



International Civil Aviation Organization

**WORKING PAPER**

C-WP/14245

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(Information paper)

## COUNCIL — 204TH SESSION

**Subject No. 13: Work programmes of Council and its subsidiary bodies**

### **2014 REPORT ON THE ACTIVITIES OF THE EVALUATION AND INTERNAL AUDIT OFFICE (EAO)**

(Presented by the Secretary General)

#### **EXECUTIVE SUMMARY**

In compliance with Assembly Resolution A31-2 Resolving Clause 4 c) and C-DEC 149/12, and in accordance with the Charter of the Evaluation and Internal Audit Office (EAO), the Secretary General transmits herewith to the Council the Report on Activities Undertaken by EAO in 2014, together with the comments of the Secretary General on internal audit and evaluation reports completed during the year.

Appendix A to the Report gives the status of implementation of recommendations made in previous EAO reports.

<i>Strategic Objectives:</i>	This working paper relates to Supporting Implementation Strategy – Management and Administration – Evaluation and Internal Audit.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	C-DEC 203/7 C-DEC 149/12 Doc 10022, <i>Assembly Resolutions in Force</i> (as of 4 October 2013) A31-2 & A32-1 C-WP/14071

## 1. INTRODUCTION

1.1 In accordance with its Charter, EAO is responsible for undertaking internal audits, evaluations and investigations, and for reporting, as appropriate, the results thereon to the Secretary General and the Council. These core activities also include providing support to the Evaluation and Audit Advisory Committee (EAAC), and advisory services to the Secretariat.

1.2 In addition, EAO is also responsible for other administrative activities which do not form part of its core activities, but have been allocated to the Office for practical reasons. These activities include acting as the focal point between the Secretariat and the Joint Inspection Unit (JIU), and between the Secretariat and the External Auditor.

1.3 This report summarizes the activities carried out by EAO during 2014 as well as the comments of the Secretary General on internal audit and evaluation reports completed during the year. Appendix A shows the status of implementation of recommendations made in previous EAO reports. The status of implementation of recommendations is as of the end of December 2014.

## 2. CORE ACTIVITIES

2.1 The 2014 work programme (C-WP/14071) included the following planned internal audits and evaluations. The status of each audit and evaluation is noted in the table below.

<b>Internal Audits</b>	<b>Current Status</b>
The SAFE Fund	Final report issued (para 3.3)
The Nairobi Regional Office	Final report issued (para 3.4)
The Lima Regional Office	Final report issued (para 3.5)
Procurement of goods and services for ICAO headquarters' needs	Audit in progress
Project management (information technology audit)	Audit in progress
The Commissariat	Audit in progress
Risk management	Audit carried forward to 2015
Workflows relating to the production of publications	Audit cancelled
<b>Evaluations</b>	<b>Current Status</b>
TCB project KAZ/12/801 (Strengthening of Kazakhstan's Civil Aviation Capacity)	Final report issued (para 4.2)
External stakeholder perspectives on ICAO	Evaluation in progress

2.2 In addition, two internal audits and two evaluations carried forward from the 2013 work programme, and one internal audit carried forward from the 2012 work programme were completed in 2014.

<b>Internal Audits</b>	<b>Current Status</b>
Provision of staff training	Final report issued (para 3.6)
Agresso security and access controls	Final report issued (para 3.7)
Fixed assets/inventory control	Final report issued (para 3.8)
<b>Evaluations</b>	<b>Current Status</b>
ICAO's HR succession planning process	Final report issued (para 4.3)
Technical Cooperation administrative support processes	Final report issued (para 4.4)

2.3 Under the ICAO Framework on Ethics, EAO is responsible for investigating any cases of misconduct of a financial nature referred to Chief, EAO by the Ethics Officer, after approval by the Secretary General. During 2014, EAO was requested to carry out five investigations, all of which were completed. Further information on investigations conducted in 2014, together with the outcome of these, and the actions taken, is contained in the Annual Report of the Ethics Officer (C-WP/14250).

### **3. INTERNAL AUDIT REPORTS COMPLETED IN 2014**

3.1 In accordance with the Secretary General's memorandum sent to Council Representatives on 2 May 2014 (SG 2228/14), copies of all internal audit reports issued after this date are posted on the Council website. Internal audit reports issued prior to this date continue to be available to Council Representatives under the previous policy set out in paragraph 20 of the EAO Charter. This policy allows consultation of completed internal audit reports in the offices of EAO following receipt of a request addressed to the Chief, EAO.

3.2 A brief summary of all internal audit reports completed in 2014 is given in the paragraphs below. Beginning in 2014, EAO has started to provide an overall rating on the results of each audit. The rating given is one of the following: 'Effective', 'Some improvement needed', 'Major improvement needed', or 'Unsatisfactory'.

#### **3.3 Audit of the SAFE Fund**

3.3.1 The objective of this audit was to assess the governance and reporting arrangements, and to examine transactions and activities relating to the SAFE Fund, from its establishment in 2010, up to the end of 2013. Based on the results of the audit, EAO gave a rating of 'some improvement needed'. The main findings were: governance arrangements could be improved by strengthening the role of the Project Review Committee in formally approving all projects, considering proposed budgets and timelines, and reviewing project outcomes; clarifying responsibilities for managing individual SAFE Fund projects; strengthening controls to ensure that funds are spent for the purposes intended and that expenditures are accurately recorded; reducing the proportion of headquarters-related and administrative costs; and formally reporting on all SAFE Fund activities on an annual basis. Appropriate recommendations were made to address these audit findings.

#### **3.4 Audit of the Nairobi Regional Office**

3.4.1 The objective of this audit was to examine the adequacy and efficiency of financial procedures and internal controls, covering aspects such as local procurement, expenditure on meetings and travel, and management of the office's inventory records. In addition aspects of the relationship between the regional office and the Technical Co-operation Bureau were reviewed. Based on the results of the audit, EAO gave a rating of 'effective'. Audit findings were minor and several examples of good practice were identified. Recommendations were made regarding the correct accounting treatment of recoverable sales tax, the calculation of home security payments, and the implementation of revised procedures in the Regional Office Manual.

#### **3.5 Audit of the Lima Regional Office**

3.5.1 The objectives of this audit were to review the financial procedures and internal controls at the regional office in order to assess whether transactions are being correctly and accurately recorded in Agresso, that applicable policies, rules and procedures are being followed, and that assets and financial resources are being well-managed. The audit covered the year 2013 up to July 2014. Based on the results of the audit, EAO gave a rating of 'some improvement needed'. A few specific control weaknesses were

noted, which related to the management of inventories, petty cash, the use of Agresso functionalities for purchases, and, in spite of efforts made by both offices, the existence of persistent difficulties with regard to the Lima and Mexico regional offices having to manage activities in common. Appropriate recommendations were made to address the audit findings.

### **3.6 Audit of Staff Training**

3.6.1 The objectives of this audit were to assess the adequacy and effectiveness of controls related to staff training activities within ICAO. The focus was on formal (structured) training activities and covered the period 2012-2013. Based on the results of the audit, EAO gave a rating of ‘major improvement needed’. Numerous specific control weaknesses were noted such as: the absence of an Administrative Instruction on Learning and Development; the late preparation and dissemination of the annual training plan; the absence of comprehensive analysis and reporting on the implementation of the training plan, and the absence of comprehensive statistical data on training activities. The audit nonetheless confirmed that noticeable improvements had been made in the last few years with respect to the ICAO consolidated training plan which incorporates increased training opportunities for staff, ranging from internal development, to on-line training, external training, language training and attendance at workshops, conferences, and seminars. Appropriate recommendations were made to address the audit findings.

### **3.7 Audit of Agresso Security and Access Controls**

3.7.1 This was a specialised IT audit which was outsourced and carried out on EAO’s behalf by the UN International Computing Centre (UN ICC). The objectives of the audit were to assess the strength of system controls and the general adequacy of logical security, access management, segregation of duties and use of override functionalities, audit trails and transaction logs, and security incident management. Based on the results of the audit, EAO gave a rating of ‘major improvement needed’. Numerous specific control weaknesses were noted such as: the absence of security oversight and compliance monitoring exacerbated by the elimination of the Security Officer post; weak authentication controls with no enforcement of a minimum password policy; an excessive number of roles defined in Agresso, which increases the complexity of access management; and excessive access rights and permissions, without regular review and validation. Appropriate recommendations were made to address the audit findings.

### **3.8 Audit of Fixed Assets/Inventory Control**

3.8.1 The objectives of this audit were to assess the adequacy and effectiveness of controls over the management of property, plant and equipment, including physical inventory, disposal, sale and write-offs of assets. The audit covered the period 2012-2013. The results of the audit were such that numerous specific control weaknesses were noted including: the absence of a physical inventory count since December 2005; a highly inefficient and antiquated inventory management system based on Excel; the selling of iPads and laptops to staff at symbolic amounts without any policy for the sale of such assets, and without adequate approval; and outdated procedures for property, plant and equipment. Appropriate recommendations were made to address the audit findings.

#### **4. EVALUATION REPORTS COMPLETED IN 2014**

4.1 In the case of evaluations, ICAO policy is that, once finalized, a summary of the report, taking into account comments received from managers and the Secretary General, is presented to the Council, and the full report is published on the Council website.

##### **4.2 Evaluation of TCB Project KAZ/12/801 (Strengthening of Kazakhstan's Civil Aviation Capacity)**

4.2.1 The evaluation assessed the effectiveness of project management of ICAO's first-ever technical co-operation project in Kazakhstan, which was implemented from January 2013 to April 2014. The project aimed to implement the activities recommended in the ICAO Plan of Action to resolve the aviation safety deficiencies in that country, with priority given to the two Significant Safety Concerns (SSCs) identified in 2009 through the ICAO Universal Safety Oversight Audit Programme. A detailed summary of the evaluation, together with the Secretariat's response to the recommendations made in this report, is contained in C-WP 14188 (presented to the Technical Cooperation Committee and the Council at its 203rd Session).

##### **4.3 Evaluation of ICAO's HR Succession Planning Process**

4.3.1 The evaluation was designed to support the development of a viable succession planning framework for ICAO by taking stock of succession planning activities already carried out in the Organization, identifying best practices in the public sector and in UN system organisations, and establishing a baseline of organizational attitudes and perceptions that can act as enablers or impediments to succession planning. A detailed summary of the evaluation, together with the Secretariat's response to the recommendations made in this report, is contained in C-WP 14180 (presented to the Human Resources Committee and the Council at its 203rd Session).

##### **4.4 Evaluation of Technical Cooperation administrative support processes**

4.4.1 During the period evaluated (2008-2013), the Technical Co-operation Bureau (TCB) was mandated by the Council to implement several major initiatives, including obtaining the International Organization for Standardization's (ISO) 9001:2008 certification. The evaluation focused on analysing the efficiency of internal resources, and the effectiveness of a developing Quality Management System and the associated processes in preparation for the ISO 9001:2008 certification. TCB's business model, management plan, performance management and linkages with Regional Offices were also assessed. A detailed summary of the evaluation, together with the Secretariat's response to the recommendations made in this report, is contained in C-WP 14187 (presented to the Technical Cooperation Committee and the Council at its 203rd Session).

#### **5. SECRETARY GENERAL'S COMMENTS ON EAO REPORTS COMPLETED IN 2014**

5.1 The results of all internal audits and evaluations have been discussed with EAO. In each case, Secretariat Action Plans have been prepared and incorporated in the final version of the report. The Action Plans include managers' comments on the various recommendations made, and details of the proposed actions which the Secretariat is planning to take to implement them.

## 6. NON-CORE ACTIVITIES

### 6.1 Liaison with the Joint Inspection Unit

6.1.1 As the focal point for liaison with the Joint Inspection Unit of the United Nations (JIU), EAO coordinated ICAO's input to 16 JIU reports at various stages of completion. This included commenting on terms of reference, coordinating the completion of questionnaires, reviewing draft reports, and coordinating the Secretariat's responses and preparation of Secretariat Action Plans. EAO also monitors and periodically reports on the status of implementation of JIU recommendations.

6.1.2 In 2014, EAO presented four working papers to the Council summarizing the recommendations and Secretariat Action Plans relating to the following JIU reports:

- Enterprise Resource Planning (ERP) systems in the UN organizations (C-WP/14129);
- Staff-management relations in the UN specialized agencies and common system (C-WP/14130);
- Long-term agreements in procurement in the UN system (C-WP/14173); and
- Management of implementing partners in UN system organizations (C-WP/14201).

6.1.3 EAO also presented working papers to the Council on the Status of implementation of recommendations of the JIU (C-WP/14202) and the Report of the JIU for 2013 and programme of work for 2014 (C-WP/14172).

### 6.2 Liaison with the External Auditor

6.2.1 EAO acts as the focal point for liaising with the External Auditor. In 2014, EAO was responsible for providing logistical support to the external audit teams; for coordinating the preparation of Secretariat Action Plans to implement the External Auditor's recommendations; and for tracking and following up on the status of outstanding recommendations with the managers responsible for implementing them.

## 7. STATUS OF IMPLEMENTATION OF EAO'S RECOMMENDATIONS

7.1 The status of implementation of recommendations issued by EAO in 2014 and prior years is summarized in the table shown in Appendix A. Those reports where the recommendations were implemented in full in previous years are not shown again. EAO monitors the implementation of the recommendations on the basis of management updates. It should be noted that some recommendations are considerable in scope and may take a number of years to implement in full.

7.2 The table below illustrates the progress made by the Organization in addressing the recommendations issued by EAO. As at 31 December 2014, accepted recommendations issued in 2011 and 2012 were nearly all closed, while 59 per cent of accepted recommendations issued in 2013 and 48 per cent of accepted recommendations issued in 2014 were closed.

Status	No. of recommendations issued by EAO each year			
	2011	2012	2013	2014
Not accepted	-	-	4	8
Implemented	58	21	20	50
In progress	1	7	14	55
<b>Total issued</b>	<b>59</b>	<b>28</b>	<b>38</b>	<b>113</b>
Extent of Implementation as at 31/12/14	98%	75%	59%	48%

7.3 When discussing the 2013-14 Annual Report of the Evaluation and Audit Advisory Committee (C-WP/14212) during its 203rd Session, the Council agreed that the annual report on the activities of EAO could include in an appendix, the details of rejected and long-outstanding recommendations together with the Secretariat's explanations as to why these had not yet been accepted or implemented (C-DEC 203/7). The information requested on rejected and long-outstanding recommendations is shown in Appendices B and C respectively. In the case of long-outstanding recommendations, these have been defined as those recommendations where the target date for implementation was prior to 1 July 2014 (a total of 7 recommendations).

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APPENDIX A

STATUS OF IMPLEMENTATION OF RECOMMENDATIONS MADE IN INTERNAL AUDIT REPORTS

Final report issued MM/YY	Title	Total no. of recommendations	Not accepted (App B)	Implemented/ closed prior to 31/12/13	Implemented/ closed in 2014	In progress at 31/12/14	Completion of accepted recommendations at 31/12/14	No. of long-outstanding recommendations (App C)
12/14	Audit of staff training	11	-	N/A <sup>1</sup>	N/A <sup>2</sup>	11	0%	-
11/14	Audit of the Lima Regional Office	8	-	N/A <sup>1</sup>	4	4	50%	-
07/14	Audit of the Nairobi Regional Office	8	-	N/A <sup>1</sup>	7	1	88%	-
06/14	Audit of Agresso security and access controls	9	1	N/A <sup>1</sup>	1	7	13%	-
05/14	Audit of the SAFE Fund	13	1	N/A <sup>1</sup>	11	1	92%	-
03/14	Audit of fixed assets/ inventory control	10	-	N/A <sup>1</sup>	-	10	0%	-
02/14	Audit of staff absence monitoring	12	-	N/A <sup>1</sup>	6	6	50%	1
01/14	Audit of the Mexico Regional Office	21	5	N/A <sup>1</sup>	14	2	88%	-
12/13	Audit of travel management	11	2	2	4	3	67%	-
12/13	Audit of IT strategic planning and governance	15	1	-	5	9	36%	-
10/12	Audit of the Paris Regional Office	18	-	11	3	4	78%	3

<sup>1</sup> Report issued in 2014

<sup>2</sup> Report only issued in December 2014

Final report issued MM/YY	Title	Total no. of recommendations	Not accepted (App B)	Implemented/ closed prior to 31/12/13	Implemented/ closed in 2014	In progress at 31/12/14	Completion of accepted recommendations at 31/12/14	No. of long-outstanding recommendations (App C)
05/12	Audit of TCB consultants	10	-	3	4	3	70%	3
12/11	Audit of IT security, availability and continuity	11	-	7	3	1	91%	-
12/11	Audit of translation services	22	-	21	1	completed	100%	N/A
04/11	Audit of TCB projects in Somalia	23	-	21	2	completed	100%	N/A
12/10	Audit of interpretation services	5	-	4	1	completed	100%	N/A
		<b>207</b>	<b>10</b>	<b>69</b>	<b>66</b>	<b>62</b>	<b>69%<sup>3</sup></b>	<b>7</b>

**STATUS OF IMPLEMENTATION OF RECOMMENDATIONS MADE IN EVALUATION REPORTS**

Final report issued MM/YY	Title	Total no. of recommendations	Not accepted (App B)	Implemented/ closed prior to 31/12/13	Implemented/ closed in 2014	In progress at 31/12/14	Completion of accepted recommendations at 31/12/14	No. of long-outstanding recommendations (App C)
08/14	Evaluation of succession planning	10	-	N/A <sup>1</sup>	-	10	0%	-
08/14	Evaluation of TCB project KAZ/12/801	6	-	N/A <sup>1</sup>	3	3	50%	-
08/14	Evaluation of TC administrative support processes	5	1	N/A <sup>1</sup>	4	completed	100%	N/A
12/13	Evaluation of Results Based Management	5	1	-	2	2	50%	-
		<b>26</b>	<b>2</b>	<b>-</b>	<b>9</b>	<b>15</b>	<b>38%<sup>3</sup></b>	<b>-</b>

<sup>1</sup> Report issued in 2014

<sup>3</sup> No. of accepted recommendations implemented/closed (135/197 for internal audit reports and 9/24 for evaluation reports)

**APPENDIX B**

**EAO RECOMMENDATIONS NOT ACCEPTED BY THE SECRETARIAT IN 2013 AND 2014**

Report Date & Title, Rec #	Context	EAO Recommendation	Management Comments
<b>INTERNAL AUDIT REPORTS</b>			
06-Jun-14 Audit of Agresso security and access controls #5	Agresso allows a manager to delegate his or her authority to another officer when away from the office. However, due to technical limitations within Agresso, it is not possible to restrict this delegation to specific tasks. This means that a delegate has authority during the manager's absence to approve his/her own leave.	EAO recommends that the ICT-IRIS consider using the built-in Agresso functionality to run reports of self-approvals on a periodic basis. A review of these reports should be subsequently carried out and appropriate action taken.	This approach has been tried before with other reports and was found not to be effective in that the respective system owners could not be brought to act on the results of these reports. Users have been shown how to run these reports on-demand for themselves. As such it is up to the process areas concerned; FIN/PROC/HR to run them and exercise the necessary oversight. The self-approval report is currently available to anyone who has carried out approval actions in Agresso, be it as the task owner or as alternates, and can be run on-demand. Oversight responsibilities should be delegated to and exercised by appropriate business areas. It is not an ICT task.
20-May-14 Audit of the SAFE Fund #11	Although the Policy on Voluntary Contributions states that they are subject to a 7% overhead charge, the SAFE Fund terms of reference do not specifically refer to overhead charges, and were approved by the Council on the basis that administrative costs would be minimised. The audit found that overhead charges have not been applied consistently on contributions to the SAFE Fund, such that some contributions have not been subject to any overhead. Also, no expenditures have yet been charged against the income received from overheads, and it is not clear which organizational costs this money will be applied against.	ICAO should consider 1. whether the 7 per cent charge should be applied consistently to all SAFE Fund project income, and 2. whether overhead income collected on SAFE Fund contributions should be returned to the SAFE Fund to offset the salary costs of the Technical Officer and Secretary in ISD.	1. Accepted. Going forward, FIN can monitor that 7% recovery is built into future agreements. 2. Not accepted. Under the Voluntary Fund Guidelines (paragraph 7.4) direct costs are to be borne by each voluntary fund. The 7% charge is to cover all indirect costs and in particular administrative costs incurred by FIN, HR, LEB, PRO, ICT, LPB.

Report Date & Title, Rec #	Context	EAO Recommendation	Management Comments
20-Jan-14 Audit of the Mexico Regional Office #11	The Mexico regional office has two official cars and one official driver. The number of kilometres driven by each of the cars is low. One of the official cars is five years old and is being replaced in accordance with the current replacement policy, even though it has accumulated only 13,118 km. A former regional office director presented a written rationale for having two official cars in 1993 and 1995, however this rationale may no longer be valid as considerable time has passed.	In order to identify potential savings, the number of official cars that are needed at each regional office should be critically reviewed, as well as the current replacement policy.	During a previous audit in 1995 NACCRO provided auditors with a report regarding official vehicle justification, which was supported by the auditors in the audit findings. Circumstances for the NACCRO have not changed. For other ROs the review has been done.
20-Jan-14 Audit of the Mexico Regional Office #16	Regional office directors are granted authority by the Secretary General to manage their own travel budgets. The share of mission travel for high level meetings undertaken by regional office directors, compared to technical missions undertaken by technical specialist staff, is determined by regional office directors, with some using a greater share of mission travel resources than others. There is a need to assess the benefits of such high level missions, in relation to their costs, on an ongoing basis, in order to ensure that ICAO resources are used in the most effective manner possible.	Since there is no ex-ante travel authorization procedure in the case of regional office directors, an ex post facto procedure should be set up and implemented by the Secretariat in order to assess the value of mission travel, based on the contents of mission reports and the priorities of each regional office as expressed in its annual work programme. By the same token, regional office directors should submit mission reports on all official travel to OSG, to justify the relevance of such travel in light of the regional office's annual work programmes and ICAO's longer term strategies.	Agreed in principle, already done. Mission reports are already required by OSG and submitted by the RD to OSG and Bureau Directors. The required mission reports include purpose of mission, mission outcome, including objectives/results achieved, follow-up actions and relevant information in regard to ICAO objectives and strategies. Additionally, PACE objectives-requirements must also be recognized. SG is already reviewing RD missions results and relevance.
20-Jan-14 Audit of the Mexico Regional Office #20	The linguistic diversity of the States and Territories to which the Mexico regional office is accredited is such that most of its communications and documents must be produced in two languages, which generates additional costs.	EAO recommends that the Secretariat address this linguistic issue, and identify solutions, if any, to reduce this workload.	Not agreed. It appears a priori that there is no solution.
20-Jan-14 Audit of the Mexico Regional Office #4	In one instance, the Mexico regional office had to recruit a driver on a temporary basis when the incumbent went on sick leave. The temporary driver worked for six days without an employment contract or any other form of signed agreement.	The Human Resources Branch should establish a mechanism and form of contract that can be implemented quickly when there is a need to provide short-term temporary cover for established posts (for example in the case of sick leave).	The instrument of the Individual Contractors contract provides for this mechanism.

Report Date & Title, Rec #	Context	EAO Recommendation	Management Comments
20-Jan-14 Audit of the Mexico Regional Office #8	Under current rules established by the Finance Branch, regional offices cannot obtain a corporate credit card. However since some payments made by the Mexico regional office can only be made by credit card, the office has acquired a credit card in the name of the regional office director. Such purchases are fully supported by the relevant vouchers, however it is not appropriate to use a personal credit card for official purchases.	The Finance Branch should consider allowing the regional office to obtain a corporate credit card linked to the regional office's local bank account to replace the current personal credit card which is in the name of the regional director.	Not agreed. The use of credit cards is strictly controlled and is limited to HQ use only. FIN receives many requests for corporate credit cards from sections within HQ and Regional Offices and these are routinely denied because of the potential for abuse. Due to the risks involved, FIN does not support the proliferation of credit card use.
04-Dec-13 Audit of IT strategic planning and governance #7	Cost estimates for ICT applications and support services are prepared separately within the budgets of each bureau/office. The absence of an overall picture of ICT costs to ICAO may lead to the ICT budget not reflecting business needs, weak control over ICT budgets and spending, misspending of funds earmarked for ICT investments, and lack of transparency in ICT value contribution.	The ICT Office could consider the opportunity to consolidate the estimates and expenditures of the ICT applications and services of all bureaus and regional offices into a comprehensive budget and performance report to provide full visibility and monitoring of the total cost of ICT.	Not accepted. ICT is not in a position to perform the tasks in this recommendation. Per the current procedure and practice, ICT does not have the authority to do so across the Organization.
27-Nov-13 Audit of travel management #6	A report published by UNEP recommended that UN organizations establish targets to reduce their environmental footprint and cost of travel, and that they track and report on progress made towards these targets. Organizations are to use the ICAO carbon emissions calculator to calculate annual greenhouse gas emissions generated by air travel. ICAO itself has neither set targets or strategies to reduce travel as recommended by UNEP, nor does it track or report on greenhouse gas emissions or costs generated by travel.	The Secretariat should define and document a strategy for sustainable travel, which includes targets for reducing the costs and climate footprint associated with mission travel, as well as identifying responsibilities for regular monitoring and reporting on progress made.	Not accepted. Already embedded in all other measures to optimize travel.

Report Date & Title, Rec #	Context	EAO Recommendation	Management Comments
27-Nov-13 Audit of travel management #7	The Travel Unit was formerly part of TCB, however it is now part of ADB. This is appropriate since the majority of airfares purchased are for activities of the regular programme, and administration of travel should rightly be considered a core activity of ICAO. However, the costs of the Travel Unit are still charged to the AOSC Fund, while the regular programme budget reimburses the AOSC for services provided to it.	The Secretariat should consider recording expenditures and income associated with travel management in the regular programme rather than the AOSC, and charging the AOSC only for the cost of services used by TCB.	The Finance Branch considered alternative mechanisms for recording transactions and other fees as well rebates, including the initial recording in the regular program. However, the currently used methodology of recording the related transactions in the AOSC is considered the most practical one, so status quo is the preferred option.
<b>EVALUATION REPORTS</b>			
11-Aug-14 Evaluation of TC administrative support processes #4	The financial sustainability of TCB depends on three interdependent factors: project implementation volume, funds recovered and credited to the AOSC Fund, and TCB administrative costs (mostly staff related). Recurrent deficits of the AOSC Fund between 2008 and 2011 demonstrated the risks associated with the TCB business model. Although significant measures have been taken since 2011 to mitigate such risks, including downsizing of the TCB workforce, and implementation of a quality management system which has been certified by ISO 9001:2008, with a changing context, these risks can re-occur. Internal partnership in mobilizing resources (Implementation and Support Development Section and Technical Co-operation Bureau) is likely to ensure more success than either parties doing it alone. Promulgating trade and economic development through aviation as an underlying rationale for mobilizing resources is another consideration in ensuring successful outcomes.	TCB should develop a long-term approach for self-financing, in partnership with the Regular Programme who have existing relationships with donors and with Member States for technical co-operation projects. Feasibility of reviving TCB's "Objectives Implementation Funding Mechanism" established in 1995 (third-party funding) should be assessed. The feasibility and conditions under which TCB and the Member States could apply to finance mechanism tenders for technical co-operation projects should be assessed for future resource mobilization opportunities.	Rejected: the long-term financing of TCB could only be achieved by a change in the ICAO Financial Regulations, which provide that the Bureau is self-financed. Part of TCB's efforts is to approach donors or financial institutions for funding projects in least developed states. At the same time, the Regular Programme's Implementation and Support Development Sections (ISD) are also entities in ICAO responsible for developing partnerships with donors, development banks and other entities for funding technical assistance activities, such as capacity development projects. To avoid duplication of efforts by different bodies in ICAO approaching donors for funding which may confuse the donors who see ICAO as one, a Project Review Committee (PRC) was formed with the participation of ANB, ATB and TCB. As to the recommendation that TCB explore the feasibility of creating a multi-donor trust fund, the Bureau offers Donors to contribute to TCB's "Objectives Implementation Funding Mechanism (OIFM)" established in 1995, which provides very flexible conditions for the use of their donations through TCB. However,

Report Date & Title, Rec #	Context	EAO Recommendation	Management Comments
			preference in recent years has been for the use of other thematic voluntary funds such as the SAFE Fund, AVSEC Fund and Environment Fund.
19-Dec-13 Evaluation of Results Based Management #4	There is a need to roll up individual performance to programmatic and organizational objectives/results at ICAO. This is considered best practice in Results Based Management and the need to link the levels has been recognized by the Council. The benefits of rolling up the levels would be in: i) reducing overlaps; ii) strengthening standardization in formulation and reporting of objectives and results; and iii) establishing validation and quality assurance functions.	Introduce system changes to performance planning and management at ICAO in order to forge linkages between individual performance to programmatic and organizational objectives/results.	Not accepted. ICAO management has agreed that there will not be linkages between IKSN and individual PACE.



APPENDIX C

LONG-OUTSTANDING<sup>4</sup> EAO RECOMMENDATIONS

Report Date & Title, Rec # & Original Target Date	Recommendation	Management Comments	Progress Made and Reason for Delay	Remaining Actions and Expected Completion Date
03-Feb-14 Audit of staff absence monitoring #11 <b>30-Jun-14</b>	Data protection matters related to medical certificates and their confidential personal data should be further explored within ICAO; data protection provisions should be drafted to help ensure that privacy risks are defined, understood, and mitigated.	In cooperation with the clinic a protocol will be developed /refined that regulates the handling of sick-leave certificates.	Guidelines for the treatment of confidential medical information have been drafted, reviewed by ICAO's medical consultants and had been referred to LEB for clarification of legal issues surrounding ownership and confidentiality of medical data, which are being questioned by ICAO's medical consultants who refer to local law and potential liabilities. A legal opinion from their professional association is still outstanding, following which the guidelines will be finalized and submitted for final approval to LEB.	Following endorsement by LEB, finalize guidelines and submit these for approval.  Expected Completion Date: 30 June 2015.
23-Oct-12 Audit of the Paris Regional Office #9 <b>30-Jun-13</b>	The regional office, with the help of the IRIS team at headquarters, should carry out a training needs assessment for all Paris office staff with respect to Agresso, and once this has been done, implement the necessary training tailored to the individual needs identified.	The IRIS team is available to assist the Paris office to identify the Agresso training needs, and to prepare and deliver the training to the Paris office staff, subject to available resources. In addition the Paris staff should be encouraged to use the training material and manuals available on-line on the IRIS/Agresso reference website under the Secretariat site (click on IRIS link on the top left of	The training needs of staff at RO Paris have been assessed and identified. These staff have completed the training modules and reviewed manuals related to Agresso available on the ICAO intranet, but still require in-person training from the IRIS team. Formal requests have been made by RO Paris for such in-person training to be conducted, however the training has not yet taken place due to lack of resources to cover the expenses of travel for the trainers.	Identify resources to cover the costs of holding in-person training of RO Paris staff on Agresso, then conduct this training.  Expected Completion Date: 31 December 2015, pending funds allocation by Headquarters.

<sup>4</sup> Recommendations for which the original target date for completion was before 1 July 2014.

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		the Secretariat site). The Paris office would welcome HQ performing a physical training on the use of Agresso.		
23-Oct-12 Audit of the Paris Regional Office #10 <b>30-Jun-13</b>	The regional office, with the assistance of the IRIS team and Finance Branch at headquarters, should carry out a post implementation review of the procedures and workflows relating to the processing and approval of payments in Agresso in order to identify any inefficiencies or control weaknesses, and to eliminate these wherever possible.	The IRIS team is available to assist the Paris office and the Finance Branch in reviewing and implementing subsequent improvements in the payment process and workflow, subject to available resources, if any are identified. The Paris office Accounting Assistant will draft a proposal to the office's HSBC bank to see whether there would be a possibility to create a direct link between their on-line system and Agresso, thereby cancelling some of the actions and processes which seem to be redundant.	A limited post implementation review procedures and workflows has been conducted, and some of the inefficiencies and control weaknesses identified through this exercise have been eliminated. Efforts were made to create a direct link between Agresso and the online system of HSBC bank in order to simplify procedures and workflows, however it appears that such a direct link cannot be created. A full post implementation review, with the support of the IRIS team, is still required.	Conduct a full post implementation review of procedures and workflows in Agresso at RO Paris, identify inefficiencies and control weaknesses, and take measures to eliminate these.  Expected Completion Date: 31 December 2015, pending availability of Headquarters' assistance (staff and financial resources).
23-Oct-12 Audit of the Paris Regional Office #16 <b>31-Dec-13</b>	The Conference and Office Services Section, in consultation with the Finance Branch, should provide all regional offices with copies of relevant rules and manuals relating to the management and disposal of non-expendable property as well as practical guidance on, for example, what types of furniture and equipment to include on the inventory (either individually or as a grouped asset); how to carry out and document a physical inspection; when to remove old items from the inventory, etc.	The manual Approval for Disposal, Sale and Write-Off of Equipment Procedure (P-PRO-220, Rev No: 3.1) was revised effective 15 December 2011. This manual became effective after the period audited. The Administrative Guidelines on Management of Property, Plant and Equipment (PPE) will be revised to include every relevant aspect of fixed asset management, in consultation with FIN.	Administrative Guidelines on Management of Property, Plant and Equipment (PPE) are being revised following the issuance of the specific audit report on inventory control in 2014.  Meanwhile, a template to be used for recording information on fixed assets has been shared with RO Paris.	Following approval of Administrative Guidelines on Management of PPE, share these with Regional Offices.  Expected Completion Date: 30 June 2015.

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31-May-12 Audit of TCB consultants #1 <b>31-May-13</b>	TCB should adopt the same policy for consultants hired on SSA contracts for field projects as that applied to consultants hired at Headquarters. For any TCB contract expected to exceed six months or one year, a fixed term contract rather than an SSA contract should be given wherever possible.	Given the nature of TCB's work, the "ICAO Policy on Individual Consultants/Contractors" is not applicable in its entirety to consultants recruited by TCB, mainly due to the specific requests from States in regard to their technical cooperation projects. The number of fixed-term contracts as opposed to SSAs issued by TCB is progressively being increased, when applicable.	TCB and ADB have taken due cognizance of the recommendation on the need to harmonize implementation guidelines for Staff and individual consultants/Contractors policies currently under implementation by HR for the Field Consultants. Reviews have been conducted and consultations made between the two Bureaus. It is apparent that there exist unique administrative features that apply to TCB's Field operations and in-house ICAO consultancy requirements, and therefore necessary that guidelines are developed to adequately address these unique factors.	The process of joint review of ICAO Staff Rules and the Field Service Staff Rules is under way and should be presented for signature by the end of the third quarter 2015.  Expected Completion Date: 30 September 2015.
31-May-12 Audit of TCB consultants #3 <b>31-Dec-13</b>	The human resources branch of ADB should review and provide feedback to TCB on the 'Classification and Grading System for Field Personnel'. The final agreed methodology for grading TCB field posts should then be submitted to the Secretary General for approval as soon as possible.	Agreed. The Classification and Grading System for Field Personnel Manual has been developed and submitted to the Human Resources Branch for review, prior to submission to the Secretary General for approval.	The Human Resources Branch has reviewed the TCB Classification and Grading System, and has concluded that there is no conflict between this and the ICAO classification standard which is based on ICSC standards. HRB has recommended that this be incorporated into a comprehensive TCB manual, in which the differences between this classification system and that of the UN should be clearly described. As recommended by HRB, the Classification and Grading System is being incorporated into a 'Classification and grading guideline for field service personnel', which will be submitted to the Secretary General for approval.	Finalize Classification and grading guideline for field service personnel, and submit this to the Secretary General for approval.  Expected Completion Date: 30 September 2015.

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<p>31-May-12 Audit of TCB consultants #9 <b>30-Nov-12</b></p>	<p>FPA should ensure that in future, the appropriate information is provided to the Finance Branch and in Agresso to enable expenditure relating to consultants to be recorded in the correct financial year (the year in which the work was actually carried out).</p>	<p>Agreed. The Business Support Unit (BSU) will coordinate with FOS and FPS in order to create procedures, which should be applied bearing in mind that in special circumstances exceptions would have to be granted on case by case basis.</p>	<p>TCB has explored the possibility of establishing procedures to ensure that consultants are paid in the financial year in which consultancy work is carried out, however this appears to be impractical due to factors outside of the control of ICAO (review and clearance of performance reports by States, submission of claims by consultants). As an alternative, a procedure has been developed, in collaboration with FIN, whereby all outstanding payments to consultants are to be committed via Purchase Orders, and accrued at year's end, in order for them to be reported in the correct financial year. This procedure will be reviewed and approved by the TCB Quality Committee.</p>	<p>Submit procedure to Quality Committee for approval.  Expected Completion Date: 31 March 2015.</p>