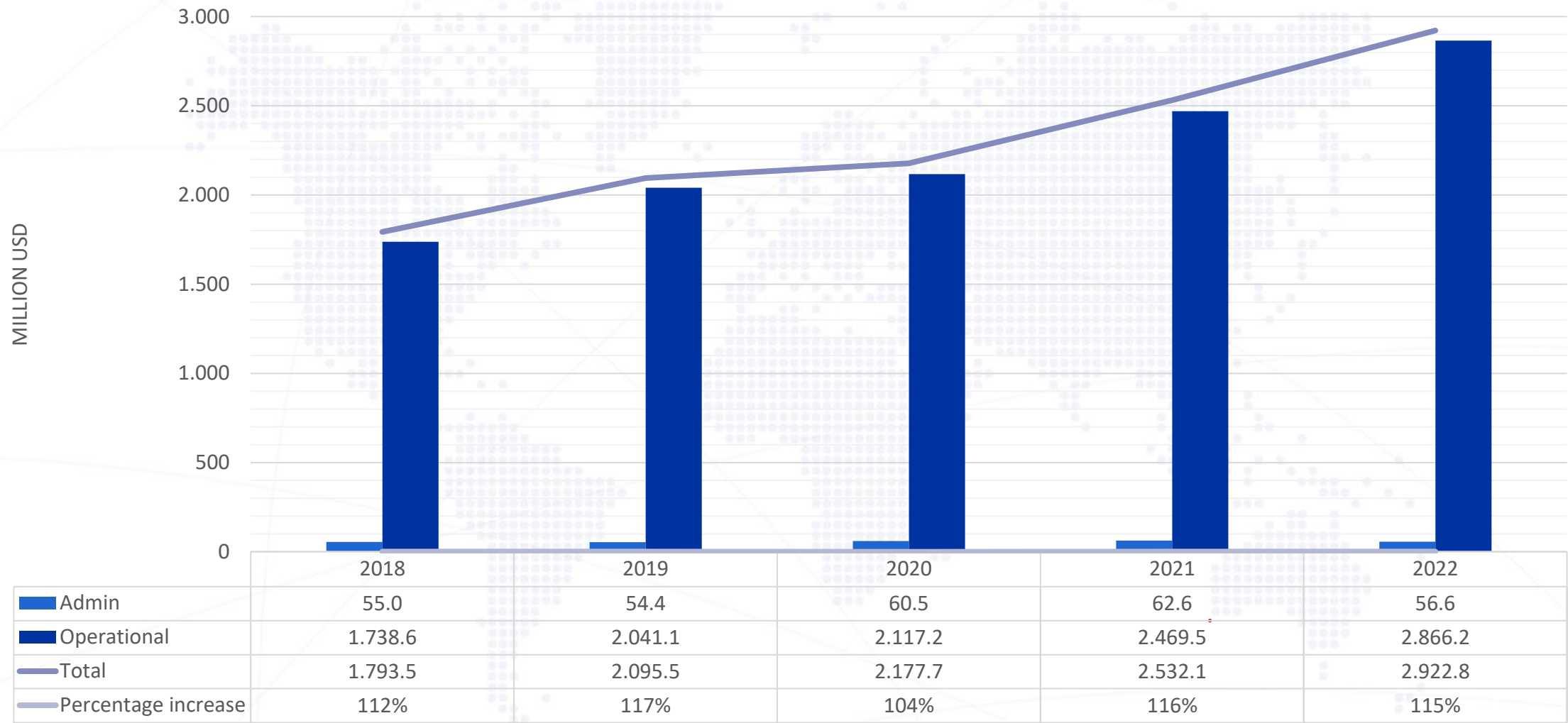
The organization continues to maintain a consistent growth with expenditures of **USD 2.9 billion**.

Voluntary contributions including **deferred revenue** (projects to be realized beyond 2022) reached **USD 4.5 billion** (2021: 3.9 billion).

4,072 projects active in 2022 (2021: 3,396) implemented in 557 field locations by about 18,900 staff.

The administrative budget remains at approximately 2% of the total costs.

TOTAL EXPENDITURE - 5 YEARS TREND (in USD millions)



Statement of financial performance

Administrative part of the Budget

The Administrative programme accounts for app. 2 per cent of consolidated expenditure in 2022.

The Administrative programme closed with a break-even balance of CHF 0 before provision for doubtful receivables for 2022.

Total deficit after factoring in the increase in the provision for doubtful receivables and expenses brought forward at the beginning of the year amounts to CHF 8,344,816.

	BUDGET	ACTUAL	
	2022 CHF	2022 CHF	2021 CHF
REVENUE		53 586 816	53 189 080
EXPENSES			
Total: Staff salaries, benefits, travel and representation	41 338 102	42 190 683	43 749 233
Total: General office	4 439 960	4 150 799	2 708 210
Total: Contractual services	2 377 954	2 385 264	2 428 159
Total: Others	5 430 800	4 860 070	4 303 452
Subtotal: Expenses - before provision for doubtful receivables	53 586 816	53 586 816	53 189 054
SURPLUS BEFORE PROVISION FOR DOUBTFUL RECEIVABLES IN CHF		0	26
(Increase) in provision for doubtful receivables		(1 763 821)	(2 872 723)
(DEFICIT) FOR THE PERIOD IN CHF (on modified accruals (budgetary) basis)		(1 763 821)	(2 872 697)
Excess of (expenses) brought forward at the beginning of the year		(6 580 995)	(3 708 298)
(DEFICIT) AT THE END OF THE PERIOD IN CHF		(8 344 816)	(6 580 995)

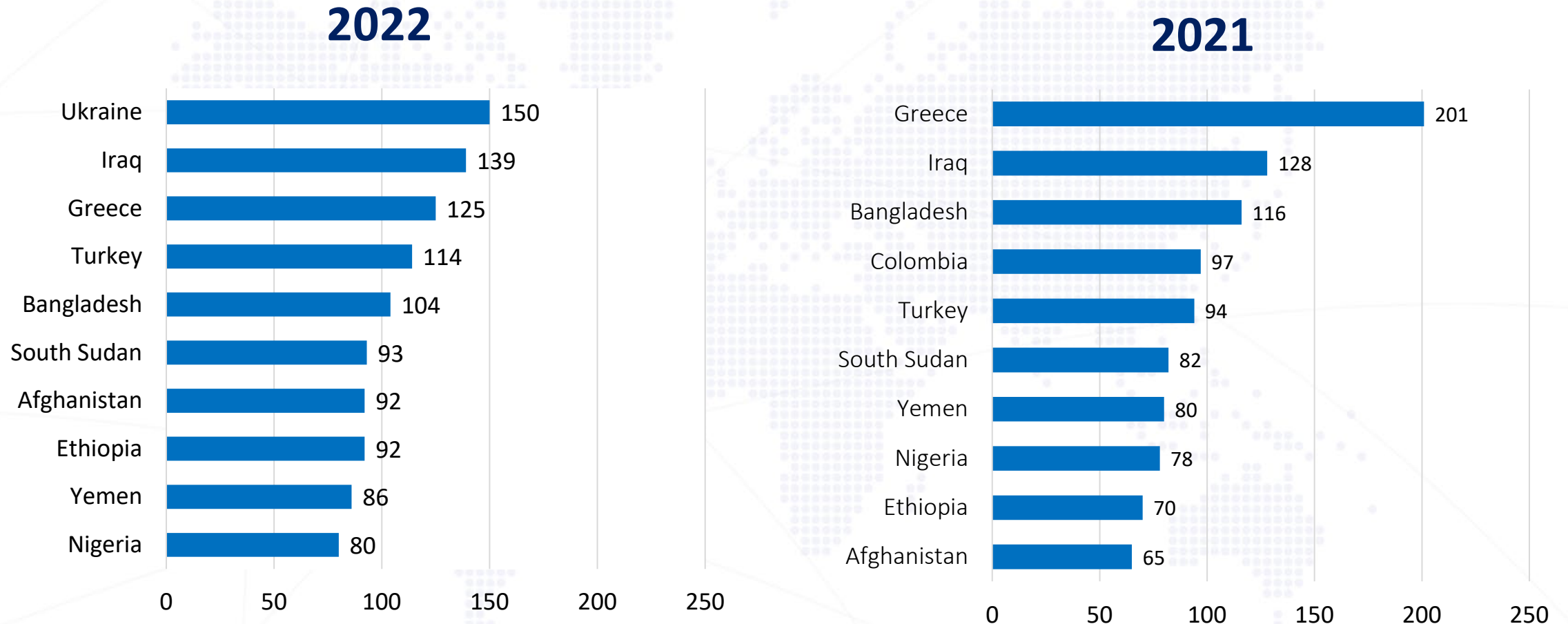
EXPENDITURE PER SERVICE SEGMENT AND REGION

Service Area	Asia	Africa	Europe	Latin America and the Caribbean	Middle East	North America	Global Activities	Administrative Programme	Total 2022	Total 2021	% Increase (Decrease)
Movement, Emergency and Post-Crisis											
Migration Management	253.7	466.6	296.6	133.0	325.2	51.4	352.8		1 879.4	1 537.1	22%
Migration Health*	43.8	47.1	24.9	7.1	43.2	0.7	115.5		282.3	209.5	35%
Migration and Development	6.8	10.7	6.9	10.6	6.4	2.2	3.9		47.4	48.5	(2%)
Regulating Migration	44.1	235.9	138.4	19.6	19.7	8.6	36.2		502.5	509.3	(1%)
Facilitating Migration	11.8	11.6	49.2	22.0	4.1	0.1	29.5		128.4	123.8	4%
Migration Policy, Research and Communications	1.4	9.1	3.0	1.5	1.0	0.2	5.7		21.8	18.1	20%
Land, Property and Repatriation											
Programmes	0.3	0.0	0.0	5.9	0.1	0.0	1.1		7.4	15.3	(52%)
General Programme Support/Services	6.2	6.5	18.9	10.0	5.5	2.1	(52.4)		(3.1)	7.8	(140%)
Administrative Programme								56.6	56.6	62.6	(10%)
Total 2022	368.2	787.6	537.9	209.8	405.2	65.2	492.3	56.6	2 922.8	2 532.1	15%
Total 2021	313.7	729.0	544.0	244.5	314.0	43.3	281.0	62.6	2 532.1		
% Increase (Decrease)	17%	8%	(1%)	(14%)	29%	51%	75%	(10%)	15%		

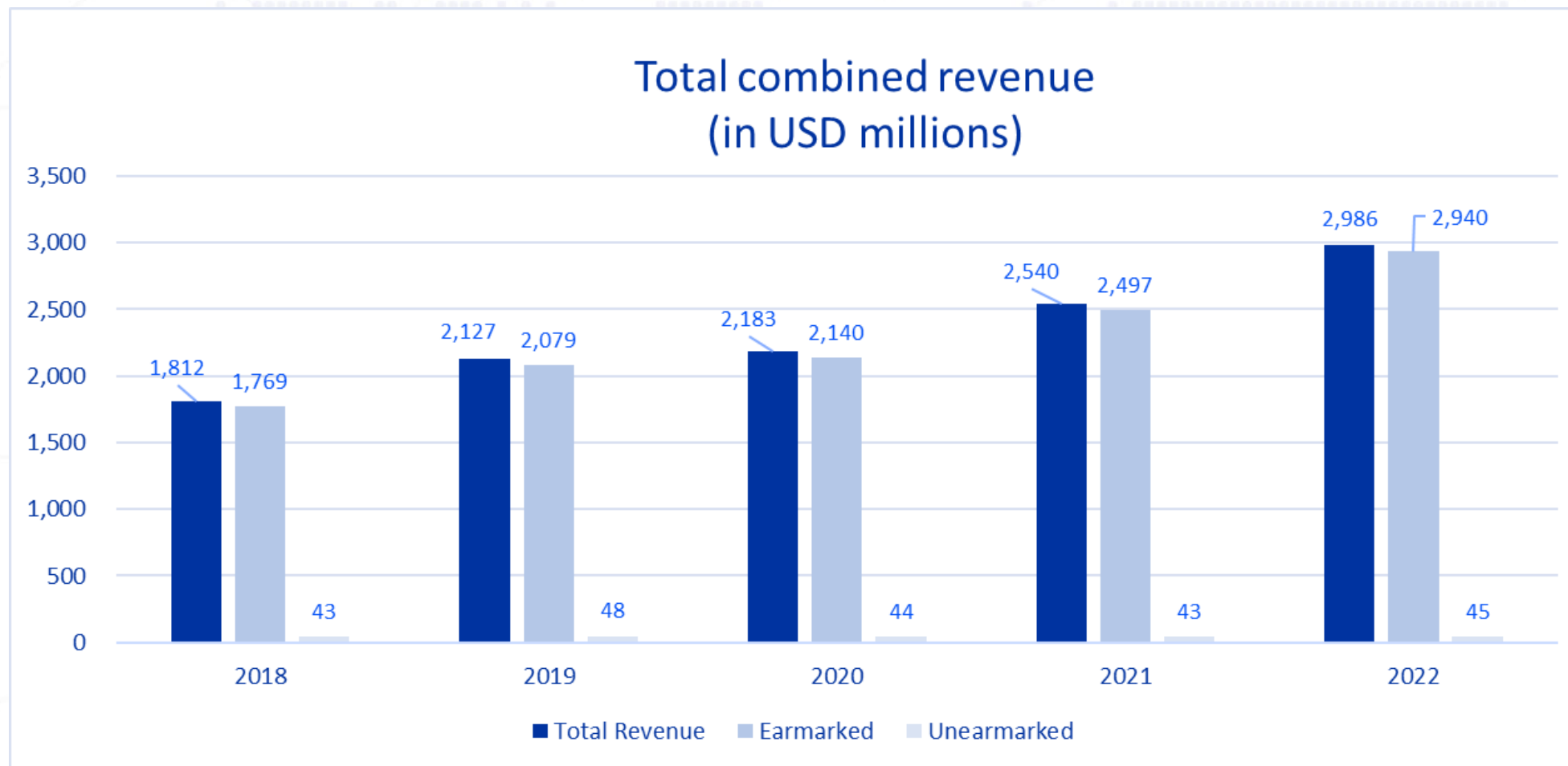
* Health issues cut across all areas of IOM's work. This figure reflects only specific migrant health activities and does not include the health-related expenditure integrated into other services.

OFFICES WITH HIGHEST LEVEL OF EXPENDITURE

(in USD millions)



TOTAL COMBINED REVENUE - 5 YEARS TREND



STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2022
(in USD million)

ASSETS

- Net increase of cash and cash equivalents, short- and long-term investments.
- 71% increase in receivable from voluntary contributions due to significant increase on commitment in Q4, with receipt in 2023.
- 15% increase in Property Plant and Equipment and Intangible Assets to USD83.8 million in 2022 (2021: USD 73.1 million), due to growing operation as well as internal development of intangible assets.

Assets	2022	2021 (restated)	Increase / (Decrease)	%
Cash and cash equivalents	607 031 414	663 568 045	(56 536 631)	(9%)
Short term investments	1 160 271 936	1 004 979 881	155 292 055	15%
Voluntary contributions receivables	250 105 412	145 958 389	104 147 023	71%
Assessed contributions receivables	5 548 073	5 216 099	331 974	6%
Other receivables	51 838 483	36 317 028	15 521 455	42%
Inventories	2 147 814	1 299 473	848 341	65%
Long term investments	167 870 803	148 181 858	19 688 946	13%
Property, plant and equipment	75 655 032	70 047 109	5 607 922	8%
Intangible Assets	8 126 629	3 062 333	5 064 296	165%
Other assets	198 285 709	180 834 951	17 450 758	10%
Total Assets	2 526 881 305	2 259 465 166	267 416 139	12%

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2022
(in USD million)

LIABILITIES

- 11% increase in Contributions received from donors in advance of performance delivery.
- The Employee benefit liability under the Operational Budget is fully funded via the TE reserve and by a yearly allotment of CHF 0.7 million under the APOTB.
- Increase in Borrowing due to the Study loan lent by the FIPOI for the preparation of the IOM new Headquarters building

Liabilities and Net Assets/Equity	2022	2021 (restated)	Increase / (Decrease)	%
Funds received in advance :				
- voluntary contributions	1 545 799 135	1 392 581 492	153 217 643	11%
- assessed contributions	1 444 843	1 336 470	108 373	8%
- agency relationships	139 360 470	133 395 383	5 965 087	4%
- other	23 906 000	24 657 149	(751 149)	(3%)
Separation entitlements, ASHI, repatriation grants and Acc. leave	217 459 457	223 296 632	(5 837 175)	(2.6%)
Payables to suppliers	286 973 118	255 535 387	31 437 731	12%
Borrowings	10 568 394	4 834 129	5 734 265	118%
Refugee Loan Fund – US equity	38 058 562	20 032 389	18 026 173	19%
Other liabilities	38 223 001	29 031 848	9 191 153	32%
Total Liabilities	2 301 792 981	2 084 700 879	217 092 100	10%
Total Net Assets/Equity	225 088 324	174 764 287	50 324 039	29%
Total Liabilities and Net Assets/Equity	2 526 881 305	2 259 465 166	267 416 139	12%

OPERATIONAL SUPPORT INCOME

(IN USD MILLION)

Application of USD 31.3 million additional overheads:

- USD 5.3 million to cover additional core costs.
- USD 0.5 million to unforeseen and unbudgeted project shortfalls
- USD 25.5 million to the OSI reserve

OSI SOURCES	2022 Budget	Actual Sources	Variance
Total project-related overhead	124 000 000	160 944 414	(36 944 414)
Total miscellaneous income	18 000 000	12 377 305	5 622 695
TOTAL SOURCES	142 000 000	173 321 719	(31 321 719)

C/114/3 pages 12 to 13, paras 28 to 33, and pages 68 to 70 Appendix 4

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.

- **Donor Co-Funding** related to projects where IOM has signed agreements without the entire co-funding confirmed upfront. Two projects identified with cumulative exposure amounting to USD 0.6 million. Project managers to secure co-funding requirement within project's implementation period.
- **Out-of-country voting project (Iraq)** where a claim of USD 57 million has been dismissed in IOM's favour. Following further meetings a verbal agreement was reached in February 2023 and subsequently through exchanges of letters, IOM commits to disburse 57 million through its mission programmes over the period of 2023-2024.
- **Contractual dispute in Yemen** received a claim of USD 0.6 million in 2021, related to alleged non-payment of delivered goods and related transportation costs, inflation of prices and late payment of interest. In subsequent year 2022, IOM has paid in full the purchase price of the goods it received from the company and rejects the claim as without a legal basis.

SERVICES IN KIND

Donor	Type/Class of services in kind received	Unit/Measure	Donor	Type/Class of services in kind received	Unit/Measure
Audit and Oversight Advisory Committee	Audit advisory services	72 days	Munk School of Global Affairs and Public Policy (University of Toronto)	Personnel services	423 days
CANADEM	Personnel services	121 days	Norwegian Refugee Council	Personnel services	3295 days
Carlo Schmid Programme	Personnel services	170 days	RedR Australia	Personnel services	364 days
City of Lausanne (SYNI Programme)	Personnel services	465 days	Smith College	Personnel services	80 days
CMS Hasche Sigle Partnerschaft von Rechtsanwälten und Steuerberatern mbB	Legal services	10 days	State Cashier's Office of Baden-Württemberg, Germany	Personnel services	66 days
Colgate University	Personnel services	588 days	Swedish Civil Contingencies Agency	Personnel services	1029 days
Danish Refugee Council	Personnel services	566 days	Swedish International Development Cooperation Agency	Personnel services	783 days
Duke University	Personnel services	244 days	Swiss Agency for Development and Cooperation	Personnel services	461 days
Dutch Surge Support	Personnel services	554 days	Swiss State Secretariat for Migration	Personnel services	1041 days
Federal Ministry for Economic Cooperation and Development, Germany	Personnel services	240 days	United Nations Association in Canada	Personnel services	60 days
Federal State of Berlin, Germany	Personnel services	65 days	Universitat Autònoma de Barcelona	Personnel services	110 days
Flexport	Transportation services	253 trucks	University of California College of the Law, San Francisco	Personnel services	58 days
Georgetown University	Personnel services	41 days	University of Michigan	Personnel services	50 days
Government of France	Personnel services	50 days	University of Padua	Personnel services	110 days
Government of Ghana	Audit services	153 days	University of Westminster	Personnel services	718 days
Government of Quebec, Canada	Personnel services	130 days	USAID	Personnel services	165 days
Government of Türkiye	Personnel services	190 days	US Department of State	Personnel services	55 days
iMMAP	Personnel services	1409 days			
Kühne Logistics University	Personnel services	68 days			

SUMMARY OF APPENDIXES

Appendix 1 – Assessed Contributions for the period ended 31 December 2022

Appendix 2 – Outstanding Assessed Contributions for the period ended 31 December 2022

Appendix 3 – Statement of Financial Performance by Service for the period ended 31 December 2022

Appendix 4 – Sources and Application of Operational Support Income

Appendix 5 – Expenditure by Location for the period ended 31 December 2022

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)

Appendix 9 – List of Services in Kind Received

THANK YOU