

2023



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# *Summary of Internal Oversight and Ethics Activates 2022*

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## **Secretary General Statement**

The report on IMO's internal oversight and ethics activities in 2022 is presented, highlighting six reports and memoranda covering internal audit, evaluation, investigation, and ethics functions.

One important report to which I would draw attention is the Joint Evaluation-Audit of IMO Activities on Gender Equality and the Empowerment of Women (Phase I) which was issued in 2022. This report specifically focused on the activities of the Secretariat and offered recommendations in several areas, including strategy, policies, accountability, gender structure, organizational culture, gender balance, representation of women, gender-related training, communication, oversight, resource allocation, and reporting to UN Women through UN SWAP. The Evaluation-Audit team acknowledged the Organization's efforts, notable accomplishments, and enhanced performance in advancing GEEW. This significant report will play a vital role in guiding and promoting inclusivity in the IMO Secretariat for all individuals.

I would like to extend my sincerest appreciation to Ms. Azara Prempeh, for her skilled transitional management of the Internal Oversight and Ethics Office, until the appointment, in April 2022, of Mr. Brice Martin-Castex, as the Chief of the Office.

**Kitack Lim**  
**Secretary-General**

## **I. Introduction**

1 In accordance with the terms of reference of internal oversight, as provided in Appendix 2 of the Financial Regulations of the International Maritime Organization (IMO, or the Organization), the Internal Oversight Services (IOS) cover internal audit, evaluation, and investigation under a single internal oversight mechanism. IOS, together with the ethics function established in February 2014, have formed the Internal Oversight and Ethics Office (IOEO) that reports functionally and administratively directly to the Secretary-General and assists him in the fulfilment of his responsibility for internal control (Financial Regulation 10.1) and in internal oversight and ethics-related matters with independent, objective assurance, review, and advice. In addition, IOEO was designated by the IMO Council to provide internal audit services for the World Maritime University (WMU) and International Maritime Law Institute (IMLI).

IOEO completed the year with the issuance of one internal audit report; one evaluation-audit report; four advisory service memoranda; one ethics report, and ten instances of ethics advice.

## **II. Internal Audit and Evaluation**

### **A. Report on the review of 2023 Member States Assessment**

2 IOEO verified the accuracy of the calculation of 2023 assessed contributions, in accordance with the calculation method as defined in resolution A.726(17). The calculations for the Member States assessment figures comprising "Minimum," "Basic," and "Tonnage" assessments were found to be accurate, totalling £33,920,000. The actual calculations for the allocation of assessments were without errors. However, as raised in prior years, there is a mismatch between the decimal place numbers defined for the UN contribution percentage in resolution A.726(17)<sup>1</sup> and the current UN scale of assessments in the UN General Assembly resolution (UN A 76/RES.238)<sup>2</sup>. While the practice applied by the Financial Services Section is consistently applied across the years, and the impact of the mismatch has been very small, the need for adjustments makes the calculation process unnecessarily complicated and inefficient. IOEO, therefore, maintained the same recommendation as previous years to address the mismatch between the decimal place numbers by updating the provisions contained in resolution A.726(17).

3 In addition, with the objective of ensuring completeness of information, IOEO suggested that the Secretariat seek specific confirmations from S&P Global on the calculation of fleet tonnage for Members<sup>3</sup> for the calculation of the assessed contributions.

### **B. Joint Evaluation-Audit of IMO Activates on Gender Equality and Empowerment of Women -Phase I: IMO Secretariat**

4 The UN System-wide Action Plan (UN-SWAP) is an instrument utilized to monitor the advancements made by individual organizations in promoting gender equality. Following the conclusion of UN-SWAP 1.0 (2012-2017), the United Nations (UN) General Assembly tasked the Joint Inspection Unit (JIU) with evaluating its efficacy as a means of ensuring accountability. During 2019, the JIU conducted an independent evaluation using the action

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<sup>1</sup> Two decimal points.

<sup>2</sup> Three decimal points.

<sup>3</sup> Member States and/or Associate Members.

plan as a benchmark. Based on the JIU report and launch of UN-SWAP 2.0, IMO initiated a Joint Evaluation-Audit on gender equality. Overall, the Evaluation-Audit aimed to broaden understanding of gender mainstreaming in all Secretariat's work.

5 IMO has been engaged in gender equality efforts since the 1980s with the establishment of the Women in Maritime (WIM) program and the creation of WMU and IMLI. Recent developments such as the World Maritime Day theme for 2019, the adoption of resolution A.1147(31), and the launch of UN-SWAP 2.0 have further strengthened the IMO Secretariat's commitment to gender equality. The establishment of the IMO Gender and Diversity Group (GDG) and the adoption of the IMO Gender Equality Strategy 2020-2030 (Gender Strategy) have been recognized as significant achievements in addressing gender issues. While progress has been made, the report identified areas for improvement and concluded with 11 recommendations to support and promote gender equality and women's empowerment, such as, enhancing the coherence of the separate strategic initiatives addressing GEEW matters in the Organization's strategic framework, incorporating accountability and reporting mechanisms to the relevant IMO governing bodies on progress made on the implementation of the Gender Strategy, conducting surveys to identify and address how IMO's working culture operates and, developing a coherent and focused approach towards achieving gender parity across all levels within the Secretariat, with special focus on senior positions.

### **III. Investigation**

6 As per the "IMO Policy and Procedures on Prevention and Detection of Fraud and Serious Misconduct," specifically appendix F of the Staff Regulations and Staff Rules, IOEO is responsible for examining reported instances of fraud and serious misconduct. Investigations falling under Appendix E of the Staff Regulations and Staff Rules are currently handled by the Administrative Division. As of the end of 2022, IOEO completed an investigation into allegations of misconduct. In addition, IOEO conducted a preliminary assessment of another allegation of misconduct. The preliminary assessment did not result in an investigation. IOEO continues to assess its investigation processes to identify areas of improvement.

### **IV. Advisory Services**

#### **A. Accounts Receivable write-off proposal for 2021**

7 The amounts proposed for write-off were £5,334.75 and \$3,101.38 related to travel costs recoverable from sponsors/organizers. IOEO's examination supported the write-off for cases with no realistic prospects of recovery for a total of £481.39.

8 Further efforts were recommended to recover the remaining outstanding amounts of £4,853.36 and \$3,101.38. The memorandum also emphasized the need to strengthen internal controls for cost recovery processes through standardized procedures, timely invoicing, periodic monitoring, and clear roles and responsibilities.

#### **B. Publications stock obsolescence and write-off proposal for 2021**

9 The objectives of IOEO's review were to assess the efforts made by the management to minimize impairment losses and write-offs and to evaluate the valuation of the inventory.

The IOEO conducted a desk review, examined the stock-taking approach, analysed the classification of inventory, reviewed provisions and write-off figures, and assessed the reconciliation and presentation of the publications inventory and allowance for impairment.

10 Based on the analysis performed, IOEO concluded that management exercised sufficient due diligence to arrive at a reasonable estimate of the value of the inventory for the 2021 financial statements. IOEO provided feedback to the management to further improve the existing processes and controls, including reporting and documentation.

### **C. Analysis of the TCD Integrated Technical Cooperation Programme (ITCP) questionnaire developed in (MS) Forms**

11 IOEO analysed and suggested improvements in the Technical Cooperation Division's (TCD) Integrated Technical Cooperation Programme (ITCP) questionnaires developed in Microsoft (MS) Forms. MS Forms incorporate intelligence and other analytical techniques to extract key insights from data, to support enhanced decision-making. The advisory service examined the monitoring process, assessed the importance of pre-activity and long-term reflection questionnaires, and the potential use of MS Forms to manage the survey.

12 It was suggested that a multi-survey approach be implemented, with incentives to improve response rates, use digital tools such as Power BI for data analysis, and allow participants to submit anonymous questionnaires while further maintaining anonymity in the data analysis and reporting processes. IOEO emphasized the need for TCD to manage the survey process internally as a key monitoring tool and expressed a willingness to collaborate with TCD for further improvement.

### **D. Quality Review of Terminal Evaluation Report – Capacity Building for Climate Mitigation in the Maritime Shipping Industry**

13 IOEO conducted the quality review of the draft terminal evaluation report for the project "Capacity Building for Climate Mitigation in the Maritime Shipping Industry." The terminal evaluation was commissioned by DPP and was conducted by a consultant. The review found that the draft report requires updates before it could be presented to the donors and highlighted eight areas for follow up action.

14 Overall, IOEO was generally satisfied with the quality of the updates, and as a result, the final report was issued. Following the issuance of the final report, authority and responsibility for all the project evaluations were transferred to IOEO.

## **V. Ethics**

### **A. Financial Disclosure Programme**

15 IMO introduced the Financial Disclosure Programme (FDP) in 2014 to provide for the declarations of personal financial interests by applicable staff members and to assess the likelihood of potential conflicts of interest. In accordance with Appendix G of the Staff Rules and related guidelines, as revised in 2018, FDP was administered for the reporting year 2022.

16 The review of the financial disclosure statements (FDS) for the reporting year 2022 under the revised guidance found no extraordinary or unusual cases to report in respect of conflicts of interest.

## **VI. Other activities**

17 As the IMO's corporate focal point on JIU matters, in November 2022, IOEO prepared the Secretary-General's report of five JIU reports that are relevant to IMO to the 128th session of the Council. They are: 1) (JIU/REP/2021/3) Cybersecurity in the UN; 2) (JIU/REP/2021/4) Management of implementing partners in the UN; 3) (JIU/REP/2021/5) Ethics function in the UN; 4) (JIU/REP/2021/6) Business continuity management in the UN; 5) (JIU/ML/2021/1) Letter on securing the integrity of documents, records and archives of the UN. The Council noted the Secretary-General's presentation, and accepted the recommendations addressed to the Assembly and the Council, while considering his comments and action plans. IOEO will continue to provide reports on JIU matters to the future sessions of the Council.

18 IOEO continued to provide ad hoc advisory services to strengthen controls and procedures, improve operational efficiency, and facilitate the implementation of its own oversight recommendations. These advisory services were provided on an ad hoc basis.

19 During 2022, IOEO did not encounter any event that affected the independent and sound functioning of the office or circumvented its professional assessment in the context of its oversight or ethics activities.

20 Finally, in 2022, IOEO successfully introduced TeamMate+ Audit management system to enhance efficiency through seamless digitization of the audit management, including recommendations management. All IOEO staff received necessary training and completed courses to enhance their proficiency in the use of the software.

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