

CONFERENCE ROOM PAPER

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-fourth Session

**REPORT OF THE EXTERNAL AUDITOR TO
THE 115TH SESSION OF THE COUNCIL OF THE
INTERNATIONAL ORGANIZATION FOR MIGRATION
FOR THE FINANCIAL YEAR 2023**

Office of the Auditor-General of Ghana

* This report has been issued in its original form, as submitted to IOM by the External Auditor, the Auditor-General of Ghana.

EXECUTIVE SUMMARY

Introduction

This report presents the significant findings of the Auditor General of Ghana on the external audit of the International Organization for Migration (IOM) for the 2023 financial year. The assessment considers whether operations were performed economically, efficiently and effectively and were following IOM policies and procedures. The report includes three sections: financial audit, compliance audit and performance audit.

During the year under review, we carried out compliance audits of 15 IOM Country offices in Bangladesh, Belgium, Bern, Cambodia, Colombia, Ethiopia, Mauritania, Nepal, Peru, Sierra Leone, Slovakia, Tajikistan, The Gambia, The Netherlands and Zambia.

We also reviewed some operations at Manila Administrative Centre and Headquarters to ensure that the financial statements for the year ended 31 December 2023 were free from material misstatements and carried out performance audit on the assessment of the Organization's delegation of authority.

Overall audit opinion on the financial statements

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of the IOM's operations as at 31 December 2023. I have issued an unmodified auditor's opinion regarding IOM's financial statements as at 31 December 2023 and for the financial year ended.

Further, IOM in compliance with the effective date for implementation of the new standard on IPSAS 41 (Financial Instruments) to replace IPSAS 29 (Financial Instruments). In this regard, the financial year under review, showed the net impact of IPSAS 41 and the 2022 financial statements was restated.

Key methodology aspects

Our audit methodology was designed to ensure an efficient and effective delivery of the audit in accordance with the International Standards on Auditing (ISA) and the International Standards of Supreme Audit Institutions (ISSAIs).

We defined the overall materiality based on IOM's annual expenses and other qualitative factors including identified risks from our risk assessment. Also, under ISA 315, we identified and assessed risks of material misstatement in the financial

statements through the understanding of the auditee and its environment, including the internal controls and risk assessment process.

Our audit procedures were performed on a sampling basis based on the number of transactions in order to reduce audit risk to an acceptably low level. Also, our audit opinion is based on the provided evidence which were properly authorized IOM documents and inquiries. Again, we reviewed selected IOM functions based on the risk-based approach and current relevance to ascertain compliance with the financial procedures.

Priority of the recommendation

Based on our audit reviewed processes, we categorised our audit recommendations as follows:

- a. Critical - A level of risk assigned to weaknesses that have a fundamental impact and require immediate action.
- b. High - A level of risk assigned to weaknesses that have a considerable impact (second-level priority).
- c. Medium - A level of risk assigned to weaknesses that may increase the likelihood of errors and remediation is recommended in the short term.
- d. Low - A level of risk assigned to weaknesses that may increase the likelihood of errors and remediation is recommended within the year.

Financial statements highlight

The overall budget for the year 2023 was USD 3,343.54 million for the Operational Part and CHF 65.35 million for the Administrative Part. During the year 2023, the total revenue was USD 3,522.54 million as against a total expenditure of USD 3,419.35 million, leaving a surplus of USD 108.18 million before considering exchange gain of USD 57.60 million and Administrative programme revaluation adjustments (surplus) of USD 2.34 million, the adjusted surplus amounted to USD 168.00 million. The current assets receivables pertaining to assessed contributions and voluntary contributions as at 31 December 2023 stood at USD 5.47 million and USD 314.77 million respectively. The key financial indicators of IOM for the year ended 31 December 2023 were as follows:

- a. IOM recorded a surplus (before exchange rate difference) of USD 108.18 million during the year 2023, compared to a surplus of USD 55.56 million registered in 2022, an increase of USD 52.61 million or 95 percent;
- b. IOM's revenue showed an increasing trend during the last five years from 2019 to 2023; and

- c. Though due to increase in activities, most of the components of expenditure registered increases in 2023, over the 2022 figures, the expenditure continued to remain within budget in 2023.

Key audit results

The audit of the other areas mentioned above yielded the following important findings.

A. Financial Audit

Delay in the implementation of the new ERP

We reviewed the progress of the Oracle Enterprise Resource Planning (ERP) implementation and noted that the final roll out go-live date has been moved from the initial date in January 2024 to a date yet to be determined after two misses on scheduled date. Also, the status of progress showed that out of 36 itemized cloud modules, only four have been completed and deployed with three at the design review and 29 remaining at the pre user acceptance test stage. **We recommended that Management should prioritized the implementation of the Oracle modules considering the business requirements, design and configuration status with clear time-bound plan for implementation. Also, update the Project Charter to include responsibilities of business owners which covers business requirements, data cleaning and migration and user testing as well as sign offs.**

Management response

The recommendations were noted for implementation and the execution of the business process requirements would require a confirmation from other units as the Business Transformation alone could not proceed alone.

Review of OSI fund application

The annual IOM financial reports showed positive correlation with the expansion growth of the Organization and the actual Operational Support Income (OSI) over the years. However, we are concerned about the inability of the Organization to attract unearmarked contributions from 2019 as alternative funding to support IOM's administrative, staff capacity and other unbudgeted activities and structures. **We recommended that Management should continue with the road map of the budget reform and develop strategic funding activities to secure unearmarked contributions to support the Organization's core and administrative activities. In addition, Member States should commit towards a more predictable funding arrangement for the optimal core structure needed to administer the Organization's activities.**

Management response

IOM agreed with the recommendation and would pursue the roadmap of the staggered budget reform implementation until 2027 and continue discussions with Member States based on their commitment to review the Administrative Part of the Budget in 2027. Furthermore, IOM has launched a new IOM Global Appeal 2024 based on the new Strategic Plan and describes not only the need for funding and deliver on the objectives of the Strategic Plan.

Revision of investment strategy to optimize investment funds portfolio

The benchmarks of IOM short-term investments are instruments held for a period of 90 days or longer. Whereas, long-term investments are instruments (bonds) held for longer than 12 months and classified as current assets if theoretically, they could be resold on an open market at the reporting date. We noted that investment asset allocation within the portfolio was heavily concentrated in term deposits pursuant to Article 7(1) of the IOM Financial Regulations. **We recommended that Management should engage with Member States to consider amendment to Article 7 of the Organization to ensure that funds are invested to place primary emphasis on minimizing the risk to principal funds and other factors such as avoiding over concentration with individual counterparties, sustainability criteria, balancing overall average credit risk, must also be factored into daily decisions.**

Management response

Recommendations duly supported.

Need to update the Internal Control Framework

The Organization's Internal Governance Framework (IGF) identified and adopted the traditional three lines of defence (3LOD) risk management model. Although, we have not identified material failure in the operation of the internal controls of the Organization, we are of the view that IOM's continuous growth and expansion as well as the need to sustain the reforms initiative have a far reaching and complex impact. **We urged Management to update the Organization's Internal Control Framework (ICF) to articulate the key day-to-day internal control roles and their associated authorities, accountabilities, and responsibilities considering the Organization's continuous growth and expansion.**

Management response

At the core of the IGF reforms, IOM is pursuing its reinforcement along the Three Lines Model. The initial steps are currently underway, including tailoring the ICF with international best practices (i.e. COSO) and this would be translated into the new ERP, with expected completion through the last quarter of 2024.

Need to strengthening migration data management mechanism

We noted that IOM collects a wealth of data on migration through projects implementation worldwide using dispersed or thematic collection modes of institutions within the state and/or not comparable with statistics of other states. In this regard, the Organization's MiMOSA NextGen initiative/application serves as an electronic beneficiary case management, providing a new architectural framework that would facilitate enhanced migrant services. **We recommended that Management should ensure to allocate funding to scale up the development of the MiMOSA NextGen to cover other thematic areas of IOM migration data collection mechanism.**

Management response

Following the strengthening of IOM's ICT security strategy and a rebuild of the Infrastructure and Operations Function, the ICT Department would focus on the establishment of a digital center of excellence in the next 24 months, specifically covering the rearchitecting and roll out of MiMOSA Next Gen.

Need to have a costing and funding model on cybersecurity

We noted that the Organization has made significant investments to improve and strengthen Information Security posture and had adopted and strengthen a decentralized field operating model for country offices to provide a greater autonomy and ownership. However, there was absence of a costing model to give guidance to secure funding or cost their cybersecurity funding requirement to improve the whole cyber resilience against the continuous technological exposure. **We recommended that the ICT Department should develop and provide a costing model to assist country offices solicit for funding towards strengthening their technology security. Also, Management should implement the cybersecurity assessment recommendations to improve the existing security structures.**

Management response

The ICT Department continues to work towards a sustainable funding and operating model for cybersecurity, with proposals to be presented to Management in second quarter of 2024 and an implementation roadmap from 2024-2028.

Beneficiary assets derecognition

We reviewed project implementation activities in relation to the transfer of assets to intended IOM beneficiaries. However, our sampled analysis showed control deficiencies/weaknesses in the derecognition of beneficiary assets to provide real-time information on the status. **We recommended that FAD should ensure that RRMOs/RMOs conduct timely reviews of beneficiary assets from the date of initiation and retirement after handover to beneficiaries based on appropriate documentation.**

Management response

Management agreed with this recommendation and indicated that it would be a focus on pre and post ERP implementation.

Review of Manila Supply Chain Unit activities

Our review of the Manila Supply Chain Unit (MSCU) showed significant progress in the alignment with IOM 2024-2026 Supply Chain Management Strategy. Whereas the volume of goods and services procured by IOM has grown substantially over the years with continuous growth of the Organization's activities, it is paramount to improve continuous procurement training, staff level improvement at both MSCU and regional level, and ensure real time oversight visibility of country offices. **We recommended the review of the staffing level of MSCU to strengthen its capacity and provide adequate support to IOM regional and country offices and develop a methodology to undertake global oversight, quality control and monitoring (virtual and on-site).**

Management response

Management agreed with this recommendation and indicated that it would be a focus on pre and post ERP implementation.

Follow up on global payroll processing implementation

We noted that IOM has implemented the global payroll processing approach for professional and general staff category across for a total of 142 missions with approximately 14,000 local staff. However, we noted that 17 country offices would be centralized at the go-live of the Oracle ERP as they need additional system configuration and payroll data would be tested on sample basis. **We recommended that MHRO should establish a data quality assurance framework to include procedures for planning, data cleansing, conversion, testing and validation. Also, the Oracle ERP test environment should allow MHRO close to 100% data testing using IOM data. This would enable MHRO to identify potential errors and reconcile the test result discrepancies prior to loading to the production environment.**

Management response

Management agreed with this recommendation and indicated that it would be a focus on pre and post ERP implementation.

B. Compliance Audit

Need to adopt electronic cash transfer under cash-based interventions

We noted that the Sierra Leone Mission cash-based interventions (CBI) approach in the implementation of project activities was in the form of physical transport of cash

to pay beneficiary individuals or group recipients under the programs. This approach revealed high volume of cash transportation, coupled with risks such as staff personal safety, misuse, or double payments. **We recommended that the Head of Office and Resource Management Officer should establish cash threshold and continue to engage with the Regional Office and Headquarters to establish a much more efficient delivery mechanism for electronic cash transfer grants/pocket grants to intended beneficiaries.**

Management response

The terms of engagement of a service provider to provide electronic cash transfer system for cash-based interventions in the form of online bulk payment services are currently being reviewed by the ICT and FAD departments following the recommendations made by the IOM's Legal team.

Need to improve gender balance

We noted that the Bern Mission operated with total staff of 19, out of which three are males and 16 are females indicating a gender imbalance of 1:4 (male to female ratio). **We recommended that the CoM should adopt and liaise with IOM Headquarters Human Resources Department towards working to achieve plausible/potential gender balance parity in staff allocation.**

Management responses

The Mission has made efforts to increase the percentage of males in IOM Switzerland in the past. However, the existing grade and work percentage options translate into lack of internal career opportunities at IOM Bern, thereby resulting in male staff leaving the office.

Untimely update of assets information in SAP PRISM

We noted that assets inventory count information of the Zambia Mission was not timely updated in the SAP PRISM. **We recommended that CoM should ensure that the RMO timely update IOM assets information in the PRISM after physical stock take.**

Management response

Management agreed to implement the recommendation at the earliest.

Review of Mission project activities

We reviewed the Gambia Country Office project portfolio and noted that generally, the Office complied with the IOM Project Handbook, except that project's formulation, endorsement and activation timelines as compared with the planned start dates revealed significant delays in the turnaround period for completion. **We**

recommended that the CoM should consider seeking for colleagues on short-term assignments within the IOM Central & West Region to support the Project Managers during moments when they are overwhelmed with project activities.

Management response

The Mission engaged two staff from other IOM Offices on short-term assignments to assist the Mission in the development of the Country Strategy while a substantive Programme Support Officer is in place. Besides, project managers have been tasked to update project status and improve on processing timelines.

Delays in project proposal development and activation activities

Our sampled review of project formulation, endorsement and activation timelines as compared with the planned start dates at the Netherland Mission revealed significant delays in the turnaround period. **We recommended that the CoM should streamline the Office administrative process between project proposal development and activation to address any gaps and root causes contributing to the delay in the project cycle.**

Management response

The Mission aims to ensure prompt follow-up and, when deemed necessary, facilitate the temporary activation of projects in the future. This proactive approach will mitigate any potential delays in project activation.

Outstanding VAT reimbursable

We noted that at the Peru Mission, an amount of USD 1,384,844 remained as VAT receivable over a period of 120 days as of 21 November 2023. **We recommended that the CoM should ensure that the RMO train schedule officers on the new tax reimbursement system and conduct periodic follow up on any outstanding reimbursement with the Tax Authority.**

Management response

The Mission has submitted the invoice claims in June 2023, and these are being monitored in order to estimate when a refund from the Ministry of Finance would be received.

Unrecovered Contract advance payment

We noted at the Slovakia Mission that an amount of EUR 9,360 was advanced to a Vendor, (Jumo S.R.O) without payment guarantee. Also, we noted that the items were not delivered as at the time the project was closed on 31 March 2023. **We recommended that the CoM should liaise with IOM LEG for the recovery of the amount of EUR 9,360.00 from Jumo S.R.O.**

Management response

Mission accepts the recommendation and states that the LEG division would be contacted on the issue for advice on the next steps.

Delays in VAT reimbursement

Our review of the Ethiopia Mission records showed an amount of USD 1,689,885.55 VAT receivable as at the time of our audit. **We recommended that the CoM should ensure that the RMO submits all tax refunds in accordance with the Tax Authority's guidelines and conduct periodic follow-up on any outstanding VAT receivable.**

Management response

The Mission would ensure that tax reimbursements are submitted to Ministry of Finance as ONE UN and in the interim, a dedicated team of three staff have been tasked to work on the 2023 claims and this would be submitted before end of the year.

Review of staff vendor ageing balances

Analysis of the Nepal Office staff and vendor downpayment open items showed that the total amount of NPR 299,050.00 and USD 1,100 relates to receivables ageing between 31 to 90 days and over 91 days respectively. **We recommended that CoM should ensure that the RMO review vendor downpayment balances on monthly basis, to ensure that these advances are transferred as expenses to projects to avoid any deficits after project closures.**

Management response

The Mission would monitor all outstanding advances and follow up with the relevant units and staff members to ensure timely clearance of these advances. Hence the RMO would engage with the four staff members and obtain the requisite document to immediately clear the vendor account.

Need to update the Compliance Control Self-Assessment Tool

Our review of IOM Tajikistan Office showed that Compliance Control Self-Assessment Tool (CCSAT) information such as evaluation of the effectiveness of the control, action plans, delivery dates, owners, and the post implementation comment were not updated. **We recommended that the CoM ensure that the CCSAT is completed with all the relevant information to ensure that significant control deficiencies identified are systematically documented and monitored.**

Management response

The Mission in close coordination with the Regional Office would ensure that the CCSAT is updated and finalized.

Self-payer income in cash receipts

We noted that the Cambodia Mission continue to accept physical cash for services rendered in respect of self-payer transactions. **We recommended that the CoM should liaise with all stakeholders to find the best possible way to receive moneys from self-payer transaction through the banking system in accordance with host country laws.**

Management response

The Mission acknowledged the recommendation and would coordinate with HQ colleagues from CANVAC, MHD, TSY and the Regional Office accordingly for an acceptable process to be established pending roll out in 2024/25 a global payment platform.

Review of Additional Protocol to existing Country Mission Agreement

We noted that the Belgium Mission has not finalized the Additional Protocol to the 1973 Agreement to enable engagement with the Kingdom of Belgium to adopt a whole-of-government approach on migration activities such as labour mobility and human development, social inclusion programs, and diaspora engagement to achieve sustainable development outcomes. **We urged the Mission to collaborate with the Ministry to expedite action to approve and institutionalize these documents to the benefit of migrants, refugees, and government at large.**

Management response

Priority has been given to the ongoing negotiation for the revision of the Seat Agreement, including an Exchange of Letters in August 2022 and a recent review by the IOM Legal Department on the Draft Agreement has been completed.

Need to ensure timely submission of donor report

We noted from the review of donor reports that the expected deadlines for the submission of interim and final reports for six projects were delayed by the Colombia Mission. **We recommended that the CoM should establish procedures to strengthen its oversight of programme and project activities, ensure timeliness and quality of donor reporting, as well as the appropriateness of project funds management.**

Management response

The Mission accepted the recommendations and explained that a control tool would be implemented to monitor the authorization or endorsement by central reviewing areas. Also, the tool would generate timely alerts on consolidated monitoring solely for the country office.

Need to enhance effective fire prevention methods at Rohingya refugees' camps

Our review of Bangladesh IOM Rohingya Humanitarian Crisis implementation activities revealed the occurrence of fire outbreaks at the Rohingya Refugees Camps that destroyed many shelters and displaced a number of refugees monthly. **We recommended that the CoM should liaise with the Bangladesh Fire Brigade and other stakeholders to assess the cause of the rampant outbreaks and develop appropriate solution including safety protocols and training of focal persons to reduce the risk of fire disasters at the camps.**

Management response

The rampant fire outbreaks are a challenging reality that remains a perennial crisis. The Mission would collaborate with several partners towards strengthening both preventive and responsive measures to address this fire phenomenon.

Incomplete assets information in PRISM

We noted that the asset register of the Mauritania Mission does not have essential information such as serial numbers, user assignments and record of last physical inventory date. **We recommended that the CoM should ensure that the RMO regularly updates the Office asset information with all the required or essential information.**

Management response

Management stated that the serial numbers, individual users of the assets and the last inventory date would be updated on the PRISM by 31 January 2024.

C. Performance Audit

IOM developed and issued a Delegation of Authority (DoA) policy which seeks to among others, provide staff with clear guidelines on delegation of authority, empowering them to make informed decisions in alignment with organizational goals, laws, regulations, and industry standards thereby minimizing legal and regulatory non-compliance risks. We concluded that the DoA is largely complete and covers administrative and managerial activities which support IOM operational functions. However, the DoA policy did not specify what constitutes major and minor decisions. Also, systemic monitoring was not carried out to identify implementation challenges.

We recommended that Management should clearly define what constitutes major decisions and the Compliance Unit should monitor on a quarterly basis to identify the deviations in the completion and use of the DoA matrices and to bring early remedial in the implementation of the policy.

Management response

The implementation of IOM DoA policy commenced from April 2023 and what constitutes major decisions is covered by restricting IOM Officer in Charge, not to make decisions that would impact the Organization beyond the period of designation. Also, the Institutional Risk Division would take steps to plan and perform the DoA monitoring.

Follow-up on recommendations from previous audit report

We conducted a follow up on our prior years audit recommendations and noted that as at the end of 31 December 2023, a total of 20 recommendations were outstanding and at various levels of implementation. **We recommended that Management should continue with the regularly review of the progress of the implementation of the External Auditor's recommendations and report thereon.**

AUDIT FINDINGS AND RECOMMENDATIONS

INTRODUCTION

1. The 112th Session of IOM Council in November 2021, by Resolution 1396, re-elected the Ghana Audit Service as the External Auditor for the International Organization for migration (IOM) for 2022, 2023 and 2024 financial years. The scope of the audit was in accordance with regulation 12.1 of the Financial Regulations and Principles set out in the Annex to these regulations. The audit was conducted in accordance with the International Standards on Auditing and focused on financial, compliance and performance auditing.

2. IOM has nine Regional Offices (RO)¹, two Special Liaison Offices² and 575 field locations. We carried out an interim financial audit at the Manila Administration Centre in November 2023 and final audit at Headquarters, Geneva in April 2024.

3. The financial audit focused on obtaining reasonable assurance as to whether the activities, financial transactions and information reflected in the financial statements were, in all material respect, in compliance with the IOM's financial regulations. Coordination with the Office of Inspector General had been continual and comprehensive. Professional reliance was placed, where necessary, on the work of the internal audit and other external reviews and assessments.

4. Significant findings arising from the audits performed, after detailed discussion with the concerned management personnel, were conveyed through Management Letters. The most significant of the recommendations have been incorporated in this report and Management has indicated that action would be taken to address them.

Audit Type	Priority of audit recommendations				Total
	Critical	High	Medium	Low	
Financial	1	7	4		12
Compliance		3	26	2	31
Performance			2		2
Total	1	10	32	2	45

¹ Bangkok, Thailand; Brussels, Belgium; Buenos Aires, Argentina; Cairo, Egypt; Dakar, Senegal; Nairobi, Kenya; Pretoria, South Africa; San Jose, Costa Rica; and Vienna, Austria.

² New York, USA and Addis Ababa, Ethiopia.

AUDIT OPINION

5. According to the terms of reference for the External Auditor, I am required to express an opinion on the IOM Financial Statements for the financial period 1 January 2023 to 31 December 2023. Our audit of the Financial Statements for 2023 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December 2023 and its financial performance during the period 1 January 2023 to 31 December 2023.

6. Further, IOM has complied with the implementation of International Public Sector Accounting Standards (IPSAS 41) on Financial Instruments to replace IPSAS 29. In this regard, the financial year under review, showed the net impact of IPSAS 41 adoption on the Statement of Financial Performance in respect of Administrative and Operational activities of the Organization. Also, the overall net effect of IPSAS 41 was restated on the 2022 financial statements in the accumulated net asset/equity.

7. Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the year ended 31 December 2023.

FINANCIAL PERFORMANCE

8. The overall budget for the year 2023 was USD 3,343.54 million for the Operational Part and CHF 65.35 million for the Administrative Part. During the year 2023, the total revenue was USD 3,527.5 million and the total expenditure was USD 3,419.3 million, leaving a surplus of USD 108.18 million before considering exchange gain of USD 57.59 million and Administrative programme revaluation adjustment (surplus) of USD 2.34 million, the surplus after exchange rate gains and administrative programme revaluation adjustment amounted to USD 168.11million. The current assets receivables pertaining to assessed contributions and voluntary contributions as at 31 December 2023 stood at USD5.46 million and USD 314.77 million respectively.

Surplus/(Deficit)

9. IOM recorded an increased trend of surplus/deficit (before exchange rate difference) during the years 2018 and 2019 but the surplus decreased during the year 2020. However, the surplus/deficit (before exchange rate difference) increased marginally in 2021 as shown in Table 1. The increased in surplus of 73 percent in 2019 was at a reduced rate as compared to 2018 where the increase was by 131 percent. There was a decrease of 82 per cent during the year 2020 as compared to 2019 and an increase of 45 percent in 2021 as compared with surplus registered during the year 2020. Also, the surplus increased by a significant margin of 582 percent(restated) in 2022 as compared to 2021. During 2023 there was a decrease in the surplus to 95 percent as compared to 2022.

10. IOM recorded surplus (after exchange rate difference) in 2019 as compared to deficit 2018. In 2019, however, there was a 309 per cent increase in surplus (after exchange rate difference) when compared with the 2018 deficit and a further increase of 67 percent in 2020 over the surplus (after exchange rate difference) in 2019. However, the deficit (after exchange rate difference) decreased by 209 percent in 2021 as compared to a surplus (after exchange rate difference) in 2020. In 2022, the surplus increased by 115 percent (restated) as compared to the deficit (after exchange rate difference) in 2021. The surplus after exchange rate difference increased substantially by 1568 percent in 2023 as compared to 2022.

Table 1: Financial trends of surplus/deficit (expressed in USD million)

Year	Surplus/(Deficit) - after exchange rate difference	Surplus/(Deficit) - before exchange rate difference	Accumulated Surplus/(Deficit)
2018 (restated)	(17.42)	18.24	57.56
2019 (restated)	36.34	31.58	95.02
2020 (restated)	60.82	5.62	169.65
2021 (restated)	(65.99)	8.15	112.47
2022 (restated)	10.08	55.56	124.22
2023	168.11	108.18	290.53

11. In the year 2023, IOM recorded an exchange gain of USD 57.60 million, as against an exchange loss of USD 43.33 million in 2022 (restated). Consequently, in part, the accumulated surplus of USD 124.22 million in 2022 (restated) increased to USD 290.53million (an increase of USD 166.31 million) during 2023. The exchange gain of USD 57.60 million consisted mainly of foreign currency monetary assets and liabilities converted into US dollars, together with realized exchange rate gain amounting to USD 45.55 million upon settlements of accounts receivable and payable, which include balances of completed projects reported in a currency other than US dollars.

Revenue and Expenses

12. The total revenue and expenditure of IOM showed a continuous increasing trend during the last six years from 2018 to 2023 as depicted in Table 2. Again, actual expenditure incurred continued to remain within the revenue during the period.

Table 2: Total Revenue and Expenditure trends (expressed in USD million)

Year	Revenue	Expenditure
2017 (restated)	1,614.29	1,606.41
2018 (restated)	1,811.77	1,793.53
2019 (restated)	2,127.07	2,095.49
2020 (restated)	2,183.29	2,177.68
2021 (restated)	2,540.19	2,532.04
2022 (restated)	2,985.72	2,930.16
2023	3,527.60	3,419.35

13. Staff salaries and benefits, which comprised 29.6 percent of the expenses, increased by USD 127.73 million (144 percent) in 2023 as compared to 2022. Contractual services constituting 18.92 percent of the total expenses, also increased by USD 73.75 million (12.87 percent) in 2023 as compared to 2022. Furthermore, Other direct assistance to beneficiaries, which represents 20.24 per cent of the expenses, increased by USD 137.35 million (24.76 percent) in 2023 as compared to 2022. Summary details are shown in Table 3.

Table 3: Percentage of expenditure component (expressed in USD million)

Component of Expenses	2023		2022 (restated)	
	Amount (in USD million)	Percent to total (%)	Amount (in USD million)	Percent to total (%)
Transportation Assistance	446.70	13.1	318.92	10.9
Medical Assistance	70.92	2.1	77.76	2.7
Other direct assistance to beneficiaries	692.04	20.2	554.70	18.9
Implementing Partner Transfers	224.81	6.6	238.27	8.1
Contractual services (including on behalf of beneficiaries)	646.96	18.9	573.20	19.6
Staff Salaries and Benefits	1,012.12	29.6	884.39	30.2
Travel and subsistence	97.40	2.9	85.48	2.9
Supplies and Consumables	204.89	6.0	164.96	5.6
Depreciation and amortization	20.65	0.6	19.22	0.7
Expected credit loss and provisions	-2.00	-0.1	9.25	0.3
Others	4.85	0.1	4.00	0.1
Total	3,419.34	100	2,930.16	100

14. The operational expenses during the year 2023 resulted in a favourable budgetary provision of USD 1.265 million. The final budgetary allocation for operational programmes for 2023 was USD 3.344 million as compared with the actual expenditure of USD 3.419 million on modified accruals (budgetary) basis.

Project Management

15. The number of financially active projects increased to 3617 during 2023 from 3,511 in 2022. Operationally active projects at the end of the fiscal year reduced to 2,615 in 2023 from 2,764 in 2022. Table 4 below gives the summary details:

Table 4: Number of financial and operational active projects

Year	Financially active projects during the year	Operationally active projects as at the end of 31 December
2018	3,441	2,584
2019 (restated)	3,062	2,327
2020	3,246	2,570
2021	3,396	2,656
2022 (restated)	3,511	2,764
2023	3,617	2,615

Table 5 shows that operational revenue as well as expenses have increased over the last six years.

Table 5: Total Revenue and Expenses of Operational Programme (expressed in USD million)

Operational Programme		
Year	Expenses (excluding exchange rate difference)	Revenue
2017 (restated)	1,552.31	1,564.84
2018 (restated)	1,738.57	1,759.90
2019 (restated)	2,041.09	2,074.14
2020 (restated)	2,117.22	2,129.72
2021 (restated)	2,469.41	2,480.02
2022 (restated)	2,930.16	2,985.72
2023	3,357.45	3,457.28

16. The cash and cash equivalents and short-term investments increased from USD 1,757.38 million (restated) in 2022 to USD 2,045.17 million in 2023. The Deferred

Revenue during the year 2023 showed an amount of USD 1,751.2 million, an increase by USD 205.4 million, as compared to USD 1,545.8 million for year 2022. This was largely from voluntary contributions received from donors in advance of performance delivery under operational programme.

Current Assets and Current Liabilities

17. The current ratio analysis during the last six years, as shown in Table 6, indicates that IOM will be able to meet its short-term obligations as and when they fall due.

Table 6: Current assets and liabilities (amounts expressed in USD millions)

Description	2023	2022 (restated)	2021 (restated)	2020 (restated)	2019 (restated)	2018 (restated)
Current Assets (CA)	2,720.38	2,259.05	2,035.10	2,040.91	1,785.22	1,792.61
Current Liabilities (CL)	2,329.93	2,074.51	1,870.58	1,827.56	1,631.43	1,569.03
Current Ratio (CA/CL)	1.17	1.09	1.09	1.12	1.09	1.14
Cash and cash equivalents (C&CE)	725.74	597.73	663.57	655.19	886.99	922.82
Ratio of C&CE to CL (C&CE/CL)	0.31	0.29	0.35	0.36	0.54	0.59

FINANCIAL AUDIT

Adoption of IPSAS 41 for financial instruments

18. In compliance with the effective date for implementation of the new standard on International Public Sector Accounting Standards (IPSAS) 41 (Financial Instruments) to replace IPSAS 29 (Financial Instruments), the Administration has taken immediate steps to implement the new standards which has been duly reflected in the 2023 financial year statements.

19. For the financial year under review, we noted that the net impact of IPSAS 41 adoption showed ECL expenses of USD 1,996,598 on the Statement of Financial Performance in respect of USD 2,690,429 on Administrative and a gain of USD 693,831 on the Operational activities of the Organization. The overall net effect of the restatement of the 2022 financial statement showed a decrease in the accumulated net asset/equity of USD 7.3 million.

20. Also, we noted that the determination of the impact of the ECL is primarily conducted using manual process which involves a lot of different data sources which could be prone to manual errors. Again, the current treasury management tool (Coupa) for managing cash and investments and perform integrated bank communications for payments as well as reconciliation does not give Treasury Division (TSY) visibility on all cash and cash equivalents and financial instruments held in foreign currency for effective analysis on the ECL.

Recommendation - Priority Medium

21. We recommended that Management should upgrade the existing Coupa treasury tool to optimize its functionality and visibility on all financial instruments of the Organization including treasury risk and determination/computation of the ECL.

Management response

22. Management would explore the optimization opportunity to implement the observation, taking the change of ERP into account.

Delay in the implementation of the new ERP

23. The Organization under the Internal Governance Framework (IGF) initiative undertook institutional reforms to establish an increased effectiveness and efficiency of the Administration business as well as improve IOM's monitoring and real time oversight capabilities of field operations via an information technology.

24. In relation to the outstanding deliverable under the IGF was the replacement of the SAP PRISM with Oracle Enterprise Resource Planning (ERP) as the major

investment to improve project and financial management, standardised key business processes and identify opportunities for efficiency gains through centralization of corporate functions.

25. We reviewed the progress of the Oracle ERP implementation and noted that despite, the continuous and commitment from the Administration and Member States towards the ERP Project, the final roll out go-live date have been moved from the initial date in January 2024 to a date yet to be determined or agreed upon between the Vendor and IOM after two misses on scheduled date.

26. Also, we noted that the initial governance arrangement for the implementation of the Oracle ERP under the IGF implementation has been transferred to the Organization’s ICT Department. However, the Project Charter between the Project Team and the Administration has not been revised to include the changes in the formal governance arrangement and assignment of clear roles and responsibilities in respect of finalization of business requirements and data quality management.

27. The status of progress showed that out of 36 itemized cloud modules, only four have been completed and deployed with three at the design review phase and 29 remaining at the pre user acceptance test stage as indicated below.

Oracle Cloud Family	Oracle Cloud Modules	Planned date for completion	Status on design and configuration	Oracle Cloud Family	Oracle Cloud Modules	Planned date for completion	Status on design and configuration
Oracle Fusion HCM Cloud	Goal Management	Jan-23	Deployed	Oracle Fusion Project Portfolio Management Cloud	Grants Management	May-24	Pre-UAT
	Performance Management	Jan-23	Deployed		Project Financial Management	May-24	Pre-UAT
	Profile Management	May-24	Pre-UAT		Project Control	May-24	Pre-UAT
	Core HR	May-24	Pre-UAT		Capture Costs	May-24	Pre-UAT
	Learning Management	Jul-23	Deployed		Project Resource Management	May-24	Pre-UAT
	Recruitment Management	Jul-23	Deployed		Project Execution Management	May-24	Pre-UAT
	Compensation Management	May-24	Pre-UAT		Oracle Fusion Risk Management Cloud	Advanced Financial Control (Risk Management)	May-24
Payroll	May-24	Dry run test	Advanced Access Control	May-24		Pre-UAT	
Oracle Fusion EPM Cloud	Enterprise Planning and Budget Financials Framework	May-24	Design review	Finance Reporting Compliance		May-24	Pre-UAT
	Narrative Reporting	May-24	Design review	Oracle Fusion Supply Chain Management Cloud	Purchasing	May-24	Pre-UAT
	Financial Consolidation and Close (executive Consolidation)	May-24	Design review		Self Service Procurement	May-24	Pre-UAT
Oracle Fusion Financials Cloud	General Ledger	May-24	Pre-UAT		Sourcing	May-24	Pre-UAT
	Accounts Payable	May-24	Pre-UAT		Procurement Contracts	May-24	Pre-UAT
	Accounts Receivables	May-24	Pre-UAT		Supplier Qualification Management	May-24	Pre-UAT
	Fixed Assets	May-24	Pre-UAT		Supplier Portal	May-24	Pre-UAT
	Cash Management	May-24	Pre-UAT		Inventory Management	May-24	Pre-UAT
	Expenses Management	May-24	Pre-UAT		Cost management	May-24	Pre-UAT
Transaction Tax (TAX)	May-24	Pre-UAT	Product Data and Hub	May-24	Pre-UAT		

The planned date for completion was the second missed date and a new timeline is yet to be agreed upon.

28. Our review of the contract terms with the Vendor showed that there was no formalized performance and monitoring indicators to reflect deliverables such as functional specification documentation, technical design, functional acceptance test, security of system configuration and other non-development deliverables especially at the completion of each module milestones and phases. Hence, it was difficult to rate the extent of completion considering that there was no clear mechanism to measure

performance of deliverables with and without sign off.

29. We also noted that the business process re-engineering (BPR), was done in silos for the various departments and their related Oracle functional module and these were not consistently performed to analyse, design workflows and processes for the whole Organization. By conducting BPR, a business process owner knows the current stage of their business operations and identifies areas where the processes need to be improved, with the full functionality of an ERP system which could be used to support the business.

30. Our experience shows that BPR changes, if not carefully or systematically done, would negatively impacts on the overall success of the implementation of the new ERP system. Consequently, it could lead to weaknesses in the areas of configuration settings if not properly implemented within the ERP system and this would require business units to introduce manual workarounds, such as the use of spreadsheets, and not take advantage of the efficiency of an ERP system.

31. Again, we noted the absence of a configuration changes management plan which could further delay the deployment of the Oracle solution if changes in IOM policies are not duly analysed with a defined priority/criterion before they are duly implemented.

32. The continuous delay in the implementation of the Oracle ERP has cost implications on IOM and creates uncertainties on other business processes which are contingent on the delivery of the ERP. Also, the Organization continued to pay for SAP PRISM license extension, coupled with other incidental costs such as staff time lost after missing the go live dates.

Recommendation - Priority Critical

33. We recommended that Management should:

- a. update the Project Charter to include responsibilities of business owners which covers business requirements, data cleaning and migration and user testing as well as sign offs;
- b. initiate a business process re-engineering (BPR) initiative, wherein core business department and operating departments should be responsible for analyzing their existing business process and operations and identify improvements that can increase efficiencies, allow for stronger internal controls, and take advantage of the functionality available in the ERP systems;

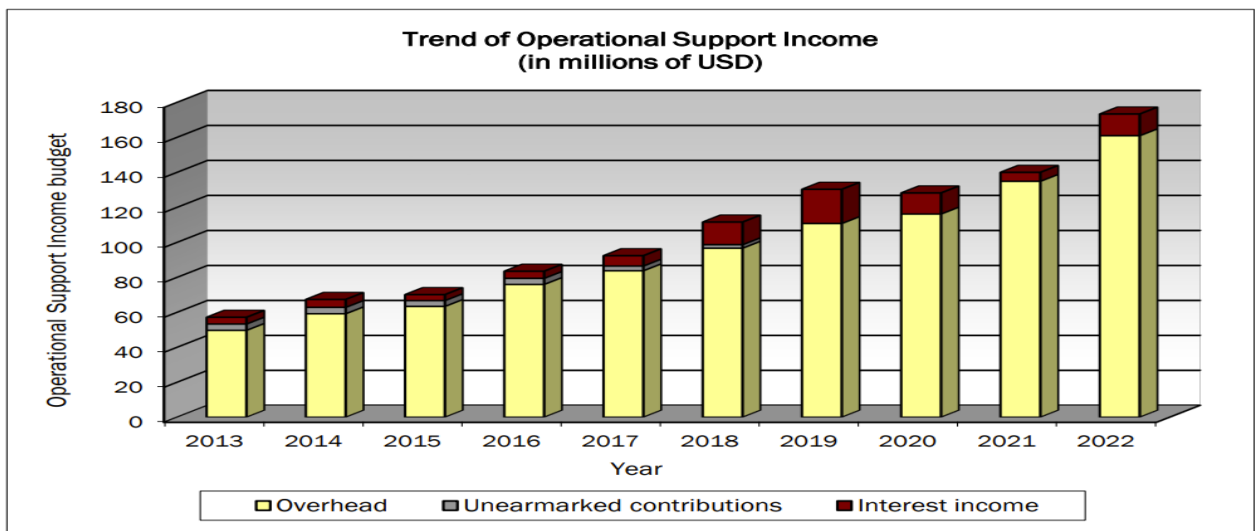
- c. prioritized the implementation of the Oracle modules considering the requirements, design and configuration status with clear time-bound plan for implementation based on the Organizational functions;
- d. establish joint performance delivery indicators/criteria with the Vendor (Oracle) to validate the progress of project implementation and timely identify critical areas of prioritization or any unanticipated negative risk factors;
- e. in coordination with business owners, strengthen regular monitoring of Project implementation status to prevent surprises and ensure completion in a timely manner; and
- f. develop and maintain the schedule of change management to reflect updates to change request status and to better monitor the implementation of the change requests.

Management response

34. The recommendations are noted, and we agree with their implementation, noting the execution of the BPR, in organizational terms, require a confirmation from other units as BT could not proceed alone.

Review of OSI fund application

35. The annual IOM financial reports showed positive correlation with the expansion growth of the Organization and the actual Operational Support Income (OSI) generated over the years as shown below.



36. Our review of the 2023 OSI further showed a corresponding increase in the General Overhead income from the target of USD 159.9 million to USD 192.4 million due to the growth of the Organization's operational activities. Also, we noted a significant increase in the interest income from the projected USD 15 million to USD 59.9 million.

37. From the analysis of the OSI performance, we are concerned about the inability of the Organization to attract unearmarked contributions from 2019 to 2023 as alternative funding to support IOM’s administrative, staff capacity and other unbudgeted activities and structures.

38. We, also, noted that the OSI utilisation was 119 percent rate to compensate for the lack of standard required cost adjustments in the assessed contributions, absorbed statutory increases in staff salaries and the effects of inflation and unbudgeted activities and structures as shown below.

Year	Total Sources			Total Application		
	Budget	Actual	Increase %	Budgeted USD	Actual USD	Utilisation of Source (%)
2023	174,900,000	252,257,176	44	174,900,000	207,595,517	119
2022	142,000,000	173,321,719	22	142,000,000	147,836,583	104

39. We recognised the strengthening of the core structure of the Organization as part of the budget reforms agreed upon in Standing Committee on Programmes and Finance Resolution No. 31 of 28 June 2022 to increase the administrative part of the budget by USD 60 million over a five-year period to provide IOM with a minimum of core funding on investing in the core structure of IOM. However, the limited funding of the core structure in directing budgetary resources towards the priorities of the Administration leaves the Organization with very limited flexibility and this could negatively impact the results-based budgeting initiative.

40. Furthermore, we are optimistic about the IOM Global Appeal initiative to seek flexible funding in quality and consistent manner from governments, the private sector, individual donors and other partners to optimize IOM's response and effectively reduce the overall cost of crisis management.

Recommendation – Priority High

41. We recommended that Management should continue with the road map of the budget reform and develop strategic funding activities to secure unearmarked contributions to support the Organization’s core and administrative activities. In addition, Member States should commit towards a more predictable funding arrangement for the optimal core structure needed to administer the Organization’s activities.

Management response

42. IOM agreed with the recommendation and would pursue the roadmap of the staggered budget reform implementation until 2027 and continue discussions with

Member States based on their commitment to review the Administrative Part of the Budget in 2027 and to consider further increasing the Administrative Part of the Budget to ensure a sustainable financial model for the Organization towards the policy of zero nominal growth of the Administrative Part of the Budget by 2025.

43. Besides, IOM is striving to increase unearmarked funding through investing in resource mobilization functions, strengthening its partnerships division (especially in private sector partnerships), demonstrating good stewardship of the increased administrative Part of the Budget USD 60 million secured in the 2022 budget reform, appointing the first global Goodwill Ambassador, and exploring non-traditional funding, among others. Furthermore, IOM has launched a new IOM Global Appeal 2024 based on the new Strategic Plan and describes not only the need for funding but also how IOM will deliver on the objectives of the Strategic Plan.

Need to improve treasury cash flow management and visibility

44. The IOM Financial Management Rules and Procedures requires the Organization to mitigate the effects on foreign currency exposure. In this regard, risks associated with operating in several currencies include devaluations due to hyperinflation in post-conflict situations, the prevalence of unofficial or “black market” exchange rates, obstacles to convert volatile currencies to other currencies and others. Also, fluctuations in currency exchange rates imply financial risks for IOM, the main risk occurring when a project’s funding is in a different currency from the expenditures it is intended to cover.

45. The Treasury Division (TSY) strives to identify, manage and mitigate financial risks to which IOM is exposed, while at the same time generating a market return on its liquidity. These risks are primarily related to maintaining adequate liquidity while managing investments and foreign exchange fluctuations.

46. We noted that the Organization’s treasury position and the average office cash limits compliance are monitored daily based on reported SAP bank balances. However, due to time lag in the performance of bank reconciliations and feedback reporting by country offices, it renders SAP bank balances, unreliable for TSY purpose. Also, we recognised that the Organization’s current treasury management (Coupa software) license is at the end of its expiration by the end of 2024 and the uncertainty of the deployment of the Oracle ERP could negatively impact treasury monitoring and determination of treasury position across all country offices.

47. Establishing long term cashflow forecasting, requires a great deal of data rekeying from multiple sources, including SAP, emailed reports of daily disbursements, and other Microsoft Excel spreadsheets due to the absence of real time

data from IOM country offices. Errors and omissions could negatively affect cashflow forecasting by the TSY Division to project sufficient liquidity and determine IOM funds for investments.

48. In our view, the current cash forecasting management does not give TSY Division adequate visibility in managing country mission liquidity and daily cash forecast management or expenditure projection and foreign currency fluctuations. An improvement in the forecast, in this regard, would allow an increase in the treasury visibility across the Organization and result in a greater return on these assets.

Recommendation - Priority High

49. We recommended that Management should acquire a treasury cash forecasting tool that would provide TSY Division with visibility and improve the accuracy of the global cashflow forecasting by providing the TSY Division with the technology to monitor and determine IOM's liquidity management. In addition, Management should take the necessary steps to renew the Coupa treasury management software license to ensure its continuous use.

Management response

50. Due to the absence of cashflow forecasting raw data, consideration for an artificial intelligence tool or platform would be necessary subject to availability of funding or budget to support this initiative. Also, consideration would be given to explore opportunity in the current Oracle ERP when it goes live.

Revision of investment strategy to optimize investment funds portfolio

51. Our review of IOM investment strategies indicated conservative and consistent approach with preservation of capital with strict adherence to the Investment Guidelines which address counterparty risk, market risk, interest rate risk, liquidity risk and credit risk. Compliance with these guidelines is monitored and reported to the Administration Senior Management and the Treasury Risk Committee (TRC) on a regular basis.

52. The benchmarks of IOM short-term investments are instruments held for a period of 90 days or longer and classified as current assets given that maturity dates are within 12 months of the reporting date. Whereas, long-term investments are instruments (bonds) held for longer than 12 months and classified as current assets if theoretically, they could be resold on an open market at the reporting date. Hence, the Organization's selected instruments for investment portfolio performance at the end of December 2023 showed an amount of USD 1,319.4 million in short-term deposits and bonds maturing within 12 months and long-term investments amount of USD 143.1 million.

53. Also, we noted that the Organization continuously monitored counterparty risk, using financial, economic and political information, and maintained an internal watch list of countries and counterparties. These steps are taken to restrict the size limits and tenor of deposits and investments with counterparties located in volatile and difficult economic markets.

54. However, the application of Article 7(1) of the IOM Financial Regulations does not clearly provide portfolio investment allocation limits given the changing risk landscape globally. Again, we noted that investment asset allocation within the portfolio was heavily concentrated in term deposits. In our view, there is a need to review the investment options by permitting funds to be placed in long term investments which could allowed year to year fluctuations in total interest earned, to be smoothed out instead of resulting in unacceptable capital losses.

Recommendation – Priority High

55. We recommended that Management should engage with Member States to consider amendment to Article 7 of the Organization to ensure establishment of appropriate guidelines, that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Organization’s cash-flow requirements.

56. In addition to these criteria, other factors such as avoiding over concentration with individual counterparties, sustainability criteria, balancing overall average credit risk, must also be factored into daily decisions.

Management response

57. Recommendations duly supported.

Need to update the Internal Control Framework

58. We noted that the Administration in 2020 initiated a holistic review of its internal governance system which goal is to ultimately improve the quality of IOM’s overall functioning by driving continuous improvement through improved efficiency, accountability and transparency, among other things. This drive was also expected to meet the needs and expectations of Member States, donors and other stakeholders.

59. In pursuit of these goals, the Organization’s Internal Governance Framework (IGF) identified and adopted the traditional three lines of defence (3LOD) risk management model. The first line of defence was operations management and employees. The second line of defence was centralized business-enabling functions with specialized skills, such as budget management, legal and regulatory compliance and quality assurance. The third line of defence is independent assurance, including internal audit.

60. Again, our review showed that IOM has successfully made significant strides through implementing the IGF initiative and this has improved oversight and control mechanisms, allowing the Organisation to take a more holistic and integrated approach to compliance issues with a delivery-focused approach in a decentralized operational model.

61. Although we have not identified material failure in the operation of the internal controls of the Organization, we are of the view that the Organization's continuous growth and expansion as well as the need to sustain the reforms initiative have a far-reaching and complex impact on the Administration and across the global missions. Further, our compliance audit showed that the first line of defence needs to play its role in terms of strict compliance with internal controls and risk management. The second "line of defence", in turn, must not mainly focus on methodological and compliance aspects of risk management, as well as ad hoc corrective measures after an incident.

62. In addition, the effective functioning of the various lines of defence is essential as a key driver to clarify the essential accountability roles and responsibilities for risk management and internal controls within the Organization to improve its efficiency and effectiveness.

Recommendation – Priority High

63. We urged Management to update the Organization's Internal Control Framework (ICF) to articulate the key day-to-day internal control roles and their associated authorities, accountabilities, and responsibilities. Besides, the Framework should describe at a high level some key process control points and identifies the supporting technology roles, rights, and available tools to affect and monitor internal control implementation at IOM offices.

Management response

64. IOM appreciates External Auditor's acknowledgement of significant improvements in oversight and control mechanisms resulting from the IGF initiatives. At the core of the IGF reforms, IOM is pursuing its reinforcement along the Three Lines Model, stressing the critical activities performed by the "First Line" to be further supplemented by capacitating the "Second Line" risk management, internal control, and compliance functions in effectively developing an Internal Control Framework (ICF). The initial steps are currently underway, including tailoring the ICF with international best practices (i.e. COSO). In its design and development, the ICF components will be translated into the new ERP, with expected completion through the last quarter of 2024.

Need to strengthening migration data management mechanism

65. Our review of the 2023 financial statements revealed an increase in internally developed software solution from USD 7.5 million to USD 20.1 million which mainly related to the development of Oracle enterprise planning projects and MiMOSA NextGen beneficiary management system.

66. We noted that IOM collects a wealth of data on migration through projects implementation worldwide using dispersed or thematic collection modes of institutions within the state and/or not comparable with statistics of other states. Although IOM's internal data collection is primarily designed for operational and administrative purposes, we noted that further action would be required to adopt new technologies and approaches to increase collection, speed, efficiency and scale to facilitate analysis and dissemination, sharing and management of migration data.

67. Therefore, the Organization's MiMOSA NextGen initiative/application serves as an electronic beneficiary case management, providing a new architectural framework that would facilitate enhanced migrant services. Considering the application of the MiMOSA NextGen initiative specifically for the United States Refugee Admissions Program (USRAP), we are of the view that the Organization must identify sustainable funding to scale up the solution to cover migration data collection points, access, analyse or shared with other parties to avoid loss, duplication and lack of information.

Recommendation - Priority High

68. We recommended that Management should ensure to allocate funding to scale up the development of the MiMOSA NextGen to cover other thematic areas of migration data collection mechanism in relation to restatement, emergency/post emergency (repatriation), assisted voluntary return, migration health, voluntary return and counter trafficking.

Management response

69. Management welcomed the recommendation, following a similar recommendation in 2021. As confirmed by the auditor's report, much work has been done and significant work remains to be completed. Following the work already done on strengthening of IOM's digital core covering a refresh of the ICT Security strategy and a rebuild of the Infrastructure and Operations Function, the ICT Department expects to focus on the establishment of a digital center of excellence in the next 24 months, specifically covering the rearchitecting and roll out of MiMOSA NextGen, establishment of a data, analytics and BI cell including data governance and the consolidation of our data foundations, and the toll out of WAVE, the replacement of the existing ERP solution (PRISM). The related work is in progress with project closures planned early 2026.

Need to have a costing and funding model on cybersecurity

70. We noted that the Organization has made significant investments to improve and strengthen Information Security posture and engaged PricewaterhouseCoopers (PwC) to perform an independent cybersecurity maturity assessment which made recommendations for improvements. In addition, the report highlighted that the current overall maturity falls short of the level of maturity expected and comparable organizations generally achieved a higher level of maturity, and most of them already initiated multi-year transformation programs to further increase their maturity.

71. Further to the highlighted areas of improvements, we noted that the Administration had adopted and strengthened a decentralized field operating model for country offices to provide a greater autonomy and ownership to resolve issues at the mission level and comply with IOM's global cybersecurity levels by moving from basic to either intermediary or the desired advanced level. However, there was absence of a costing model to give guidance to country missions/offices to secure funding or cost their cybersecurity funding requirement to improve the whole cyber resilience against the continuous technological exposure.

72. In our view, cyber landscape is ever evolving with recent threat developments in the adversarial use of Artificial Intelligence (AI) and Machine Learning (ML). These emergences of quantum computing present significant security risks, as they have the potential to break existing encryption algorithms and undermine the security of critical infrastructure.

Recommendation - Priority High

73. We recommended that the ICT Department should develop and provide a costing model to assist country offices to make informed decisions about soliciting funding opportunities or allocating resources towards strengthening technology security and comply with the Organization advanced global cybersecurity level to achieve a more holistic protection of financial resources, personnel and assets. Also, Management should give priority to the implementation of the PwC recommendations to improve the Organization's measures to strengthen the existing security structures.

Management response

74. Management acknowledged that there are gaps in the maturity level of global cybersecurity in the field missions due to financial limitations, hence temporary funds amounting to USD 4 million have been allocated to launch the global cybersecurity programme in 2022. The ICT Department continues to work towards a sustainable funding and operating model for cybersecurity, with proposals to be presented to management in second quarter of 2024 and with an implementation goal for the end of 2025. The ICT Department has completed and submitted to the IOM leadership a

revised cybersecurity strategy that incorporates recommendations from PWC, and a proposed implementation roadmap from 2024-2028. The proposed funding model have been done with the implementation roadmap in mind.

Review of third-party contractors and management

75. Our review showed that IOM use of Third-Party Contract (TPC) initially intended for a temporary measure has reached high levels in the implementation of emergency migration operational activities.

76. Also, we noted that the Organization's Internal Audit in 2021 conducted comprehensive review of IOM system of TPC and noted significant areas for improvement to enable central coordination with real oversight and accountability, congruence between the values of justice and fairness, mitigate reputational risks for the Organization and consistency with international good labour practices.

77. We further observed that the Supply Chain Division (SCD) does not have real time visibility and detailed analytical data on the use of TPC, and in particular on the profile and cost of TPC workforce, the proportion of TPC in the total workforce, the breakdown of costs by location and contractual modalities. This was due to lack of dedicated resources to coordinate TPC activities with different departments in Headquarters, regional offices and country offices.

78. We consider that TPC employees are also working for an IOM operation or project under the direction and/or guidance of IOM, and often in hardship locations. Consequently, IOM has a strong duty of care to ensure their safety. Again, the TPC employees are often perceived by the public as being a part of IOM due to their direct involvement in an IOM operation, and any perceived lack of efforts from IOM in the event of security incidents involving them will gravely harm IOM's reputation.

Recommendation - Priority Medium

79. We recommended that Management should take practical steps to improve SCD with resources to enable them to implement the 16 recommendations as provided by the Internal Audit Unit (IAU) report. Also, Management should consider making SCD at the corporate level to be responsible for effective global monitoring, analysis and reporting on TPC activities through the sustained application of effective internal control mechanisms, policies and update of the TPC Guidelines to achieve IOM intended objectives.

Management response

80. Management agreed with the recommendations, which reflects the current status of TPC management. The SCD has started addressing the pinpoints mentioned

in IAU and progress to implement the recommendations would depend on the allocation of dedicated staff and resources.

Review of HQ Building and absence of documented archival roadmap

81. We reviewed the progress made by the Organization and recognised the importance attached by the Administration to deliver the HQ Building on schedule. Also, we noted that broad consultations were held with other key stakeholders to ensure the leverage on lessons learnt from other UN Agencies and comply with the Host Government rules and regulations. Furthermore, the development of the risk register and the HQ Building manual gives the Administration a framework to establish common goals and structure as well as timely identification of potential or unanticipated events which could impact on the project activities.

82. We further noted that the new HQ building which was envisaged to accommodate staff based at Headquarters was approximately 600, out of a total global workforce of approximately 17,900 as at 2021. However, as at 31 December 2023 the total number of staff at Headquarters was 723, which is beyond the anticipated capacity.

83. In addition, we are concerned that there is lack of an Organizational archiving instructions/roadmap to ensure appropriate classification of records especially between those to be retained and those to be destroyed, formal protocol to archive classified, confidential and sensitive data and information.

Recommendation – Priority Medium

84. We recommended that Management should establish the required staff levels to assist in the timely identification of the temporary office to ensure continuity of the Administration business. Also, Management should develop an archiving instructions or guidelines to include clear definition of responsibilities and tasks, protocol on transfer of classified and sensitive data and information.

Management response

85. The recommendations are acknowledged and regarding the Organizational archiving, a decision paper signed by the Director General requesting the organization of paper documentation and archives before the move by December 2025 would ensure that this point is solutioned in a timely manner.

Review of Manila Supply Chain Unit activities

86. Our review of the Manila Supply Chain Unit (MSCU) showed significant progress in the alignment with IOM 2024-2026 Supply Chain Management Strategy. These includes creation of knowledgeable and motivated supply chain (SC) workforce,

optimized and standardized processes and procedures as well as establishment of a SC system with respect to sustainable and ethical principles.

87. During our review, we noted that MSCU activities towards the high volume of goods and services procured by IOM have been challenged by several factors. These included, inadequate staff levels, absence of real-time digital solution to have visibility on procurement transactions, manual tracking and monitoring of LTAs, absence of a defined threshold to confirm or validate vendor performance security, and conduct procurement review advisory services.

88. Whereas the volume of goods and services procured by IOM has grown substantially over the years with continuous growth of the Organization's activities, the need for continuous training of procurement staff, improvement in the level of staffing at both MSCU and regional level, ensuring sustainable environmental procurement and real time oversight visibility of country offices is very paramount.

Recommendation – Priority Medium

89. We recommended the following to strengthen MSCU activities in addition to the ongoing reforms:

- a. Review the staffing level of MSCU to strengthen its capacity and provide adequate support to IOM regional and country offices in respect of transactional, analytical and strategic activities considering the continuous growth of the Organization;
- b. MSCU should develop a methodology to undertake global oversight, quality control and monitoring (virtual and on-site) including strategic analysis, ex-post facto procurement reviews, continuous monitoring of key risk indicators and criteria for selecting and prioritizing PPR oversight activities; and
- c. In collaboration with country offices, coordinate and undertake the necessary education and training actions to further enhance the efficiency and effectiveness of procurement process in procurement planning, clarification of the rules on the use of LTAs, sustainable procurement as well as improve compliance with existing policies, regulations and procedure across the Organization.

Management response

90. Management agreed with this recommendation and indicated that it would be a focus on pre and post ERP implementation.

Follow up on global payroll processing implementation

91. During our follow up on prior years performance audit recommendations, we

noted that IOM has implemented the global payroll processing approach for professional and general staff category across for a total of 142 missions with approximately 14,000 local staff. Additionally, to strengthen internal controls and oversight mechanisms, Manila Human Resource Office (MHRO) has also, instituted standard operating procedures (SoPs) to ensure effective payroll processing and provide assurance on the results.

92. However, we noted that 11 country offices are scheduled to be boarded early in 2024 whereas 17 country offices (with special needs and complexities) would be centralized at the go-live of the Oracle ERP as they need additional system configuration. Furthermore, we noted that 23 out of 142 offices in November 2023, failed to comply with the predetermined payroll processing schedule test which was performed twice every month (i.e. once on the first day of the data freeze and another on the last day of the freeze) before the payroll data was finalised.

93. The inability of MHRO to include 17 offices was due to the incompatibility of the current SAP PRISM configuration which would be addressed under the Oracle ERP when deployed. In addition, late submission of personal folder (PST) files, late submission of approved payment authorization prior the roll-out of the global payroll summary document, upload of the new salary scale after the cut-off date of final adjustment and discrepancies in salaries after the final run before payment processing.

94. Besides, we noted from our interview with MHRO that as part of the pre-planning of the roll out of the Oracle ERP, it is envisaged that about five percent prototype data would be tested in the test environment before the go-live date in May 2024.

95. Although, BT is yet to provide the MHRO with a data quality and testing plan for the Oracle ERP configuration, we are concerned about this approach of data testing of HR master data that serves as the repository of documents pertaining to the Organization's staff members' status, profile and basis for the computation of entitlements. It is therefore vital and crucial that the personal information is accurate, complete and verifiable always.

96. In our view, with the adoption of a global payroll processing architecture, it is pertinent to acknowledge that once data is migrated from one system to another and from one format to another, there is always a risk that the data would be corrupted or/and some would be lost due to configuration challenges which would affect the integrity or quality of data.

Recommendation – Priority High

97. We recommended the following:

- a. MHRO should establish formal escalation procedures and performance indicators to measure country offices compliance level with payroll processing cycle;
- b. MHRO should establish a data quality assurance framework to include procedures for planning, data cleansing, conversion, testing and validation; and
- c. BT should ensure that the test environment should allow MHRO and all other business units of IOM close to 100% data testing using IOM data converted to the Oracle ERP configuration. This would enable MHRO to identify potential errors and reconcile the test result discrepancies prior to loading to the production environment.

Management response

98. Management agreed with this recommendation and indicated that it would be a focus on pre and post ERP implementation.

COMPLIANCE AUDIT OF COUNTRY OFFICES

Need to adopt electronic cash transfer under cash-based interventions

99. We noted that the Sierra Leone Mission cash-based interventions (CBI) approach in the implementation of project activities was in the form of physical transport of cash to pay beneficiary individuals or group recipients under the programs. This approach revealed high volume of cash transportation, coupled with risks such as staff personal safety, misuse, or double payments.

Recommendations - Priority High

100. We recommended that the Head of Office (HoO) and Resource Management Officer (RMO) established project-based cash threshold and transportation procedures considering the electronic financial infrastructure and security profile under the circumstance whilst continue to engage with the Regional Office and Head Office/RMO to establish a much more efficient delivery mechanism for electronic cash transfer grants/pocket grants to intended beneficiaries.

Management response

101. The terms of engagement with the selected service provider to provide electronic cash transfer system for cash-based interventions in the form of online bulk payment services are currently being reviewed by the ICT and FAD departments following the recommendations made by the IOM's Legal team.

Vendor information updates without approval

102. We noted that changes were made to a sampled Sierra Leone Mission vendor information without following the required IOM process to ensure that the vendor's information was duly reviewed and approved by the designated staff of the requesting offices.

Recommendation - Priority Medium

103. We recommended that HoO should ensure that staff designated to manage vendor information comply with IOM policies and procedures and any updates are duly reviewed and approved before the changes are made.

Management responses

104. The ad hoc granting of vendor SAP roles has been rectified since October 2023 and proper control has been established to avoid recurrence of any unauthorized vendor changes. In this regard, all new vendor creation by the Mission was done in compliance with the IOM Procurement Manual Rev3 IN168.

Need to ensure timely submission of donor report

105. We noted non-compliance with the deadlines for the submission of interim and final reports for implemented projects at the Sierra Leone Mission.

Recommendation - Priority Medium

106. We recommended that the HoO should establish procedures to strengthen its oversight of programme and project activities, ensure timeliness of donor reporting including programmatic and financial management. Again, HoO should establish escalation procedures for project managers to coordinate any glitches effectively in the review and clearance of donor reports.

Management response

107. The Mission has initiated periodic project balance review with the aim of closing all projects which should be finalized before migrating the data to the upcoming new ERP system. Also, the Mission has instituted internal measures to strengthen oversight of programme and project activities and ensure timeliness and quality of donor reporting.

Need to improve gender balance

108. We noted that the Bern Mission operated with total staff of 19, out of which three are males and 16 are females indicating a gender imbalance of 1:4 (male to female ratio).

Recommendation - Priority High

109. We recommended that the Chief of Mission (CoM) should adopt and liaise with IOM Headquarters Human Resources towards working to achieve plausible/potential gender balance parity in staff allocation.

Management responses

110. The Mission has made efforts to increase the percentage of males in IOM Switzerland in the past. However, the existing grade and work percentage options translate into lack of internal career opportunities at IOM Bern, thereby resulting in male staff leaving the office.

Untimely update of assets information in SAP PRISM

111. We noted that assets inventory count information of the Zambia Mission was not timely updated in the SAP PRISM.

Recommendation - Priority low

112. We recommended that CoM should ensure that the RMO timely update IOM assets information in the PRISM after physical stock take.

Management response

113. Management agreed to implement the recommendation at the earliest.

Delays in derecognition of beneficiary assets

114. Our review of transfers of beneficiary assets of the Gambia Mission showed untimely derecognition when they were transferred to the intended beneficiary to provide real-time information on the status of these assets.

Recommendation - Priority Medium

115. We recommended that CoM should ensure timely reviews of beneficiary assets from the date of initiation and retirement and scanned copies of the Donation Acceptance Form (DAF) should be kept electronically in the IOM eFiling document system to facilitate the derecognition of assets that are no longer under the accountability of IOM.

Management response

116. The auditors' recommendations are accepted, and the office is ensuring 100% application of IOM guidelines relating to acquired beneficiary assets during our month-end procedures. Also, all the identified beneficiary assets noted during the audit have been reviewed and retired.

Review of staff and vendor downpayment ageing items

117. Our analysis of the staff and vendor downpayment open items of the Gambia Mission showed that the total amount of US\$38,204.99 which relates to receivables ageing between 31 days and over 121 days.

Recommendation - Priority Medium

118. We recommended that the CoM should ensure that the RMO review vendor downpayment balances on monthly basis, to ensure that these advances are transferred as expenses to projects to avoid any deficits after project closures.

Management response

119. The RMO is reviewing all outstanding down payments and will ensure that appropriate actions are taken to charge them as expenses to the respective projects. The RMO would also, institute a control measure that ensures all uncleared balances over 60 days are recovered from staff members' salaries as per IOM FMRRP.

Review of Mission project activities

120. We reviewed the Gambia Country Office project portfolio and noted that generally, the Office complied with the IOM Project Handbook, except that project's formulation, endorsement and activation timelines as compared with the planned start dates revealed significant delays in the turnaround period for completion.

Recommendation - Priority Medium

121. We recommended that the CoM should consider seeking for colleagues on short-term assignments within the IOM Central & West Region to support the PMs during moments when they are overwhelmed with project activities.

Management response

122. The Mission engaged two staff from other IOM Offices on short-term assignments to assist the Mission in the development of the Country Strategy and with Project Development (PD) while a substantive Programme Support Officer is in place. Further, Project Managers have been tasked to update project status and improve on processing timelines.

Review of staff performance appraisal system

123. We reviewed the Gambia Office level of compliance with the policy on performance management and noted that at the time of the audit, the level of compliance with appraisal goal setting has reduced from 65% (Qrt 2) to 35% (Qrt 3) and evaluation has also reduced from 19% (Qrt 2) to 7% (Qrt 3).

Recommendation - Priority Medium

124. We recommended that the CoM should ensure that staff members comply with the deadlines more strictly in the coming year, and in compliance with IOM policy. Also, all technical challenges with the system should be escalated to IOM HRD for timely resolution.

Management response

125. The need to ensure compliance was discussed at the last Mission Senior Management Team meeting and Project Managers have been reminded to ensure that all staff complete their goal setting to facilitate timely conduct of staff performance appraisal.

Review of VAT receivables ageing items

126. Our review of the Value Added Tax (VAT) receivables of the Netherland Mission showed that out of the total amount of EUR 90,622.27, an amount of EUR 46,518.13 relates to receivables ageing over 121 days.

Recommendation - Priority Medium

127. We recommended that the CoM should ensure that the RMO review open VAT and other tax paid and regularly contact the Tax Authority for the earliest possible recovery of tax reimbursables.

Management response

128. To minimize the risks related to VAT reimbursement, Tax authorities have indicated new procedures, starting from 2024, which would enable the Mission to minimize outstanding items or requested amounts for tax reimbursement related to services or goods procured through contracts for ongoing needs.

Delays in project proposal development and activation activities

129. Our sampled review of project formulation, endorsement and activation timelines as compared with the planned start dates at the Netherland Mission revealed that significant delays in the turnaround period.

Recommendation - Priority Medium

130. We recommended that the CoM should streamline the Office administrative process between project proposal development and activation to address any gaps and root causes contributing to the delay in the project cycle.

Management response

131. The Mission aims to ensure prompt follow-up and, when deemed necessary, facilitate the temporary activation of projects in the future. This proactive approach will mitigate any potential delays in project activation.

Outstanding VAT reimbursable

132. We noted that an amount of USD 1,384,844 remained as VAT receivable over a period of 120 days as of 21 November 2023 in the Peru Mission.

Recommendation - Priority Medium

133. We recommended that the CoM should ensure that the RMO train schedule officers on the new tax reimbursement system and conduct periodic follow up on any outstanding reimbursement with the Tax Authority.

Management response

134. The Agencia Peruana de Cooperacion Internacional, due to the implementation of the new system, postponed approval of the workplan which was required for the processing of VAT submitted in December 2022 until June 2023. In addition, the Mission has submitted the invoice claims in June 2023, and these are being monitored in order to estimate when a refund from the Ministry of Finance would be received.

Review of vendor payable accounts

135. We noted that an amount of USD 624,520.41 of the Peru Mission remained outstanding for five to seven years due to the non-execution of two performance bonds.

Recommendation - Priority Medium

136. We recommended that the CoM should engage with LEG on the open items in respect of the accounts payable and adequate steps should be taken to honour the liabilities when they crystallized.

Management response

137. The Mission explained that the two transactions are income-related, as they involve the execution of two performance bonds which are required to be recorded as income for the project. These cases were escalated to FAD during the Business Transformation clean-up exercise meetings; we will promptly purge these records to the proper places. The third transaction represents funds withheld from a supplier pending the outcome of an arbitration proceeding in Court.

Unrecovered Contract advance payment

138. We noted that from the Slovakia Mission that an amount of EUR 9,360 was advanced to a Vendor, (Jumo S.R.O) without payment guarantee. Also, we noted that the items were not delivered as at the time the project was closed on 31 March 2023.

Recommendation - Priority Medium

139. We recommended that the CoM should liaise with IOM LEG for the recovery of the amount of EUR 9,360.00 from Jumo S.R.O.

Management response

140. Mission accepts the recommendation and states that the LEG division would be contacted on the issue for advice on the next steps.

Outstanding voluntary contribution

141. We noted that an amount of EUR140,637.50 signed as voluntary contribution agreement to undertake an Assisted Voluntary Return Project (AVRP) was recognized as revenue since 1 June 2023 by the Slovakia Mission. However, the Project was cancelled on 31 October 2023 due to non-retroactive approval by donor.

Recommendation - Priority Medium

142. We recommended that the CoM should liaise with the Ministry of Interior and obtain supporting documentation for the termination of the project and inform FAD for the adjustment of the voluntary contribution amount.

Management response

143. An official letter from the Ministry of Interior would serve as the main supporting document to close the project in IOM internal systems and the outstanding receivable would be cleared as part of the month end closure activity.

Delays in VAT reimbursement

144. Our review of the Ethiopia Mission records showed an amount of USD 1,689,885.55 VAT receivable as at the time of our audit.

Recommendation - Priority Medium

145. We recommended that the CoM should ensure that the RMO submits all tax refunds in accordance with the Tax Authority's guidelines and conduct periodic follow-up on any outstanding VAT receivable.

Management response

146. The Mission stated that currently the IOM Office is part of the UN Finance Working Group (FWG) on the development of modalities that would ensure that tax reimbursements are submitted to Ministry of Finance as ONE UN. In the interim, a dedicated team of three staff have been tasked to work on the 2023 claims and this would be submitted before end of the year.

Incomplete assets information in PRISM

147. Our review of the Nepal Mission's asset register showed that assets were assigned to separated staff and other essential information such as serial numbers, inventory numbers, purchase order referenced, and last inventory date have not been recorded in the SAP PRISM.

Recommendation - Priority Medium

148. We recommended that the CoM should ensure that the RMO regularly updates the Office asset information with all the required or essential information in compliance with IN/267 for all subsequent assets procured.

Management response

149. The RMO would conduct a thorough review of the Mission's assets records and incorporate the serial numbers and the other essential information. Also, the RMO would engage with PCST to resolve the PRISM technical issues and ensure that assets assigned to separated staff are rectified to reflect the transfer of these assets to active or current staff members.

Review of staff vendor ageing balances

150. Analysis of the Nepal Office staff and vendor downpayment open items showed that the total amount of NPR 299,050.00 and USD 1,100 relates to receivables ageing between 31 to 90 days and over 91 days respectively.

Recommendation - Priority Medium

151. We recommended that CoM should ensure that the RMO review vendor

downpayment balances on monthly basis, to ensure that these advances are transferred as expenses to projects to avoid any deficits after project closures.

Management response

152. The Mission monitors all outstanding advances and follows up with the relevant departments, units, and staff members to ensure timely clearance of these advances. Hence the RMO would engage with the four staff members and obtain the requisite document to immediately clear the vendor account.

Review of open purchase requisitions

153. Our review of procurement transactions at the Nepal office revealed that open items in respect of purchase requisitions on items delivered, with online invoice process being processed and some remained not delivered despite the expected delivery date.

Recommendation - Priority Medium

154. We recommended that the CoM should ensure that the RMO conducts monthly review of open purchase requisition and follow up to ensure that receipts of procurement transactions are recorded accurately and completely charged to the relevant month.

Management response

155. The RMO reviews all open items in respect of POs/PRs in terms of their accuracy, relevance and ensure that the necessary actions are taken to close the transaction. Furthermore, few transactions would be rectified where delivery dates were inadvertently not updated.

Review of open purchase transactions

156. Our review of procurement open items at Tajikistan Mission showed that out of the 128 transactions identified, 71 had been reviewed and closed leaving a difference of 57 transactions.

Recommendation - Priority Medium

157. We recommended that the CoM should ensure that the RMO conducts monthly reviews of open purchase orders (POs) and purchase requisitions (PRs) and follow up on non-delivery of goods and services ordered to close all completed transactions.

Management response

158. The Mission would coordinate with RAS and ensure that quarterly reviews of open commitments including open PRs are done.

Need to update the Compliance Control Self-Assessment Tool

159. Our review of Tajikistan Mission Compliance Control Self-Assessment Tool (CCSAT) showed that information such as evaluation of the effectiveness of the control, action plans, delivery dates, owners, and the post implementation comment were not updated.

Recommendation - Priority Medium

160. We recommended that the CoM ensure that the CCSAT is completed with all the relevant information to ensure that significant control deficiencies identified are systematically documented and monitored.

Management response

161. The Mission CCSAT is conducted once a year and in close coordination with Regional Office (RO). The tool is currently under RO Vienna's review and the Mission would follow up to ensure the document is finalized.

Self-payer income in cash receipts

162. We noted that the Cambodia Mission continue to accept physical cash for services rendered in respect of self-payer transactions.

Recommendation - Priority High

163. We recommended that the CoM should liaise with all stakeholders to find the best possible way to receive moneys from self-payer transaction through the banking system in accordance with host country laws.

Management response

164. The Mission acknowledged the recommendations and would coordinate with HQ colleagues from CANVAC, MHD, TSY and the RO accordingly for an acceptable process to be established pending roll out in 2024/25 a global payment platform.

Incomplete assets information in PRISM

165. We noted that essential information such as serial numbers, user assignments and record of last inventory date were not updated in the Cambodia asset register.

Recommendation - Priority Medium

166. We recommended that the CoM should ensure that the RMO conducts the physical inventory and regularly updates the Office asset information with all the required or essential information in compliance with IN/267.

Management response

167. The Mission acknowledged the recommendations and stated that the RMO has

commenced physical inventory count and would coordinate with CAS to update the asset mater record.

Review of Additional Protocol to existing Country Mission Agreement

168. We noted that the Belgium Mission has not finalized the Additional Protocol to the 1973 Agreement to enable engagement with the Kingdom of Belgium to adopt a whole-of-government approach on migration activities such as labour mobility and human development, social inclusion programs, and diaspora engagement to achieve sustainable development outcomes.

Recommendation - Priority Medium

169. We urged the Mission to collaborate with the Ministry to expedite action to approve and institutionalize these documents to the benefit of migrants, refugees, and government at large.

Management response

170. Priority has been given to the ongoing negotiation for the revision of the Seat Agreement, including an Exchange of Letters in August 2022 and a recent review by the IOM Legal Department on the Draft Agreement has been completed.

Uncompleted earmarked projects

171. Our review of Belgium Mission active projects showed that four projects with end date on 31 December 2023 recorded a minimum of 36% and 92% as burn rate of the allocated budget.

Recommendation - Priority Medium

172. We recommended that the CoM should ensure that the Project Managers conduct regular financial monitoring on projects under implementation and identify any unusual delays or implementation risk for appropriate action to be taken.

Management response

173. The CoM agreed to the recommendations and indicated that multiple activities are planned to take place such as survey and data analysis for the CONEX Project together with an anticipated surge in reintegration and AVRR requests to complete the projects on schedule.

Need to ensure timely submission of donor report

174. We noted from the review of donor reports that the expected deadlines for the submission of interim and final reports for six projects were delayed by the Colombia Mission.

Recommendation - Priority Medium

175. We recommended that the CoM should establish procedures to strengthen its oversight of programme and project activities, ensure timeliness and quality of donor reporting, as well as the appropriateness of project funds management.

Management response

176. The Mission accepted the recommendations and explained that a control tool would be implemented to monitor the authorization or endorsement by central reviewing areas (RAS/RTS). Also, the tool would generate timely alerts on consolidated monitoring solely for the country office.

Review of staff performance appraisal system

177. We reviewed the policy on performance management of the Colombia Mission and noted that the level of compliance with appraisal goal setting has reduced from 76.5% to 28% as at the end of the third quarter.

Recommendation - Priority Medium

178. We recommended that CoM should ensure that staff members comply with the deadlines more strictly in the coming year and also ensures that all technical challenges with the system should be escalated to IOM HRD for timely resolution.

Management response

179. The HR department sends reminders before the closure of each quarter and at the onset of every quarter, highlighting key Performance Appraisal System (PAS) aspects and sharing the guide on PAS principles and procedures. Furthermore, supervisors and staff are given continuous guidance regarding tool utilization and adherence to performance evaluation policy guidelines. In addition, the PAS challenges would be coordinated with IOM Headquarters.

Incomplete assets information in PRISM

180. Our review of the Bangladesh Mission's asset master records (AMR) showed that essential information such as serial numbers, purchase documents and unassigned beneficiary assets were not provided. Also, some category of assets were located at countries which the Mission did not have control.

Recommendation - Priority Medium

181. We recommended that the CoM should ensure that the RMO regularly updates the Mission asset information with all the required or essential information in compliance with IN/267.

Management response

182. The RMO has been directed to update the AMR with the requisite serial numbers and coordinate with CAS and respective missions for the next steps in transferring these assets. Also, the RMO would ensure that assets procured without POs under class 6000 are rectified and beneficiary assets are duly supported with DAF.

Review of staff vendor ageing balances

183. Our analysis of staff and vendor downpayment open items showed that the total amount of USD 45,512.30 relates to receivables ageing over 120 days at the Bangladesh Mission.

Recommendation - Priority Medium

184. We recommended that the CoM should ensure that the RMO engages with the MHRO to review the vendor balances and take the appropriate actions to avoid any deficits after project closures.

Management response

185. The RMO would engage with MHRO to implement the recommendation to ensure timely clearance of operational advances and would not approve new operational advance requests unless previous requests are cleared, or a liquidation report is submitted.

Need to enhance effective fire prevention methods at Rohingya refugees' camps

186. Our review of Bangladesh IOM Rohingya Humanitarian Crisis implementation activities revealed the occurrence of fire outbreaks at the Rohingya Refugees Camps that destroyed many shelters and displaced a number of refugees monthly.

Recommendation - Priority Medium

187. The CoM should liaise with the Bangladesh Fire Brigade and other stakeholders to assess the cause of the rampant outbreaks and develop appropriate solution including safety protocols and training of focal persons to reduce the risk of fire disasters at the camps.

Management response

188. The observation is indeed spot on, and the rampant fire outbreaks is a challenging reality that remains a perennial crisis that the response must deal with almost on an annual basis coming with incredible cost tag. However, in collaboration with several partners, IOM has worked towards strengthening both preventive and responsive measures to address this fire phenomenon.

Incomplete assets information in PRISM

189. We noted that essential information such as serial numbers, user assignments and record of last inventory date were not recorded in the asset register of the Mauritania Mission.

Recommendation - Priority Medium

190. We recommended that the CoM should ensure that the RMO regularly updates the Office asset information with all the required or essential information.

Management response

191. Management stated that the serial numbers, individual users of the assets and the last inventory date would be updated on the PRISM by 31 January 2024.

PERFORMANCE AUDIT

192. The business operational model of IOM has a structure that includes Headquarters (HQ), Administrative centers, Regional Offices (RO), and Country Offices (CO) with approximately 7,500 staff. Hence, operational decisions are mostly made through a hierarchical process, with higher-level authorities providing guidance and approvals, while middle and lower levels handle the day-to-day operations.

193. IOM developed and issued a Delegation of Authority (DoA) policy which seeks to among others, provide staff with clear guidelines on delegation of authority, empowering them to make informed decisions in alignment with organizational goals, laws, regulations, and industry standards thereby minimizing legal and regulatory non-compliance risks. The policy also seeks to promote consistent decision-making and actions across IOM, leading to a harmonized work environment and improved governance.

194. The objective of the performance audit was to ascertain and give assurance to IOM that the delegation of authority policy aligns to the decision-making requirements for key administrative and operational processes and to make recommendations for improvement.

195. Based on our lines of enquiries and our adopted methodology for the audit, we found that:

- a. the DoA and its instruments covers administrative and managerial activities such as procurement, finance/accounting treasury, contracting, human resources which supports operational activities, an important aspect of IOM's activities.
- b. the DoA and its instruments have clearly defined who can and qualify to delegate and/or accept delegated authority.

196. However, the DoA and its accompanying instruments do not specify what decisions would impact the organization beyond the period of designation. Also, the definition of what constitutes "any/major" decisions is therefore left to the delegator's discretion, which is expected to be based on "sound professional judgement considering the overall interest of the Organization and the specific circumstances".

197. IOM staff were well informed of the DoA Policy and its accompanying instruments through various forms of training and communications via staff advisory emails and the online portal.

198. Our sampled review showed that some departments, units and offices of IOM had not complied with the requirements of the DoA Policy to complete and upload their respective DoA Matrices to guide them in delegating authorities.

199. There were instances where the completed DoA Matrices contained authorities that are unclear and linked to multiple positions with no indication of which of these holds the ultimate authority and in which instances. We also found instances where staff were not complying with the requirements for completing Temporary DoA Forms such as seeking approval for delegating authority that exceeds 20 working days and also delegating authority to excluded personnel of IOM. Furthermore, we noted that IOM is yet to ensure effective monitoring at the first and second levels which comprises delegator-delegate, and Operational Compliance Unit.

200. We concluded that the DoA is largely complete as it spells out the purpose, scope, and monitoring mechanisms as well as a manual and instruments to guide its implementation. Also, it covers administrative and managerial activities which support IOM operational functions. Again, the DoA has been widely circulated in IOM offices and trainings organized to build the capacity of staff to implement the policy. However, the DoA policy did not specify what constitutes major and minor decisions. Also, systemic monitoring was not carried out at to identify implementation challenges.

201. We recommended that Management should clearly define what constitutes major decisions and the Compliance Unit should monitor on a quarterly basis to identify the deviations in the completion and use of the DoA matrices and to bring early remedial in the implementation of the policy.

Management response

202. The implementation of IOM DoA policy commenced from April 2023 and what constitutes major decisions is covered by restricting IOM Officer in Charge, not to make major human resource, procurement, financial or strategic management decisions that would impact the Organization beyond the period of designation. Also, the Institutional Risk Division of the Office of Strategy and Organizational Performance, has taken steps to plan and perform the DoA monitoring.

Follow-up on recommendations from previous audit report

203. As part of my audit, we assessed the progress of implementation of audit recommendations. The result of this assessment showed that Out of the cumulative 395 recommendations up to the period ending 31 December 2023, of which Management has successfully implemented 375 fully. At the end of 31 December 2023,

a total of 20 old recommendations were outstanding and at various levels of implementation. Summary is shown below, and details of the recommendations are given in Appendix 1.

Financial Year	Description Number of Recommendations	Status of Implementation			Percentage of Implementation
		Fully	Partial	Not Started	
2022	56	46	10	0	82%
2021	35	31	4	0	89%
2020	38	37	1	0	97%
2019	50	50	0	0	100%
2018	35	33	2	0	94%
2017	54	52	2	0	96%
2016	47	46	1	0	98%
2015	43	43	0	0	100%
2014	37	37	0	0	100%
Total	395	375	20	0	95%

Acknowledgement

204. I wish to record my appreciation for the cooperation and assistance extended by the Director General, the Chiefs of Mission and the staff of the International Organization of Migration towards successful execution of my audits.

Johnson Akuamoah Asiedu
Auditor-General of Ghana
External Auditor

17 May 2024

ONGOING RECOMMENDATIONS

STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS AT 31 MARCH 2024

ONGOING RECOMMENDATIONS

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2022 CERTIFICATION AUDIT Geneva 22-CT-CH10-01	We recommended that FAD should develop appropriate reporting tools/mechanisms to identify unallocated deposits and identify such payment when it is received.	Management agreed with the recommendation and indicated that it is currently working on PRIMA workflow to identify opportunities of streamlining the project activation and added that identified solutions will be either implemented before the Oracle implementation, if feasible or included in the Oracle solution design. Management also stated that it is currently working with the Oracle team to automate donor invoicing to be used by offices where appropriate project code will be used as reference for timely revenue recognition by CAS-Revenue.	As the new ERP go live date was postponed from January 2024 to a later date in the year, current processes continued beyond the expected date of transition, impacting the work on improvement through the new system. The current processes have been improved enabling a more efficient allocation of revenue, while considering the pending change of system and processes. This recommendation will be closed after rollout of the Oracle solution.	January 2025 Open
2022 CERTIFICATION AUDIT Geneva 22-CT-CH10-02	We recommended that the Management should improve on its month end and year end closure activities to minimize or eliminate open balances in the suspense accounts to avoid incomplete reporting on expenses by IOM to donors and Member States.	Management agreed with the recommendation to improve the month end and year-end review by closely following up and monitoring these GL accounts to ensure that there are no remaining balances at the end of year, or any remaining balances are justified.	As the new ERP go live date was postponed from January 2024 to a later date in the year, current processes continued beyond the expected date of transition, impacting the work on improvement through the new system. Clearing accounts have been monitored, while considering the pending change of system and processes. This recommendation will be closed after rollout of the Oracle solution.	January 2025 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2022 CERTIFICATION AUDIT Geneva 22-CT-CH10-03	We recommended that Finance and Accounting Division (FAD) should, as part of its action plan for field offices, engage regularly with donors to ensure that contributions are received promptly; and enhance its monitoring/reporting tools on the SAP PRISM to alert CoMs/PMs/RMOs on the absolute exposure of receivables in real-time basis. The enhanced monitoring tool would facilitate continuous follow-up, instead of a month-end review of all outstanding account balances due to IOM as it pertains currently.	Management agreed with the recommendation and indicated that receivables older than 31 days have decreased by 50% in 2022 Q2 compared to 2021 Q2 (44% in 2022 Q3 compared to Q3 2021) due to constant work by the RAS and CAS teams together with missions to ensure timely follow-up of receivables and the cleaning of older receivables. Management added that regarding the timely invoicing of revenue, and pending process improvements planned in relation with the Oracle implementation, MFS is implementing a team reorganization with the creation of a new team fully dedicated to Revenue accounting which is addressing the needs faced by the organization due to the increasing number of donors and the resulting increased workload for Revenue unit.	As the new ERP go live date was postponed from January 2024 to a later date in the year, current processes continued beyond the expected date of transition, impacting the work on improvement through the new system. The current processes have been improved enabling a more efficient allocation of revenue, while considering the pending change of system and processes. This recommendation will be closed after rollout of the Oracle solution.	January 2025 Open
2022 INTERIM AUDIT Geneva 22-IN-CH10-04	We recommended that OIG and IOM Senior Management should initiate an assessment of the current OIG architecture and establish an architecture that is fit for purpose for the third line independent oversight to properly exercise its mandate as articulated in the OIG revised Charter.	OIG fully agreed with the recommendation that the OIG architecture should be reviewed to enable the third line oversight to properly exercise its mandate as articulated in the OIG revised Charter.	Further to a longer-term resource strategy for the Office of the Inspector General to be renamed as Office of Internal Oversight Services, a restructuring exercise is effective since December 2023, under the direction of the Inspector General i.e. appointed 27 November 2023. The restructuring is in line with the IOM business model and new strategic priorities, and with the overall HQ restructuring. The process is ongoing and currently in its finalization to be approved by the Director General. The restructuring will encompass Investigations including Intake, Internal Audit, and Evaluations (to be included in the new Office of Internal Oversight Services).	December 2024 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2022 INTERIM AUDIT Geneva 22-IN-CH10-05	<p>We recommended that as a priority, DRM should bring efficiency in the Organization's treasury management process by considering:</p> <p>a. The adoption of a mechanism independent or in collaboration with IOM bankers, to produce automated bank reconciliation with major bank accounts;</p> <p>b. establishes effective governance on treasury management and update the treasury policy to reflect financial conditions or circumstances;</p> <p>c. facilitates the gathering of financial data across the Organization on past expenditure patterns and determine current and future needs;</p> <p>d. enhances cash equivalents and investment performance reporting in the quarterly FMR to aid transparency and decision making; and</p> <p>e. adopts a secured automated interoperability with various Treasury trading platforms through the deployment of an appropriate treasury and payment software.</p>	<p>Management agreed with the recommendations and indicated that:</p> <ul style="list-style-type: none"> • It had incorporated recommendation (a) into the planned Business Transformation and should go live in January 2024; • A new policy is ready and will be published in December 2023 to address (b); • Recommendation (c) would require significant new actions from across the Organization in finance departments to plan, control and maintain estimates of future cashflows by currency and that during 2023, Treasury will advocate for this change and seek technical solutions to assist; • TSY & FAD will cooperate to implement recommendation (d) in Q1 2023; and • Rollout of recommendation (e) will depend on acceptance of new platform and required budget as part of the Business Transformation. 	<p>a. The functionality on bank reconciliations is an Oracle BT deliverable. Oracle BT has been delayed until later in 2024 and so bank reconciliation automation can only be started after that date. b. The Treasury governance has been redrafted and will be DFM/EO to finalise. c. The ability to draw on past and future data to prepare better cashflows is dependent on changes to the collection and curation of data at the project level. This request has been taken out of scope of Oracle. The Treasury team is overwhelmed with Oracle and is already delaying many technical projects. However, at some point, likely in 2025. we may be able to look at AI-based (artificial intelligence) use of data after Oracle stabilization. d. closed e. Trax project launched. Project to roll out functions after Oracle go live for a 4-5-year project timeline.</p>	December 2024 Open
2022 INTERIM AUDIT Geneva 22-IN-CH10-06	<p>We recommended that Management should ensure that IOM field offices make conscious efforts to meet the Organization's desired secure and robust technology ecosystem by including adequate budget provision to operate with the required staff level and replace obsolete ICT infrastructure depending on its operational context.</p>	<p>Management acknowledged there are gaps in the maturity level of global cybersecurity in the field missions due to financial limitations, hence Management has provided temporary fund amounting around 4 million USD to launch the global cybersecurity programme in 2022 and the sustainable funding and operating model for central cybersecurity capacity which would be implemented by the end of 2023.</p>	Security Programme implementation in progress	December 2025 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2022 PERFORMANCE AUDIT Geneva 22-PE-CH10-01	Based on our conclusions, we made the following recommendations: <ul style="list-style-type: none"> The Director General may consider directing the appropriate Departments to put in place measures to provide adequate institutional oversight on the Global Payroll System as management was in the process of establishing a Centralised Global Payroll to enhance the payroll system. Management should pursue the intended Centralised Global Payroll System approach, but with the assurance that a standard or uniform USRR and CSA across all the host countries is secured, and a fully automated payroll software that will be flexible enough to perform all required payroll and related transactions will be established to avoid the huge cost of re-configuring the PRISM payroll model. 	Management agreed with the recommendations and is in the process to roll out the Global Payroll and to implement the HR Oracle solution in order to enable consistent and control-based processes.	As of 29 Feb 2024, 151 country office payrolls have been centralized in Manila, leaving 2 to be implemented in March 2024, while the remaining 15 most complex ones will be configured directly in Oracle and therefore implemented at the same time as Oracle.	December 2024 Open
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-07	We recommended that IOM Headquarters could liaise with the Government of Algeria on the need to update the Memorandum of Understanding to grant support to all programs and projects across the country.	Management agreed with the finding.	The action is pending at IOM HQ level. There is no further action at mission level. However further developments will have to be monitored in coordination with HQ.	December 2024 Open
2022 COMPLIANCE AUDIT Buenos Aires 22-CO-AR10-02	We recommended the introduction of IOM standard form which would aid the assessment of performance of consultant's work after completion of their assignment.	The HoO explained that the Mission created a document for consultant evaluation purposes where the consultants' performances are evaluated by the PM. Nevertheless, the Mission will replace that document for the official Standard IOM Evaluation Form.	To ensure compliance with IN84 (8.49), IOM Argentina established that consultants' performance evaluations must be attached as supporting documentation in Service Agreements and Online Invoice Payable when requesting the final payment. This measure was successfully implemented in December 2022.	January 2023 Closed

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2022 COMPLIANCE AUDIT C. de Guatemala 22-CO-GT10-02	We recommended that the Finance team should review and coordinate with LEG to investigate the discrepancies and reconcile for final reporting.	The CoM explained that due to the Covid-19 pandemic, staff worked from home with only three administration staff, thereby making it difficult on some occasions to control suppliers and better coordinate the processes. The CoM added that the list was being reviewed and settlement of the old balances was being monitored with the hope to close them in the shortest time.	During the data cleaning processes, as preparation for the transition to the new ERP, IOM Guatemala carried out several steps to clean the vendors as much as possible. IOM Guatemala reviewed the accuracy of these pending items and requested to HQ the clearing of most open items. There are still open items that we are verifying with vendors that are not duplications; once we have the confirmation, we will process the actual payment or coordinate with RO and FAD to clear the vendor against the ODL reserve, as the expenses are in closed projects. Finally, the items related to the IOM Guatemala office closure are under review, and we will coordinate further and request advice and support on those cases.	September 2024 Open
2022 COMPLIANCE AUDIT Kuala Lumpur 22-CO-MY10-01	We recommended the Chief of Mission (CoM) should continue to liaise with the Head of IOM Regional Office in Bangkok and the Director-General to pursue the issue of having the Government of Malaysia formalize the legal status of the Office, including provision of full privileges and immunities.	The CoM agreed with the recommendation and explained that due to the current contracting modality, which is under UNOPS Individual Contractual Agreement, all national personnel are categorized as non-staff under IOM personnel category, thus it's not possible to use Rule 4.2.2 of the USRR.	The Chief of Mission is continuing to actively engage with the Ministry of Foreign Affairs on a legal agreement, and all other ministries (mainly Home Affairs, Human Resources and Health) on general IOM undertakings. The Chief of Mission is also in touch with the United Nations country team about a collective approach. Unfortunately, the Ministry of Foreign Affairs has clearly said that it does not want to pursue a legal agreement with IOM, as the issues surrounding refugees and migrants are too sensitive. It nevertheless wants IOM to continue its work and will provide practical support to that end. Unless IOM decides, at an institutional level, that operating in this context is too risky and is willing to withdraw as a consequence of not having legal status, it is not likely that the Government of Malaysia will change its stance, as IOM continues to operate without legal status.	December 2024 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2021 CERTIFICATION AUDIT Geneva 21-CT-CH10-01	We recommended that the Organization should provide the required resources and adopt a coordinated approach to create and implement processes that support data privacy and protection and update IOM Data Protection Manual.	Management agreed with the recommendations and stated IOM had allocated funding to a two-year Data Protection and Privacy Programme that will focus on: review of policies and processes; update and develop new trainings and dissemination materials; partnerships with data protection stakeholders, including states and other international organizations; continuous provision of advice on IOM projects, work in general compliance with IOM's policies and network of focal points, review of data sharing agreements, handling of requests and complaints from data subjects; and outreach. Management added that the updated policies and procedures will be revisited and updated on a continuous basis to account for new developments in law and technology.	Security Programme implementation in progress	December 2025 Open
2021 CERTIFICATION AUDIT Geneva 21-CT-CH10-02	We recommended that the Organization should adopt a comprehensive cross-cutting cybersecurity management and allocate resources to contribute to attaining the desired level of information security protection.	Management agreed with the recommendation and stated that it was committed to address the critical need of enhancing its cybersecurity environment. Management added that the needed investments have been defined and integrated into the new ICT strategy 2022-2025. Management further stated that the Director General had authorized the drawdown of USD 4million from the OSI reserve to enable implementing the most critical improvements in year 1.	Security Programme implementation in progress.	December 2025 Open
2021 CERTIFICATION AUDIT Geneva 21-CT-CH10-03	We recommended that the Organization should adopt generally accepted good practices by keeping the AOAC ToR abreast with new developments within the Organization to enhance its advisory role.	Management agreed with the recommendation and indicated that it will facilitate the review of the Terms of Reference of the AOAC.	The AOAC TORs have been reviewed and revised by the AOAC members, IOM's Executive Office, the Department of the Finance and Administrative Management as well as the new Office of Internal Oversight Services. The DG has also commenced regular meetings with the AOAC to ensure they are informed of major reforms and developments especially relevant to the areas relevant to the scope of their TORs.	December 2024 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2021 COMPLIANCE AUDIT S Salvador 21-CO-SV10-02	We recommended that the Chief of Mission and the Resource Manager should in future explore the option of rollover of funds at the inception of the project negotiations to enable the Office to make a formal request for the rollover of funds on closed projects, to secure unspent funds for the subsequent period projects.	Management indicated that some of the projects implemented by the Office were managed by other Offices, but the CoM and Resource Manager Officer take the necessary steps to monitor the execution and advise the Project Manager or Project Coordinator. Management added that with some of the projects, rollover of funds does not apply as they do not have a next phase to carry forward the funds, hence a reimbursement of funds to the donor.	One pending project is still in process, depending on IOM Guatemala.	June 2024 Open
2020 CERTIFICATION AUDIT Geneva 20-CT-CH10-01	We recommended that Management should improve the ICT Infrastructure to enable tighter access control and a more robust management of the ICT infrastructure to reduce its vulnerability to intrusion. We also recommended the need for additional tools and staff resources to enhance the Organization's capacity to monitor the ICT environment for attempted information security breaches. We also urged Management to update the ICT Strategy and policies with the emergence of sophisticated cyber-attacks which include web-based and non-traditional systems and addresses.	Management welcomed the recommendations and stated that in the second half of 2021, the ICT Division will work with MCD to refresh and redesign the websites to significantly improve the security posture for IOM's websites. Management added that the ICT Division is in the middle of implementing its 3-year strategy which includes: strengthening of its digital core covering a refresh of the ICT Security strategy and a rebuild of the Infrastructure and Operations Function; and the establishment of a digital center of excellence covering the rearchitecting of MiMOSA, establishment of a data, analytics and BI cell, and a refresh of the ERP solution (PRISM).	Security Programme implementation in progress	December 2025 Open
2018 CERTIFICATION AUDIT Geneva 18-CT-CH10-05	We recommended that Management should establish SOP to guide the process for sharing HR data with the relevant offices and conduct an assessment of SAP PRISM with a view to enhancing its reporting capabilities towards this process. All mandatory staff record fields such as entry and end date should be appropriately filled to ensure accurate determination of employee benefits.	Management agreed with the recommendation and stated that it will assess the options available in enhancing PRISM reporting capabilities towards HR data processing.	Following the rollout of the Global Payroll and the extensive data cleaning exercise started in spring 2023, processes improvements have been identified and are in discussion with HR, taking into account the upcoming change in system and processes.	December 2024 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
2018 PERFORMANCE AUDIT Geneva 18-PE-CH10-01	To improve upon procurement planning, we recommended that IOM should ensure that: issues of procurement plan should be assessed and addressed at project development stage; PSD should strengthen its oversight functions; staffing position at GPSU and PSD should be improved; IOM should restructure PSD and widen its scope to serve as a specialized unit in supply chain and value management.	Management accepted the recommendation and indicated that additional guidance on procurement planning will be provided within the upcoming revisions of the Procurement Manual (IN168) and Project Handbook (IN/250). PSD will continue issuing Procurement and Supply Chain alerts to facilitate information sharing and enhance oversight and compliance to standards and procedures. In collaboration with HRM/Staff Learning and Development, PSD will develop training modules for the end-to-end procurement value chain that will be accessible and certifiable	According to IN 168 rev.3 Procurement planning is mandatory. SCD was elevated at L2 managerial level with direct reporting line to DDG for Management and Reform. incorporation of planning module into Wave/Oracle is ongoing.	December 2024 Open
2017 INTERIM AUDIT Manila 17-IN-PH98-05	We recommended that Management should review the chart of accounts to include account definitions that are descriptive and instructive of the actual financial transactions of IOM. Management should also consider embedding a maintenance framework/guideline into standard business processes to ensure relevance of the chart of account.	Management agreed with the recommendation and stated that it is a priority for the Accounting Division. It indicated that preliminary work started in 2017 and will continue as time and resources allow. Management added that the policy on CoA revision and guidance on GL usage to offices, will be addressed as first priority in the CoA review process and will incorporate emerging donor and management financial information needs (e.g., CBI, Implementing Partner transfers and many others) as well as the necessary restructuring of material codes related GLs to better serve the various information needs.	The mapping of old GL accounts in SAP to New GL accounts in Oracle is ongoing. This mapping is needed for data migration and for change management. There are remaining 350 accounts to map out of 6K accounts. This is less than 6% of the accounts. The mapping is targeted to finish during March 2024.	June 2024 Open
2017 COMPLIANCE AUDIT Beirut 17-CO-LB10-01	We urged Management to continue with its efforts in ensuring that the Country Office obtains an agreement with the government of Lebanon to enable the office to reinvest the savings from VAT exemptions into catering for migration needs.	Management explained that it was doing its best to finalize and sign an MoU with the Government as early as practicable. It indicated that the Office was working with the Ministry of Foreign Affairs, Ministry of Interior/General Security Department (GSD) and Office of the Prime Minister to draft the MOU and the response so far has been very positive but added that final approval was still under discussion.	Discussions regarding the Cooperation Agreement are underway. On 15 March 2024, the Director-General met with the Prime Minister and the Foreign Minister, both of whom agreed to accelerate the finalization and signing of the Agreement. Currently, IOM is waiting for the Ministry of Foreign Affairs to provide the updated draft of the document, which includes the feedback received from the Ministry of Finance.	September 2024 Open

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Planned date of completion
<p>2016 CERTIFICATION AUDIT Geneva 16-CT-CH10-02</p>	<p>Although a Statement of Internal Control is not required under IPSAS to be presented as part of the Financial Statements of the Organization, we recommended that the Organization should work towards the adoption of this best practice to issue a Statement on Internal Control as part of the financial reporting to provide assurance to all stakeholders that IOM is effectively managing and controlling the resources entrusted to it.</p>	<p>Management agreed with the usefulness of the Internal Control Statement as an emerging corporate governance tool and indicated that it will evaluate the feasibility of adopting such practice, giving due consideration to the time and additional resources needed for implementing the necessary certification procedures within IOM's decentralized structure without increased administrative burden on its lean central structure and existing high demands on field offices.</p>	<p>'Closure Cockpit' (Oracle EPM Task Manager) is slotted for testing under the User Acceptance Testing part of the Oracle ERP implementation. (Oracle did not showcase this process during System Integration Testing (SIT) as originally expected.</p>	<p>December 2024 Open</p>

IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 INTERIM AUDIT Geneva 22-IN-CH10-01	We recommended that Management should ensure that the finalisation of the Headquarters Building Manual to give clarity to the procedures for delivering the Project and the change management approach necessary for the sustainability of the building to serve as a reference to guide internal coordination, approval of transactions, decision making and adherence to local building regulations.	Management agreed with the recommendation and indicated that it intends to finalize the project manual, version development phase, for the End of Q2 2023, have it validated by the stakeholders and shared with all project development actors.	S/33/3 - The Headquarters Building Manual was submitted to the Steering Committee, revised as per the Committee members' considerations on 6 September 2023 and prepared for signature by the Committee chairperson. The Manual would be included as one of the annexes to the Junon Group contract (architects and engineers) and distributed to all stakeholders.	November 2023
2022 INTERIM AUDIT Geneva 22-IN-CH10-02	We recommended that Management should as part of the ongoing IGF work items, conduct business impact assessment and initiate review of the regional and country offices architecture as well as RMO functional working relationship to give clarifications, eliminate overlaps and mitigate resistance associated with change process.	Management agreed with the recommendation to conduct a business impact assessment arising from the IGF reforms and will look to incorporate this assessment into the planning for IGF 2.0. Management added that the IGF reforms have largely focussed on strengthening the existing functional structures including the overall relationship between HQ, Regional Offices and Field missions and that as part of the budget reform process, IOM is in the process of strengthening field missions through the provision of core funding for the two key management positions at mission level - Chief of Mission (CoM) and the Resource Management Officer (RMO). Regional Offices will also be strengthened through the establishment of a number of new core positions relating to HR, Monitoring Evaluation and Risk, Data and Financial management. This process will also facilitate a review of ToR for some existing positions to take account of new processes.	IOM continues the implementation of the Budget Reform strengthening field missions through the provision of core funding for two key positions, Chief of Mission (CoM) and the Resource Management Officer (RMO). All those country offices under the Budget Reform are currently provided with funding covering 50% of both of those key positions. Regional Offices (RO) were further strengthened through the establishment of several new core positions relating to HR, Monitoring Evaluation and Risk, Data and Financial management. This is in addition to the IGF reforms that had been focusing on improving the existing functional structures including the overall relationship between HQ, Regional Offices and Country Offices (CO). With regards to the recommendation to initiate a review of the architecture of the IOM offices, a comprehensive and highly consultative review of the IOM Headquarters' structure was completed by January 2024. As a result, the new Organizational Structure with streamlined reporting lines and clear terms of references for each Organizational Structure in the HQ is available to all staff. With regards to the RMO function, the above also resulted in the establishment of the new HQ Resources Management unit. Moreover, the Leadership Team have already initiated the development of the RMO	December 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
			<p>Leadership Programme that should contribute to awareness raising and more clarity on the function and capacity building for those performing this function. The consultative review of the regional office structures has already commenced and is planned to be completed by May 2024.</p> <p>IOM is currently evaluating the results of the regional reviews, including the reporting lines to improve communication and collaboration between ROs and country offices. Member States are being kept updated on the structural update progress.</p>	
2022 INTERIM AUDIT Geneva 22-IN-CH10-03	We recommended the Organization strengthen its ability to reduce the risk of expensive retrofitting post-implementation, realignment of roles, responsibility and accountability functions, improvement of human resources staffing levels and salary grade as well as improve its internal coordination and communication across all levels of the Organization on the progress on the transformation.	Management indicated it has initiated the Change Impact Assessment within the BT project which would be completed by the end of June 2023. Also, a review of the field structures and missions together with regional offices and Headquarters has commenced under an incremental process through the strengthening of a number of oversight and administrative functions together with the shift to core funding for some field positions. Management further indicated that it would ramp-up communication and change management activities in the second half of 2023 and the continuous coherent approach for the development, consultation and finalization of proposed new policies would be carried over into IGF 2.0.	IOM partnered with the UN Advisory Alliance (UNAA) to conduct a comprehensive structural review of IOM's Headquarters (HQ) and Regional Offices (RO). The purpose of the review was to respond to the urgent need for a more participatory and inclusive evidence-based review to capture the structural roadblocks and pain points of the existing HQ and RO composition. As part of the analysis consultations are being conducted with Member States, peer international organizations and a wide swathe of staff. The review of the IOM Headquarters' structure was completed by January 2024. As a result, the new Organizational Structure with streamlined reporting lines and clear terms of references for each Organizational Structure in the HQ is available to all staff. The leadership of the organization has indeed put more emphasis on the importance of the change management, one of the outcomes of the restructuring being the establishment of the new Change Management Division headed by the Chief, the position that directly reports to the Deputy Director General for Management and Reform. All these should contribute to addressing the recommendation on improving the	December 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
			<p>internal coordination and the realignment of the roles and responsibilities.</p> <p>With regards to the specific recommendation of improvement of the human resources staffing and position grade levels, this has been addressed in January 2024 by assessing the resources gaps in the Department of Human Resources and allocating substantial amount of funds to establish a considerable number of positions at HQ and Administrative Center levels. The appropriateness of position grade levels of the human resources operations staff was reviewed, and a considerable number of positions were reclassified and upgraded.</p> <p>As far as the recommendation on improving internal communications is concerned, inter alia, IOM has addressed this starting from the very top level, by establishing the Department of Media and Communications (previously a unit). IOM has already hired a director of this new department. Substantial new funds allocation to the department has already been made by January 2024 as well. Weekly internal newsletters, regular brown bag lunches with leadership, weekly senior management teams meetings including the regional directors have also been established, all with the aim of improving communication with staff.</p> <p>The consultative review of the regional office structures has already commenced and is planned to be completed by May 2024.</p> <p>IOM is currently evaluating issues raised during the regional reviews, including the reporting lines to improve communication and collaboration between ROs and country offices. Member States are being kept updated on the structural update progress.</p>	

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Buenos Aires 22-CO-AR10-01	We recommended that the Head of Office (HoO) should continue to liaise with IOM Headquarters and the Government of Argentina with the view of pursuing the signing of an updated host country agreement and obtain full privileges and immunities accorded to other intergovernmental organizations.	The HoO indicated that the mission will continue to work towards the achievement of the same conditions as the local staff of the other agencies of the United Nations system in Argentina who make their contributions to the UN Staff Joint Pension Fund.	The mission requested support from HQ Legal for guidance, and internal meetings were held to review the issue. Presidential elections were held in the country in 2023, and a new government took office in December. The office would continue to carry out the necessary actions with the aim of pursuing the signing of an updated host country agreement and obtaining full privileges and immunities.	December 2023 Closed
2022 COMPLIANCE AUDIT Buenos Aires 22-CO-AR10-03	We urged the HoO to work towards finalizing the draft risk assessment document and implement this management tool to ensure systematic and entity approach to risk management in the Office.	The HoO stated that the Mission will work towards finalizing the risk assessment document and will provide employees at all levels with enhanced knowledge about their roles and responsibilities for risk management in line with IN 213 Rev 1 during the first semester of 2023. The HoO added that the Office has already coordinated a meeting with the Chief Risk Unit for their support for the implementation of the Risk Management Framework and Policy.	The second half of 2023 was characterized by strong uncertainty; socio-economic indicators underwent a very significant variation, leading to the victory of a political force that is implementing a profound State reform, including its downsizing and the revision and modification of many laws. This context leads to the identification of risks being in constant fluctuation, and work continues on the risk assessment document to incorporate the current situation of profound change.	December 2023 Closed
2022 COMPLIANCE AUDIT Buenos Aires 22-CO-AR10-04	We recommended that management should ensure that the CO complies fully with the SES by encouraging all managers and staff to complete midyear and end of year reviews.	The HoO indicated that the CO will continue to encourage all managers and staff to complete mid-year and end of year reviews to achieve 100%.	The Administration will continue to encourage managers to ensure they complete performance evaluations for themselves and their teams. The positive results from these efforts were reflected in the compliance rate for Q1-2024, which was 87%.	March 2024 Closed
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-01	We recommended that Management should ensure adherence to the 30-day advance clearance requirement. We also recommended to Management to consider the use company credit cards as an alternative.	Management acknowledged the risks noted and the importance of complying with the 30-day clearance requirement and indicated that it will circulate a reminder of the rule to provide supporting documents within the prescribed period to all staff.	S/33/3 - IOM Canberra has started paying for the accommodation of most duty travelers to reduce advance amounts.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-02	We recommended that management should take steps to have a well-defined staff establishment for the Resource Management Unit and all other units and ensure they are filled for the operations for the Australia Country office and its coordinating office function.	Management recognised the need for appropriate staff resourcing and structure within the resource management unit in Canberra and the region for which it provides oversight and support and indicated that a combination of recruitment (two additional full-time positions in Canberra, one full time position in Vanuatu) is underway. Management added that the reassignment of responsibilities of existing staff complemented by specific training has been initiated, and the revised structure is designed to address the risks identified by the audit.	S/33/3 - Two new staff members have been hired and IOM Canberra is in the process of hiring two more.	December 2023
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-03	We recommended that management should ensure that eligible Goods and Services Tax amounts are established timeously and brought to the attention of the Tax Authorities for necessary administrative action and subsequent refund.	Management agreed with the finding and indicated that out of the outstanding balance, \$17,196.19 has been approved to be refunded by the Government in March 2023 and the office is awaiting payment collection in order to clear the outstanding receivables for the amount, whilst the remainder had been lodged in 2022. Management however, attributed the delay in clearing the GST account to a combination of protracted processing of refund by the government and delayed lodgment by IOM as the tax refund procedure requires document collection and review prior to filing a refund claim with the government of Australia.	S/33/3 - Implemented in line with the tax authorities' time frame.	December 2023
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-04	We recommended that management should conduct and document exit interviews with departing staff and keep copies on their respective staff files to provide information for use in the preparation of vacancy notices with the view to promote staff retention and minimise the incidence of staff attrition.	Management welcomed the suggestion to standardize exit interviews and acknowledged the value they may add to the retention of staff. Management added that with a view to conducting exit interviews systematically going forward, the Mission will coordinate with HRM to establish a standardized approach and guidelines.	S/33/3 - Only one staff member has left the Organization since the audit was conducted and an exit interview was done on that occasion. The office will continue to conduct such interviews in the future.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-05	We recommended that the BCP should be regularly updated to include simulation procedures and implemented. We also recommended that the Mission should endeavour to comply with the requirement to conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.	Management acknowledged the importance of updating the BCP annually and plans to update again in 2023, further committing to incorporate clearly defined RPOs and RTOs identified as a shortcoming of the existing BCP. Management added that all work files are saved on the SharePoint and Canberra office can continue to operate in the time for the system rebuild, ensuring the interruption of business is minimized.	S/33/3 - This is being done in line with ICT regulations.	December 2023
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-06	We recommended that the CO should have a data backup storage at a safe location off-premises to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.	Management indicated that the Canberra office has external hard drive for the system backup which is done daily and each year's back up drive kept in the safe.	S/33/3 - Implemented.	December 2023
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-07	We recommended that files should be kept and regularly updated with the requisite documentation, including vendor information and verification as well as reference and evaluation information.	Management indicated that a review of all existing vendors will be conducted following the recruitment of additional staff to ensure all information for existing vendors is updated and complete. Management also agreed that a system of managing the vendor should be in place and that in consultation with the supply chain unit in HQ and/or Manila, it will review the current procurement transactions and understand and develop a strategy taking into account the capacity, size, and structure of the Mission.	S/33/3 - Implemented.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Canberra 22-CO-AU10-08	We recommended that Management should involve the procurement staff/specialists at the early stages of project development and ensure that the Mission's approved work plan is properly aligned with the approved budget. We also recommended to management to address the staffing shortfall in the procurement function to ensure appropriate internal control.	Management agreed with the observation and recommendations and indicated that the recruitment of two finance staff and a procurement staff were underway. Management added that it is reviewing the current and prospective staffing structure to ensure segregation of duties and further stated that in consultation with the supply chain unit in HQ and/or Manila, the Mission will review the current procurement transactions and develop a strategy taking into account the capacity, size, and structure of the Mission.	S/33/3 - Implemented. The resource management and project development units are coordinating closely to ensure that resource management is incorporated into the project development phase.	December 2023
2022 COMPLIANCE AUDIT Ouagadoudou 22-CO-BF10-01	We recommended that the Chief of Mission (CoM) should strengthen his oversight on programme and project activities to ensure timely submission of donor reports and comply with contracted obligations.	Management indicated that the CoM and Senior Management Team (SMT) is enforcing some measures such as regular review of reporting deadlines, submit report online and follow-up with reviewers to avoid delays in the submission of financial reports to the donor. Management added that the Mission generally ensure that the financial reports are endorsed on time but the narrative reports sometimes take longer period for endorsement to ensure quality and compliance as per IOM Project Handbook.	S/33/3 - The Chief of Mission has implemented all monitoring controls as explained in the initial comments. As at August 2023, the office had met all donor report deadlines or officially informed the donor in the event of a delay due to unavoidable circumstances. It is closely coordinating with the Regional Office to obtain the latter's review of reports and address its comments in a timely manner. It regularly monitors report preparation and deadlines.	December 2023
2022 COMPLIANCE AUDIT Ouagadoudou 22-CO-BF10-02	We recommended that the CoM should raise staff awareness to promote compliance with the fixed asset management policy including conducting of asset physical counts and reconciliation and ensure that they are updated in the PRISM Asset module.	The CoM agreed with the recommendation of raising staff awareness and stated that it would be given due importance. The CoM added that the Annual Asset Inventory Stocktaking and Reporting for year end 2022 had taken place and the report will be completed by end of February 2023. The CoM has enforced the monitoring of the assets through quarterly verification from 2023 onwards and the update in the PRISM Asset module will be given due care as well.	S/33/3 - The Chief of Mission has conducted the quarterly verification and the 2022 stock-taking has been completed and a report sent to Headquarters. The office introduced monthly monitoring and quarterly verification at the start of 2023.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Ouagadougou 22-CO-BF10-03	We recommended that the CoM should ensure that project managers regularly review the burn rate on project activities and immediately initiate corrective actions to ensure that project expenses remain within approved donor budget.	The CoM indicated that the Mission strictly monitors overspent projects and provided PRISM references to show that the regional projects were not overspent, and some small deficits always adjusted at Regional level before submission of the final reports to the donor. The CoM added that COVID-19, Ukraine war and recent political and security situation in Burkina Faso had a huge impact on the expenditure of the project's operational activities. Hence, the project budget was not sufficient to cover the expenditure of procurement which experienced prices rise of between 50 – 70 percent.	S/33/3 -The Chief of Mission ensures that expenditure is strictly in line with the approved budget. No project budget had been overspent as at August 2023.	December 2023
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-01	We recommended that the Chief of Mission should have a data backup storage at a safe location off-premises to allow for easy retrieval of data when necessary and ensure that backup tapes are labelled for easy retrieval.	Management agreed with the recommendation and indicated that it will seek the support from UNRC to host the backup tapes in an IOM safe within the UN Resident Coordinator's offices.	S/33/3 - IOM Algeria has relocated to new premises comprising two separate compounds and its server room and fireproof safe for backups are in two separate locations/buildings. Fire protection for the server room has been enhanced with automated fire extinguishers.	December 2023
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-02	We recommended that the Mission should recover the funds from the active staff and follow up on the separated staff to ensure that the outstanding amount is recovered.	Management explained that the Mission continues its efforts to recover advances and has a strict policy whereby one staff member cannot benefit from a second advance if the first one is not cleared. Management added that for advances made in 2019, the Mission is set to clear them either from the staff last settlement or write off on case by case basis and clear all entries by end of fiscal year 2022.	S/33/3 - IOM Algeria is currently recovering advances from active staff and has processed write-offs for open items under separated staff vendor accounts. The only open items relating to separated staff are those that will be deducted from the final settlement. The office continues regularly to clean up data, including staff member vendor accounts.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-03	We recommended that Management should follow up with the Tax Authorities for a refund of the amount.	Management explained that VAT recovery from host country is complex as VAT exemption requests had to be made to the Ministry of Foreign Affairs and endorsed by the Ministry of Finance before any purchase is made, thereby impeding the Office activities. Management added that SOPs are in place for past VAT entries (2019 and 2020), and the Mission either had to charge projects when VAT requests were rejected or make a write off request to FAD.	S/33/3 - The VAT mechanism in Algeria allows for exemptions but not refunds. IOM Algeria is in regular contact with the tax authorities via the Ministries of Foreign Affairs and Finance. As chair of the Operations Management Team, and at the request of the United Nations Resident Coordinator, it has spearheaded engagement with the Ministry of Foreign Affairs via notes verbales, to which it had received no reply as at August 2023. The Resident Coordinator considers this a top priority for discussion with the Directorate General of Protocol in the Ministry of Foreign Affairs, as VAT exemption is a concern shared by all United Nations agencies. The Finance and Accounting Division has approved the write-off of VAT amounts from 2018 and 2019, and the office is charging VAT to the respective operational projects whenever an exemption is not or cannot be granted.	December 2023
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-04	We recommended that the CoM should put in place risk management measures to ensure timely reporting to donors in future.	Management indicated that the challenges in reporting have been highlighted to donors and CoM is closely monitoring the reporting deadlines via PRIMA.	S/33/3 - The Chief of Mission regularly follows up on reporting deadlines to ensure compliance. IOM Algeria currently has only one overdue report, which is being finalized for submission in PRIMA before the September 2023 account closing.	December 2023
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-05	We recommended to the Management of Algeria to re-strategize on how to harness the expertise from the Regional Office to secure funding for projects to enhance sustainability of the Office in order not to lose well-trained officers to other missions. We also urged the CoM of Guinea to step up engagements with the donor community and other stakeholders to attract funding for its operations.	The management of Algeria took note of the recommendation and have shown willingness to continue to support the sustainability of the Mission through fund raising, including one large project that it anticipated at the horizon with European Union funding. The CoM of Guinea explained that the combination of factors which have created the challenges were completely out of their control. However, donor willingness to fund activities in Guinea is on the increase and that the number of concept notes and proposals in the pipeline gives some optimism.	IOM Algeria has engaged in fundraising activities including scale-up of Assisted Voluntary Return and Reintegration under MPRR-NA with an amount of twenty-three million United States Dollars which brings the mission's budget to thirty million US Dollars for 2024 exercise. This will enable the office to recruit more staff and provide stable contracts to staff members.	December 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Alger 22-CO-DZ10-06	We recommended that the CoM should establish effective risk management process in compliance with IN213 and ensure systematic identification and documentation of significant risk and put in place the necessary controls to mitigate the risk.	The Mission accepted the finding and stated that risk management is incorporated in every single project and as part of institutional tool PRIMA and added that the Mission will put in place a centralized tool on risk management.	S/33/3 - The centralized tool has been in place since April 2023, endorsed by Headquarters and shared with the Regional Office in Cairo.	December 2023
2022 COMPLIANCE AUDIT Madrid 22-CO-ES10-01	We recommended that the Madrid Office should be proactive in identifying more fundable projects in view of the issues in Spain and sub-Saharan Africa. We also recommended that management should re-strategize on how it intends to come up with projects that can secure funding to enhance sustainability of the Spain Country Office in the contest of projectization.	The CoM explained that the Office has limited options for expanding beyond the funding that the Government provides and that IOM Spain has a strategy for diversification of its portfolio (both Donor and Thematic), which has been implemented over the past years and has brought results. Furthermore, as part of this strategy, IOM Spain has been able to secure funds from different ministries and local authorities (depending on the context of how the country's administration work)	The Agreement with Ministry of Inclusion, Ministry of Interior and Spanish cooperation Agency has been signed	January 2024 Closed
2022 COMPLIANCE AUDIT Madrid 22-CO-ES10-02	We recommended to management to ensure that the FMRP thresholds are adhered to or obtain authorization from the Treasury Division to legitimize the holding of higher cash amounts.	The CoM explained that IOM Spain requested approval by TSY to increase the threshold from 24.000 EUR to 36.000 for two days in which the RMO indicated 31.12.2021 as the foreseen end of project. However, the project obtained two No-Cost Extensions (NCE) until 30th April 2022 and 31st July 2022 and as a result, considered the TSY approval to be valid for the NCE period as well. The CoM added that Project PX.0256 was an Emergency project and IOM was expected by the donor to provide cash through Cash Based Intervention (CBI) to migrants arriving to the Emergency Facility in Tenerife of which IOM had no influence but need to have cash on hand in sufficient amount to promptly implement the activities.	S/33/3 - The project has been closed and the donor has accepted the final report. No further action is required from IOM.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Madrid 22-CO-ES10-03	We recommended that management should ensure that managers help those they appraise to state clearly their measurable objectives. We also recommended that management should work on the evaluation by Supervisors.	The CoM agreed that the system shows that the comment from Manager's supervisor is pending, even for those SESs that have been completed by staff and supervisor without any disagreement; however, they are not showing as incomplete. The CoM took note of the remark on SMART Objectives and indicated. We will work to raise awareness among supervisors and staff on how to set SMART objectives.	S/33/3 - IOM Spain staff members took part in several training sessions about the new IOM evaluation system and were given personal assistance throughout the evaluation cycle.	December 2023
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-01	We recommended that management should conduct and document exit interviews with departing staff and keep copies on the respective staff files to provide information for use in the preparation of vacancy notices with a view to promote staff retention and minimise the incidence of staff attrition.	Management took note of the recommendation for compliance and indicated that the HR Assistant has been tasked to develop an exit interview questionnaire to be used for separating staff, and had been included as performance goal for the first quarter of 2023 within IOM's Performance Appraisal System (PAS) for implementation the following quarter.	This has been implemented.	October 2023 Closed
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-02	We recommended that CO should ensure that the inventory list is updated regularly, possibly quarterly and comply with the requirement of IN/168 by reconciling inventory records with physical counts; purge the inventory list of obsolete assets; assign assets to individual officers; and block assets when appropriate. We also recommended that Management should ensure adequate monitoring of assets and request the Head of Administration and Finance to ensure the immediate update of the Inventory register to forestall the likelihood of payment of insurance premium for obsolete or outmoded assets.	Management agreed with the finding on the missing information in the asset master data and stated that it would continue to check and update the record to comply. Management added that for year 2022, the asset verification via MAIA is still ongoing and is expected to be completed by April 2023. Kindly refer to the MAIA inventory count number in reference to the inventory number. Management further stated that pre-positioned assets are counted and verified on a quarterly basis for reporting to the donor and unblocked assets are now blocked.	S/33/3 - The asset verification for 2022 has been completed. Asset records are monitored at least monthly. Disposal of obsolete/defective assets is being coordinated.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-03	We recommended that management should ensure that persons driving IOM vehicles are subjected to independent third-party certification to secure the Mission vehicles and drivers. We also recommended that management should ensure compliance with IN/110 on medical examination and ophthalmological testing for drivers and security personnel.	Management in response indicated that all IOM drivers have undergone the Annual Medical Examination (AME) while Security personnel are currently undergoing the AME. Management added that all the States in Micronesia do not have ophthalmologists but have recently found that there is one ophthalmologist in Pohnpei, thus they will comply accordingly in having all staff in Pohnpei with driving responsibilities undergo ophthalmological testing.	One out of three security guards have completed the AME. This has been followed up on and will be completed by March 2024.	March 2024 Closed
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-04	We recommended that the BCP should be regularly updated to include simulation procedures and implemented to ensure that the Mission's information assets are properly safeguarded. We also recommended that the Mission should comply with the requirement to conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.	Management agreed with the finding and promised to comply. Management added that Section 5.4 IOM has migrated all the corporate workloads to the cloud and will continue to decommission local servers in the Missions thus the use of Portable office in a box is no longer permitted.	Complied with.	October 2023 Closed
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-05	We recommended that the CO should have a data backup storage at a safe location off-premises (i.e., bank safe or fireproof safe in IOM's sub-office in the country) to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.	Management stated that the recommendation is valid based on ICT industry standards and recent ICT INs, but it only applies to Missions that still host data locally on their servers. Management indicated that they do not have local servers for the Mission as their data is hosted in the cloud by IOM enterprise systems (SharePoint Online, Exchange Online, OneDrive, PRISM, PRIMA, etc.) and the availability of those systems, as well as data protection and backup, are handled centrally by the ICT department rather than by the Mission. Management added that for data backup, new modern cloud-based technologies are currently used, rather than traditional tape backup, which is used for local on-premises servers.	Complied with.	December 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-06	We recommended that management should ensure adherence to the provisions of the Procurement Manual. We also recommended that files should be kept and regularly updated with the requisite documentation, including vendor information and verification as well as reference and evaluation information.	Management agreed with the recommendation and stated that Mission will comply with the evaluation of vendors as part of the performance goals for this year for procurement staff. Management added that Vendor record is now being managed online via the Vendor Management System and it aims to digitize and streamline vendor management leading to efficiencies in procurement processes such as sourcing, contracting, and performance management—as well as enhance the capacity for reporting and monitoring. Management further stated that Vendor files are now being managed and maintained digitally and Sanction check is being done for every new vendor account creation request and also for those being updated.	S/33/3 - Implemented.	December 2023
2022 COMPLIANCE AUDIT Pohnpei 22-CO-FM10-07	We recommended that management should endeavour to conduct periodic review of the vendor master data with a view to correcting/updating incomplete data fields as prescribed by IN/168.	Management has taken note of the recommendation and will comply accordingly. It added that the Mission faces the challenge of limited capacity and interest of vendors to respond to tedious administrative requirements of IOM. Some vendors would not fill up the vendor information sheet, thus limiting the already limited resources in the country, however, the Office will continue to harmonize with vendors to ensure compliance with set policies and procedures.	S/33/3 - Implemented.	December 2023
2022 COMPLIANCE AUDIT Conakry 22-CO-GN10-01	We recommended that the CoM should inform IOM Accounting Division and the Director, Department of Resource Management about the potential bad debts and the need to initiate a write off. We also recommended that the Vendor should be blacklisted as an implementing partner or vendor for any IOM project.	The CoM accepted the recommendation and stated that the Office will continue to discuss with colleagues at CAS in Manila on how to end this process and write off the amount due as bad debt or alternatively pay the balance to the donor if required. The issue is expected to be closed by the end of 2022.	S/33/3 - IOM Conakry has coordinated with the Regional Office in Dakar about the Note for File, which it has signed and sent to the Department of Financial and Administrative Management for final approval and write-off before the end of the year.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Conakry 22-CO-GN10-02	We recommended that the CoM should communicate to DRM on the efforts made by the Office to establish contact with the donor for the required documentations which had proved unsuccessful to enable CAS to centrally manage the unclaimed donor refund pending final resolution.	The CoM stated that the Office has submitted the required documentations such as the NFF and MPR to CAS for the necessary action to be taken; and considers the finding closed until any further notice is received from CAS.	S/33/3 - The file was closed in February 2023, the relevant amount refunded, and proof of transfer shared with the office.	December 2023
2022 COMPLIANCE AUDIT Conakry 22-CO-GN10-03	We recommended that the CoM should ensure the development of an action plan, including the mechanism of providing financial resource allotment to address the growing obsolescence of the Office ICT infrastructure and other related equipment.	The CoM agreed with the recommendation and stated that the Office ICT Team in collaboration with the ICT Division in Headquarters and Regional Office have submitted a budget for consideration when budgeting for future projects.	Since the visit of external auditors, the mission had a replacement plan of obsolete IT items, the implementation started in October 2023 and in annual plan 2024 the implementation is continuing. we can confirm that this risk is no longer an issue in the mission. it is now in regular monitoring and items replacement versus budget to ensure our staff have relevant tolls in their daily work.	October 2023 Closed
2022 COMPLIANCE AUDIT Conakry 22-CO-GN10-04	We recommended that the CoM should establish a dedicated team to update and coordinate the risk management activities to enable prompt adjustment of the organizational assessment of risks and mitigating actions to ensure integration of risk identified in all phases of the project cycle.	The CoM took note of the recommendation and stated that the Office risk register was recently updated and consider it as an iterative exercise for identification of risks and proposal of mitigations. The CoM added that the Office Business Continuity Plan provides elaborate actions of what need to be done for cases such as COVID-19 or high political instability in the Country.	The mission has got now an updated risk matrix by end 2023, which is regularly used to monitor the risk level in CO but also to be used during budgeting if any key staff or office Equipment needs to be purchased for the smoother working environment. Regularly internal sessions are held to keep sensibilizing the staffs but also get feedback on how internal controls can be kept updated and reinforced.	December 2023 Closed
2022 COMPLIANCE AUDIT C. de Guatemala 22-CO-GT10-01	We recommended that the Chief of Mission should expedite action on the process of developing a Strategic Plan without further delay.	The CoM explained that the Mission is developing the Strategic Plan of which currently is at a draft stage.	S/33/3 - The IOM Guatemala Country Strategy was officially released in March 2023.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Tegucigalpa 22-CO-HN10-01	We recommended that efforts should be made to investigate all 120 transactions for necessary entries and updates.	Management indicated that the vendor amounts were being reviewed and that some of the transactions would be cleared at the end of January 2023. Amounts in favour of staff are in the form of claims for travel expenses and would be paid in the account closure of January 2023. Management also stated that the \$20,734.97 was deposit received and funds returned to Government Office due to balance of project structure RR.0055 and are coordinating with Regional Office to clear the transaction.	All transactions have been reviewed, cleaned up in coordination with Treasury, the amount returned to the government was coordinated and approved by the regional office, the financial report was endorsed by RAS, so there are no outstanding.	December 2023 Closed
2022 COMPLIANCE AUDIT Tegucigalpa 22-CO-HN10-02	We recommended that the Chief of Mission should constitute a team to draft the plan for review and approval.	Management stated that the Chief of Mission took over Honduras mission in September 2022 and focused his first months on getting to know the political context, operational set-up and UN and government counterparts. However, the COM recognizes the importance of a strategic plan and will set it as a priority for Honduras Mission in 2023.	The IOM Strategy for Honduras has been finalised and launched in December 2023. It is a public document, available in both Spanish and English, that will be guiding the Honduras mission in the next 4 years and will support donor liaison and fundraising. The strategy includes concrete areas of priorities and opportunities, based on the current migration context and challenges.	December 2023 Closed
2022 COMPLIANCE AUDIT Pristina 22-CO-KS10-01	We recommended that Project Managers, in collaboration with the Resource Management Unit, should monitor expenditure against the budget and where necessary, ensure that Project Managers do not spend against the used-up budget or budget line by changing completed lines to technically completed budget status.	Management explained that the over-expenditures relate to staff cost lines and are due to revisions/increases of the local UN salary scale during the implementation of the projects and added that the revision of the salary scale is a process independent of IOM and IOM is obliged to implement the new salary scale in line with its effective date.	S/33/3 - The office has developed and implemented a project monitoring tool to ensure expense monitoring is done monthly.	December 2023
2022 COMPLIANCE AUDIT Pristina 22-CO-KS10-02	We recommended to the Chief of Mission to ensure that the relevant vacancies such as RMO, IT etc. are filled as early as practicable so the efforts of the staff who are performing these functions become complementary.	The mission makes every effort to ensure timely filling of vacant positions and thus smooth and efficient implementation of the projects. Yet, the recruitment procedures can only be undertaken and completed when the funding has been confidently confirmed.	S/33 /3 - The resource management, IT and other positions have been filled.	December 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2022 COMPLIANCE AUDIT Pristina 22-CO-KS10-03	We recommended that the Resource Management Unit should ensure that cash is kept at the approved limit.	Management explained that the Mission usually keeps cash at the approved limit and whenever possible avoids cash payments, but the high cash balances were due to extraordinary circumstances where cash flows had to increase and have been brought to standard levels in the subsequent accounting period.	S/33/3 - The office ensures that payments are made whenever possible via the bank and not in cash, as per the requirements of the FMRP and TSY Alert 3.	December 2023
2022 COMPLIANCE AUDIT Pristina 22-CO-KS10-04	We recommended that the Chief of Mission should ensure the update of the gaps in the PRISM Inventory fields and complete all required fields during subsequent entries.	Management explained that the Mission will ensure the update of the gaps in the PRISM Inventory fields and the completion of all required fields and do the labelling with the next asset stocktake planned for December 2022.	S/33/3 - Ongoing steps are being taken to ensure all fields are completed and assets tagged.	December 2023
2022 COMPLIANCE AUDIT Kuala Lumpur 22-CO-MY10-02	We recommended that the CoM should ensure that the Asset Management Team obtain the necessary information, including the serial and inventory numbers, and ensure that these are updated in the PRISM Asset module. We also recommended that the CoM should ensure that all assets earmarked for retirement are coordinated with CAS for the necessary approval prior to their disposal.	The CoM indicated that the serial numbers of 243 assets and proposed action on the 317 assets would be updated in the system by the Procurement staff, and efforts would be taken to identify all the retired assets for disposal. The CoM also stated that the addition of new personnel to the resource management team would give focus and improve IOM asset monitoring and tracking.	This has been completed. All assets now have their serial numbers. Mission recently completed the annual asset physical count thru MAIA and all findings related to assets were addressed and asset lists were carefully reviewed noting previous external audit findings.	December 2023 Closed
2022 COMPLIANCE AUDIT Kuala Lumpur 22-CO-MY10-03	We recommended that the CoM should establish an effective system for monitoring progress of projects, identify limitations and anticipate delays so that appropriate measures could be taken. We also recommended that the CoM should ensure that the RMO engages with PM to update the financial information on budget for projects to facilitate effective monitoring.	The CoM agreed with the recommendation and stated that a new comprehensive system or monitoring and reporting has been implemented in September 2022 and that the report will be updated on a regular basis and submitted to the PMs with important highlights on the burn rate. Regarding timely uploading of budget in the system, the CoM indicated that once new project is activated in PRIMA, the PM would follow-up with Manila Budget Support (MBS) to ensure timely uploading of budget in PRISM.	Regular financial report is submitted to the COM and shared with the PMs which highlighted the major findings and recommendations. Meetings with PMs and Finance team are also being done to discuss the project burn rate and actions to be taken to address low burn rate or shortfall on the budget. Another project monitoring training will be scheduled in March 2024 to train new PM and as a refresher training to other relevant colleagues. Mission has also hired a P2 Programme Support Officer which, when arriving in late April will be able to support with further monitoring, training and review of the project cycle.	December 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2021 COMPLIANCE AUDIT S Salvador 21-CO-SV10-01	We recommended that the Office should ensure timely recovery of the advances from the affected staff in compliance with the HR operation procedures.	Management indicated that the remaining balances approximately 85% correspond to operational advances, which were approved under exceptional circumstances due to the nature of some Programs. Management stated that it is committed to analyse the situation of every program to find a solution to meet operational needs of the Programs without granting advances to staff vendors. Management added that it had acted on open outstanding items on staff vendor's accounts in 2021 for which recovery of funds is performed every month and several communications with the accounting unit and staff to continue with the deductions as agreed.	Recommendation is fully implemented.	December 2023 Closed
2021 COMPLIANCE AUDIT N'djamena 21-CO-TD10-05	We recommended to Management to introduce control mechanisms that ensures that advances to employees are retired within five days after the end of the activity in respect of which the amounts were advanced.	Management took note of the recommendation and stated that the advances are being closely monitored. Management indicated that the context in which IOM Chad operates creates some challenges in the monitoring of staff advances. It added that there are no financial institutions in the north of the country, hence the need for the Office to operate with operational advances in those areas.	S/33/3 - With the support of the national refugee/returnee agency (CNARR), IOM Chad has identified new providers of accommodation and catering services in the south and east of Chad. Five long-term agreements have been concluded and submitted to the Manila Supply Chain Unit for approval. The search continues for other providers.	May 2023 Closed
2018 PERFORMANCE AUDIT Geneva 18-PE-CH10-04	To improve upon its procurement options, we recommended that Management should review the Procurement Manual to align with United Nations standard procurement policy structure and ensure compliance in all offices. Again, mandatory institutional Procurement training should be conducted for all procurement and non-procurement staff to ensure that human errors are minimized.	Management accepted the finding and indicated that the revision of the Procurement Manual and compliance with the manual will be monitored by strengthened oversight. Mandatory procurement training will be prioritized as part of the implementation of the revised manual through a change management strategy.	The Procurement Manual has been completed and submitted to the ExComm for DG's final approval. Once it is approved, it will be circulated to a wider audience. The PM has undergone several rounds of validation and iterations through workshops with field practitioners, Regional Office representatives and respective HQ departments.	September 2023 Closed

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/34/CRP/1	Management response	Subsequent action taken (as of March 2024)	Completed in
2016 CERTIFICATION AUDIT Geneva 16-CT-CH10-11	We recommended that Management should review IN/1 to strengthen policies and procedural coordination within the Organization. Management could also consider the establishment of a Policy Coordinating Unit to have close collaboration with technical members of departments to ensure that policy, normative and operational management are coordinated and aligned with IOM's mission and objectives.	Management concurred that it is essential to maintain an up to date, well organized, coordinated and complete series of policies, and that this is an important part of any well-managed and transparent organization. It indicated its commitment to explore specific approaches to improving the current regime, including reviewing the IN/1 and any structural solutions to help improve in this area.	Follow-up discussion in autumn 2023 concluded that the IN/1 Rev.1 should be issued after the new HQ structure is finalized in Q1, 2024, adjusting the contents accordingly. Coordination of the final draft IN/1 Rev.1 with SMT and Leadership Team is expected to be completed by Q2, 2024. Policy Coordination Unit was under the Department of Policy and Research until January 2024 and is placed under the Department of Data, Insight and Policy Coordination from February 2024.	December 2023 Closed