



International Organization for Migration (IOM)  
The UN Migration Agency

## OFFICE OF THE INSPECTOR GENERAL

### Management Response and Actions IOM Payroll for Professional Staff Audit File No. PA201802

The IOM Office of the Inspector General (OIG) conducted an internal audit of the IOM Payroll for Professional Staff from May to October 2018. The audit assessed the risk exposure and risk management of the Payroll for Professional Staff's activities, in order to ensure these are well understood and controlled by the Chief Human Resources Operations and Administrative Services' management and staff. The audit covered the activities of the Payroll for Professional Staff from January 2016 to April 2018. The results of the audit are public and can be accessed through IOM's global website<sup>1</sup>.

The OIG assessed the Office as partially effective, and raised 12 audit findings and recommendations, out of which 7 are very high and high priority.

As of January 2021, only 1 high priority recommendation remains open.

The below report provides an explanation of the actions taken since the 2018 audit and the current state of the IOM Payroll for Professional Staff office.

### Management Response and Actions to the Internal Audit Report of PA201802 – IOM Payroll for Professional Staff

#### Management and Administration

#### **Finding No. 1: Ineffective organizational structure due to limited resources**

*Finding Closed*

Additional staff were recruited in the Unit dedicated to payroll administration, consultants' payroll, and quality assurance. Two positions were regularized, and a full review of the structure and relevant adjustments will take place in the upcoming global payroll implementation in 2021.

#### **Finding No. 2: Payroll Reports are not adequate for Country Office review**

*Finding Closed*

Immediate actions were implemented. Further enhancement of report will be included in the payroll requirements in the framework of the business transformation and global payroll implementation that is upcoming in 2021.

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<sup>1</sup>[https://www.iom.int/sites/default/files/about-iom/audit/pa201802 - iom payroll for professional staff .pdf](https://www.iom.int/sites/default/files/about-iom/audit/pa201802_-_iom_payroll_for_professional_staff_.pdf)



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**Finding No. 3: Lack of adherence to payroll process flows and use of outdated PRISM Payroll standard operating procedures**

*Finding Closed*

The revised PY process flow during payroll runs finalized including the approval process; set 15<sup>th</sup> of the month as cut-off date to complete all the requirements of new hires included in the current month payroll, also for General Service to Professional or vice versa (change in category). Cut-off date for inputting all personnel actions and all other variable elements is the day before the 1st payroll run, except for bank detail updates which are due on or before 15<sup>th</sup>, and projectization updates on or before the 10<sup>th</sup> of each month. Further reviews and updates will be undertaken during the implementation of the global payroll project and business transformation.

**Finding No. 4: Segregation of Duties and swapping of roles**

*Finding Closed*

The roles have been adjusted for the new established positions with the new upcoming structural adjustments in view of the global payroll project in 2021 roles will be further adjusted as appropriate. Role of PERN 1343 has been delimited on 05 February 2019. PRISM Central Support Team's project to automatically delimit the roles of separated staff is already in place. As confirmed by PRISM Central Support Team, role assignments for separated staff are automatically delimited.

**Payroll Processing**

**Finding No. 7: Insufficient Payroll Controls and Accountability**

*Finding Closed*

The delegation of authority in human resources follows IN/270. The payroll authorization process is handled by Manila Human Resources Operations also for General Service at the headquarters and consultants. The latter process is coordinated with Human Resources Management. The physical monthly payroll files are intact, though not yet separated per category which is pending the system enhancement that would require substantial effort. The sign-off template is already in place and implemented.

**Finding No. 8: Inadequate Payroll Payment Controls**

*Implementation On-going*

**Manila Human Resources Operations' Response:** Manila Human Resources Operations is further coordinating with Treasury and Manila Treasury Services as owners of this finding. The agreed upon process will be shared with IA accordingly.



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**Finding No. 9: Challenges encountered by Payroll Unit**

***Finding Closed***

The last revision of the Unified Staff Regulations and Rules was implemented in January 2020. Some new changes are expected to be implemented in early 2021. The changes are coordinated with Manila Human Resources Operations and other involved stakeholders and processes in Human Resources operations are revised accordingly. In addition, in 2020 due to the pandemic a number of Human Resources advisories and guidelines were issued that impacted the entitlements and administration of Professional staff worldwide. Payroll, Personnel Administration and Operations Support Unit worked jointly in devising new processes accordingly. The Instruction on salary advances is almost finalized, also with input from Manila Human Resources Operations, and expected to be issued in early 2021. The coordination process with country offices/Resource Management Officers and Regional Accounting Support is strengthened. The off-cycle process will be implemented as part of the business transformation and global payroll project. Compliance to the currency of payment is being checked every month.

**OIG/Internal Audit Comment:**

**OIG - Internal Audit notes the significant effort undertaken to implement the majority of the audit recommendations and is encouraging the implementation of the remaining one in due course.**