



IOM International Organization for Migration

EXECUTIVE SUMMARY
INTERNAL AUDIT REPORT
IOM Athens
GR202001
24 February – 6 March 2020

Issued by the Office of the Inspector General

Report on the Audit of IOM Athens
Executive Summary
Audit File No. GR202001

The IOM Office of the Inspector General (OIG) conducted an internal audit of the IOM Athens, Greece (the “Country Office”) from 24 February to 6 March 2020. The internal audit aimed to assess adherence to financial and administrative procedures in conformity with IOM’s rules and regulations and the implementation of and compliance with its internal control system.

Specifically, 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 local management and staff. Selected samples from the following areas were reviewed:

- a. Management and administration
- b. Human Resources
- c. Finance and Accounting
- d. Procurement and Logistics
- e. Contracting
- f. Information and Technology
- g. Programme and Operations

The audit covered the activities of the Country Office from 1 January 2018 to 31 December 2019. The Country Office recorded the following expenses based on IOM financial records:

- 2018 – USD 66,566,919 representing 3.72 per cent and 35.44 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- 2019 – USD 193,367,441 representing 9.73 per cent and 62.41 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.

The last internal audit of the Country Office was March 2017.

Because of the concept of selective testing of data and inherent limitation of the internal audit work, there is no guarantee that all matters of significance to IOM will be discovered by the internal audit. It is the responsibility of local management of the Country Office to establish and implement internal control systems to assure the achievement of IOM’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with relevant laws, regulations, and policies. It is also the responsibility of local management to determine whether the areas the internal audit covered, and the extent of verification or other checking included are adequate for local management’s purposes. Had additional procedures been performed, other matters might have come to internal audit attention that would have been reported.

The internal audit was conducted in accordance with the Charter of the Office of the Inspector General and in general conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OIG assessed the Country Office as **partially effective** which means that “while the design of controls may be largely correct in that they treat most of the root causes of the risk, they are not currently very effective. Or, some of the controls do not seem correctly designed in that they do not treat root causes *and* those that are correctly designed are operating effectively”.

This rating was mainly due to weaknesses noted in the following areas:

1. Organization structure
2. Security arrangements

There was satisfactory performance noted in Contracting and Information Technology.

Key recommendations: Total = 27; High Priority = 2; Medium Priority = 22; Low Priority = 3

High Priority Recommendations

Prompt action is required within three months to ensure that IOM will not be adversely affected in its ability to achieve its strategic and operational objectives.

The High priority recommendations are presented below:

Two (2) recommendation for Management and Administration aim to ensure that the assets of IOM are properly safeguarded, staff welfare is secured and that IOM operations are effective and efficient.

- Review the current structure and enhance resource management controls and establish standard operating and monitoring procedures.
- Assess current staff security and arrangements and engage with donors, where possible.

There remain 22 Medium priority recommendations consisting of 4 recommendations in Management and Administration, 6 recommendations each in Personnel and Finance and Accounting, and 3 recommendations each in Procurement and Logistics and in Programme and Operations, which need to be addressed by the Country Office within one year to ensure that such weaknesses in controls will not moderately affect the Country Office’s ability to achieve its entity or process objectives.

Low priority recommendations (not included in this Executive Summary) have been discussed directly with management and actions have been initiated to address them.

Management comments and action plans

Of the 27 recommendations 22 were closed and implemented at the time of publication of this executive summary including the 2 high priority recommendations, while only 5 remained in progress. Comments and/or additional information provided have been incorporated in the report, where appropriate.

This report is intended solely for information and should not be used for any other purpose.

**International Organization for Migration
Office of the Inspector General**

I. About the Country Office

The main office is located in Athens, Greece. As of 6 February 2020, the Country Office has 1,519 personnel categorized into: 7 officials, 1,503 staff, 9 non-staff. The Country Office recorded the following expenses based on IOM financial records for the following periods:

- 2018 – USD 66,566,919 representing 3.72 per cent and 35.44 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- 2019 – USD 193,367,441 representing 9.73 per cent and 62.41 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.

The Country Office has a total portfolio of 46 projects and total budget of USD 291,656,876. The top 2 projects by type:

- 3 Projects for Camp Coordination and Camp Management amounting to USD 117,032,053 or 40 per cent of the budget.
- 11 Projects on Protection and Assistance to Vulnerable Migrants amounting to USD 49,556,548 or 17 per cent of the budget.

The last audit was in March 2017 wherein the overall rating was “Partially Effective”.

Implementation status of the previous OIG audit recommendations: Audit Report No. GR201701 IOM Athens; Total recommendations: 22; All 22 recommendations had been implemented.

II. Scope of the Audit

1. Objective of the Audit

The internal audit was conducted in accordance with the Charter of the Office of the Inspector General and in general conformance with the *International Standards for the Professional Practice of Internal Auditing*. The focus of the audit was adherence to financial and administrative procedures in conformity with IOM’s rules and regulations and the implementation of and compliance with its internal control system.

2. Scope and Methodology

In compliance with Internal Audit standards, attention was paid to the assessment of risk exposure and the risk management of the Country Office activities in order to ensure that these are well understood and controlled by the local management and staff. Recommendations made during the internal audit fieldwork and in the report aim to equip the local management and staff to review, evaluate and improve their own internal control and risk management systems.

III. Audit Conclusions

1. Overall Audit Rating

OIG assessed the Country Office as **partially effective** which means that “while the design of controls may be largely correct in that they treat most of the root causes of the risk, they are not currently very effective. Or, some of the controls do not seem correctly designed in that they do not treat root causes, *and* those that are correctly designed are operating effectively.”

2. There was satisfactory performance noted in Contracting and Information Technology.

IV. Key Findings and High Priority Recommendations

1. Organization Structure

The organization structure arrangements in place continue to be a work in progress given the many changes and the increased personnel required to support the growing operations.

High Priority Recommendation:

- Review the current structure and enhance resource management controls and establish standard operating and monitoring procedures.

2. Security arrangements

Security arrangements in the management of sites and camps particularly open accommodations have been challenging.

High Priority Recommendation:

- Assess current staff security and arrangements and engage with donors, where possible.

Management agreed and has already implemented the two key findings and high priority recommendations as of 30 April 2021.

ANNEXES

Definitions

The overall adequacy of the internal controls, governance, and management processes, based on the number of audit findings and their risk levels:

Descriptor	Guide
Fully effective	Nothing more to be done except review and monitor the existing controls. Controls are well designed for the risk, address the root causes and Management believes that they are effective and reliable at all times.
Substantially effective	Most controls are designed correctly and are in place and effective. Some more work to be done to improve operating effectiveness or Management has doubts about operational effectiveness and reliability.
Partially effective	While the design of controls may be largely correct in that they treat most of the root causes of the risk, they are not currently very effective. Or, some of the controls do not seem correctly designed in that they do not treat root causes, those that are correctly designed are operating effectively.
Largely ineffective	Significant control gaps. Either controls do not treat root causes, or they do not operate at all effectively.
None or totally ineffective	Virtually no credible controls. Management has no confidence that any degree of control is being achieved due to poor control design and/or very limited operational effectiveness.

Audit Recommendations – Priorities

The following internal audit rating based on **IOM Risk Management** framework has been slightly changed to crystalize the prioritization of internal audit findings according to their relative significance and impact to the process:

Rating	Definition	Suggested action	Suggested timeframe
Very High	Issue represents a control weakness which could cause critical disruption of the process or critical adverse effect on the ability to achieve entity or process objectives.	Where control effectiveness is not as high as ‘fully effective’, take action to reduce residual risk to ‘high’ or below.	Should be addressed in the short term, normally within 1 month.
High	Issue represents a control weakness which could have major adverse effect on the ability to achieve entity or process objectives.	Plan to deal with in keeping with the annual plan.	Should be addressed in the medium term, normally within 3 months.
Medium	Issue represents a control weakness which could have moderate adverse effect on the ability to achieve entity or process objectives.	Plan in keeping with all other priorities.	Should be addressed normally within 1 year.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve entity or process objective.	Attend to when there is an opportunity to.	Discussed directly with management and actions to be initiated as part of management’s ongoing control.