



EXECUTIVE SUMMARY

IOM Bujumbura, Burundi

BI202301

Internal Audit

Office of Internal Oversight

Report on the Audit of IOM Bujumbura
Executive Summary
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Executive Summary

The IOM Office of Internal Oversight (OIO) conducted an internal audit of the IOM Burundi Country Office (CO) (hereafter “the Office” or the CO) from 4 to 19 September 2023. The Internal Audit (IA) assessed the governance, risk management and control environment of the Office by reviewing selected samples from these areas:

- a. Management and Administration
- b. Human Resources
- c. Finance and Accounting
- d. Supply Chain Management
- e. Information and Communications Technology
- f. Programmes and Operations

The IA was conducted in accordance with the current version of IN/74 Rev. 2 “Functions of the Office of the Inspector General” and in general conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Audit Opinion



Partially Effective, some improvements needed

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.

The audit covered the activities of the CO between July 2021 to August 2023, with these recorded expenses based on IOM financial records of USD 12,401,984 in 2022 and USD 10,615,408 in 2023.

Positive Practices

- Weekly meetings are held by the CO where topics such as weekly emails received by project managers from the HoRM are reviewed and priorities are established. The coordination between the Resource Management Unit and project managers has enabled an effective project management process.
- As part of the preparedness for natural disaster responses (mainly floods), the CO has set up a warehouse near Gitega housing prepositioned stock. This reduces response times to disasters.
- The Office is frequently approached by other United Nations country offices seeking staff with particular technical skills that can be sent on short-term assignments to support programming or responses. This represents a good opportunity to strengthen IOM solidarity and ensure that expertise is shared between missions, while also providing opportunities for the Office’s national staff to grow their skills at the international level and possibly launch their careers at the international level.

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

1. Set up of bank signatory panel and controls associated with bank management
2. Control gaps in the delegation of authority
3. Process for assessing controls and managing risks
4. Control over cash management
5. Lapses in the procurement process
6. Weaknesses in asset management
7. Weak Information and Communications Technology management

Key recommendations: Total = 24; Very High Priority = 1; High Priority = 6; Medium Priority = 16; Low Priority = 1

Very High Priority Recommendations:

Prompt action is required within a month to ensure that processes will not be critically disrupted, and IOM will not be *critically* adversely affected in its ability to achieve its strategic and operational objectives.

1. The CO should implement compensating controls and update the bank signatory panel.

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.

2. The CO should update the delegation of authority in line with IN/289 “Delegation of Authority Policy” while ensuring that approval flows in the system (e.g. online purchase request, online invoice payable application, etc.) are also updated to conform to the new delegation of authority.
3. A comprehensive risk assessment covering all CO operations is recommended.
4. The Office should establish sufficient internal controls for cash management.
5. The CO should clearly define the assistant’s roles to ensure a clear separation of duties and implement mitigating control measures.
6. The CO should reconcile PRISM records with actual assets and ensure tagging of all IOM assets and promptly issue beneficiary assets.
7. The Office to implement the information security assessment’s recommendations.

Management comments and action plans

Management is in the process of implementation. Comments and any additional information provided have been incorporated into the report, where appropriate.

Limitations on the Scope of the Audit


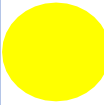


Because of the concept of selective testing of data and inherent limitation of internal auditing, there is no guarantee that all matters of significance to IOM will be discovered by Internal Audit. It is the responsibility of Country Office local management to establish and implement internal control 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

Audit Opinion

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

Opinion		Definition
Effective		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.
Partially Effective, some improvements needed		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.
Partially Effective, Major improvements needed		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.
Ineffective		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 priority level ratings consider the general guidance of the Risk Management Framework of IOM regarding likelihood and impact ratings (IN 213 rev. 1, Annexes 1 to 3). The below ratings are linked to the suggested timeframe for prioritizing recommended action to address relative risks, taking into consideration the underlying control effectiveness.

Rating	Definition	Suggested action	Suggested timeframe
Very High	Issue represents a control weakness which could cause severe disruption of the process or severe 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.	Action to be initiated in the short term, normally within one 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.	Action to be initiated in the medium term, normally within three months.
Medium	Issue represents a control weakness which could have significant adverse effect on the ability to achieve entity or process objectives.	Plan in keeping with all other priorities.	Action to be initiated in the longer term, normally within one 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.	Action to be initiated at the discretion of the risk owner.