STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-fifth Session

REPORT ON THE WORK OF THE

OFFICE OF INTERNAL OVERSIGHT

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Introduction

1.   The Office of Internal Oversight (previously the Office of the Inspector General) submits an annual report to the Standing Committee on Programmes and Finance. The present report provides an overview of the Office's activities in its three core functional areas of oversight (internal audit, investigation and central evaluation)[1] for the period from 1 September 2023 to 31 August 2024.

Mandate and strategies of the Office

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

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

4.   The Office, comprising the Directorate and three Divisions covering its core functional areas, carries out the planning, execution and reporting of its work independent of management interference. For internal audit, it broadly adheres to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Its investigation practices abide by the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators and with due regard to the jurisprudence of the International Labour Organization Administrative Tribunal. Lastly, the central evaluation function performs global and thematic evaluations in accordance with the Norms and the Standards for Evaluation, a series of guiding principles established by the United Nations Evaluation Group to regulate the conduct of evaluations.

Office structure and resources

5.   During the reporting period, the Office formulated and received approval for a major restructuring plan to strengthen and decentralize its internal oversight functions. This is being executed in a phased approach; the first phase is currently under way through the establishment of delocalized independent offices within the Regional Offices in Bangkok, Nairobi, Panama City and Vienna. This will bring audit and investigation services closer to the Organization's staff, beneficiaries and implementing partners and allow for greater geographic accessibility to IOM's field presence.

6.   The strengthening of IOM's oversight functions received approval for additional human resources both at Headquarters and in the aforementioned Regional Offices. At the time of the writing of this report, the Office had 54 positions, as follows: Directorate – one Director, one Deputy Director and two other positions; Internal Audit Division – 17 positions; Investigations Division – 29 positions; and Central Evaluation Division – 4 positions. Of the 54 positions, 18 were vacant.

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[1]   During the reporting period, the Central Evaluation Division was upgraded from a unit and transferred to the Office of Internal Oversight from former Department of Strategic Planning and Organizational Performance.

7.   The Office engaged consultants throughout the year to augment capacity, as required.

Table 1. Approved staffing levels

	2022	**2023**	**2024**
Director Other Directorate staff	1 2	1 2	1 3
Internal Audit Division	12	12	17
Investigations[2] Division	15	20	29
Central Evaluation Division	4	4	4
Total	**34**	**39**	**54**

Summary of activities during the reporting period

8.   Table 2 is a snapshot of activities carried out by the Office from 1 September 2023 to 31 August 2024.

Table 2. Breakdown of activities

Internal audits, including project audits	**Investigations: cases closed**	**Evaluations**
59	1 915	6 central evaluations 44 decentralized evaluations

9.   More detailed information on the work of each division is contained in the substantive sections that follow.

Investigations Division

10.   The Office's Investigations Division is responsible for conducting independent administrative investigations of allegations of misconduct related to fraud, corruption, harassment, abuse of authority, sexual harassment, sexual exploitation and abuse and other failures to comply with IOM regulations and rules. It also investigates allegations of retaliation referred by the Office of Ethics and Prevention of Sexual Exploitation and Abuse and Sexual Harassment.

Caseload and trends

11.   A total of 2,803 allegations was received during the reporting period, as compared with 1,931 in the previous cycle, an increase of 45 per cent. The number of allegations, which have been increasing in recent years, posed significant challenges in all phases of the investigative workflow. At the end of the reporting period, 1,306 allegations remained under preliminary assessment, of which 343 were received prior to 2024. In line with the Office's benchmarks, preliminary assessment is prioritized for allegations of sexual misconduct. The below table shows the trends in overall caseload of the Investigations Division and provides the current balances of open cases in the various stages of the workflow.

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2   At the time of drafting of this report, three positions were funded by funding from MIRAC (Migration Resource Allocation Committee) funding.

Table 3. Caseload

Caseload	2022/2023	2023/2024
Cases carried over	236	617
Number of cases received during the reporting period	1 931	2 803
Total number of allegations	**2 167**	**3 420**
Number of allegations reviewed and closed by 31 August 2024	1 550	1 915
Balance of open cases as at 31 August 2024	**617**	**1 505**
Cases under preliminary assessment	502	1 306
Cases under investigation	98	159
Cases under proxy investigation	17	40

12.   During the reporting period, a total of 50 cases were referred to the Office of Legal Affairs for possible disciplinary action, 25 after a full investigation and 25 as a direct referral. Three cases were referred after investigation to other concerned offices within IOM for appropriate management action, and 31 cases were closed as unsubstantiated after investigation. A summary table of output after preliminary assessment and investigation is presented below:

Table 4. Outcomes of cases closed during reporting period

Action taken	2022/2023	2023/2024
After preliminary assessment		
Closed – investigation by the Office not warranted	1 134	1 700
Referred to other offices	254	116
Directly referred to LEGGL	38	25
Referred to third party for proxy investigation	25	15
Total cases closed after preliminary assessment	**1 451**	**1 856**
After investigation		
Closed and submitted to LEGGL with investigation report	54	25
Closed and referred to other offices	1	3
Closed (not substantiated)	44	31
Total cases closed after investigation	**99**	**59**
Total cases closed during the reporting period	**1 550**	**1 915**

LEGGL: Office of Legal Affairs, General and Administrative Law Division

Note: Case numbers in the above which diverge from previous years are due to updates in the case management system.

13.   During the reporting period, 218 investigations were undertaken, including those newly initiated during this cycle and 98 carried forward from 1 September 2023. The following charts show the regional distribution of allegations received and investigations initiated during the reporting period.

Figure 1. Regional distribution of allegations received during the reporting period
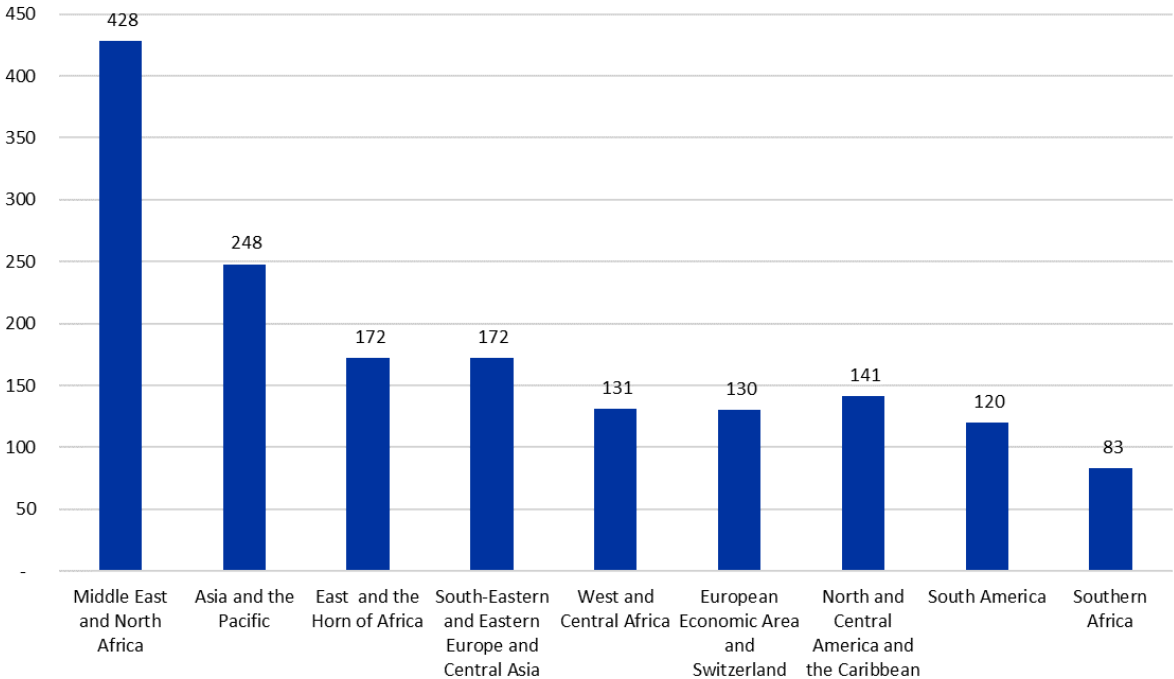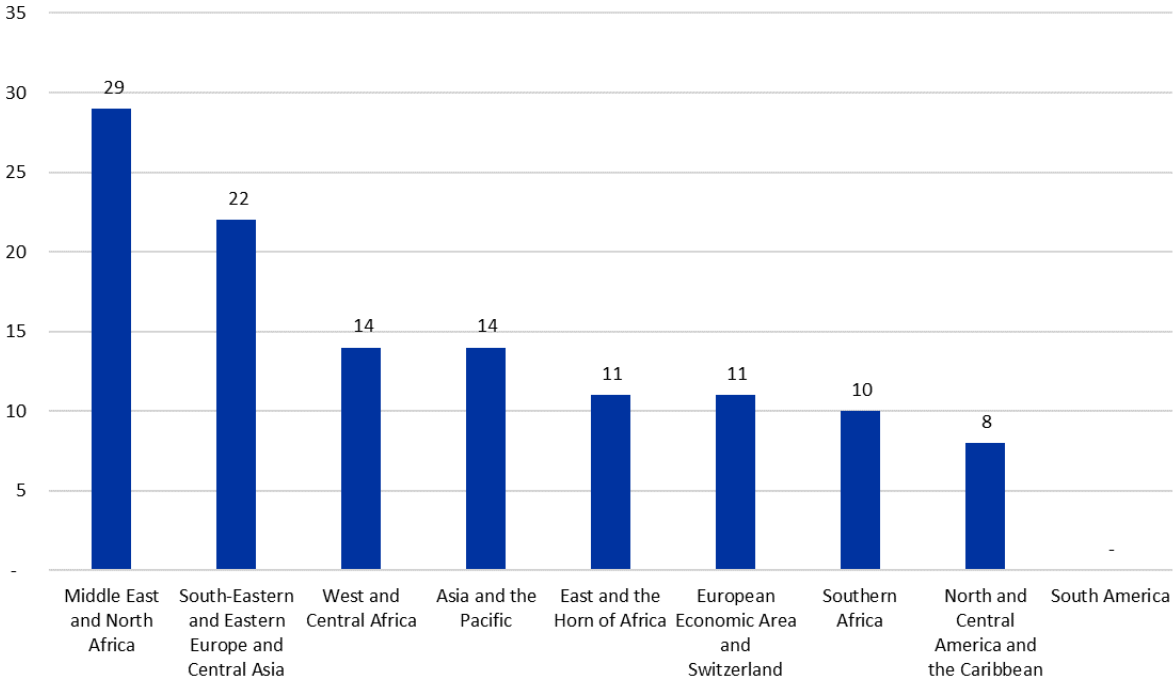

Figure 2. Regional distribution of investigations initiated during the reporting period

14.   At the end of the reporting period, a total of 59 investigations had been finalized and 159 investigations were still ongoing. Most of the pending investigations were opened in 2023 and 2024, and only 16 cases (10%) were carried over from prior years, reflecting a relatively low number of ageing cases. The average duration of an investigation remains under one year.

15. The majority of allegations under investigation concerned fraud and corruption in offices away from Headquarters, which reflects the decentralized operational reality of IOM with its activities in high-risk environments. In addition to its reactive role, the Office is committed to improving the culture of managerial oversight, having issued 119 referrals which included feedback and specific guidance to management on how to strengthen controls and take preventive and mitigating measures.

Table 5. Trends in cases received by allegation type during the reporting period

Case type	2021/2022	2022/2023	2023/2024
Fraud and financial irregularities	234	368	447
Policy for a respectful working environment	200	302	395
Other misconduct	162	269	343
Sexual misconduct	82	119	128
Human resources	53	78	113
Conflict of interest	49	77	78
Procurement	44	48	74
Crime, assault and threat	27	30	37
Privileges and immunities and local laws	12	14	10
Total	863	1 305	1 625

Note: An additional 1,178 cases were declared void or were related to matters not within the Office's mandate.

16. With regard to implementing partners, vendors and third-party contractors, the Office finalized the review of 14 investigations conducted into such entities and, for the first time, started select investigations into allegations against personnel of this category in order to strengthen oversight and fill in capacity gaps. Further, the Office coordinated closely on prevention and contractual actions with country offices and others involved in the supply chain. At the end of the reporting period, there were 40 pending investigations related to staff from implementing partners, vendors or third-party contractors.

Policy and advisory services

17. In an effort to enhance its visibility and build its capacity to provide timely and appropriate feedback, the Office strengthened its communication practices for reports and recommendations, expanding circulation to relevant departments and offices.

18. The Investigations Division has supported the Organization in addressing particularly urgent situations that are crucial to its strategic operations and key relationships with donors. For example, during the reporting period, significant resources were dedicated to investigating allegations related to the IOM Office in Ukraine, and the Office contributed its expertise to the Organization's coordinated response.

19. The Division implemented its internal standard operating procedures for investigations into allegations of sexual exploitation and abuse. These procedures use a victim-centred approach; provide guidance to investigators; set clear expectations regarding the implementation of principles defined in inter-agency initiatives with the United Nations, including on implementation of the IOM guidelines on reporting of sexual exploitation and abuse to the highest United Nations official in country, and victim

assistance; and set a target completion time of six months for investigations into allegations of sexual exploitation and abuse.

20.   Staff from the Division also continued to participate in United Nations system activities and initiatives, as well as in IOM working groups and conferences. The Division is a member of the United Nations Representatives of Investigation Services and the Inter-Agency Digital Investigations Working Group, and representatives of the Office attended the Third Meeting of Investigatory Bodies on Protection from Sexual Exploitation, Abuse and Sexual Harassment, jointly organized by the Inter-Agency Standing Committee and the United Nations Executive Group to Prevent and Respond to Sexual Harassment. It is also represented on IOM's Headquarters Task Force on the Prevention of Sexual Exploitation and Abuse and in the IOM Integrity Group. The Division's staff actively contributed to IOM's reform efforts in the area of accountability and justice, for example by providing input on the revision of the IOM legal framework on the reporting of misconduct, investigations and the disciplinary process, and working with the Office of Legal Affairs, the Department of Human Resources and the Prevention of Sexual Exploitation and Abuse and Sexual Harassment Unit to review the internal instruction on the preventing and responding to sexual exploitation and abuse.

21.   Lastly, the improved We Are All In platform, IOM's central tool for the confidential reporting of allegations, has been launched; the platform now contains revised content and is available in multiple languages to render it more accessible.

Internal Audit Division

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

23.   In keeping with established practices, the Division performed frequent reviews of its annual workplan, making adjustments as needed, to address emerging risks. It also improved audit protocols and enhanced the executive summary section of audit reports to streamline reporting of audit results to senior management and audit stakeholders. In the future, as part of its quality assessment programme, the Division will focus on recurrent issues and their underlying root causes to bring these issues to the attention of senior management and key stakeholders.

24.   The Division maintains its close communication with representatives of the internal audit services of other United Nations agencies and related organizations and actively and regularly participates in working groups established to develop audit strategies and frameworks within the United Nations system. As part of the 2024 conference of United Nations representatives of internal audit services, the Internal Audit Division continued to chair a working group for the review of strategic risks, governance and performance, which focused on risk management, including cybersecurity risks; the environmental impact of projects; governance; and accountability. During the reporting period, the Division concluded a joint advisory assessment of the United Nations business operations strategy, led by the United Nations Office of Internal Oversight Services and an advisory assessment of IOM's cash-based interventions, in close collaboration with the Cash-based Interventions Unit.

25.   The Internal Audit Division continued to engage in an advisory capacity with internal working groups established for ongoing governance-related initiatives, for example with regard to third-party contractors. The Division also continued to engage with the regional offices, notably by participating in regional retreats where it delivered presentations on internal audit-related cross-cutting areas of interest, linked to governance, risk and control environment assessments.

26.   The Division's staff continued to enhance their professional skills by following certification and other relevant courses issued by the Institute of Internal Auditors and other providers.

27.   During the reporting period, the Office performed 12 assurance engagements, which included the review of 43 projects and 4 advisory assessments (see Table 6 below).

Table 6. Breakdown of audits performed

Region	Country office audits	Regional office audits	Systems, process and functions audits	Advisory audits	Project audits*	Total
Asia and the Pacific	4	-	-	-	14	**18**
East and Horn of Africa	4	-	-	-	14	**18**
Central and West Africa	1	-	-	-	7	**8**
Central and North America and the Caribbean	1	-	-	-	2	**3**
South-Eastern Europe, Eastern Europe and Central Asia	1	-	-	-	2	**3**
European Economic Area	1	-	-	-	4	**5**
Headquarters	-	-	-	4	-	**4**
Total	**12**	**-**	**-**	**4**	**43**	**59**

Project audits presented were reviewed during country office audits.

28.   Although IOM management is responsible for implementing recommendations, the Internal Audit Division continued to increase efforts to proactively monitor and follow up on outstanding recommendations. The engagement of auditees has been strong, and work with management on the implementation of recommendations is ongoing.

29.   Along with the automatic messaging sent by the audit management software, an extra layer of follow-up has been added to the monthly monitoring of the ageing of audit recommendations. As such, the Division has seen increased interaction with and dedication from stakeholders to provide regular updates on the implementation of recommendations. The Office will continue to fine-tune established protocols to further improve follow-up of recommendations, keeping IOM's senior management and stakeholders up to date.

30.   Table 7 provides a breakdown of the ageing of internal audit recommendations by level of risk.

Table 7. Aging of open recommendations by level of risk

Aging/risk	Very High	High	Medium	Total
Not yet due (for follow-up)	6	18	23	47
Due (for follow-up)	26	106	119	251
Total	**32**	**124**	**142**	**298**

31.   All 298 audit recommendations reported in this period are considered "current", with no long-outstanding recommendations (i.e. pending for more than 12 months after the established due date). Implementation of the recommendations is being closely monitored with their respective owners.

32.   Regular updates on the status and context of all recommendations are periodically circulated to the regional offices and relevant members of senior management.

33.   A recurrent finding is defined as one that is substantially similar in nature to another identified in consecutive audits or during any other audit within the reporting period. Recurrent findings require significant management attention as they are considered to present a high to very high risk. Although the recurrent findings and key areas for improvement identified during the reporting period were consistent with previous years, it is anticipated that the Organization's ongoing governance initiatives will gradually address gaps.

34.   The main recurrent audit findings are presented below:

(a)   **Supply chain management.** This area covers a range of activities from planning to evaluation of suppliers. The main issues identified are: weak management of the supply chain process; lack of planning and procurement plans; lack of or inadequate controls in the use of the Organization's fleet/fuel monitoring; weak controls in asset and warehouse management; and control gaps in the vendor management process.

(b)   **Finance to manage.** This area includes processes relevant to accounting, financial reporting, and treasury operations. The systemic issues identified relate to: a lack of comprehensive administration and monitoring of financial processes; inadequate reviews prior to posting of financial transactions; validity of disbursements, expenditures, and cheque management; gaps in banking and cash management processes; disallowable costs; and inappropriate maintenance of staff and non-staff vendor accounts.

(c)   **Hire to retire.** This area covers the human resources management process. The recurrent issues identified are: gaps in the administration of contracts for consultants and non-staff personnel; weaknesses in human resources administration processes; delays in recruitment; weak controls in payroll management and the application of staff entitlements; poor staff leave management; and non-compliance by staff with the Organization's mandatory training requirements.

(d)   **Plan to report.** This area covers the full project life cycle. Commonly identified weaknesses include: insufficiencies in donor reporting; weak project monitoring; gaps in project management; inadequate control processes, including poor budget monitoring and financial record-keeping; and systemic delays in project activation.

(e)   **Risk management.** The aim of this area is to mitigate all risks associated with the Organization's operations. Recurrent observations refer to: outdated and/or missing risk management plans; inadequate awareness of the proper channels to report fraud and other instances of wrongdoing; and deficient and/or untested business continuity plans.

(f)   **Fundraising to agreement.** This is the overall process of forecasting the funding needs of the office through donor agreements and other sources. The main systemic issue is the overarching dependency on the availability of donor funding for programme delivery which, when not met, may compromise the office's sustainability.

(g)   Other recurrent issues include gaps in the organizational structure of field offices; the absence of dedicated focal points on the prevention of sexual exploitation and abuse and sexual harassment; poor management and/or lack of oversight over implementing partners;

weakness in cybersecurity; outdated and incompatible delegation of authority and segregation of duties; and weaknesses in the implementation policies related to cash-based interventions.

35.   The Division continued to publish executive summaries of its internal audit reports after their release, together with the management response. To date, all executive summaries of reports issued between 2017 to 2023 have been made publicly available on the internal audit web page.

Central Evaluation Division

36.   In February 2024, as a result of the organizational restructure and on the recommendation of the Director General, the Central Evaluation Unit was upgraded to division level and transferred from the then Department of Strategic Planning and Organizational Performance to the newly created Office of Internal Oversight. This transition strengthened the Division's independence and reinforced its mandate without disrupting implementation of previous and ongoing initiatives.

37.   During the reporting period, the Central Evaluation Division:

- Published the IOM Evaluation Strategy 2024–2028 in January 2024, which responds to key recommendations from the 2023 assessment by the Multilateral Organization Performance Assessment Network (MOPAN) and 2022 review by the UK Foreign, Commonwealth and Development Office. The Strategy aligns with the IOM Strategic Plan 2024–2028 and updated Strategic Results Framework.[3] The Division will collaborate with various IOM entities to implement the Strategy, with a mid-term review planned to assess its relevance and effectiveness.

- Developed a web-based, interactive version of the Monitoring and Evaluation Guidelines to improve accessibility and user interaction for internal and external stakeholders, and enhanced the evaluation module and dashboard in IOM's Project Information and Management Application system (PRIMA)[4] to improve tracking of evaluations.

- Published the Manual on Real-Time Learning and Performance Monitoring Review to address the growing demand for real-time, evidence-based insights to support decision-making, accountability and learning across IOM's work.

- Published six central evaluations (available in the IOM Evaluation Repository) on the following topics: IOM's contribution to the Migration Dialogue in Southern Africa (MIDSA); operationalization of United Nations regional and country networks on migration; results-based management; the IOM Regional Strategy for East and Horn of Africa 2020–2024; xenophobia, discrimination and social cohesion; and mental health and psychosocial support.

- Co-managed and co-financed a number of Inter-Agency Humanitarian Evaluations Steering Group initiatives, including evaluations of responses to humanitarian emergencies in northern Ethiopia, Afghanistan, and Türkiye and the Syrian Arab Republic, as well as of the humanitarian response to the COVID-19 pandemic. IOM provided USD 228,000 to support these initiatives. Additional support of USD 200,000 has been set aside in 2024 for similar evaluations of responses to humanitarian crises in Somalia and the Democratic Republic of the Congo.

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[3]   The Strategic Results Framework has been updated to accompany the implementation of the IOM Strategic Plan 2024–2028. It provides a concrete roadmap for the implementation of IOM's strategic objectives and breaks down what IOM aims to achieve, and how this can be accomplished.

- Supported the organization of decentralized evaluations by providing strategic guidance and technical support on the setting of norms and standards. Evaluations were planned and monitored via PRIMA. In total, 44 decentralized evaluations were published, including 28 final evaluations, 13 ex-post evaluations, 2 mid-term evaluations and 1 real-time evaluation.

38.   The Central Evaluation Division will continue to produce an annual stand-alone report on its work. It will also continue to actively engage with donors, governments, and United Nations partners to promote IOM's evaluation work and ensure that IOM evaluations continue to serve as credible references for evidence-based analysis and decision-making. The Division will continue its close collaboration with IOM's Regional Planning, Monitoring and Evaluation Officers, the Strategic Planning and Results Division and other relevant stakeholders across the Organization in line with the IOM Evaluation Policy and defined roles. An updated evaluation policy, which has been closely coordinated with the regional offices, is currently under review for final approval.