



EVALUATION AND INTERNAL AUDIT OFFICE (EAO)

INTERNAL AUDIT STRATEGY

2018 — 2021

Background

In accordance with its Charter, the Evaluation and Internal Audit Office (EAO) is responsible for undertaking internal audit activities, evaluations, and investigations. It may also provide additional advice to management where this does not compromise EAO's independence and objectivity. The latest version of the EAO Charter was approved by the Council in June 2017 (C-WP/14526 and C-DEC 210/9).

EAO's Internal Audit Strategy covers a three year period from October 2018 to October 2021. The aim is to identify improvements, and the actions necessary to address them, so as to ensure that EAO achieves its stated vision and mission.

The strategy is a high level document to guide EAO in planning, conducting and reporting on its internal audit activities. It will be regularly monitored to ensure that key actions are achieved, and reviewed periodically to ensure that it remains relevant.

Internal Audit Vision

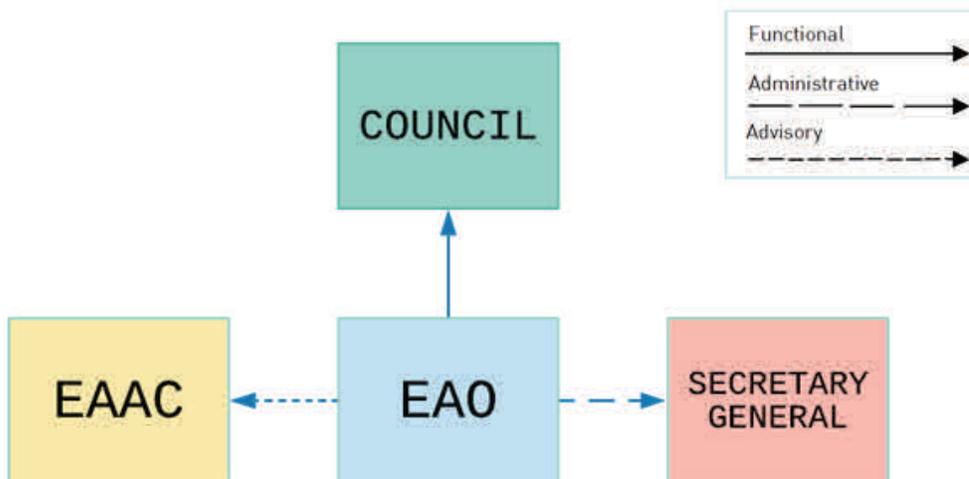
To serve as a catalyst for change and to be a valued partner of ICAO bureaus and offices.

Internal Audit Mission

To assist the Organization in achieving its strategic objectives by providing risk-based and objective assurances, advice and insight.

Reporting Lines

In accordance with its Charter, Chief EAO reports to the Secretary General and will have unrestricted access to the President of the Council and the Council Members, through both formal and informal lines of communication. The Council shall, inter alia, approve the EAO annual and triennial work plans. EAO also reports on, and discusses its work with the Evaluation and Audit Advisory Committee (EAAC).



EAO's Objectives

EAO strives to increase its value added to the Organization's operations, systems and processes, and to improve operational effectiveness and efficiency by:



Establishing risk assessment and annual planning processes and emerging high-risk areas such as strategic, technology and business risks.



Aligning work plans and other oversight activities with ICAO's strategic objectives, business priorities and plans.



Cooperating closely with external oversight bodies including the External Auditor and the JIU with a view to providing effective oversight coverage and minimizing any overlaps.



Coordinating oversight activities between Internal Audit as a third line of defence and other assurance activities within ICAO.



Expanding the use of technology and data analytics tools for engagement planning, execution and implementation of work plans.



Consulting closely with the Secretary General, Senior Management, the President of the Council and members of the Council, as well as the EAAC for preparation and implementation of work plans.



Reviewing and improving the quality of audit reports by increasing the use of available information technology tools to gather, analyse and present factual data to further enhance the accuracy, completeness and timeliness of audit reports.



Attracting and retaining staff with the right balance of knowledge, experience and professional skills and competencies.

ICAO has five Strategic Objectives covering safety, security, air navigation, economic development and environmental protection. These five Strategic Objectives are underpinned by a number of Supporting Implementation Strategies, to which EAO's work contributes.

Actions and guiding principles to direct EAO's work over the next triennium are listed below

Understand and meet stakeholder needs and expectations

- Expand EAO's understanding and knowledge of ICAO's objectives, operations, and business environment. Keep informed of new initiatives and projects at an early stage.
- Implement a communication strategy for obtaining stakeholders' views on areas of strategic importance; how internal audit can meet their needs; and for obtaining feedback on how internal audit can be relevant and add value.
- Clearly link all audits with ICAO's strategic objectives.
- Enhance the planning process to ensure that the audit universe is adequately identified and captured; that areas of highest risk and importance, and those that will add most value, are identified through a comprehensive risk assessment. Ensure that there is adequate coverage of the audit universe and key risks over the three year audit plan.
- Develop audit strategies for identifying efficiencies and cost savings (for example through continuous auditing).

Improve visibility and perception of EAO

- Aim to become a trusted advisor for ICAO management, by seeking out and responding to opportunities to provide advice and influence change.
- Assist management to strengthen accountability, internal controls, risk management, corporate governance and the oversight culture at ICAO.
- Redesign and expand the EAO intranet site to showcase the work and role of internal audit.
- Provide more education to stakeholders on internal audit's role and capabilities.
- Organize events and/or make presentations to ICAO and external stakeholders to promote and enhance the visibility of EAO's image and work.
- Whilst maintaining independence and objectivity, become involved as an observer in new organization-wide initiatives or projects at an early stage to provide advice and insight.

Improve the quality and impact of services provided

- Increase advisory work, in particular in areas which will strengthen the 1st and 2nd lines of defence (for example the development of Enterprise Risk Management and Management Assurance Statements).
- Continuously improve the quality and impact of audit reports by ensuring that they add value.
- Develop increased capabilities by performing joint assignments with the evaluation function that will have the dual benefit of enhancing accountability and organizational learning while reinforcing team spirit and knowledge sharing within EAO.
- Ensure all audit recommendations are practical, cost-effective and SMART.

Comply with the Internal Professional Practices Framework (IPPF)

- Complete preparatory work for internal audit's first External Quality Assessment (EQA) and achieve "generally conforms" status by the end of 2019.
- Ensure that the Quality Assurance and Improvement Programme (QAIP) is fully implemented on an ongoing basis.

Improve internal work processes

- Ensure that the internal audit manual and Standard Operating Procedures (SOPs) are complete, up to date, and kept under continuous review.
- Improve the length of time to complete audits and finalise audit reports.
- Encourage innovation and continuous improvement.
- Document internal audit's risk-based planning procedures.
- Increase the use of IDEA and other IT tools for all audits whenever practical.
- Implement continuous auditing and increase use of data analytics.
- Increase the use of IT tools and technology (especially IDEA).

Maintain and improve functional and operational independence of EAO

- Clarify internal audit's reporting lines, in particular the functional reporting line to EAAC and the Council, and ensure that these are clearly documented in the EAO Charter.
- Increase independence of the internal audit function by requiring the EAAC to review EAO's budget and to provide any comments to the Council for their consideration and approval.
- Achieve stable funding for hiring consultants and for travel by ensuring that appropriate resources are included in EAOs triennial budget.

Support staff development and training

- Encourage internal audit staff to obtain relevant professional qualifications (e.g. CIA, CRMA, CISA, etc.)
- Encourage continuous development and acquisition of knowledge within the team (e.g. by holding regular knowledge-sharing sessions).
- Ensure that all internal audit staff have a training and development plan, and the EAO's annual training budget is sufficient to meet their continuing professional education requirements.

Establish KPIs that will enable EAO to monitor and report its performance in an effective manner

- Develop relevant and meaningful KPIs to measure EAO's performance.
- Consider carrying out a survey of key stakeholders to identify the perception of internal audit, to increase internal audit's relevance in meeting organizational needs, and to identify areas for further development.
- Implement suggested improvements highlighted in client satisfaction surveys. Introduce surveys to measure the impact of recommendations after implementation.

Revision: this Internal Audit Strategy is subject to regular review, preferably at least every year from the date of its issuance

October 2018