



**EXECUTIVE SUMMARY**

**INTERNAL AUDIT REPORT**

**IOM Regional Office for the Middle East and North Africa**

**EG202102**

**23 January - 19 February 2022**

**Issued by the Office of the Inspector General**

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International Organization for Migration

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**Report on the Audit of IOM Regional Office for the Middle East and North Africa**  
**Executive Summary**  
**EG202102**

The IOM Office of the Inspector General (OIG) conducted a remote internal audit of the Regional Office for Middle East and North Africa (the “Regional Office”) from 23 January to 19 February 2022. 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 Regional 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. Governance Management and Administration
- b. Human Resources Management
- c. Programme and Operations
- d. Resources Management (Country Offices)
- e. Finance and Accounting
- f. Procurement and Contracting
- g. Information Technology

The audit covered the activities of the Regional Office from November 2019 to October 2021. The Regional Office recorded the following expenses based on IOM financial records:

- January to December 2020 – USD 1,433,444
- January to December 2021 – USD 1,235,791

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 Office as **Partially Effective, some improvements needed** which means few significant issues, or some moderate issues noted. Internal controls, governance and risk management practices are adequately designed and well implemented, but a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.

**Key recommendations: Total = 11; High Priority = 6; Medium Priority = 4; Low Priority = 1**

**High Priority Recommendations:**

1. Absence of risk management framework
  - As per the guidelines in IN/213 “Management of Risk in IOM”, it is recommended that the regional office use appropriate methods of risk assessment and document its analysis and

actions for mitigating risk. Guidance from the Enterprise Risk Management Unit should be requested, as needed.

2. Oversight support to country offices can be enhanced further

- Compliance Control Self-Assessment reports are very thorough and provide a good understanding of each of the country office's control environment. It is recommended that the regional office review all submitted Compliance Control Self-Assessment forms to ensure that necessary checks have been done by the Resource Management Officer and Chief of Mission and to enquire further where needed. It is also recommended that this exercise be completed for each calendar year.

3. Streamlining and coordination of donor reporting from different Middle East and North Africa country offices to ensure that donors receive the information timely.

- The regional office should get more involved in the coordination, try to clarify, and streamline the consolidation process and to play a more proactive role to minimize the delays. By way of example, the regional office is to maintain periodic monitoring on progress, the use of one drive where different countries/areas can provide updates, to ensure that emerging issues can be identified and addressed at the onset.

4. Long outstanding items in vendor and staff accounts

- Follow up should be done to resolve all long outstanding vendors.

5. Vehicles - Fuel usage review

- The regional office to come up with a standard operating procedure to confirm the accuracy of the mileage and fuel captured in the vehicle analysis report to enable a detailed analysis of the reasonability of the respective vehicle fuel consumption. This must be submitted and reviewed by the Resource Management Officer/Sr. Regional Resource Management Officer. Any unusual high consumption should be investigated.

6. Absence of Information and Communications Technology risk register

- As required by IN/123 Rev. 1 Section 12 Business Continuity Management Policy and Section 20 of ICT Risk Management Policy, as well as IN/88 "ICT Standards and Guidelines" Section 2.11 Disaster Recovery Planning and Business Continuity. The country office should ensure the elaboration of an IT Risk Register to incorporate IT Risks and treatment plans. Upon finalization of the Information and Communications Technology's business continuity plan, Information and Communications Technology Risk Register and treatment plans. The regional office Information and Communications Technology to coordinate, plan and undertake a yearly simulation exercise, to test the Information and Communications Technology's business continuity plan effectiveness, to identify areas for improvement and to update the document as necessary.

### **Management comments and action plans**

Management is in the process of implementation. Out of the 11 recommendations raised, 7 have been assessed as implemented by Internal Audit. The Office is encouraged to continue the implementation of the remaining recommendations with a focus on the high priority ones.

Comments and any additional information provided have been incorporated into the report, where appropriate.

### **Limitations on the Scope of the Audit**

Because of the concept of selective testing of data and inherent limitation of *remote* internal auditing, there is no guarantee that all matters of significance to IOM will be discovered by Internal Audit. It is the responsibility of Regional Office local management 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. This report is intended solely for information and should not be used for any other purpose.

## ANNEXES

### Definitions

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

Descriptor	Guide
<b>Effective</b>	No significant and/or material issue(s), or few moderate/minor issues noted. Internal controls, governance and risk management processes are adequately designed, well implemented, and effective, to provide reasonable assurance that the objectives will be met.
<b>Partially Effective, Some improvements needed</b>	Few significant issue(s), or some moderate issues noted. Internal controls, governance, and risk management practices are adequately designed and well implemented, but a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
<b>Partially Effective, Major improvements needed</b>	Significant and/or material issues noted. Internal controls, governance and risk management practices are generally implemented, but have some weaknesses in design or operating effectiveness such that, until they are addressed, there is no reasonable assurance that the objectives are likely to be met.
<b>Ineffective</b>	Multiple significant and/or (a) material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised.

## 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
<b>Very High</b>	Issue represents a control weakness which could cause <b>critical</b> disruption of the process or <b>critical</b> 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.
<b>High</b>	Issue represents a control weakness which could have <b>major</b> 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.
<b>Medium</b>	Issue represents a control weakness which could have <b>moderate</b> 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.
<b>Low</b>	Issue represents a minor control weakness, with <b>minimal</b> 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.