



International Organization for Migration (IOM)
The UN Migration Agency

OFFICE OF THE INSPECTOR GENERAL

Management Response and Actions IOM Country Office Lilongwe Audit File No. MW201701

The IOM Office of the Inspector General (OIG) conducted an internal audit of the IOM Lilongwe (the “Country Office”) from 24 to 28 April 2017. 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 April 2015 to April 2017. The results of the audit are public and can be accessed through IOM’s global website¹.

The OIG assessed the Office as largely ineffective, and raised 24 audit findings and recommendations, out of which 12 are high priority.

As of June 2020, there remain 2 (medium) open recommendations while all high priority recommendations were implemented.

The below report provides an explanation of the actions taken since the 2017 audit and the current state of the IOM Lilongwe office.

Management Response and Actions to the Internal Audit Report of MW201701 – IOM Lilongwe

Management and Administration

Finding No. 1: Poor Segregation of Duties and lack of Delegation of Authority Matrix

Finding Closed

The delegation of authority matrix has been developed and approved by the Regional Office Pretoria and signed by the Head of Office. Further recommendations as prescribed, are incorporated in the delegation of authority matrix. The FI/HR roles have been updated and the former IT Assistant’s roles in PRISM was deactivated. While, MIGO roles have been requested to Manila for the Driver. An international Resource Management Officer was hired and took office on 2 October 2017. Expenditures exceeding USD 3,000 are approved by the Regional Office including payroll.

Finding No. 2: Lack of local regulatory framework and knowledge of IOM Regulations and Rules

Finding Closed

The Country Office draft a Staff Orientation Manual incorporating procedures on use of IOM vehicles, operational advances, presence at work among others has been developed and shared with the Regional Office Pretoria and is pending review by Staff Development Learning, for approval. Starting from May 2018, the Country Office conducted monthly orientation sessions on human resources and finance issues including medical service plan, annual leave, procurement, and travel, among others.

¹https://www.iom.int/sites/default/files/about-iom/audit/mw201701-iom_lilongwe.pdf



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Personnel

Finding No. 9: Poor maintenance of personnel files

Finding Closed

The Resource Management Officer in coordination with the Head of Office and staff members have reviewed all staff personnel files and included all necessary documents as per Internal Audit recommendation. All current staff files have updated Basic and Advanced Security in the Field training and certificates are in place in staff personnel files. All staff members who were eligible for Staff Evaluation System including the three new staff members whose Staff Evaluation System appraisals profile had not been created in PRISM Staff Evaluation System as they were not yet eligible by the time of the audit are now participant. The Country Office is now compliant with annual medical examinations for the drivers and mandatory three years periodic medical examination for non-driving staff members.

Finding No. 10: Staff members not enrolled in the Medical Service Plan

Finding Closed

All staff members are on Medical Service Plan including the two staff members who were not on Medical Service Plan at the time of the internal audit's visit as they were awaiting feedback for medical clearance to participate. The cleaner who is on a daily contract since 1 February 2017 has also been cleared fit to work by Panama Administrative Centre, however, she still is awaiting to be formally hired as an IOM staff through a competitive interview process. The gardener's position was abolished following the country Office's restructuring, therefore, not applicable anymore.

Finance and Accounting

Finding No. 13: Excessive Petty Cash payments and absence of bank cheques

Finding Closed

The Country Office is implementing internal audit's recommendation as it is now limiting petty cash payments to USD 100 per transaction and total petty cash float of less than USD 1,000 (MK 700,000). The Country Office is implementing the recommendation albeit through e-banking as opposed to issuing cheques that attract high transaction fees. Operational advances and Travel Expense Claims are processed through the bank.

Finding No. 14: Deficient banking procedures

Finding Closed

The Regional Director for Southern Africa is the current main bank signatory for the Country Office. The Sr. Regional Resource Management Officer in consultation with the Regional Director will initiate the process of writing bank introductory letter for additional bank signatories for the Country Office by end of June 2018. The Country Office now has the Resource Management Officer (international with effect from 2 October 2017). Once the signature panel process is finalized, the Resource Management Officer from Zambia will be maintained for some time to induct the new Country Office's Resource Management Officer on processes and then his function as panel signatory will be ceased. The Country Office now had a delegation of authority as per Internal Audit's recommendation. The Country Office has engaged the Regional Office on issue of keeping Zambia Resource Management Officer for a while to orient the new Resource Management Officer with the processes after which



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Zambia Resource Management Officer remote role will be reviewed with the view to terminate his function. The Country Office has not prioritized this recommendation given system in place of transacting through the bank is more secure and does not attract bank charges for transacting.

Finding No. 15: Outstanding Cost Centre and Vendor Balances

Finding Closed

The Country Office coordinated with Regional Accounting Support and identified credit amount in the Cost Centre and cleared. PO 4600314217 was cancelled together with the related assets as the goods were returned to supplier due to supply good with wrong specifications. Staff member PERN 57017 separation clearance was completed and outstanding balance cleared, and all due vendor accounts balance identified at the time of the audit were cleared and new vendors are up to date.

Procurement and Logistics

Finding No. 17: Deficient Procurement procedures

Finding Closed

The Country office is still using FB60. However, the Country Office is in the process of recruiting Finance Assistant with procurement roles. The Resource Management Officer and Head of Office participated at the Regional Resource Management Capacity Building Training in which IOM Procurement processes and PRISM MM and AM modules were done. The vendor register is now in place and vendor assessments are performed to gather all the required information as per vendor information sheet before accepting vendors. A system of verifying authenticity of vendors is now in place and the Resource Management Officer and Head of Office conduct spot checks for vendors' business locations each time quotations are collected. Market survey is conducted annually to inform current market prices.

Information Technology

Finding No. 21: Very weak IT structure and performance

Finding Closed

The Country Office in coordination with the Regional Office Pretoria's Information and Communications Technology has engaged the internet service provider to improve the Country Office's internet bandwidth so that the BOB equipment can be installed to ensure that the Country Office's IT structure complies with the IN/88 Rev.1 "ICT Standards and Guidelines 2016". The service provider has provided separate optic fiber cable to service the Country Office and the BOB will be installed anytime as the Regional Office's Information and Communications Technology Officer is available for a travel on duty in Malawi.

Programme and Operations

Finding No. 22: Absence of an appropriate project financial monitoring

Finding Closed

The system is now in place wherein the Resource Management Officer shares with Project Managers the monthly project financial reports (ZMMR) for review and tracking of burn rates. Affirmative and recommendation being implemented in line with project managers work plans. The recommendation being implemented through operationalising CJ13.



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Finding No. 23: Deficient archiving and filing

Finding Closed

The system is now in place to file all project documents, including but not limited to project concept notes, proposals, donor agreements, service level agreements, projects budgets, and work plans among others.

Finding No. 24: Project Management and Sustainability

Finding Closed

The Country Office secured additional funding after the Internal Audit and Head of Office position has been regularized to special short-term P2 level from P-ungraded. The sustainability report was corrected, and the Country Office has since submitted some proposal on which two separate sustainability reports can be developed (One based on current funding and the other on current and potential funding). The Country Office has complied with the Director General's instruction on no-cost extension. The system now in place to monitor project implementation in line with project budgets and work plans in coordination with Regional Office Pretoria. The project work plans, and activities are developed to ensure project implementation is on track and that remedial action are taken timely to avoid delays in finishing activities. The Project Manager compiling and presenting donor project progress and end of project reports on time and supported by the Regional Office Monitoring and Evaluation Office.

OIG/Internal Audit Comment:

OIG Internal Audit takes note of the implementation of all very high and high risk recommendations and encourages the Office to implement the remaining recommendations.