



International Organization for Migration (IOM)
The UN Migration Agency

OFFICE OF THE INSPECTOR GENERAL

Management Response and Actions IOM Regional Office San Jose Audit File No. CR201801

The IOM Office of the Inspector General (OIG) conducted an internal audit of the IOM San Jose (the “Regional Office”) from 16 to 20 July 2018. The audit assessed the risk exposure and risk management of the Regional Office’s activities, in order to ensure these are well understood and controlled by the regional-level management and staff. The audit covered the activities of the Regional Office from 1 June 2016 to 31 May 2018. The results of the audit are publicly available and can be accessed through IOM’s global website¹.

The OIG assessed the Office as largely ineffective, and raised 38 audit findings and recommendations, of which 18 are very high and high priority.

As of October 2020, 19 recommendations in total remain open, including 10 very high and high priority.

The below report provides an explanation of the actions taken on the high priority findings since the 2018 audit and the current state of the IOM San Jose regional office.

Management Response and Actions to the Internal Audit Report of CR201801 – IOM San Jose

Management and Administration

Finding No. 1: Unclear IOM regulatory framework in Costa Rica **Implementation On-going**

Regional Office’s Response dated July 2020: Withholding taxes from national staff discontinued as of November 2018. National Security System issue is under country office functions, not regional office, which was explained to the internal auditor at the time.

Finding No. 2: Poor adherence and/or erroneous interpretation of corporate instructions **Implementation On-going**

Regional Office’s Response dated July 2020: The regional office will ensure to communicate and apply internal controls to country offices in the region. The regional office would like to note that the regional office was without Sr. Regional Resource Management Officer for more than a year. New Sr. Regional Resource Management Officer was appointed only as of May 2020.

¹ <https://www.iom.int/internal-audit>



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Finding No. 3: Lack of formalized Regional Strategy and inadequate Staff Evaluation System objectives for the Regional Office staff, Chief of Missions and Head of Office in the Region
Finding closed

Regional Office's Response dated July 2020: The Regional Strategy had been reviewed and discussed with headquarters in several occasions. The final version will be submitted on the 11th August 2020 in line with global work plan define along with relevant headquarters department.

Finding No. 4: Imbalanced organizational structure and unclear responsibilities
Implementation On-going

Regional Office's Response dated July 2020: The regional office agrees with the internal audit's observation of limited capacity of current Resource Management Unit structure. Newly appointed Sr. Regional Resource Management Officer as of May 2020, will work on restructuring and building the capacity of Resource Management Unit. HQ support in allocation additional OSI to cover new critical positions in the unit will be needed to achieve the objective. New Implementation date is set to December 2020.

Finding No. 5: Unclear Delegation of Authority matrix and outdated PRISM roles assignment
Implementation On-going

Regional Office's Response dated July 2020: Newly appointed Sr. Regional Resource Management Officer as of May 2020, will work on revising delegation of authority. New Implementation date is set to December 2020.

Personnel

Finding No. 9: Inconsistent application of salary scale
Finding closed

Regional Office's Response dated July 2020: Implementation of Unified Staff Rules and Regulations would allow changing national staff contract types to enable them to enter United Nations Pension Fund and discontinue national social security contribution. However, the matter of implementing Unified Staff Rules and Regulations in Costa Rica is now with Office of Legal Affairs and Office of the Director General for their decision as it is linked to several legal and financial implications. This is something the national office is following up as it has implications on payments.

Finding No. 10: Poor implementation of Staff Evaluations in the Regional Office and the Region
Finding closed

Regional Office's Response dated July 2020: Newly appointed Sr. Regional Resource Management Officer as of May 2020, is working with country offices to comply with midpoint Staff Evaluation System 2020 to be reviewed by 31 July 2020. Follow up is also made on completion of 2019 Staff Evaluation System. It is also noted the low compliance with 2019 Staff Evaluation System globally in IOM as per Human Resources Management email dated 15 July 2020. Several reminders were sent to Resource Management Officers and Chief of Mission's in the region with the Staff Evaluation System reports.



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Finding No. 11: Erroneous payroll internal controls
Implementation On-going

Regional Office's Response dated July 2020: Actions taken as of July 2018, in coordination with country office (responsible for calculations and records). Required reports are signed by the country office Resource Management Officer and Chief of Mission and by Sr. Regional Resource Management Officer and Regional Director. Generate, review and sign the reports: ZPAYROLL report, Payroll Report, PC00_M99_CWTR (comparison report).

Finance and Accounting

Finding No. 15: Weak internal control over cash management during Level Two Emergency and lack of procedure to carry cash from one Country to another
Implementation On-going

Regional Office's Response dated July 2020: The regional office will ensure to apply related standard operating procedures' developed globally, MA/6 Emergency Operations Manual (dated Jan 2002), MA/37 Toolkit for Resource Management Officers in Emergencies (dated August 2006) in case of emergency operations in the region. The regional office would like to note that the regional office was without Sr. Regional Resource Management Officer for more than a year. The new Sr. Regional Resource Management Officer was appointed only as of May 2020. The regional office notes with Internal Audit's recommendation for Department of Resource Management, in coordination with Staff Security Unit and Department of Operations and Emergencies to establish standard operating procedures for country office and regional offices on how to respond to emergencies.

Finding No. 16: Improvement of controls on cash management and operational/personal advances
Implementation On-going

Regional Office's Response dated July 2020: The regional office will ensure to fully comply with IN/267 Financial Management Rules and Procedures.

Finding No. 17: Weak financial monitoring of the Country Offices in the Region
Finding closed

Regional Office's Response dated July 2020: Due to staffing challenges the regional office was not able to keep up to date its own financial sustainability tool but this is work in progress, will take time. However, in the meantime the regional office in collaboration with Division of Budget and PRIMA colleagues started series of meetings with country offices based on the new COVID -19 Financial Planning Model which was initially developed for COVID impact but serves as a great tool for general financial planning and monitoring tool.

Finding No. 18: Untimely and ineffective Resource Management support to the Region
Implementation On-going

Regional Office's Response dated July 2020: The regional office's resource management had limited human resources capacity for a long time, due to the absence of Sr. Regional Resource Management



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Officer for over the year, as well as lack of critical positions in the Unit such as Human Resources, Procurement to allow efficient, timely support and regular monitoring. Headquarters support in allocation additional OSI to cover new critical positions in the unit will be needed to achieve the objective. Implementation date is set to December 2020.

Procurement and Logistics

Finding No. 22: Weak internal controls over transportation arrangement and local purchase of tickets

Finding closed

Regional Office's Response dated July 2020: Vendor 1270005 is deactivated; Vendor 12700645 is used by National Office and without a formal agreement. National Office was instructed to proceed with proper procurement process and sign agreement with the selected vendor.

Finding No. 23: Absence of leasehold improvement capitalization

Finding closed

Regional Office's Response dated July 2020: The capitalization of the leasehold improvement was conducted.

Information Technology

Finding No. 25: Non-compliant and outdated Regional Office backup solution

Implementation On-going

Regional Office's Response dated July 2020: The recommendations was implemented and completed as of February 2019. Tape drive was discarded due to migration of user folders and mailboxes to the cloud. The Regional Office's backup system includes high capacity hard drives with the Synology system. The backup includes project files and PSTs (email personal folders).

Finding No. 26: Regional Office Datacentre fire hazards

Finding Closed

Regional Office's Response dated July 2020: IA recommendation to place fire extinguishers across different areas was implemented.

Finding No. 27: Regional Office non-compliant websites

Implementation On-going

Regional Office's Response dated July 2020: Internal Audit's recommendation was implemented. All the websites that were hosted by external providers were migrated to the Regional Office's servers and they were separated into virtual servers to guarantee better performance and to avoid that in the event of a crash of server connection with the other websites are not lost.



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Programme and Operations

Finding No. 38: Weak measures to reinforce compliance with timely execution and reporting of projects implemented in the Region

Finding closed

Regional Office's Response dated July 2020: Staff had been assigned to support IDF projects process implementation. Regular follow up is been provided to support on issues challenges related to compliance with donor timing reports as well as other support needed.

The matrix developed by RO San Jose to monitoring reporting submission and regularly updated, this matrix is available in shared folder for colleagues to be able to check reporting status on any specific project.

PRIMA for All is sending reminders for donor reports to be submitted on time, for those project that are still not in PRIMA, reminders are been sent by the RO by e-mail.

OIG/Internal Audit Comment:

OIG Internal Audit notes the efforts already undertaken to reduce the outstanding recommendations from 38 to 19, out of which 10 assessed as very high and high priority. The Office is strongly encouraged to move forward with the implementation of the remaining recommendations.