



International Organization for Migration (IOM)
The UN Migration Agency

OFFICE OF THE INSPECTOR GENERAL

Management Response and Actions IOM Country Office Ciudad de Guatemala Audit File No. GT201801

The IOM Office of the Inspector General (OIG) conducted an internal audit of the IOM Ciudad de Guatemala (the “Country Office”) from 24 to 28 September 2018. The audit assessed the risk exposure and risk management of the Country Office’s activities, in order to ensure these are well understood and controlled by the country-level management and staff. The audit covered the activities of the Country Office from August 2016 to July 2018. The results of the audit are public and can be accessed through IOM’s global website¹.

The OIG Internal Audit assessed the Office as largely ineffective, and raised 24 audit findings and recommendations, out of which 17 are very high and high priority².

As of December 2020, the 21 recommendations remain open.

The below report provides an explanation of the actions taken since the 2018 audit and the current state of the IOM Ciudad de Guatemala office.

Management Response and Actions to the Internal Audit Report of GT201801 – IOM Ciudad de Guatemala

Management and Administration

Finding No. 3: Absence of a formal strategic plan and organizational structure requires enhancement *Implementation On-going*

Mission’s Response: A new draft of the Regional Strategic Plan (Central, North American and the Caribbean) was presented in February 2020 during a meeting held with the Regional Director, Chief of Mission and RC - Regional Thematic Specialist. It was expected that a final version will be approved during the year and an exercise to align the national strategic plans will be implemented. Due to the pandemic this has been postponed and it is expected that the revised version of the Regional Strategic Plan will be presented during a virtual meeting in early November. Furthermore, regarding the operational structure, some recommendations were made by the Deputy Director General during a meeting held in February in Panama, which were to be analysed based on how the legal processes will be closed and availability of funds. Due to recent changes of Regional Director, this new structure still needs to be discussed together with her in order to make decisions about it.

¹https://www.iom.int/sites/default/files/about-iom/audit/gt201801-iom_ciudad.pdf

²Four very high and high, of which two are under Management and Administration, and one each in Finance and Accounting and Information Technology were not presented, according to the provisions of IB/78 Rev. 1 “Disclosure of IOM Internal Audit Reports”.



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Finding No. 4: Inappropriate Delegation of Authority and Ineffective Segregation of Duties

Implementation On-going

Mission's Response: The delegation of authority duly authorized by the Chief of Mission and organizational chart of the Resource Management Unit where it shows the hierarchy of the unit was forwarded to the auditee.

Finding No. 5: Non-compliance with the Risk Security Management Process Assessment for Guatemala

Implementation On-going

Mission's Response: The country office has worked in the implementation of better controls within the office, for example:

- A telephone plant (E1) is being acquired to cover third and fifth level.
- Backup for security cameras was upgraded to save 90 days record.
- There is a security incident reporting system that communicates to UN Department of Safety and Security and Office of Staff Security, in 2020 it was used twice.
- Fire safety focal point was named to develop a plan and training.
- The evacuation plan was tested at the end of 2019, in the first semester of 2020 an exercise was planned but the business continuity plan was applied, to work from home.

Personnel

Finding No. 8: Delays in project activation, ineffective recording of data and absence of adequate financial monitoring (include repeat findings)

Implementation On-going

Mission's Response: The country office contacted the Office of Legal Affairs for further escort contracts, but since last year the country office did not move more cases with external escorts. The country office did have a movement that required medical escort and was dully coordinated with Office of Legal Affairs - HR.

Finding No. 9: Deficiencies in Human Resources requirements

Implementation On-going

Mission's Response: At the end of 2013, the Chief of Mission from Guatemala was transferred to El Salvador. The country office of Guatemala did not close but only two staff remained with no physical office.

The country office received an instruction from the Chief of Mission that all human resources and administrative-financial functions were going to be handled by the country office of El Salvador. Also, due to IOM's situation with the Government of Guatemala, to maintain a low profile was recommended. Due to this, it was instructed not to publish vacancies and most of the hired staff were former staff.



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With the new IOM administration in El Salvador that is in charge of the three countries (El Salvador, Guatemala and Honduras), according to the project budget and needs, a selection process has been conducted and avoiding offering special-short term – ungraded contracts. Reference checks and entry on duty are done before hiring.

The country office is making efforts to change the contracts of current staff with ungraded contracts. At this stage, the country office is waiting for approval of an extension of the project which considers all the staff cost with benefits.

For hourly contracts the administrative assistant of the project keeps control of the hours worked and shares with the administration.

The Mission usually shares SDL information to all staff and encourage staff by email and staff meetings to uses SDL resources.

Mission expect the updated response from LEG HR of staff contracts prepared and signed by CO El Salvador.

Finance and Accounting

Finding No. 13: Cash management and financial controls need to be strengthened

Implementation On-going

Mission's Response: The country office is working on strengthening the financial controls of cash management and in constant coordinate with Panama Administrative Centre, Regional Accounting Support and Regional Office to implement suggestions from them, the country office has taken the following actions:

- The petty cash must have three staff, because one is for administrative expenses, one for the Mesoamerica Programme expenses and one in USD for United States Refugee Admissions Programme expenses.
- The cash account transactions will be improved, and it is reported that El Salvador has made surprise cash count.
- The numbered forms will be issued.
- The stamp of paid on the invoices is already being stamped.
- The reminder was made that every fuel bill must have the plate number and mileage recorded.
- The receipts of petty cash are registered within the month and there is no exchange differential because the refund is in the same currency.

Finding No. 14: Lack of appropriate monitoring of open items and inappropriate settlement of operational advances

Implementation On-going

Mission's Response: The Chief of Mission and Resource Management Officer are working on keeping updated the process of clearing all advances according to IOM regulations in coordination with administrative and financial staff, the following actions has been taken by the country office:

- The country office is working to clear the advances with more than two months.
- The staff advances for the Volcano Emergence was cleared.

All efforts have been made to clear all open item within three months.



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Procurement and Logistics

Finding No. 15: Weak controls over the procurement process

Implementation On-going

Mission's Response: The Chief of Mission and Resource Management Officer are committed to strengthen the procurement process and maintain a segregation of duties to ensure that all processes are executed according to instructions, the country office is aware of any training needed for procurement staff.

- In the following processes, the Bids, Evaluation, and Awards Committee has been selected according to IN/168 Rev. 2; being the one making decisions, supported and assisted by technical and procurement group.
- Advance payments are being documented appropriately and authorized by Accounting division when required.

Finding No. 16: Weak vendor creation and approval mechanism

Implementation On-going

Mission's Response: All vendor creation form is being fully filled and complete with information and documentation necessary to verify the credibility and stability of the companies that provide us with goods and services. The vendor creation form is being signed by Resource Management Officer and Chief of Mission and kept with vendor file; vendors are being created based on vendor creation form. Recently, the country office has implemented the practice of checked before the creation of new vendors, the vendors are checked against the UN list of sanctioned vendors.

Finding No. 17: Lack of adequate tracking of assets and Non-Food Items

Implementation On-going

Mission's Response: The country office has developed the following points regarding to asset controls:

- Inventory was performed, submitted and received on time to Central Accounting Support, tagging and conciliating physical assets and PRISM list is still pending, will be performed this year. In order to properly use the mobile application, the tagging and conciliation of assets has to be performed before the use of new app.
- Pending, appraisal has to be done in order to compare if it is convenient economically to repair the car, or to sell it as an obsolete asset.
- Information of two vehicles in use: Asset Number: 20000650/Nissan Pathfinder - Year 2004, and Asset Number: 20000652/Toyota Hilux - Year 2006.
- Regarding the two transferred to Honduras a transfer was made in the system on 24 September 2018, attached is the email confirmation for the reception in Honduras for both vehicles, the asset transfer form 2018-00072 with the approval from Central Accounting Support and the documentation number of the transferring.



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Contracting

Finding No. 18: Poor financial monitoring and accounting for Implementing Partners

Finding Closed

The recommendations were implemented.

Finding No. 19: Non-compliance with Resettlement and Movement Management Division requirements on Competitive Bidding Process and Approval on local travel services

Implementation On-going

Mission's Response: The Resource Management Officer in coordination with Procurement, and purchase of e-tickets staff have prepared the terms of reference for the competitive bidding process and these were sent to Resettlement and Movement Management to review the terms of reference, at this point some recommendations have been received from Resettlement and Movement Management, and the suggestions to the terms of reference has been adjusted. The public tender to select a travel agency was about to be released when the pandemic period started, but the country office will follow up in order to comply with all requirements.

Programme and Operations

Finding No. 24: Project Management and sustainability

Implementation On-going

Mission's Response: The Chief of Mission, Deputy Chief of Mission and Resource Management Officer in coordination with Programme Coordinators are working in the best control of the project execution and burn rate. Allocation of funds are being monitored periodically, exercises of possible scenarios related to staff and office cost are being raised recently to evaluate the financial sustainability of projects.

OIG/Internal Audit Comment:

OIG - Internal Audit strongly encourages the Office to implement all recommendations remaining pending.