

**CONFERENCE ROOM PAPER**

**STANDING COMMITTEE ON PROGRAMMES AND FINANCE**

**Thirty-second Session**

**REPORT OF THE EXTERNAL AUDITOR TO  
THE 114<sup>TH</sup> SESSION OF THE COUNCIL OF THE  
INTERNATIONAL ORGANIZATION FOR MIGRATION  
FOR THE FINANCIAL YEAR 2022**

**Office of the Auditor-General of Ghana**

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



## EXECUTIVE SUMMARY

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 2022 financial year.

During the year under review, we carried out compliance audits of IOM Country offices in Algeria, Argentina, Australia, Burkina Faso, Guatemala, Guinea, Honduras, Kosovo, Malaysia, Micronesia and Spain. We also reviewed some operations at Headquarters and the Manila Administrative Centre and carried out Performance Audit on IOM Field Payroll Operations and validated the Financial Statements of IOM for the financial year ended 31 December 2022.

### Overall Audit Opinion on the Financial Statements

In our opinion, the Financial Statements present fairly, in all material aspects, the financial position of the IOM's operations as at 31 December 2022. I have placed an unqualified audit opinion on IOM's financial statements for the financial year ended 31 December 2022.

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

### Financial matters

The overall budget for the year 2022 was USD 2,944.06 million for the Operational Part and CHF 53.59 million for the Administrative Part. During the year 2022, the total revenue was USD 2,985.72 million as against a total expenditure of USD 2,922.82 million, leaving a surplus of USD 62.90 million. After considering exchange loss of USD 42.34 million and Administrative programme revaluation adjustment (deficit) of USD 2.15 million, the net surplus amounted to USD 17.42 million. The current assets receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2022 stood at USD 5.53 million and USD 250.11 million respectively. The key financial indicators of IOM for the year ended 31 December, 2021 were as follows:

- a. IOM recorded a surplus (before exchange rate difference) of USD 62.90 million during the year 2022, compared to a surplus of USD 8.15 million registered in 2021, an increase of USD 54.75 million or 672 per cent.
- b. IOM revenue showed an increasing trend during the last five years from 2018 to 2022.
- c. Though due to increase in activities, most of the components of expenditure registered an increase in 2022 over the 2021 figures, the expenditure continued to remain within budget and revenue during 2022.

## HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

### Construction of Headquarters Building

We noted the absence of a Project manual to outline the required coordination in respect of construction change management framework, specifications, delegation of procurement authority, solicitation and procurement process and funding mechanism to ensure adherence to IOM policies and Host State local building regulations as well as serve as a reference guide for evaluation of the overall construction project. **We recommended that Management should consider 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.**

### **Review of the Internal Governance Framework initiative**

Considering the enormous achievement or completion of work items under the Internal Governance Framework (IGF), we are of the view that there should have been clear documentation to commence review of IOM field offices (regional and country offices) and functional roles of Resource Management Officers (RMOs) to ensure effective coordination and alignment with the ongoing reform initiatives. **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.**

### **Business Transformation**

We reviewed the progress made under the Business Transformation (BT) and noted the need for the Organization to have greater focus on business readiness for system design and approval for configurations, accountability of the heads of business units, determination of achievable plans with timelines and the need to have sufficient contingency for risk mitigation during the transition and rollout phases. **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.**

### **Need to review the OIG architecture**

We observed that the continuous maintenance of the existing OIG architecture in the wake of IOM's transformation initiatives could negatively affect its ability to effectively perform the desired oversight and advisory functions. Besides, considering the investment being made under the IGF initiative to improve the internal control framework, there would be a need for OIG to continue to provide more enhanced independent assurance on value for money audits on key business operations or thematic functions including support services and programmatic activities in a proactive manner. **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.**

### **Need to automate Treasury Business Processes**

Our review of the 2022 FMR showed that cash and bank balances totalling USD 172.3 million were held by offices as compared to USD 167.9 million in 2021. We also observed that cash equivalents held (by currency), with maturity dates within 12 months of the reporting date and long-term investments (by currency) with maturity dates of more than 12 months totalled USD 1,356 million. **We recommended that as a priority, DRM should bring efficiency in the Organization's treasury management process by considering:**

- a. **The adoption of a mechanism independent or in collaboration with IOM bankers, to produce automated bank reconciliation with major bank accounts;**
- b. **establish effective governance on treasury management and update the treasury policy to reflect financial conditions or circumstances;**
- c. **facilitate the gathering of financial data across the Organization on past expenditure patterns and determine current and future needs;**
- d. **enhance cash equivalents and investment performance reporting in the quarterly FMR to aid transparency and decision making; and**
- e. **adopt a secured automated interoperability with various Treasury trading platforms through the deployment of an appropriate treasury and payment software.**

#### **Non-compliance with global cybersecurity standard**

Our review of IOM offices compliance with the global cybersecurity levels showed that most of the offices are at the basic level despite the Organization's proactive and efficient ICT transition under the IGF initiative and implementation of the ICT Strategy. **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.**

#### **Unallocated deposit**

Our review of the customer downpayment disclosed that a total amount of USD 39,920,006 shown as deposit in the accounts payable, out of which an amount of USD 1,199,677 had gone beyond 366 days due to the absence of justified documents. **We recommended that FAD should develop appropriate reporting tools/mechanisms to identify unallocated deposits and identify such payment when it is received.**

#### **Review of suspense account**

Contrary to the stipulation of the FMRP of IOM that under no circumstances can suspense account remain with a balance at the year end of the Organization, our review of the suspense account as at year end showed General Ledgers balances totalling US\$108,449.83 on Salary Control, HQ Mission and One Time Customer accounts. **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.**

#### **Accounts Receivable on Operational Programmes**

Our review of accounts receivable for operational programmes as of September 2022 (net of adjustment) showed an increase of USD 66,216,937 (29 per cent) over the 2021 figure to USD 293,843,756. Out of the amount, USD 121,260,452 was invoiced, of which USD 85,549,297 was due within 30 days and the balance of USD 35,711,155 due in more than 31 days. We observed that USD 78,684,097 was received from the USD 121,260,452 in October 2022, leaving USD 42,576,355 yet to be received. We also noted that USD 172,583,304, representing 80 percent of Net Receivables remained uninvoiced receivables for services completed, thereby exposing IOM to liquidity and cost recovery risks in terms of project activities. **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.**

### **PERFORMANCE AUDIT OF IOM FIELD PAYROLL OPERATIONS**

The purpose of the audit was to give assurance to management of IOM on whether the existing field payroll operations were delivering emoluments in right amounts and on time to legitimate local staff using minimum resources and that there are sufficient controls to ensure the efficiency, effectiveness, and integrity of the field payroll system.

We examined the efficiency of the field payroll operations at selected Country Offices and reviewed IOM's policy, instructions, guidance, SOPs, controls, roles and responsibilities of key players and stakeholders, host countries' payroll requirements, Country Office payment structure or formulae, and existing payroll models operated at the selected Country Offices and made the following observations:

In terms of institutional governance over the field payroll system, we expected management, in line with IOM's organizational structure to develop policies to govern the implementation of the field payroll system based on an outcome of risk assessment/study and also establish a centralised quality

assurance, monitoring and evaluation functionalities to regularly assess the policies and the performance of the field payroll operations at the Country Offices.

We noted that Management of IOM had policies (Standard Operating Procedures, controls, and instructions) in place to guide the field payroll operations. **However, there was no assurance that the policies were developed based on the outcome of an assessment. Also, there was no quality assurance as well as monitoring and evaluation functionalities at Headquarters to monitor and evaluate the performance of the local payroll system at the Country Offices.**

**In our opinion, there were lapses in IOM's institutional oversight of the field payroll operations, therefore there was no assurance that the policies in place were adequate to ensure an effective and efficient field payroll delivery system.**

In relation to the efficiency of the decentralised payroll model, we expected the Country Offices to use minimum resources for the field payroll operations. **We noted that the Country Offices employed extra resources (in terms of time, labour, and software) at a significant cost to IOM which rendered the field payroll operations cost inefficient.** To enhance the efficiency of the decentralised payroll system, the existing PRISM payroll model needs to be fully automated by re-configuration to process all country-specific payroll requirements. **Our enquiries indicated that re-configuring PRISM would cost IOM about USD 75,000 per Country Office and about USD 11.6 million globally.**

### **Conclusion**

From the foregoing, we concluded that:

- IOM's decision to migrate payroll from SAGIGAP to ERP (PRISM) to perform decentralised field payroll operations was not based on an assessment or feasibility study.
- IOM Country Offices utilised extra resources (in terms of time, labour, and software) for the field payroll operations at significant cost to IOM which render the field payroll operations inefficient.

### **Recommendations**

Based on our conclusions, we made the following recommendations:

- 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.

## **AUDIT OF COUNTRY OFFICES**

### **Need to keep data backup tapes off-premises**

We observed that contrary to IOM's ICT Standards and Guidelines which require Missions to store data at a safe location off-premises, the Algeria Office kept its tape-storage for data retention in a cabinet at the IT Server room and a copy in the Resource Mobilization Officer's office within the IOM premises. **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 also ensure that backup tapes are labelled for easy retrieval.**

#### **Outstanding staff vendor account – US\$22,569.22**

Our review of the Algeria Office staff vendor accounts in SAP PRISM revealed that out of the total amount of US\$22,569.22 owed by staff, seven accounts totalling US\$22,569.22 has been outstanding for periods more than 120 days. **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.**

#### **Input VAT unrecovered – US\$59,367**

Our review of the SAP PRISM showed that as at October 20 2022, the Algeria Country Office had not recovered from the tax authorities, input VAT amounting to US\$59,367 which had been outstanding for over 120 days. **We recommended that Management should follow up with the Tax Authorities for a refund of the amount.**

#### **Delayed reports on close projects**

We reviewed closed projects at the Algeria Office and noted that even though seven projects were completed between January 2020 and October 2022, the Office had not submitted three final reports to the respective donors more than five to 12 months after the completion of the projects. **We recommended that the CoM should put in place risk management measures to ensure timely reporting to donors in future.**

#### **Sustainability of staff**

Our analysis of project records showed that the Algeria and Guinea Offices does not currently have enough projects to guarantee the paychecks of their staff and if nothing is done to increase the number of projects in 2023 and beyond, the appointment of trained and experienced staff may have to be terminated and the Offices may not be able to effectively reach out to the increasing migrants who need support. **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.**

#### **Risk management**

Our assessment of activities and processes showed that though the Algeria Office had taken action to mitigate control risks as part of the project management process, there was no record of risk analysis with related risk matrix as a management tool to manage the risks of the Mission effectively. **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.**

#### **Updating of MoU with host country**

We noted that though the host country in an MoU signed in October 2002 granted privileges and immunities to IOM Algeria, the Country Office could not implement Project RR.0192 in the southern part of the country due to security measures by the host Government resulting in the need to redirect the activities to other parts of the country. **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.**

#### **Uncleared down payment**

Our review showed that vendor down payment of USD 12,492.06 made in favour of eHealth Africa (Vendor No. 14400168) in 2016 remained an uncleared advance beyond 121 days in the Guinea Office. **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.**

#### **Unclaimed donor refunds**

We noted at the Guinea Office that a total amount of USD 5,343.00 had remained outstanding beyond 121 days as refund to customer (Swiss Agency) since 2014 without adequate information to secure the refund to the donor. **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.**

#### **Need to develop an action plan to refresh ICT infrastructure**

Our review of the Guinea Office's Compliance Control Self-Assessment Tool indicated that the continued use of obsolete technology was ineffective in ensuring optimization of ICT resources. We also noted that most of the essential hardware of the ICT infrastructure were procured in 2016, as a result refreshing the existing applications with new releases and patches would render them incompatible with the obsolete infrastructure. **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.**

#### **Need to ensure update of risk register**

We observed that although the Guinea Office prepared a risk register and management response plan in 2018 to achieve its strategic objectives, the mitigating measures reviewed in 2018 and 2019 did not consider emerging risks such as COVID-19 pandemic and other global conflicts which could affect voluntary contribution. **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.**

#### **Outstanding ledger reconciliations**

Our review of Vendor Register at the Honduras Office revealed that 120 transactions totaling \$460,709.00 were not followed up for settlements or adjusted as at December 2022. **We recommended that efforts should be made to investigate all 120 transactions for necessary entries and updates.**

#### **Need for a formalized strategic plan for Honduras Mission**

We noted that the Honduras Office did not leverage on the Regional Strategy (2020-2024) for North America, Central America and the Caribbean to develop a plan for implementing its priorities on sustainable migration. **We recommended that the Chief of Mission should constitute a team to draft the plan for review and approval.**

#### **Prevention of budget line overrun**

Our review of expenditure against the budget of projects at the Kosovo Office showed overruns on project budget lines. **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.**

#### **Unfilled vacancies**

Our review of the organizational chart of the Kosovo Office showed 43 vacant positions including that of the Resource Management Officer out the 92 positions. We also noted that the staff responsible for Human Resource doubles as the Information Technology officer, whilst the Chief of Mission is listed in



PRISM as one of the Project Managers. **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.**

#### **Cash thresholds**

We noted from our review of cash account balances at the Kosovo Mission that the cash threshold of US\$1,000.00 was not observed by the Mission as the Office held cash of Euro 3,108.79 and Euro 2,292.01 respectively at the end of October 2021 and April 2022. **We recommended that the Resource Management Unit should ensure that cash is kept at the approved limit.**

#### **Asset and Inventory Management**

Our review of the Assets Register in PRISM at the Kosovo Office disclosed that Serial/Inventory numbers for 322 assets have not been recorded in PRISM; and 376 items do not have inventory numbers and the last inventory date for 380 items have not been updated in the PRISM. We also noted the absence of purchasing documents for 553 items and 139 assets had not been assigned to individuals. **We recommended that the Chief of Mission should ensure the update of the gaps in the PRISM Inventory fields and also complete all required fields during subsequent entries.**

#### **Lack of legal status**

We noted that the Government of Malaysia had not officially recognised the legal status of IOM in the country, despite exchange of letters in 1984 and 1986, but granted the Office an Observer status in 2020. **We recommended the Chief of Mission 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.**

#### **Incomplete records on fixed asset in PRISM**

We noted lapses such as non-provision of asset serial numbers, absence of inventory numbers and proposed action on assets and failure to identify assets for retirement due to obsolescence, among others in the PRISM Asset module at the Malaysia Office. **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.**

#### **Delays in project implementation**

We noted at the Malaysia Office that implementation of some eight projects lagged behind schedule with fund utilization ranging between seven percent and 65 percent. **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 PMs to update the financial information on budget for projects to facilitate effective monitoring.**

## INTRODUCTION

1. The 112th Session of IOM Council in November 2021, by Resolution 1396, re-appointed 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)<sup>1</sup>, two Special Liaison Offices<sup>2</sup> and 523 field locations. We carried out an interim financial audit at the Manila Administrative Center in November 2022 and a final audit at Headquarters, Geneva in April 2022.
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 respects, in compliance with the IOM's financial regulations. Coordination with the Office of Inspector General had been continual and comprehensive. Professional reliance was placed, wherever necessary, on the work of the internal audit.
4. Significant findings arising from the audits performed, after detailed discussions with the concerned managements, were conveyed through Management Letters. The more significant of these findings, appropriately aggregated, have been incorporated in this report. The Management accepted the recommendations made in the report and assured that action would be taken to address them.

## 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 2022 to 31 December 2022. Our audit of the Financial Statements for 2022 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December 2022 and its financial performance during the period 1 January 2022 to 31 December 2022.
6. Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the financial year ended 31 December 2022.

## FINANCIAL PERFORMANCE

7. The overall budget for the year 2022 was USD 2,944.06 million for the Operational Part and CHF 53.59 million for the Administrative Part. During the year 2022, the total revenue was USD 2,985.72 million and the total expenditure was USD 2,922.82 million, leaving a surplus of USD 62.90 million. After considering exchange loss of USD 42.34 million and Administrative programme revaluation adjustment (deficit) of USD 2.15 million, the net surplus amounted to USD 17.42 million. The current assets receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2022 stood at USD 5.53 million and USD 250.11 million respectively.

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

<sup>2</sup> New York, USA and Addis Ababa, Ethiopia.

### Surplus/ Deficit

8. IOM recorded an increased trend of surplus/deficit (before exchange rate difference) during the years 2017 and 2019 but the surplus decreased during the year 2020. However, the surplus/deficit (before exchange rate difference) increased in 2021 as shown in Table 1. While the surplus increased by 131 percent in 2018 as compared with 2017 and a further increase of 73 percent in 2019 compared to 2018, 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 672 percent in 2022 as compared to 2021.

9. IOM recorded deficits (after exchange rate difference) in 2018 as compared to 2017. 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 as compared to a surplus (after exchange rate difference) in 2020. In 2022, the surplus increased by 126 percent as compared to the deficit (after exchange rate difference) in 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)
2017 (restated)	68.98	7.88	77.83
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	17.42	62.90	131.56

10. In the year 2022, IOM recorded an exchange loss of USD 43.34 million, as against an exchange loss of USD 72.13 million in 2021 (restated). Consequently, in part, the accumulated surplus of USD 112.47 million in 2021 (restated) increased to USD 131.56 million (an increase of USD 19.09 million) during 2022. The exchange loss of USD 43.34 million consisted mainly by 63.57 percent of accumulated unrealized revaluation gains of USD 27.55 million, related to foreign currency monetary assets and liabilities converted into US dollars, together with realized exchange rate losses amounting to USD 70.89 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

11. The total revenue and expenditure of IOM showed a continuous increasing trend during the last six years from 2017 to 2022 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	2,985.72	2,922.82

12. Staff salaries and benefits, which comprised 30.3 percent of the expenses, increased by USD 71.94 million (8.9 percent) in 2022 as compared to 2021. Contractual services constituting 19.6 percent of the total expenses, also increased by USD 49.28 million (9.4 percent) in 2022 as compared to 2021. Furthermore, Other direct assistance to beneficiaries, which represents 19 per cent of the expenses, increased by USD 119.13 million (27.4 percent) in 2022 as compared to 2021. Summary details are shown in Table 3.

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

Component of Expenses	2022		2021 (restated)	
	Amount (in USD million)	Percent to total (%)	Amount (in USD million)	Percent to total (%)
Transportation Assistance	318.92	10.9	207.14	8.2
Medical Assistance	77.76	2.7	64.21	2.5
Other direct assistance to beneficiaries	554.70	19.0	435.57	17.2
Implementing Partner Transfers	238.27	8.2	266.81	10.5
Contractual services (including on behalf of beneficiaries)	573.20	19.6	523.92	20.7
Staff Salaries and Benefits	884.39	30.3	812.45	32.1
Travel and subsistence	85.48	2.9	48.67	1.9
Supplies and Consumables	164.96	5.6	144.32	5.7
Depreciation and amortization	19.22	0.7	23.11	0.9
Doubtful receivables	1.91	0.1	3.10	0.1
Others	4.00	0.1	2.72	0.1
<b>Total</b>	<b>2,922.82</b>	<b>100</b>	<b>2,532.04</b>	<b>100</b>

13. The operational expenses during the year 2022 resulted in a favourable budgetary provision of USD 83.67 million. The final budgetary allocation for operational programmes for 2022 was USD 2,944.06 million as compared with the actual expenditure of USD 2,860.39 million on modified accruals (budgetary) basis.

### Project Management

14. The number of financially active projects increased to 4,072 during 2022 from 3,396 in 2021. Operationally active projects at the end of the fiscal year increased from 2,656 in 2021 to 3,569 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
2017	2,925	2,277
2018	3,441	2,584
2019 (restated)	3,062	2,327
2020	3,246	2,570
2021	3,396	2,656
2022	4,072	3,569

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	2,866.19	2,927.16

15. The cash, cash equivalents and short-term investments increased from USD 1,668.55 million in 2021 to USD 1,767.30 million in 2022. The Deferred Revenue during the year 2021, showed an increase by USD 154.63 million as compared to the year 2021. This was mainly from voluntary contributions received from donors in advance of performance delivery under operational programme.

### Current Assets and Current Liabilities

16. 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)**

<b>Description</b>	<b>2022</b>	<b>2021 (restated)</b>	<b>2020 (restated)</b>	<b>2019 (restated)</b>	<b>2018 (restated)</b>	<b>2017 (restated)</b>
Current Assets (CA)	2,266.28	2,035.10	2,040.91	1,785.22	1,792.61	1,350.77
Current Liabilities (CL)	2,074.51	1,870.58	1,827.56	1,631.43	1,569.03	1,110.07
Current Ratio (CA/CL)	1.09	1.09	1.12	1.09	1.14	1.22
Cash and cash equivalents (C&CE)	607.03	663.57	655.19	886.99	922.82	644.65
Ratio of C&CE to CL (C&CE/CL)	0.29	0.35	0.36	0.54	0.59	0.58

## HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

### AUDIT ISSUES

#### **Construction of Headquarters Building**

17. Our review of activities undertaken towards the construction of the new Headquarters Building revealed the completion of a number of key milestones, notably the securing of the study loan, completion of the architectural competition and continuous coordination with other stakeholders including neighbouring tenants and the Swiss authority. We however, noted the absence of a Project manual to outline the required coordination in respect of construction change management framework, specifications, delegation of procurement authority, solicitation and procurement process and funding mechanism to ensure adherence to IOM policies and Host State local building regulations as well as serve as a reference guide for evaluation of the overall construction project.

#### **Recommendation 1**

**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.**

18. 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.

#### **Review of the Internal Governance Framework initiative**

19. Our review of the progress made under the Internal Governance Framework (IGF) work streams showed a satisfactory completion of 64 (86%) work items out of 74 planned activities, leaving 10 (14%) to be completed with Business Transformation as the major deliverable scheduled by 2024. However, considering the enormous achievement or completion of work items under the IGF, we are of the view that there should have been clear documentation to commence review of IOM field offices (regional and country offices) and functional roles of Resource Management Officers (RMOs) to ensure effective coordination and alignment with the ongoing reform initiatives.

#### **Recommendation 2**

**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.**

20. 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.

## **Business Transformation**

21. We noted that the Organization has selected the Oracle ERP as the most cost-effective solution to delivering its activities towards the achievement of the Business Transformation (BT) rollout in 2024. Considering the progress made, we reviewed the milestones status and consider the BT at its critical stage in terms of: business readiness for system design and approval for configurations; accountability of the heads of business units; realistic achievable plans and timelines; and sufficient contingency for risk mitigation during the transition and rollout phases.
22. In terms of the overall management of the transformation initiatives in the Organization, we highlighted the following and made recommendations to Management to be addressed going forward:
- a. We identified a strong focus and commitment on the delivery of the BT work activities, but less focus on the documentation of the business divisions or units' impact and realization of benefits. ***We are of the view that progress here will support the transformation initiatives and also strengthen the Organization's ability to secure benefits, reduce the risk of expensive retrofitting post-implementation, and enhance accountability for delivery.***
23. Management indicated that the Change Impact Assessment work already in progress within the BT project and would be completed by the end of June 2023. Also, this assessment will be done in close consultation with relevant administrative and operational divisions and units and will seek to analyse the impacts in terms of staffing, processes, and procedural tools for which changes would be needed.
- b. To achieve improvement of Organizational effectiveness to meet the objectives of strategic plans and promote better integration, ***we recommended realignment of roles, responsibility and accountability functions including OIG, improvement of human resources staffing levels and salary grade to reflect the respective office context and different work locations/stations and regions.***
24. Management stated that as part of the IGF and the associated budget reform process agreed with Member States in 2022, IOM is now engaged in a review of field structures and missions together with regional offices and Headquarters. However, this process would be an incremental process recognizing the staggered delivery of additional funding over the next five years.
- c. ***Embedding and sustaining the benefits that the transformations potentially offer would require effective management of complex activities and organizational change, as well as very skillful and integrated knowledge management especially in the area of post live support for the Oracle ERP system.***
25. Management explained that the BT would prepare structured documentation about the changes being implemented, the related communications and training materials. Management also indicated that it is working on staff impact assessment to ensure that the necessary staffing footprint would be available to both support and maximize the impact of the BT reforms.
- d. ***Improve internal coordination and communication across all levels of the Organization on the initiatives and progress on the transformation.***
26. Management stated that significant amount of work is undertaken in communicating with field offices on both the IGF and the BT through regular reporting, webinars, training and field visits and have also been communicating regularly with Member States through the formal governance processes (SCPF and Council). Management however, agreed that there is always scope for



improvement and would ramp-up communication and change management activities in the second half of 2023

e. ***Adopt a coherent approach in the coordination and formulation of defined policies and agreed procedures, and business rules including cross cutting themes.***

27. Management indicated that the IGF Project Charter maps out a coherent and robust approach for the development, consultation and finalization of proposed new policies under the IGF/BT and this will be carried over into IGF 2.0.

### **Recommendation 3**

**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.**

28. 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.

### **Need to review the OIG architecture**

29. OIG is a third line mechanism based on the three lines model, that has been adopted by IGF in IOM to provide independent assurance to the governing bodies and senior management concerning the effectiveness of the management of the Organization's risk and control. However, in our view, the existing architecture of the OIG (including both Internal Audit and Investigations functions) must be reviewed in terms of its functional roles, resources allocation, and provision of staff at the appropriate grade to enhance its independence and effectively perform its functions.

30. The continuous maintenance of the existing OIG architecture in the wake of IOM's transformation initiatives could negatively affect its ability to effectively perform the desired oversight and advisory functions. Besides, considering the investment being made under the IGF initiative to improve the internal control framework, there would be a need for OIG to focus its priority on functional areas such as emerging risks from the upcoming changes in the policy framework of IOM, and in the system functionalities as a result of the BT and IGF initiatives. There is also a need for OIG to continue to provide more enhanced independent assurance on value for money audits on key business operations or thematic functions including support services and programmatic activities in a proactive manner.

### **Recommendation 4**

**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.**

31. 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.

### **Need to automate Treasury Business Processes**

32. Our review of the 2022 FMR (January to September) showed that cash and bank balances totalling USD 172.3 million were held by offices as compared to USD 167.9 million in 2021 (January to September). We also observed that cash equivalents held (by currency), with maturity dates within 12 months of the reporting date and long-term investments (by currency) with maturity dates of more than 12 months totalled USD 1,356 million.

### **Recommendation 5**

**We recommended that as a priority, DRM should bring efficiency in the Organization's treasury management process by considering:**

- a. **The adoption of a mechanism independent or in collaboration with IOM bankers, to produce automated bank reconciliation with major bank accounts;**
- b. **establish effective governance on treasury management and update the treasury policy to reflect financial conditions or circumstances;**
- c. **facilitate the gathering of financial data across the Organization on past expenditure patterns and determine current and future needs;**
- d. **enhance cash equivalents and investment performance reporting in the quarterly FMR to aid transparency and decision making; and**
- e. **adopt a secured automated interoperability with various Treasury trading platforms through the deployment of an appropriate treasury and payment software.**

33. Management agreed with the recommendations and indicated that:

- 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.

### **Non-compliance with global cybersecurity standard**

34. Our review of IOM offices compliance with the global cybersecurity levels showed that most of the offices are at the basic level despite the Organization's proactive and efficient ICT transition under the IGF initiative and implementation of the ICT Strategy.

### **Recommendation 6**

**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.**

35. 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.

### **Unallocated deposit**

36. Our review of the customer downpayment disclosed that a total amount of USD 39,920,006 shown as deposit in the accounts payable, out of which an amount of USD 1,199,677 had gone beyond 366 days due to the absence of justified documents.

### **Recommendation 7**

**We recommended that FAD should develop appropriate reporting tools/mechanisms to identify unallocated deposits and identify such payment when it is received.**

37. 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.

### **Review of suspense account**

38. Contrary to the stipulation of the FMRP of IOM that under no circumstances can suspense account remain with a balance at the year end of the Organization, our review of the suspense account as at year end showed General Ledgers balances totalling US\$108,449.83 on Salary Control, HQ Mission and One Time Customer accounts.

### **Recommendation 8**

**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.**

39. 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.

### **Accounts Receivable on Operational Programmes**

40. Our review of accounts receivable for operational programmes as of September 2022 (net of adjustment) showed an increase of USD 66,216,937 (29 per cent) over the 2021 figure to USD 293,843,756. Out of the amount, USD 121,260,452 was invoiced, of which USD 85,549,297 was due within 30 days and the balance of USD 35,711,155 due in more than 31 days. We observed that USD 78,684,097 was received from the USD 121,260,452 in October 2022, leaving USD 42,576,355 yet to be received. We also noted that USD 172,583,304, representing 80 percent of Net Receivables (after subsequent receipts in October 2022) remained uninvoiced receivables for services completed, thereby exposing IOM to liquidity and cost recovery risks in terms of project activities.

### **Recommendation 9**

**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.**

41. 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.

## **PERFORMANCE AUDIT OF IOM FIELD PAYROLL OPERATIONS**

### **Introduction**

42. IOM is a global organization which performs functions in the areas of migration management, crisis response, international cooperation and partnership, data and research and global compact for migration. It operates in over 100 countries and has over 400 Country Offices worldwide.

43. The Organization has about 20,000 employees including field officers who receive remunerations for services they render in IOM's fields of operations across the world. This number includes about 12,000 locally recruited staff who receive a total net pay of about USD 19 million through field payroll system during every payroll period.

44. From an accounting perspective, the payroll is one of the major accounting processes subject to strict internal controls and specific regulations. From a human resources viewpoint, employees are sensitive to payroll errors and irregularities, such as late payments or discrepancies in wages. As a result, processing an accurate and timely payroll is critical to maintain employee morale and motivation.

45. Performing payroll functions for such a global workforce, especially complying with IOM policies and standards, taking into consideration the dynamics in labour, taxation and payroll rules, laws and regulations across the various countries will come with some challenges. It is therefore important for IOM to regularly evaluate its field payroll models and implement strategies to optimize efficiency, effectiveness, and integrity of its payroll functions.

46. The purpose of the audit was to give assurance to management of IOM on whether the existing field payroll operations were delivering emoluments in right amounts and on time to legitimate local staff using minimum resources and that there are sufficient controls to ensure the efficiency, effectiveness, and integrity of the field payroll system.

47. The audit focused on governance and oversight responsibilities of IOM Headquarters in Geneva, the Manila Administrative Centre (MAC) and Panama Administrative Centre (PAC) over the field payroll operations. We also examined the efficiency of the field payroll operations at selected Country Offices.

48. We reviewed IOM's policy, instructions, guidance, SOPs, controls, roles and responsibilities of key players and stakeholders, host countries' payroll requirements, Country Office payment structure or formulae, and existing payroll models operated at the selected Country Offices.

### **Findings**

49. In terms of institutional governance over the field payroll system, we expected management, in line with IOM's organizational structure to develop policies to govern the implementation of the field payroll system based on an outcome of risk assessment/study and also establish a centralised quality assurance, monitoring and evaluation functionalities to regularly assess the policies and the performance of the field payroll operations at the country offices.

50. We noted that Management of IOM had policies (Standard Operating Procedures, controls, and instructions) in place to guide the field payroll operations. However, there was no assurance that the policies were developed based on the outcome of an assessment. Also, there was no quality assurance as well as monitoring and evaluation functionalities at Headquarters to monitor and evaluate the performance of the local payroll system at the Country Offices.

51. In our opinion, there were lapses in IOM's institutional oversight of the field payroll operations, therefore there was no assurance that the policies in place were adequate to ensure an effective and efficient field payroll delivery system.

52. In relation to the efficiency of the decentralised payroll model, we expected the Country Offices to use minimum resources for the field payroll operations. We noted that the Country Offices employed extra resources (in terms of time, labour, and software) at a significant cost to IOM which rendered the field payroll operations cost inefficient. To enhance the efficiency of the decentralised payroll system, the existing PRISM payroll model needs to be fully automated by re-configuration to process all country-specific payroll requirements. Our enquiries indicated that re-configuring PRISM would cost IOM about USD 75,000 per Country Office and about USD 11.6 million globally.

### **Conclusion**

53. From the foregoing, we concluded that:

- IOM's decision to migrate payroll from SAGIGAP to ERP (PRISM) to perform decentralised field payroll operations was not based on an assessment or feasibility study.
- IOM Country Offices utilised extra resources (in terms of time, labour, and software) for the field payroll operations at significant cost to IOM which render the field payroll operations inefficient.

### **Recommendations 10**

**Based on our conclusions, we made the following recommendations:**

- **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 response**

54. 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.

## AUDIT OF COUNTRY OFFICES

### **Need to keep data backup tapes off-premises**

55. We observed that contrary to IOM's ICT Standards and Guidelines which require Missions to store data at a safe location off-premises, the Algeria Office kept its tape-storage for data retention in a cabinet at the IT Server room and a copy in the Resource Mobilization Officer's office within the IOM premises.

### **Recommendation 11**

**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 also ensure that backup tapes are labelled for easy retrieval.**

56. 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.

### **Outstanding staff vendor account – US\$22,569.22**

57. Our review of the Algeria Office staff vendor accounts in SAP PRISM revealed that out of the total amount of US\$22,569.22 owed by staff, seven accounts totaling US\$22,569.22 has been outstanding for periods more than 120 days.

### **Recommendation 12**

**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.**

58. 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.

### **Input VAT unrecovered – US\$59,367**

59. Our review of the SAP PRISM showed that as at October 20 2022, the Algeria Country Office had not recovered from the tax authorities, input VAT amounting to US\$59,367 which had been outstanding for over 120 days.

### **Recommendation 13**

**We recommended that Management should follow up with the Tax Authorities for a refund of the amount.**

60. 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.

### **Delayed reports on close projects**

61. We reviewed closed projects at the Algeria Office and noted that even though seven projects were completed between January 2020 and October 2022, the Office had not submitted three final reports to the respective donors more than five to 12 months after the completion of the projects.

#### **Recommendation 14**

**We recommended that the CoM should put in place risk management measures to ensure timely reporting to donors in future.**

62. Management indicated that the challenges in reporting have been highlighted to donors and CoM is closely monitoring the reporting deadlines via PRIMA.

#### **Sustainability of staff**

63. Our analysis of project records showed that the Algeria and Guinea Offices do not currently have enough projects to guarantee the paychecks of their staff and if nothing is done to increase the number of projects in 2023 and beyond, the appointment of trained and experienced staff may have to be terminated and the Office may not be able to effectively reach out to the increasing migrants who need support. For example, the last project of the Algeria Office will end in July 2023.

#### **Recommendation 15**

**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.**

64. 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.

#### **Risk management**

65. Our assessment of activities and processes showed that though the Algeria Office had taken action to mitigate control risks as part of the project management process, there was no record of risk analysis with related risk matrix as a management tool to manage the risks of the Mission effectively.

#### **Recommendation 16**

**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.**

66. 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.

#### **Updating of MoU with host country**

67. We noted that though the host country in an MoU signed in October 2002 granted privileges and immunities to IOM Algeria, the Country Office could not implement Project RR.0192 in the southern part of the country by reason of security measures by the host Government resulting in the need to redirect the activities to other parts of the country.

**Recommendation 17**

**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.**

68. Management agreed with the finding.

**Uncleared down payment**

69. Our review showed that vendor down payment of USD 12,492.06 made in favour of eHealth Africa (Vendor No. 14400168) in 2016 remained an uncleared advance beyond 121 days in the Guinea Office.

**Recommendation 18**

**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.**

70. 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.

**Unclaimed donor refunds**

71. We noted at the Guinea Office that a total amount of USD 5,343.00 had remained outstanding beyond 121 days as refund to customer (Swiss Agency) since 2014 without adequate information to secure the refund to the donor.

**Recommendation 19**

**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.**

72. 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.

**Need to develop an action plan to refresh ICT infrastructure**

73. Our review of the Guinea Office's Compliance Control Self-Assessment Tool indicated that the continued use of obsolete technology was ineffective in ensuring optimization of ICT resources. We also noted that most of the essential hardware of the ICT infrastructure were procured in 2016, as a result refreshing the existing applications with new releases and patches would render them incompatible with the obsolete infrastructure.

**Recommendation 20**

**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.**

74. 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.



#### **Need to ensure update of risk register**

75. We observed that although the Guinea Office prepared a risk register and management response plan in 2018 to achieve its strategic objectives, the mitigating measures reviewed in 2018 and 2019 did not consider emerging risks such as COVID-19 pandemic and other global conflicts which could affect voluntary contribution.

#### **Recommendation 21**

**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.**

76. 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.

#### **Outstanding ledger reconciliations**

77. Our review of Vendor Register at the Honduras Office revealed that 120 transactions totaling \$460,709.00 were not followed up for settlements or adjusted as at December 2022.

#### **Recommendation 21**

**We recommended that efforts should be made to investigate all 120 transactions for necessary entries and updates.**

78. 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.

#### **Need for a formalized strategic plan for Honduras Mission**

79. We noted that the Honduras Office did not leverage on the Regional Strategy (2020-2024) for North America, Central America and the Caribbean to develop a plan for implementing its priorities on sustainable migration.

#### **Recommendation 22**

**We recommended that the Chief of Mission should constitute a team to draft the plan for review and approval.**

80. 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.

#### **Prevention of budget line overrun**

81. Our review of expenditure against the budget of projects at the Kosovo Office showed overruns on project budget lines.

### **Recommendation 23**

**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.**

82. 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.

### **Unfilled vacancies**

83. Our review of the organizational chart of the Kosovo Office showed 43 vacant positions including that of the Resource Management Officer, out the 92 positions. We also noted that the staff responsible for Human Resource doubles as the Information Technology officer, whilst the Chief of Mission is listed in PRISM as one of the Project Managers.

### **Recommendation 24**

**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.**

84. 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.

### **Cash thresholds**

85. We noted from our review of cash account balances at the Kosovo Mission that the cash threshold of US\$1,000.00 was not observed by the Mission as the Office held cash of Euro 3,108.79 and Euro 2,292.01 respectively at the end of October 2021 and April 2022.

### **Recommendation 25**

**We recommended that the Resource Management Unit should ensure that cash is kept at the approved limit.**

86. 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.

### **Asset and Inventory Management**

87. Our review of the Assets Register in PRISM at the Kosovo Office disclosed that Serial/Inventory numbers for 322 assets have not been recorded in PRISM; and 376 items do not have inventory numbers and the last inventory date for 380 items have not been updated in the PRISM. We also noted the absence of purchasing documents for 553 items and 139 assets had not been assigned to individuals.

### **Recommendation 26**

**We recommended that the Chief of Mission should ensure the update of the gaps in the PRISM Inventory fields and also complete all required fields during subsequent entries.**

88. 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 also do the labelling with the next asset stocktake planned for December 2022.

#### **Lack of legal status**

89. We noted that the Government of Malaysia had not officially recognised the legal status of IOM in the country, despite exchange of letters in 1984 and 1986, but granted the Office an Observer status in 2020.

#### **Recommendation 27**

**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.**

90. 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.

#### **Incomplete records on fixed asset in PRISM**

91. We noted lapses such as non-provision of asset serial numbers, absence of inventory numbers and proposed action on assets and failure to identify assets for retirement due to obsolescence among others in the PRISM Asset module at the Malaysia Office.

#### **Recommendation 28**

**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.**

92. 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.

#### **Delays in project implementation**

93. We noted at the Malaysia Office that implementation of some eight projects lagged behind schedule with fund utilization ranging between 7 percent and 65 percent.

#### **Recommendation 29**

**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.**

94. 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.

**Overdue operational advances – US\$7,754.51**

95. Our audit disclosed that operational advances to staff of the Australia Office, totaling US\$7,754.51 had been outstanding for periods ranging between 31 days and over 120 days.

**Recommendation 30**

**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.**

96. 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.

**Staff establishment at the Resource Management Unit**

97. At the Australia Office, we noted lapses such as outstanding reconciliation of accounts payables and payroll, procurement focal person performing finance duties in addition to coordinating office roles for the outfield offices, and fields in PRISM that had not been updated, among other things.

**Recommendation 31**

**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.**

98. 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.

**Recovery of eligible VAT/Goods and Services Tax**

99. We observed that as of December 2022, VAT/Goods and Services Tax totalling US\$30,963 was outstanding from the Australian Government on various transactions which occurred between 2020 and 2022.

**Recommendation 32**

**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.**

100. 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.

**Exit interviews/staff turnover**

101. We observed that the Australian Country Office recorded five staff separation in 2021 and two in 2022, and recruited two, 10 and five new staff in 2020, 2021 and 2022 respectively without conducting exit interviews with the exiting staff.

### **Recommendation 33**

**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.**

102. 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.

### **ICT disaster recovery and Business Continuity Plan**

103. Business Continuity Plans (BCP) preceding September 2021 and documentation on feedback and reports on simulation exercises conducted annually to ascertain the functionality or otherwise of the BCP were not available for our review by the Australian Office.

### **Recommendation 34**

**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.**

104. 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.

### **Data backup off IOM premises**

105. We observed that all work-related data of the Australia Office were stored on OneDrive and share point contrary to Section 2.6.2 of IN/88 Rev 2 which stipulates that tape backup is still the Organizational standard for data retention and the need for Missions to have a safe location off-premises to store monthly and yearly backups on cartridges to protect data/information against potential disasters.

### **Recommendation 35**

**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.**

106. 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.

### **Vendor verification & evaluation**

107. Our audit disclosed that the procurement manual prescriptions had not been fully complied with by the Australia Office, as references on vendors were not obtained and the requirement for biennial evaluation of vendors was not observed, neither were there any documentation to support ad hoc visits purported to have been made to vendor facilities.

### **Recommendation 36**

**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.**

108. 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.

### **Procurement management**

109. We noted that the Australia Office has one procurement focal point/specialist in Canberra whilst there are at least three operational/sub offices which the Office oversees in Australia and performs coordinating office roles for 11 other countries, including the Pacific. We also noted that due to shortage of staff, the focal point carries out non-procurement functions such as accounting and finance roles, a situation which does not allow for segregation of duties in the procurement function to ensure adequate internal control.

### **Recommendation 37**

**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.**

110. 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.

### **Exit interviews/staff turnover**

111. We noted during the period covered by the audit that though the Micronesia Country Office recorded one staff separation in 2020, one staff in 2021 and five in 2022, Management did not carry out exit interviews with the separating staff.

### **Recommendation 38**

**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.**

112. 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.

### **Updating of asset inventory & asset disposal**

113. Our review disclosed the Micronesia CO had not taken action to purge the Inventory list of damaged and obsolete assets. We also noted the absence of information on serial and inventory numbers, last inventory date as well as individual officers assigned with responsibilities for assets, among others in PRISM.

#### **Recommendation 39**

**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.**

114. 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.

#### **Medical and ophthalmological examination for drivers & security personnel**

115. We did not sight any evidence to show that the Micronesia CO conducted the mandatory medical and ophthalmologic examination for the drivers, security guards and other staff who are not drivers but drive IOM vehicles.

#### **Recommendation 40**

**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.**

116. 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.

#### **ICT disaster recovery and Business Continuity Plan**

117. Earlier versions of the Micronesia CO's Business Continuity Plan (BCP) preceding January 2023 were not made available for our review, neither did the CO provide us with documentation on feedback and reports on simulation exercises conducted annually to ascertain the functionality or otherwise of the BCP upon request. Our checks also disclosed that RPOs and RTOs were not clearly defined as required by IN/88.

#### **Recommendation 41**

**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.**

118. 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.

#### **Data backup off IOM premises**

119. We noted at Micronesia Office that all work-related data is stored on cloud systems owned by Microsoft and managed by IOM contrary to Section 2.6.2 of IN/88 Rev 2 which stipulates that tape backup is still the Organizational standard for data retention and off-site storage and the need for Missions to have a safe location off-premises to store monthly and yearly backups on cartridges to protect data/information against potential disasters.

#### **Recommendation 42**

**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.**

120. 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.

#### **Vendor verification & evaluation**

121. Our audit disclosed that the Procurement Manual prescriptions on vendor references, vendor evaluation and verification have not been fully complied with by the Micronesia Office as references on vendors were not obtained. We also noted that the requirement for biennial evaluation of vendors were not carried out.

#### **Recommendation 43**

**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.**

122. 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.

#### **Incomplete vendor information & vendors with double ID numbers**

123. We noted deficiencies in the information provided on vendors in PRISM such as: unpopulated fields for vendors' VAT registration details; absence of information on city of residence, postal numbers and street names as well as incorrect codes at the Micronesia Office. We also noted that some 16 vendors had double vendor numbers.



#### **Recommendation 44**

**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.**

124. 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.

#### **Improvement in privileges and immunities framework**

125. Our review disclosed that the Country Office local staff contribute to the National Social Security system of Argentina as required by the country's laws instead of the UN Staff Pension Fund, as a result the local staff are denied the privileges and conditions enjoyed by the local staff of other agencies of the UN system in Argentina who contribute to the UN Staff Pension Fund.

#### **Recommendation 45**

**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.**

126. 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.

#### **Performance evaluation of consultants**

127. Our review at the Argentina Office disclosed that even though HR records on the consultants showed performance grading, there were no evaluation forms completed by the consultants for which their performance could be assessed by the project managers to support their performance grading.

#### **Recommendation 46**

**We recommended the introduction of IOM standard form which would aid the assessment of performance of consultant's work after completion of their assignment.**

128. 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.

#### **Implementing entity risk management practice**

129. Our review of the Argentina Office's corporate governance procedures revealed that although the Office performs risk assessment for all its projects, the Office had no entity risk management tool in place to integrate risk management practices into its operations and activities in a coordinated manner.

#### **Recommendation 47**

**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.**

130. 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.

#### **Compliance with staff evaluation**

131. We observed that even though the Project Handbook requires a mandatory completion of the Staff Evaluation Assessment (SES), the Argentina Office is yet to attain full compliance with the SES but operates at an average compliance rate of 67% from 2019 to 2022.

#### **Recommendation 48**

**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.**

132. The HoO indicated that the CO will continue to encourage all managers and staff to complete midyear and end of year reviews to achieve 100%.

#### **Absence of Strategic Plan**

133. The Mission in Guatemala operates without an approved Strategic Plan to guide implementation during the period under review, 2021 to 2022.

#### **Recommendation 49**

**We recommended that the Chief of Mission should expedite action on the process of developing a Strategic Plan without further delay.**

134. The CoM explained that the Mission is developing the Strategic Plan of which currently is at a draft stage.

#### **Unsubstantiated overdue indebtedness to vendors**

135. Our review of undischarged commitments and ageing analysis in the Guatemala Office disclosed that the Mission had 167 transactions relating to indebtedness that ranged between 121 days and over 730 days.

#### **Recommendation 50**

**We recommended that the Finance team should review and coordinate with LEG to investigate the discrepancies and reconcile for final reporting.**

136. 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.

#### **Staff sustainability**

137. Our review of ongoing activities at the Spain Country Office showed that the Mission has 12 active projects, out of which 10 ended in 2022 whilst the remaining two ends in 2023. Meanwhile, the Mission has some 33 projectized staff who have some dependency on the projects that ended in 2022 and the two ending in 2023.

#### **Recommendation 51**

**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.**

138. 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)

#### **Cash account thresholds**

139. We observed from our review of Cash Account balances that the end of month balances at the Tenerife field office in Spain were in most months, higher than the standard threshold.

#### **Recommendation 52**

**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.**

140. 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 30<sup>th</sup> April 2022 and 31<sup>st</sup> 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.

#### **Staff evaluation system**

141. Our review of completed Staff Evaluation System for 14 staff members of Spain Country Office in 2021 and 2022 showed that midpoint review of evaluations was not performed for four staff members, three staff had clear objectives, whereas the rest had objectives that would be difficult to measure.

#### **Recommendation 53**

**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.**

142. 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.

#### **Need to ensure timely submission of donor report**

143. Our review of compliance with donor reporting at Burkina Faso Office showed instances of delays in the submission of interim and final reports to donors.

#### **Recommendation 54**

**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.**

144. 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.

#### **Incomplete annual physical stock take of assets**

145. We observed that though the Burkina Faso Office conducted annual physical stock count of fixed assets, some assets do not have the last date of physical check conducted to show whether they were reconciled with records for accuracy and completeness.

#### **Recommendation 55**

**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.**

146. 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.

#### **Project expenditure beyond approved budget**

147. We noted from our review of project expenditure at the Burkina Faso Office that the burn rate of four project funds (expenditure and commitments) exceeded the earmarked budget for the period between 103 – 112 percent.

#### **Recommendation 56**

**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.**

148. 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.

#### **Losses and write offs**

149. The Organization reported that during 2022, the total amount of write-offs was USD 0.5 million (2021: USD 1 million). In the absence of other sources of revenue, this amount had to be applied from Operational Support Income to cover unforeseen project shortfalls that were mainly due to unrecoverable costs and budget overruns arising from completed projects and unrecoverable vendor receivables. Expenses related to such shortfalls are included in the appropriate expenditure lines according to the nature of the expense.

#### **Cases of fraud and presumptive fraud**

150. We reviewed cases of frauds, presumptive frauds and write offs by Management and noted that the Administration reported on closing 172 cases of substantiated and unsubstantiated fraud in 2022, while 117 presumptive fraud cases were still ongoing as at 31 December, 2022. All the cases were referred to OIG for investigation. 15 cases were substantiated and referred to the Office of Legal Affairs for further processing and a financial loss to IOM of USD 168,821.26 was reported. We are satisfied with the actions taken by Management in addressing the reported cases. We are however,

concerned with the increase in the number of cases of fraud and presumptive fraud. We therefore recommended that Management should strengthen the internal control framework, compliance requirements and accountability measures under the IGF initiative.

**Follow-up on recommendations from previous audit report**

151. As part of my audit, we assessed the progress of implementation of audit recommendations. The result of this assessment is given in the Annexure to this report. Most of the recommendations have either been implemented or being acted upon. IOM may take action to implement the outstanding recommendations from earlier reports as well as those contained in this report. The breakdown is shown below.

Financial Year End	Number of Recommendations	Status of Implementation			Percentage of Implementation
		Fully	Partial	Not Started	
2021	35	29	6	0	83%
2020	38	37	1	0	97%
2019	50	50	0	0	100%
2018	35	32	3	0	91%
2017	54	52	2	0	96%
2016	47	45	2	0	96%
2015	43	43	0	0	100%
2014	37	37	0	0	100%
<b>Total</b>	339	325	14	0	96%

**Acknowledgement**

152. 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**

**19 May 2023**



## STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS AT 31 DECEMBER, 2022

### ONGOING RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	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 also 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.	Some initial funding received for building blocks of data infrastructure, and the administration is exploring sustained funding for a comprehensive and coordinated approach.	TBD
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.	Work on this recommendation is ongoing and an integral component of BT is to enhance data security.	December 2025

## ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
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 so as 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 Administration is in the process of finalizing the AOAC Terms of Reference taking into account practices in other organizations and the significant developments in the Organization. The updated TORs will be shared as soon as the coordination process is completed, and the changes approved by the DG.	TBD
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 taken action 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.	19 out of 25 have been settled, the total pending amount has been significantly reduced from 233,903.36 USD to 8,671.15 USD (currently still pending). The clearing of the remaining balance will be completed by June 2023.	June 2023
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.	9 out of 11 projects have been justified/resolved (the total balance has been reduced from 534,939.91 USD to 96,248.13 USD). The clearing of the remaining balance will be completed by June 2023.	June 2023



## ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
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.	Staff advances are being closely monitored by finance team and this can be confirmed through the latest TD10 Periodic Checklist Review (PCR). The advances for most of the movements for the resettlement projects are being handled by the finance staff to ensure that after the end of the activity the advances are retired. Market assessment is being conducted by the mission in order to establish LTA's with vendors. One LTA for fuel with WFP in the south has been signed. There was an attempt to opening LTA's for east and south and the mission was unable to close as vendors did not meet the requirements, not submit complete dossiers, or do not have bank accounts for absence of banking system. It is expected that before end of May the mission will establish more LTA's and the use of operational advances will reduce.	May 2023
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).	Work on this recommendation is ongoing. All initiatives have agreed timelines and it is expected that they will be fully implemented in 2025.	December 2025

## ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
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.	Work is ongoing to automate data collection and to incorporate business requirements within the scope of the Business Transformation under the human resources management stream. The SOPs are under consideration but subject to an assessment as to what extent automation could be considered within the current PRISM system, given the Business Transformation initiative. Please note that in preparation of the centralized payroll implementation in Oracle, a Global payroll pilot has been conducted with 4 pilot missions, prior to further roll-out in 2023 and 2024.	December 2024
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	The Procurement Planning, Analytics and Reporting project with USI (Universita della Svizzera Italiana) will conclude by March 2023, with a project presentation/workshop scheduled for 3 March 2023. Procurement Planning procedures will be released as part of the new Procurement Manual, which has been submitted to the ExComm for the DG's approval. The Procurement Planning system will be part of the Business Transformation (new ERP), which will be launched in 2024. Our business requirements have been submitted to BT, who are now evaluating the system solutions.	September 2023
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

## ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
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 Oracle chart of account is currently in progress and a review of the current chart of account and of its mapping to the future Oracle CoA has been conducted with PwC. The mapping of the existing CoA and to the new one will be done in Q3 and Q4 of 2024 in order to prepare the go live of the new ERP.	December 2023
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.	As mentioned previously, the MFA circulated the draft agreement to five ministries for review. IOM met with the ministers of Interior, Finance, Transports and Justice in January 2023 to follow up. Until now, MFA has received feedback from the ministries of Interior and Justice only. IOM will continue to follow up with the ministries of Finance, Transports, and Communications to ensure that they review the draft agreement, and respond to MFA.	June 2023
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-02)	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.	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.	Oracle implementation includes 'Closure Cockpit' as one of the solutions that will facilitate task management and collaboration in the financial closure process, which also involves the preparation and certification procedures for Statement on Internal Control. The solution will be demonstrated and tested in 2023 for actual use during the financial closure in 2024.	December 2024

**ONGOING RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Planned date of completion</b>
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.	12 Mar 23 - the final stages of the review of the IN/1 is in progress. The WG is finalizing pending points through discussion and consultation with RO and CO colleagues of relevance. The final draft will be submitted to the IGF Steering Committee and then to the EO.	June 2023

**IMPLEMENTED RECOMMENDATIONS**

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 CERTIFICATION AUDIT Geneva (21-CT-CH10-04)	We recommended that the Organization should continue to involve OIG and its ancillary units to strengthen internal controls and enhance successful implementation of the initiatives to achieve the intended objectives of IOM.	Management agreed with the recommendation and stated that the Organization is committed to continue this implementation approach and to expand to OIG and its units' involvement in the IGF and Business Transformation related activities.	Liaison with the Office of the Inspector General is now routinely built into the IGF, as reflected in the IGF Governance Structure and Terms of Reference revised in July 2022.	July 2022 Closed
2021 CERTIFICATION AUDIT Geneva (21-CT-CH10-06)	We urged Management to continue to explore opportunities to leverage on FinCoorP as well as continuously improve the system which would enable IOM to move from reactive financial control to system-integrated, proactive and more efficient monitoring practices.	Management expressed its gratitude for the positive observation and agreed with the recommendation. Management highlighted that communication between the staff and IOM central financial services is already facilitated via Financial Coordination Platform (FinCoorP), whether received via emails or via the platform. Management added that to advocate for direct submission of queries via FinCoorP, as opposed to via emails, it will launch enhanced communication efforts such as the intranet landing page, SharePoint and targeted FinCoorP awareness raising articles.	Additional awareness-raising efforts were implemented in 2022 to increase the proportion of users filing queries directly via FinCoorP, as opposed to indirectly via their respective mailboxes. While the specific processes hosted in FinCoorP are not for the most part stand-alone requests, and email queries therefore cannot be totally eliminated, the proportion of direct users increased significantly in 2022. Steps have been taken to specifically and immediately streamline accounts payable processing via the development and global roll-out of the Online Invoice Payable Application, digitization of the entire workflow, approval process and documentation of payables, in synergy with the previously launched eFiling, Online Purchase Request, Vendor Management System and Travel Application solutions. With these improvements, implemented under the IGF, the Administration considers this recommendation implemented, with further improvements planned as part of the Business Transformation process.	December 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 CERTIFICATION AUDIT Geneva (21-CT-CH10-05)	We recommended that the Organization should find the required resource for the evaluation function and address the limited staff numbers to ensure the success of the new approach.	Management agreed with the recommendation and reiterated Administration's commitment to strengthen institutional performance and oversight functions. Management indicated that additional funding for Evaluation functions will be dependent and influenced by the outcome and results of the ongoing Budget Reform discussions.	Pursuant to SCPF Resolution No. 31 of 28 June 2022, on the core structure and the staggered approach to implementing the increase in the Administrative Part of the Budget over a period of five years, the Administration has projected increases in resources for the evaluation function as of the 2023 budget year. However, staggered implementation of budget increases also means staggered implementation of staffing increases across all areas identified as requiring strengthening in the context of the budget reform discussions. This notwithstanding, for the purposes of audit follow-up, the item is considered closed provided that the staffing increases reflected in the budget reform plans reflect the increases considered to be required by the audit.	September 2022 Closed
2021 INTERIM AUDIT Manila Admin Center (21-IN-PH98-01)	We recommended that Management should consider the need to conduct an external assessment of the OIG functions to improve IOM internal oversight functions and strengthen its core structures as well as design it to better deliver support to the entire Organization.	OIG accepted the recommendation of a holistic review of the assurance mapping and services provided by the Office of the Inspector General (i.e. for internal oversight) and by the External Auditor (i.e. for the external oversight), currently the Ghana Audit Service, so to ensure full synergy without duplication of the services provided, while respecting the independent nature of these two functions. OIG confirms herewith that subsequent to the recommendation date of 14 January 2022, IOM received on 17 January 2022 the KPMG report on 'External Quality Assessment of the Internal Audit function of the Office of the Inspector General' and based thereon considers the recommendation as implemented and closed.	OIG accepted the recommendation of a holistic review of the assurance mapping and services provided by the Office of the Inspector General (i.e. for internal oversight) and by the External Auditor (i.e. for the external oversight), currently the Ghana Audit Service, so to ensure full synergy without duplication of the services provided, while respecting the independent nature of these two functions. OIG confirms herewith that subsequent to the recommendation date of 14 January 2022, IOM received on 17 January 2022 the KPMG report on 'External Quality Assessment of the Internal Audit function of the Office of the Inspector General' and based thereon considers the recommendation as implemented and closed. See text above. Recommendation considered as closed.	March 2023 Closed

**IMPLEMENTED RECOMMENDATIONS**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
<p>2021 INTERIM AUDIT Manila Admin Center (21-IN-PH98-02)</p>	<p>We recommended that Management should continue to dialogue with Member States and other donors regarding the need to attract additional financial resources to fully realize the reform agenda.</p>	<p>Management agreed with the observation and recommendation and indicated that it will continue to engage with Members States in implementing the reform agenda and secure the necessary financial resources</p>	<p>As noted in the previous response, viewing the outcome of the budget reform process, we consider this finding as closed, it being understood that the implementation process will take 5 years and that the Administration will continue to engage with Member States on sustainable financing of the core structure. It should also be noted in that context that Member States have committed to discussing the policy of zero nominal growth in the Administrative Part of the Budget by 2025, to reviewing the Administrative Part of the Budget in 2027 and to consider further increases to the Administrative Part of the Budget to ensure that IOM has a sustainable financial model.</p>	<p>December 2022 Closed</p>

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
<p>2021 PERFORMANCE AUDIT Manila Admin Center (21-PE-PH98-01)</p>	<p>Based on our conclusions, we recommend the following actions for implementation:</p> <ul style="list-style-type: none"> <li>• Require from staff working in the HR Offices of IOM to as part of submitting contract confirmation of UNJSPF eligibility, submit update of bio data on members, and implement applicable pensionable remuneration rates effectively and confirm exit of payrolls in a timely manner.</li> <li>• Educate members to take keen interest in examining their annual contribution statement to check the accuracy of contributions as well as their bio details and report any anomaly to the IPAU through the HR units.</li> <li>• IPAU should employ other means such as direct telephone call to the separated staff or liaise with the HR unit of the separated staff to get the separated staff to complete the pension payment instructions.</li> </ul>	<p>Management agreed with the first recommendation and stated that the Department of Human Resources is hoping to start implementing a centralized Global Payroll in the coming months. With regard to the accuracy of bio data, IOM is currently undergoing a data cleansing process ahead of the data migration to the new Enterprise Resource Planning (ERP) system, which should significantly help with data integrity in general.</p> <p>Management agreed with the second recommendation and stated that the IOM Pension Administration Unit will conduct more webinars to educate Participants and will continue to send reminders to Participants to access their Pension Annual Statements, including the access to check their IOM Pension data and underline the importance of informing the Pension Administration Unit of any discrepancies in their data.</p> <p>Management agreed with the third recommendation and indicated that the IOM Pension Administration Unit will coordinate through the Panama Administrative Centre to get the Pension Administration Unit included on signing off on the exit clearance forms, and HR separation letters to staff members to include contacting the Pension Administration Unit for guidance on submission of the required pension documents.</p>	<p>Implemented for the current pension administration systems. Discussions on how to ensure accuracy of biographical data have been held with the Business Transformation team in respect of the strategy for migrating them to the new ERP.</p>	<p>January 2023 Closed</p>



## IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 COMPLIANCE AUDIT Brasilia (21-CO-BR10-01)	To ensure that the Office's information assets are properly safeguarded, we recommended that the BCP should be regularly updated to include simulation procedures and implemented. We also urged the Office 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 agreed with the recommendation and stated that simulation procedures will be added and implemented, including yearly simulation for ICT component.	ICT simulation procedures are added to the BCP and tested in September 2022 (26/09/2022).	November 2022 Closed
2021 COMPLIANCE AUDIT Brasilia (21-CO-BR10-02)	We recommended that Management 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 explained that IOM Brazil is currently assessing the best option (bank, fireproof safe, etc.) to immediately secure storage of IOM Brazil data and added that IOM Brazil does not have a physical server and its data is stored in the cloud as instructed by ICT Global, thus allowing for recovery at any time.	A fireproof safe has been installed to store data backup at IOM's sub-office. The office's information assets are stored in the cloud, as instructed by IOM ICT Global.	September 2022 Closed
2021 COMPLIANCE AUDIT Brasilia (21-CO-BR10-03)	We recommended that Management should ensure compliance with IOM procurement manual prescriptions as it provides a strategic approach to efficiently manage suppliers. We also encouraged regular vendor evaluations and adherence to IOM regulations, coupled with the deployment of the Vendor Information Sheet (VIS) to regularly update the database. We also recommended that management should consider the establishment of a Vendor Information file that complies with the minimum vendor information required by IN/168.	Management indicated that the Vendor Information Sheet will be now systematically done for new vendors and an individual vendor information file will be created. Management added that IOM at a global level is implementing the Vendor Information Sheet Online process, with which it will ensure the compliance and archiving of information related to the providers of IOM Brazil. Management further stated that IOM Brazil, in compliance with the procurement policy, will carry out periodic visits to the facilities of suppliers to observe the state of the facilities, stock levels, hygiene, to mitigate risk in compliance with IN/168.	The Vendor Information Sheet has been updated in the system and a Vendor Information file created. Visits to supplier facilities are taking place.	September 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2021 COMPLIANCE AUDIT Kinshasa (21-CO-CD10-01)	We recommended the recovery of the outstanding advances from the separated staff and the blocking of the separated staff in PRISM.	Management explained that the practice is that staff who had an outstanding balance is offset with the organization when all separation formalities are completed, and that the officers have credit balances which reduces the balance considerably to USD 9,800.	Management has offset the balances due after receiving the necessary documents from the Panama Administrative Centre.	August 2022 Closed
2021 COMPLIANCE AUDIT Kinshasa (21-CO-CD10-02)	We recommended that the CoM should closely monitor and follow up on the outstanding and undertake necessary housekeeping of the accounts to avert future recurrence.	Management stated that, it is a normal procedure for the organization to give advance to implementing partners or suppliers as per the contractual obligation cleared by relevant IOM HQ departments (Department of Legal Affairs and Finance and Accounting Division) and is cleared after the verification of their financial report.	In line with the relevant IOM rules and regulations, the Internet provider and suppliers are always given advances as per the contractual obligations.	August 2022 Closed
2021 COMPLIANCE AUDIT Kinshasa (21-CO-CD10-03)	We recommended that the CoM and the Resource Manager should undertake reviews of these projects and monitor them to avoid low burn rates and budget overrun.	The Chief of Mission stated that of the projects have just ended or about to end and they are in the process of finalizing the expenses as per IOM regulations and rules, whilst others are being rolled over to the next phase.	The Chief of Mission holds regular meetings with the Resource Management Unit and programme managers to ensure that the office is on track to meet the targeted milestones. External factors that are beyond management control may still impact the project burn rate.	August 2022 Closed
2021 COMPLIANCE AUDIT Quito (21-CO-EC10-01)	We recommended to the Management to speed up its Projects implementation activities to ensure that all earmarked funds are effectively utilized within the projects durations to avert low burn rates.	Management attributed the lapse to the effects of COVID-19 pandemic, which affected the implementation of some of the projects and to other implementing agencies or consultancy firms with regard to preparatory times in their selection processes, contracting, and launching of activities, and the fact that a higher percentage of project implementation occurs as the project is coming to an end.	A team has been established for the operational and financial monthly or fortnightly monitoring of each project. The United States Bureau of Population, Refugees, and Migration COVID project was implemented within the agreed time frame. Although several project processes are executed in the last quarter, this is due to the pre-contractual and contractual processes, plus the time needed by suppliers to deliver goods and services.	June 2022 Closed
2021 COMPLIANCE AUDIT Quito (21-CO-EC10-02)	We recommended that the Resource Management Officers and Chief of Mission should regularly follow up with the tax authorities for early refunds of VAT reimbursables to enhance the cashflow of the Office.	Management explained that the pre-pandemic economic crisis in Ecuador, plus the impact of COVID 19 on state finances, had resulted in a significant delay in VAT refunds. Management added that the emergency exit of USAID from Ecuador in 2012 also led to a very long process regarding the refund of VAT.	The Mission keeps working with all the agencies and in coordination with the COM so the VAT authorities are aware of the importance for the Mission on this topic. As mentioned, this issue is taking time due to pandemic.	December 2022 Closed

## IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 COMPLIANCE AUDIT Athens (21-CO-GR10-01)	We recommended that the CoM should monitor and follow up on outstanding payables with the Greek Authorities to ensure recovery of the VAT amount.	Management agreed with the recommendation and indicated that the approval for VAT exemption by the Greek administration is a complex process that takes a minimum of two months, however, IOM Greece had received VAT exemption for a total amount of EUR 12,258,316.00.	The submitted VAT claims up to 6th of March were EUR 15,57 mil and received VAT exemption EUR 15,55 mil. The remaining balance of EUR 19.376,01 relates to the invoices from Jan and Feb.	December 2022 Closed
2021 COMPLIANCE AUDIT Athens (21-CO-GR10-02)	We recommended that the CoM should continue to follow up on the donors and ensure that all outstanding clarifications to resolve the final report are carried out so as to liquidate outstanding receivables to facilitate implementation of project activities.	Management accepted the recommendation and stated that the Office is in close coordination with the Regional Office and will promptly follow up on requests for clarifications received by the donor on Final Reports, to facilitate the timely liquidation of final payments.	At Mission level we are ensuring timely submission of the Final Financial Reports, as well as addressing comments on FFRs within the set deadlines. Following the provision in donor agreements, final installment will be disbursed upon approval of FFR.	December 2022 Closed
2021 COMPLIANCE AUDIT Athens (21-CO-GR10-03)	We recommended that Management should continue to liaise with IOM Headquarters with the view of pursuing the signing of an updated host country agreement and obtain full privileges and immunities accorded to other intergovernmental organizations.	Management agreed with the recommendation and stated that the Office will continue to liaise with the relevant Authorities and IOM Headquarters to ensure the signing of an updated host country agreement.	In support to the actions taken by the Mission the Director General also mentioned the issue in different meetings with the Minister of Foreign Affairs and the Permanent Representation in order to speed up the process. Liaison has also been conducted with UNHCR locally to joint forces and have a common approach on this issue. Several meetings have been conducted with MFA and the last one in February. According to the last information received by MFA the last version of the host agreements should reach the UN agencies in April in order to start the last and final round of negotiations.	December 2022 Closed
2021 COMPLIANCE AUDIT Athens (21-CO-GR10-04)	We recommended that in view of the widening scope of migration activities undertaken by the Office, the CoM should liaise with IOM Regional Office in Brussels and the Publications Unit to obtain the required approval of the Strategic Plan and ensure its implementation.	Management agreed with the recommendation and stated that the Office will finalize the Strategic Plan, obtain all required internal approvals and ensure its implementation.	Review process has been finalized and currently the Strategy is under signature of Regional Director.	November 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 COMPLIANCE AUDIT Mexico City (21-CO-MX10-01)	We recommended to management to consider the sustainability issues thoroughly and endeavour to identify new donors to finance activities of the Office so as to keep trained and experienced staff to support the needs of migrants.	Management explained that all staff know that the duration of their contracts depends on the duration of the projects and the HR unit generates quarterly, semi-annual and in few cases annual contracts, always depending on the financial availability of the projects. Management added that the Chief of Mission with her senior team are in constant search of new donors and funding for the sustainability of the Office.	The Chief of Mission and the senior management team have made considerable efforts to identify new sources of funding, so as to reduce dependence on a small number of donors and increase sustainability. During the past twelve months, several rounds of negotiations were held with the European Union representation in Mexico to develop a multi-year EUR 5 million inter-agency programme. Negotiations are in the final stages and IOM Mexico is awaiting approval from Brussels. In the past year, IOM Mexico has also received funding from a new donor, the United States Centers for Disease Control and Prevention, to implement health-related initiatives for migrants subject to the Migration Protection Protocols. Following meetings in Washington, DC with government counterparts at the Bureau of Population, Refugees and Migration, the Office to Monitor and Combat Trafficking in Persons (J/TIP), USAID and Congress, and the private sector, Mexico submitted a project proposal to J/TIP and is currently being considered for involvement in a regional USAID programme. After several meetings, the Canadian Embassy has requested two concept notes focused on labour migration for a total of CAD 3 million. Following meetings with the Ambassador of the Republic of Korea, a concept note focusing on migration, the environment and climate change is being developed. IOM Mexico is also establishing cooperation agreements with private sector counterparts to foster in-kind contributions and include them as co-funding in negotiations for new projects. Finally, it has hired extra staff for its Strategic and Planning Support Unit, in order to streamline fundraising, project development and the entirety of the project life cycle.	August 2022 Closed

**IMPLEMENTED RECOMMENDATIONS**

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 COMPLIANCE AUDIT Mexico City (21-CO-MX10-02)	We recommended that management should speed up the process of approving the five-year Strategic Plan and formulate action plans for its effective and efficient implementation.	Management indicated that although a National Strategy document is not mandatory, IOM Mexico will finalize the draft through consultations with the federal government and will negotiate with the Regional Office to change the timeframe to 2022-2025.	IOM Mexico finalized its National Strategy 2022–2024, which is aligned with the IOM Strategy and the regional strategy for North America, Central America and the Caribbean. The draft strategy was shared with federal and state government authorities, United Nations agencies and civil society entities, and inputs received were included. The strategy is currently undergoing final review by the Regional Office and will be published on 5 September 2022.	August 2022 Closed
2021 COMPLIANCE AUDIT Mexico City (21-CO-MX10-03)	We recommended that, Management should ensure timely update of the procurement plan to reflect current information on the processing times and take proactive measures when planned schedules are not met. This could assist Management to ensure contingency planning and Management could be better prepared to address upcoming procurement requests.	Management accepted the recommendation and indicated that it will request from each Project Manager the periodic update of the procurement plans as the projects are executed for a more complete monitoring.	In order to obtain updated procurement plans, the Procurement Unit is monitoring each programme. All the plans should be available by September and will be updated quarterly.	August 2022 Closed
2021 COMPLIANCE AUDIT Mexico City (21-CO-MX10-04)	We recommended that management should continue to negotiate and dialogue with the Mexican Tax Authorities to grant them full tax exemption, such that there would not be the need for claiming refunds.	Management explained that during the Covid19 pandemic in early 2020, the Tax Authority as well as many public institutions remained closed, without reception of documents of taxpayers, so the process of VAT recovery was delayed, but from March 2021 the Office had access to request VAT recovery.	The Government of Mexico has granted IOM immunities and privileges with some limitations set out both in the Headquarters Agreement and in the 1947 Convention on Privileges and Immunities. A review of the Headquarters Agreement is being promoted in meetings with other United Nations agencies in a process being carried out by the Office of Legal Affairs at Headquarters. VAT claims are filed monthly and there are no delays.	August 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2021 COMPLIANCE AUDIT Khartoum (21-CO-SD10-01)	We recommended to the Management of the Office to speed up its project implementation activities to ensure that all the funds are effectively utilized within the projects' duration.	Management attributed the lapse to the revolution and military takeover which affected IOM, other UN agencies, and INGOs/NGOs in implementing humanitarian response as changes in government structure, sporadic protests, roadblocks, and internet cut-off, among others, directly impact IOM projects. It added that the surge of COVID cases in Sudan causing the lockdown in 2020 also affected project implementation in Sudan.	The mission has undertaken additional measures to positively impact upon all cycles of project implementation. We have improved on our communication strategy with more internal regular team meetings including project launch meetings for new projects, regular progress coordination meetings and project closure meeting and a follow-up mechanism is in place as well as close communication and coordination with the donor and other stakeholders. The development of SOP to allow the streamlining processes and the flow of tasks is being elaborated and this will ensure clarity of roles, tasks and processes – will impact upon the overall efficiency of our delivery on all tasks – including project development, activation, reporting and revision. We are continuously building the capacity of Programme staff and planned webinars includes Refresher course in PRIMA and Webinar on Donor Reporting. The mission is building a Risk Register Tool to identify potential setbacks/bottlenecks. The aim is to collectively identify, analyze and solve risks before they become problems in the context of Sudan's complex operating environment. We have strengthened our capacity in the area of Human Resources by establishing M&E unit, increase staffing in Resources management and Programme units including engaging standby partners (in coordination with our colleagues in HQ) and taking available resources such as Interns, JPO, and UNVs funded by Donors and Partners. The monitoring of activities as well as budget monitoring will be further strengthened to ensure mitigation actions are taken if delays are foreseen. Finally, the overall staffing structure of the mission is being revised to streamline and clear the communication lines, segregation of duties including a balance assignment of program management of all projects.	December 2022 Closed

## IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2021 COMPLIANCE AUDIT Khartoum (21-CO-SD10-02)	We recommended that the RMO and CoM should regularly follow up with the Tax Authorities to ensure timely collection of the VAT receivables.	While agreeing with the recommendation, Management indicated that the issue on VAT is a UN wide concern in Sudan and that the Finance and Admin Working group at the UN level will be pushing for an upfront VAT exemption to all UN agencies to avoid accumulation and delayed refund of VAT to UN agencies. Management added that IOM will put in place a measure to regularly follow-up with the VAT office.	IOM Sudan mission is continuously following up with the VAT Chamber where the last visit was January 2023. We were advised however that all payments to all agencies were put on hold due to the cashflow issue of the Government of Sudan. The letter submitted by the UN Resident Coordinator in September 2022 is being followed up and all UN agencies are encouraged to continue following up on their own VAT claims. The Office of the Chief of Mission will be requesting a meeting with the Ministry of Finance through the Ministry of Foreign Affairs to discuss this outstanding item.	December 2022 Closed
2021 COMPLIANCE AUDIT N'djamena (21-CO-TD10-01)	We recommended that management should conduct, and document exit interviews with departing staff and keep copies on their files to provide valuable information for use in the preparation of vacancy notices to promote staff retention and minimise the incidence of staff attrition.	Management accepted the recommendation for implementation.	The Panama Administrative Centre was contacted about the fact that separated staff were unable to open and complete the exit survey and about the absence of a French version. Since the technical problem persists, IOM Chad created its own, simple and straightforward survey. Staff members are thus able to express what they liked most about working with IOM and include any recommendations. The survey can be anonymous and has been shared with Management for reference and action, as needed.	September 2022 Closed
2021 COMPLIANCE AUDIT N'djamena (21-CO-TD10-02)	We recommended to Management to ensure that off-line back-ups are physically secured and stored at safe locations off-premises (i.e., bank safe, 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 took note of the recommendation and indicated it is part of its ICT 2022 plan and will be completed by the first quarter of 2022. Management added that the Office will acquire tape drives and a fireproof safe that will be installed in one of the sub offices to store back up tapes drive and will emboss the media with the Office official inventory marks.	In the context of the server-free project being implemented by IOM Chad, there is no need for data backup because all the data are stored in the cloud. The file server has been migrated and the objective is to discontinue the use of servers.	September 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2021 COMPLIANCE AUDIT N'djamena (21-CO-TD10-03)	We recommended that all asset management information fields prescribed should be promptly updated in the PRISM for effective monitoring.	Management took note of the recommendation and indicated that this was already being improved through on the job trainings, as well as the Standard Operating Procedure (SoP) developed for the asset focal points and for all Office staff to be aware of the value and necessity of such information being uploaded into PRISM. Management added that the Unit is in a better position with the support of a staff member who is currently brought on a short-term assignment to further support the Office in terms of asset management.	IOM Chad started a physical inventory of all assets in all locations in Chad in early August 2022, to be finalized by the end of September 2022. All the information requested should therefore be captured and entered in PRISM, as needed.	September 2022 Closed
2021 COMPLIANCE AUDIT N'djamena (21-CO-TD10-04)	We recommended that Management should put in place controls that ensure that employees make good their indebtedness and account for all IOM properties in their custody before they exit.	Management indicated that procedures for separations are already in place and being followed and that the staff was rehired and still active (except for one staff member).	The Auditor's comment is already in place/ official E-mails are received by concerned units confirming the accounts clearance while the Exit Clearance form is duly signed and archived by the date of Separation.	December 2022 Closed
2021 COMPLIANCE AUDIT Hanoi (21-CO-VN10-01)	We recommended to Management to strengthen their supervision over the project management and ensure that all factors under their control that hinder the smooth implementation of projects are eliminated or brought to the barest minimum to allow for speedy project implementation and completion.	Management agreed with the recommendation and added that it will carry over the unspent project funds into next project year to complete the pending activities by the end of the project.	Following the recommendations of the External Auditor, Management closely monitored its portfolio in 2022 to minimize delays in project implementation. At the end of 2022, all projects with the end period of 2022 were closed on budget. Management continues to review its active project portfolio to identify any significant variances that may need corrective action in a timely manner. When necessary, donors are updated with potential delays. While the pandemic years created many challenges for efficient project implementation, the overall situation has stabilized, and, aside from government approval delays, current projects are on track.	December 2022 Closed



**IMPLEMENTED RECOMMENDATIONS**

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<p>2020 CERTIFICATION AUDIT Geneva (20-CT-CH10-04)</p>	<p>We recommended that Management should continue to liaise with Member States for modest and realistic increases of the core funding structure in a manner which will ensure prudent allocation of resources to facilitate the Organization's effort of prioritization and efficiency enhancement.</p>	<p>Management agreed with this recommendation and stated that over the past years the Administration has highlighted the inherent risks of the funding model to the Member States and spearheaded the budget reform dialogue which is underway. Management added that the ongoing declining trends in the flexibility and predictability of the core budget in relation to total expenditure jeopardize the delivery of services and the enforcement of adequate levels of internal controls.</p>	<p>We agree with the auditor comment concerning Resolution No. 31 of 28 June 2022 and that this finding may be considered as closed, it being understood that the Administration will continue to engage with Member States, including as foreseen by the same resolution, on discussions with Member States their commitment to discussing the policy of zero nominal growth in the Administrative Part of the Budget by 2025, to reviewing the Administrative Part of the Budget in 2027 and to consider further increases to the Administrative Part of the Budget so as to ensure that IOM has a sustainable financial model.</p>	<p>December 2022 Closed</p>
<p>2020 COMPLIANCE AUDIT Kabul (20-CO-AF10-02)</p>	<p>We recommended that the CoM should establish an effective risk management system in compliance with IN 213 and ensure systematic identification and documentation of significant risks and put in place the necessary controls to mitigate the risk.</p>	<p>Management took note of the observation and indicated that the Office through the Senior Resources Management Officer is working on plans to initiate the preparation of a Risk Register under the close guidance of the Chief Risk Officer from HQ Geneva and gave 31 March 2021 as the target completion date.</p>	<p>Risk Register was shared with Risk Unit in Geneva and comments were received. The comments are minor there was a suggestion to update the new Risk Register Template. This will be an additional Tool recommended and will be completed. At this stage the mission is comfortable that we now have a Risk Register, and the issue can now be closed</p>	<p>December 2022 closed</p>

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2020 COMPLIANCE AUDIT Kabul (20-CO-AF10-03)	We recommended that the Office should liaise with Manila and Headquarter to assist in addressing the training needs of staff of the Office.	Agreeing with the observation, Management added that the Office opted for online training webinars in coordination with PAC, MAC & HQ, as sending IOM Afghanistan staff to trainings outside the Office comes with huge costs and visa implications. Management indicated that a limited number of staff have benefitted, and the modality has been effective as it is done in the offices during working hours, where stability of Internet is guaranteed.	Capacity-building is a top priority and funds have been allocated accordingly for 2022 and 2023. While staff members are encouraged to do online training, the focus has been on bringing experts from the Regional Office/Headquarters or other offices to conduct face-to-face group learning activities that will benefit more than one staff member. As part of the long-term plan, project managers were requested to share their training needs for late 2022 and 2023. The office will come up with three to five learning priorities by the end of September 2022 and share them with the Regional Office and the Staff Development and Learning Unit. Training in PRIMA and project development and management has been identified as a priority, coupled with soft skills such as managing a team during a crisis or in a complex environment and language skills. In addition, USD 500 have been allocated per staff member to support individual learning needs, to be granted when the staff member submits a request in consultation with the supervisor and in line with his/her post description and the Staff Evaluation System. The plan is to support at least 15 individual in-country training sessions (mainly for national staff) by December 2023.	June 2022 Closed
2020 COMPLIANCE AUDIT Bangui (20-CO-CF10-02)	We recommended that the BCP is updated to include the ICT component, finalized for use, and regularly updated to include simulation procedures with clear cut implementation strategies. We also recommended that the Office comply with all the requirements of IN/88 by conducting 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 took note of the recommendation indicated that the BCP was updated in March 2020, but the previous version which dated back to 2015/2016 was considered not applicable due to revised context.	The office will further update the BCP by December 2022, in coordination with the Field Security Officer.	June 2022 Closed

**IMPLEMENTED RECOMMENDATIONS**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2020 COMPLIANCE AUDIT Niamey (20-CO-NE10-02)	We recommended that Management of the Office should ensure timely retirement of advances by staff in compliance with the PRISM HR operation procedures.	Management indicated that advances regarding Education Grant is managed/cleared by MHRO once the staff member submits the final EG claim and generally it takes over one year to clear. Whereas those related to operational advance for activities are still ongoing and partial clearing is being done when documents for verification is submitted for settlement. Management added that the Office is sending reminders to PM/HR colleagues to contact with staff for submission of documents, whilst Medical Advance will be cleared upon clearance from HCPU, Manila.	The SOPs have been finalized and became operational on 14 April 2022.	April 2022 Closed
2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-03)	We urged management to consider the determination of a threshold and a discount rate which would be applicable to guide assigned staff to eliminate any discretionary interpretation on how the non-current assessed contribution receivable ought to be treated in the Annual Financial Report.	Management agreed with the recommendation and stated that they would determine a threshold and discount rate for non-current assessed contribution receivables.	Considered as closed. The appropriate threshold has been assessed in coordination with an IPSAS consultant for incorporation into the next version of the IOM IPSAS manual.	December 2022 Closed

**IMPLEMENTED RECOMMENDATIONS (continued)**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-06)	We urged Management to take the necessary steps to ensure timely recruitment of the Project Director and include as part of their terms of engagement clear timelines in liaising with the necessary stakeholders and act on the actions outlined in the Council's resolution. Management should also ensure the timely development of the prototype design for the new building and assess the impact to the other occupants of the adjoining building sharing the same perimeter with IOM. Furthermore, we would continue to provide independent assessment as part of our annual audit assurance of the Organization's operations to augment oversight activities on the implementation of the Project to enable the Organization take proactive measures to mitigate any potential operational or financial risk.	Management stated that IOM has not engaged with other institutions in the annex building regarding the Project, and further stated that although the two buildings share common services for heating and garage, the owners of the properties manage them independently. The Swiss Building Foundation for International Organizations (FIPOI) provides general oversight for both buildings so are responsible for any overarching issues that impact the owners of the buildings. FIPOI is also formally the designated focal point of the Government of Switzerland for the new IOM building project. Consequently, any issues relating to the new building which will impact IOM neighbours will be managed by them. The construction of the new building will not have any direct impact on the adjoining building. The IOM Administration will nonetheless take proactive steps to inform the neighbours on development as appropriate. IOM is currently in the process of procuring a consultancy to start preparatory work that will be used to undertake the initial assessment and establish the pre-requisite for the project to define the exact cost of the Project. This initial work by the Consultant will be continued by the Project Director for whom the recruitment will take a longer time. The Director General has already established a Steering Committee which provides oversight to the whole process and the Administration commits to ensure that adequate planning, consultation and active engagement with Member States, stakeholders and stringent procurement and internal controls measures will be strictly adhered to. The Administration will continue to rely on the independent assessments of the External Auditors throughout the life of the project from the initial conceptualization phase to completion.	All action points are finalized. The architect has been contracted with clear deadlines and deliverables as per actions outlined in the Council's resolution. The architect acts as General planner and all sub-agents (engineers and specialists) are appointed. The Project Director is now advised by the specialized risk management and client's advisory firm Drees and Sommer, overseeing the risk register, financial and schedule impact of interfaces, project's objectives, scope and budget, governance, and communication, etc. A liaison committee has been created and chaired by FIPOI to discuss and resolve all matters pertaining to the impact of IOM's project on adjoining buildings. A project commission has been appointed comprising all project's stakeholders to follow and discuss the project development. This project commission reports to the Steering Committee, which is monthly updated on all strategic issues of the project. A Staff Consultation Group ensures an efficient participative process during the project development with End-users. A consultancy firm on universal design and accessibility is appointed, overseeing the design of the project.	January 2023 Closed

**IMPLEMENTED RECOMMENDATIONS**

<b>IOM tracking number</b>	<b>Recommendation S/28/CRP/1</b>	<b>Management response</b>	<b>Subsequent action taken (as at March 2022)</b>	<b>Completed in</b>
2015 CERTIFICATION AUDIT Geneva (15-CT-CH10-07)	The resolution of the problems faced in non-implementation of recommendations of internal audit may be addressed by the Management/Audit Advisory Committee so that corrective action envisaged under these recommendations could be taken.	OIG is reporting statistics on the Ongoing audit recommendations. The administration is following up to address the recommendations at all levels including by country offices, regional offices, the administrative centers, and Headquarters.	Open recommendations under in progress implementation are normal for an organization of IOM size. There is a close quarterly follow up conducted by OIG throughout the year. However, as a new ERP is being implemented with go live as per January 2024, it must be taken into account the IOM processes, systems and policies are undergoing a significant change. The implementations of the open OIG recommendations may be impacted by this change and the timeline of the implementation.	December 2022 Closed
2014 PERFORMANCE ICT AUDIT Geneva (14-PE-CH10-14)	ITC may ensure that confidentiality and integrity of organization-wide data is strengthened by adopting ISO 27001 certification and updating its backup system.	No funding has been approved for the IC Division to implement compliance with ISO 27001. Although the latest ICT Strategy (2017-2020) incorporates ISO 27001 certification as one of its objectives within the period. This objective is supported by defined action to be delivered by ICT between now and 2020.	No change in status – funding has not been secured in view of other competing IT initiatives designed to enhance data confidentiality and integrity.  The audit issue would be considered under the recommendation under the finding under ICT 2021 which is open until 2025 due to technological improvements in the ISO 27001.	Closed