International Civil Aviation Organization

WORKING PAPER

COUNCIL — 222ND SESSION

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

ANNUAL REPORT OF THE CHIEF OF THE OFFICE OF INTERNAL OVERSIGHT (OIO)

(Presented by the Secretary General)

<table>
<tr><td colspan="2" align="center">EXECUTIVE SUMMARY</td></tr>
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As per paragraph 9.1 of the OIO Charter, Chief, OIO shall submit an annual report to the Secretary General who shall transmit it to the Council with his/her comments during the first Session of the Council in each calendar year. This annual report shall summarize the activities and results of all work undertaken by OIO during the preceding year, as well as its performance relative to the annual work plan.

This report provides a summary of OIO's assurance, advisory and other oversight services in 2020. OIO issued 9 reports (7 audits and 2 evaluations). Audit and evaluation reports yielded positive feedback from the Secretariat and Council Members.

Action: The Council is invited to take note of the Annual Report of the Chief, OIO and to provide any guidance to the Secretariat, as required.

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<tr><td>Strategic Objectives:</td><td>This working paper relates to Supporting Implementation Strategies.</td></tr>
<tr><td>Financial implications:</td><td>N/A</td></tr>
<tr><td>References:</td><td>C-WP/15143</td></tr>
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1.   BACKGROUND

1.1   The mandate of OIO is to assist the Secretary General in ensuring that ICAO is managed effectively, efficiently and economically, and in conformity with the applicable regulations and rules, and to provide him/her with independent and objective assurance, advice, insight and foresight through performing internal audits, evaluations, and other oversight assignments.[1]

2.   PROFESSIONAL STANDARDS

2.1   For its audits, OIO adheres to the International Professional Practices Framework promulgated by the Institute of Internal Auditors (IIA). For evaluations, OIO follows the Norms and Standards for Evaluation approved by the United Nations Evaluation Group (UNEG).

3.   INDEPENDENCE OF OIO

3.1   OIO's Charter[2] requires the Chief, OIO, to confirm to the Council, at least annually, the independence of the internal audit/evaluation activities, and whether there has been inappropriate scope or resource limitations.

3.2   During the reporting period, no instance/activity occurred that could be considered as jeopardizing the operational and functional independence of OIO. The scope of oversight activities was decided by OIO based on specific objective criteria including advice and feedback received from Council members, Senior Management, and the EAAC.

4.   STATUS OF OVERSIGHT ASSIGNMENTS

4.1   The table below illustrates the status of implementation of the OIO work programme for 2020 (C-WP/14945):

Assignment Title	Status
Audit of Business Continuity Management (IA/2019/5) *	Final report issued
Audit of Safety and Security Management (IA/2020/1) *	Final report issued
Audit of Travel Management (IA/2020/2) *	Final report issued
Audit of the WACAF Regional Office (IA/2020/3)	Final report issued
Audit of TCB Project Management (IA/2020/4) *	Final report issued
Continuous Audit of Vendor Data Management (CA/2020/1)	Final report issued
Continuous Audit on Accuracy of GL Accounts (CA/2020/2)	Final report issued
Evaluation of Results-based Management (EV/2019/2) *	Final report issued
Evaluation of Regional Projects in Africa (EV/2020/1)	Final report issued
Audit of Staff Performance Management	Management action plan with OSG
Audit of the Classification Process	Management action plan with OSG
Audit of the Management of Voluntary Funds	Management action plan with OSG
Audit of IT Logical Access Controls	Field work in progress
Audit of Outsourced Translation Services	Field work in progress
Evaluation of Technical Assistance to Member States	Field work in progress

Carried over from 2019.

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[1] Paragraph 3.1 of the OIO Charter
[2] Paragraph 6.9 of the OIO Charter

4.2   As per the OIO's Standard Operating Procedure for audit and evaluation report clearance, the target for finalising a report and completing the Management Action Plan should be within 22 working days of issuance of the draft report by OIO. In 2020, the time between draft report and final report took much longer than what is foreseen in the Standard Operating Procedure[3]. Issuance of an audit/evaluation report on a timely basis is crucial for ensuring that required management actions are taken promptly to mitigate risks and/or achieve improvements and efficiency gains.

5.   KEY RISKS AND CONTROL ISSUES

5.1   Paragraph 9.2 of the OIO Charter stipulates that the Annual Report of the Chief, OIO should include information on significant risk exposures and control issues, fraud risks, governance issues, and other matters identified by the results of internal audits and evaluations carried out.

5.2   OIO had identified some 12 key risks and challenges facing ICAO in its 2019 Annual Report. These being always relevant, in our professional view the following top five risks have emerged as part of the OIO's annual risk assessment performed for annual work planning purposes:

a) **Financial Stability:** The ongoing pandemic is having an adverse impact on the Secretariat's ability to undertake and fully complete many activities in the Business Plan. In particular, cash flow and liquidity risks and the need to implement cost containment measures have exacerbated existing budgetary and human resource constraints. Projected deficits on the ARGF and AOSC will also have an adverse impact on the implementation of regular programme activities and on ICAO effectively achieving its mandate with regard to technical assistance to Member States and preserving its strategic position in the global aviation community. On the positive side, the Organization has successfully handled the transition to remote working despite the fact that robust Business Continuity Plans and Disaster Recovery arrangements have not yet been fully developed for Headquarters' operations.

b) **Cybersecurity:** Cybersecurity remains a top risk for the Organization, particularly during the pandemic. It requires continued, concerted effort by all ICAO bureaus in close cooperation with ICT to further enhance not only the technical infrastructure but also to enhance awareness among ICAO staff of cybersecurity issues. While a considerable number of recommendations made in OIO reports have been implemented since 2018, implementation of the Information Security Roadmap is progressing slowly. Many of the recommendations raised in other oversight and externally-commissioned reports have yet to be fully implemented due to a lack of adequate human and financial resources.

c) **Enterprise Risk Management (ERM):** ICAO has made some good progress in establishing an organization wide ERM in 2020. However, full implementation will require active involvement and buy-in from Senior Management, appropriate allocation of financial and human resources, and a realistic timeline to successfully complete this crucial initiative, which is also closely linked to the implementation of an accountability framework and results-based management, both of which are still at the early stages of development.

d) **Organizational Management and Culture:** ICAO is facing challenges in attracting, retaining and developing talent, filling vacancies, and ensuring smooth succession, particularly in key positions. This is exacerbated by the vacancies in key positions which impedes an effective

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[3] As an example, the audit on TCB project management took 165 working days and the evaluation of results-based management took 98 working days for the reports to be finalized after issuance of the draft reports.

management and has an adverse impact on the control environment of the Organization. Strong managerial direction and oversight is essential to ensure effective compliance with policies and procedures, especially during the current pandemic, and to establish a strong ethical working environment, with accountability for actions taken. The recent revision of the ICAO Framework on Ethics is a positive step; however, it now needs to be finalized and its provisions fully operationalized and embedded in practice.

e) **Timely Implementation of Oversight Recommendations:** Despite the good efforts of the Secretary General, partly due to financial constraints and rather low prioritization of recommendations in the operating plans, ICAO still faces challenges in implementing oversight recommendations in a timely manner to bring about the expected improvements/enhancements to its systems, procedures and processes.

6.   SUMMARY OF KEY POINTS FROM OIO REPORTS ISSUED IN 2020

6.1   Audit of Business Continuity Management (IA/2019/5)

Overall audit opinion	:	Major improvement needed
No. of recommendations	:	6
Implementation status	:	All 6 outstanding

6.1.1   Business continuity management (BCM) is a holistic process that identifies potential threats to an organization and their likely impacts on business operations, if realized. The ICAO Administrative Instructions on Business Continuity Management provide high-level control objectives (based on ISO 22301) for guiding the implementation of BCM. However, Bureaus/Offices at ICAO Headquarters are not following these instructions and have (i) not carried out a risk assessment concerning business continuity, (ii) not undertaken a Business Impact Analysis, and (iii) not identified the critical functions and determined the Recovery Time Objective/Recovery Point Objective requirements. There is no monitoring mechanism for BCM at ICAO and no reporting by the organizational units on the status of implementation of BCM. Stronger senior management commitment and support is required to improve the current low level of BCM in ICAO. Lack of clarity in roles and responsibilities and gaps in the accountability framework are the primary causes for deficient implementation of business continuity at ICAO.

6.1.2   Continuity of ICT services is an important part of overall business continuity capability. ICAO relies more and more on the availability of ICT applications, information, and data to fulfil its mandate and carry out operations. While the backup arrangements and offsite storage of backups are managed by ICT, the issues relating to alternative ICT facility, formal disaster recovery plan, and full recovery exercises needs addressing.

6.2   Audit of Safety and Security Management (IA/2020/1)

Overall audit opinion	:	Major improvement needed
No. of recommendations	:	8
Implementation status	:	1 implemented, 7 outstanding

6.2.1   ICAO follows the policies of the United Nations Security Management System (UNSMS) for managing the safety and security function. ICAO has adopted a risk management approach to security and carries out annual security risk assessments in order to identify required mitigation measures. Security measures should be strengthened for entry points to the premises. The security risks in the main lobby area

and the loading dock area need to be mitigated by hardening the visitor screening area in the entrance lobby and by installing vehicle barriers and screening of vehicles in the loading area.

6.2.2   A few access cards continued to be active in respect of former ICAO personnel. Regular reviews of the data on active access cards should be performed. There are no formal procedures for security incident management and for granting access to CCTV video recordings. The absence of assurance that all ICAO staff personnel have taken the online BSAFE training and the lack of proper monitoring of security clearances, lead to operational and legal risks for ICAO and is an indication of a weak security culture.

6.3   **Audit of Travel Management (IA/2020/2)**

        Overall audit opinion   :   Major improvement needed
        No. of recommendations :   12
        Implementation status   :   1 implemented, 11 outstanding

6.3.1   Due to the lack of an organization-wide electronic travel management system, procedures for travel planning, and the processing of travel authorizations and travel claims, are largely manual, labour-intensive and inefficient. As a result, the Organization's ability to effectively manage, monitor and report on travel-related activities and expenditure is also limited. Advance purchasing of air tickets represents the greatest opportunity to achieve cost savings, and this can be achieved through effective planning. However, in the period 2016 to 2018, 63% of tickets by value and 60% by number, were purchased 21 days or less prior to travel.

6.3.2   The justification for and expected outcomes and results of mission travel were not always clearly linked to the operating plan of the bureau/office and to ICAO's Business Plan and strategic objectives, and mission reports at headquarters are not systematically filed and shared for the purposes of knowledge sharing and organizational learning. Current travel policies and procedures also need to be revised, expanded and updated, and the adequacy of current provisions for emergency medical insurance coverage for staff whilst on mission need to be reassessed. In particular, procedures should be established to ensure that staff systematically obtain a UN Department of Safety and Security (UNDSS) security clearance certificate as well as medical clearance before travelling.

6.4   **Audit of the WACAF Regional Office (IA/2020/3)**

        Overall audit opinion   :   Major improvement needed
        No. of recommendations :   8
        Implementation status   :   4 implemented, 4 outstanding

6.4.1   In 2018 and 2019, many activities included in the annual operating plans of the WACAF Office could not be undertaken because of vacancies in key posts. In 2018, the WACAF Office reported underachievement in 19 out of 79 KPIs (24%) while data was not available in respect of 10 other KPIs. In 2019, underachievement was reported in respect of 22 KPIs (29%).

6.4.2   There was no risk register maintained in the WACAF Office, which identified all the key risks, mitigation strategies and staff members responsible for managing the identified risks. Mission travel reports were not readily available for randomly selected missions. Timely preparation and availability of mission reports in a central repository would enhance accountability, as well as improve institutional memory and knowledge sharing among staff. The IT controls in the WACAF Office were found to be weak. The storage bays attached to the server failed in January 2018. The WACAF Office is not able to take daily automatic backups of data since the failure of storage bays. Both the servers, procured in 2011, were without any maintenance contracts. The status of the IT environment poses operational risks which can lead to

business interruptions in the WACAF Office. Errors were also noticed in the asset register maintained by the WACAF Office. The controls around asset management, segregation of duties and regular verification of inventory needed improvement. In 2020, the WACAF Office made progress in implementing OIO's recommendations and introduced controls to improve fixed asset inventory, the procurement process, and maintenance of mission travel reports.

6.5   **Audit of TCB Project Management (IA/2020/4)**

Overall audit opinion   :   Major improvement needed
No. of recommendations   :   3
Implementation status   :   All 3 outstanding

6.5.1   TCB projects do not always have clear objectives and measurable outcomes and benefits; nor are they specifically linked to ICAO's strategic objectives and Business Plan. In many cases, the projects reviewed during the audit were not genuine projects, but rather the provision of ongoing services with no anticipated end date or exit strategy for TCB to hand over long-term responsibility to the State. TCB should establish clear criteria for the acceptance of future projects, and implement a formal, due diligence process for assessing any associated risks to TCB and ICAO before a project document is signed.

6.5.2   The focus of TCB projects should be more targeted, more technical and less administrative in nature, with goals that can be achieved in a shorter timeframe and which result in sustainable improvements for the States. Coordination between TCB and the regional offices is improving; however, there is still a need for more effective communication and joint working. The planned Quality Assurance Process to be applied to TCB projects has not yet been finalized and implemented in practice, and independent evaluations of projects are not routinely carried out to identify improvements and any lessons learned for the benefit of future projects.

6.5.3   TCB should develop and apply a comprehensive project management manual to include all aspects of project management; review and simplify existing administrative processes within the bureau; and introduce appropriate, fit for purpose, automated tools and systems to increase efficiency. An appropriate costing system and pricing policy is also needed to ensure that each project is charged an appropriate amount based on actual costs incurred.

6.6   **Continuous Audit of Vendor Data Management (CA/2020/1)**

Overall audit opinion   :   Some improvement needed
No. of recommendations   :   1
Implementation status   :   Implemented

6.6.1   A key step in effective vendor management is the maintenance of an accurate, complete and reliable vendor database. Periodic reviews of the vendor database to identify inactive and/or duplicate vendor records helps in mitigating risks of fraudulent and duplicate payments. Data analysis identified duplicate vendor records which corresponds to 5.8% of the total number of vendors. Furthermore, 72% of the recorded vendors had no payment history or no payment activity in the past three years. These records should be reviewed for closing or deactivating in Unit4 ERP.

6.6.2   No formal procedures and guidance had been established for maintenance and regular reviews of the vendor database, maintaining segregation of duties, and steps for validating bank account details of vendors before authorizing payments. Documenting these internal procedures would help to capture all the established practices and thereby improve guidance to staff and ensure consistency in application.

6.7   **Audit on Accuracy of General Ledger Accounts (CA/2020/2)**

        Overall audit opinion   :   Effective
        No. of recommendations :   N/A
        Implementation status   :   N/A

6.7.1   The integrity of the information in ICAO's General Ledger is dependent on error free and updated master data (e.g. cost centre master, product group, product master, etc.) and preventing misclassifications of transactions resulting from erroneous identification of expense accounts. Internal controls around master data governance and classification of transactions were generally adequate. However, some inconsistencies in the cost centre master data and mapping between product codes and product groups and misclassifications were noted. Regular updates of General Ledger master data and reviews of classifications will ensure accuracy of General Ledger data and reporting on expense accounts.

6.8   **Evaluation of Results-based Management (EV/2019/2)**

        No. of recommendations :   5
        Implementation status   :   All 5 outstanding

6.8.1   The Secretariat has made improvements in applying Results Based Management (RBM) in different programming and management processes and systems. These improvements include the establishment of the Strategic Planning Coordination and Partnerships Office (SPCP) to maintain the CMRT and to coordinate the development and implementation of Regional Office work programmes. However, implementation of a full-fledged RBM is in the early stages and has not been mainstreamed in the main management and programming processes.

6.8.2   The Secretariat has not developed a clear strategy or roadmap for mainstreaming RBM in its programming and management processes. As a result, RBM has not been applied systematically and comprehensively but rather in a fragmented manner. The Business Plan is not being adequately used as an effective RBM tool due to limited participation by staff in the planning process, the complex nature of the results framework of the Business Plan as well as the activity-focused nature of operating plans. Many of the Secretariat's reports to the Council still focus on activities and do not provide sufficient information on progress made in achieving the planned outcomes of the Business Plan. There have also been very limited capacity building efforts and training to improve knowledge about RBM. As a result, institutional knowledge, and acceptance of RBM as a management and programming approach, and commitment to its application is low.

6.8.3   The evaluation made five recommendations including developing and implementing a comprehensive strategy/road map describing how RBM will be further mainstreamed in an integrated manner in the planning, monitoring, reporting process over the next 5-10 years by focusing on outcome level results.

6.9   **Evaluation of Regional Projects in Africa (EV/2020/1)**

        No. of recommendations :   4
        Implementation status   :   All 4 outstanding

6.9.1   Regional projects covered by the evaluation are relevant to achieve the ICAO Business Plan, Regional Offices' operating plans, the GANP, the GASP and Member States' needs. However, at the design stage, none of the projects had developed results frameworks and clear project outcomes and outputs

with their corresponding indicators and means of verification. The absence of such mechanisms significantly affected monitoring of project results beyond the follow up of activities.

6.9.2   The three selected projects had variable levels of success. While the African Flight Procedure Programme (AFPP) and the ASECNA project have been mostly successful in implementing planned activities, out of the 15 countries that signed up for the CODEVMET project, very limited results were delivered in only 6 Member States. The implementation of this project is currently frozen.

6.9.3   Although project management arrangements are clarified in the Regional Office Manual (ROM), there is still insufficient understanding by regional offices regarding some of their responsibilities in the management of regional projects. As a result, project activities have not been effectively integrated in the regional office operating plans to ensure proper project oversight, technical backstopping and monitoring. The evaluation found that insufficient and delayed financial contributions from Member States have adversely affected AFPP and CODEVMET project implementation.

6.9.4   The evaluation made five recommendations including ensuring that adequate guidance on project design and project document development is included in the Project Management Manual being developed by TCB; resuming the CODEVMET project by finding prompt solutions to the current human resource issues; and designing and implementing a mechanism to encourage timely payment of contributions by participating Member States.

7.   STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS
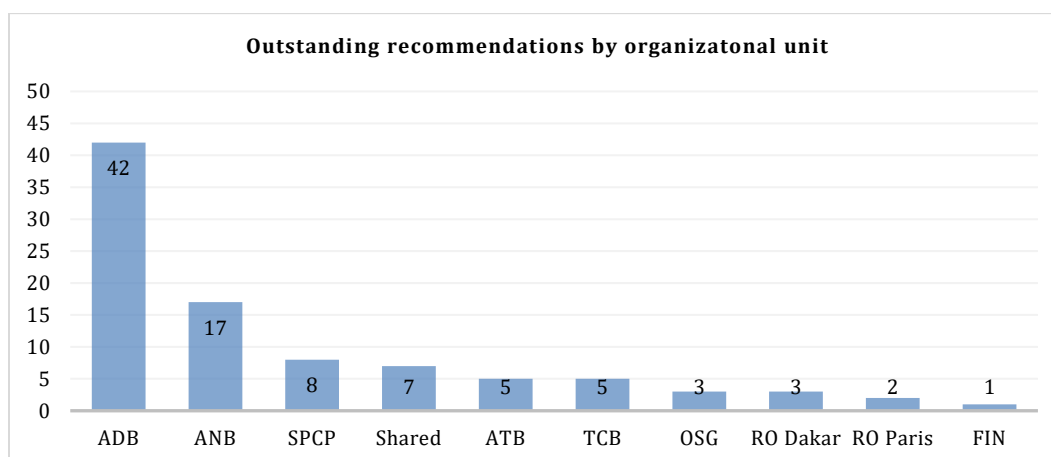
7.1   The table below provides information on the issuance and implementation of oversight recommendations during 2020. Appendix A provides further information on the high importance recommendations issued by OIO in 2020.

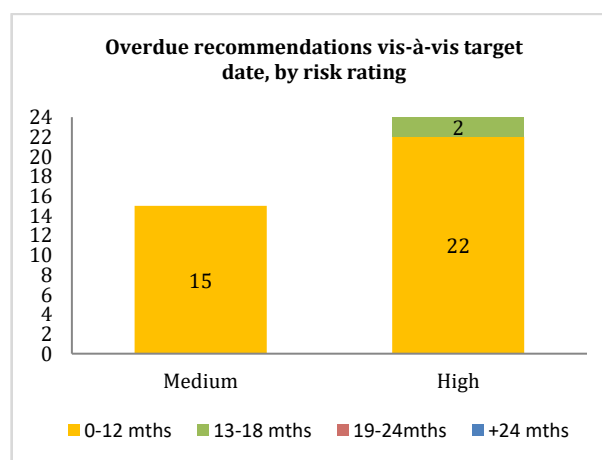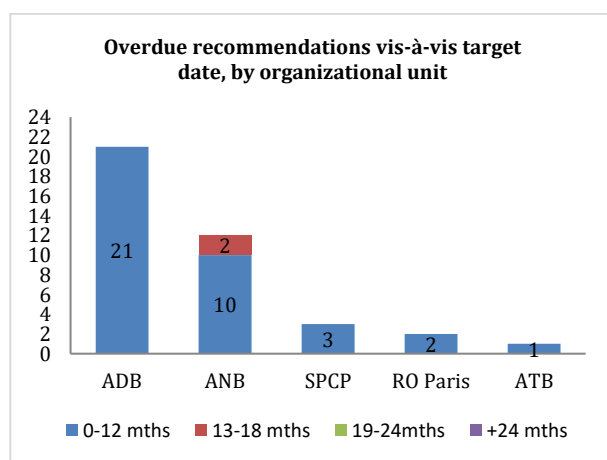| Source	Open as at 31/12/2019	Added during the year	Closed during the year	Open as at 31/12/2020
OIO	89	47	43	**93**
External Audit	21	27	9	**39**
JIU	25	32	26	**31**
Total	**135**	**106**	**78**	**163**

7.2   Timely implementation of oversight recommendations helps ICAO to improve its overall operational effectiveness and efficiency, and to enhance compliance with existing policies/procedures, as well as safeguarding the Organization's assets. OIO issues a monthly report on the implementation status of oversight recommendations to the Council, the Secretary General and the Evaluation and Audit Advisory Committee (EAAC).

7.3   The chart below illustrates the distribution by organizational unit of the 93 open OIO recommendations as at 31 December 2020:

Outstanding recommendations by organizatonal unit

ADB	ANB	SPCP	Shared	ATB	TCB	OSG	RO Dakar	RO Paris	FIN
42	17	8	7	5	5	3	3	2	1

7.4   Out of the 93 recommendations that were open as at 31 December 2020, 39 were overdue vis-à-vis planned target dates for implementation. The charts below illustrate the distribution of these 39 overdue recommendations by organizational unit and risk rating.

Overdue recommendations vis-à-vis target date, by organizational unit

(0-12 mths, 13-18 mths, 19-24mths, +24 mths)

ADB: 21; ANB: 10 + 2; SPCP: 3; RO Paris: 2; ATB: 1

Overdue recommendations vis-à-vis target date, by risk rating

(0-12 mths, 13-18 mths, 19-24mths, +24 mths)

Medium: 15; High: 22 + 2

7.5   Out of the 93 recommendations that were open as at 31 December 2020, the target dates for 41 of these had been revised and extended, in some cases more than once. The breakdown of these recommendations by organizational unit and number of times the target dates have been revised is illustrated in the table below.

Organizational Unit	Target date revised once	Target date revised twice	Target dater revised three or more times	Total
ADB	18	2	2	**22**
ANB	4			**4**
ATB	4		1	**5**
OSG		2		**2**
RO Dakar	3			**3**
RO Paris		2		**2**

Shared	2			**2**
TCB	1			**1**
Total	**32**	**6**	**3**	**41**

7.6   In July 2020, OIO started to formally record the impact and value addition resulting from the implementation of its recommendations. OIO closed 28 recommendations in the period July to December 2020. Implementation of these recommendations led to one or more of the following impacts: (i) strengthening of internal controls (ii) introduction of a new or modified procedure/guideline/manual, (ii) introduction of a new or modified rule/policy/strategy, and (iv) improvements in project planning, monitoring and reporting. The number of each of these impacts is shown in the chart below.
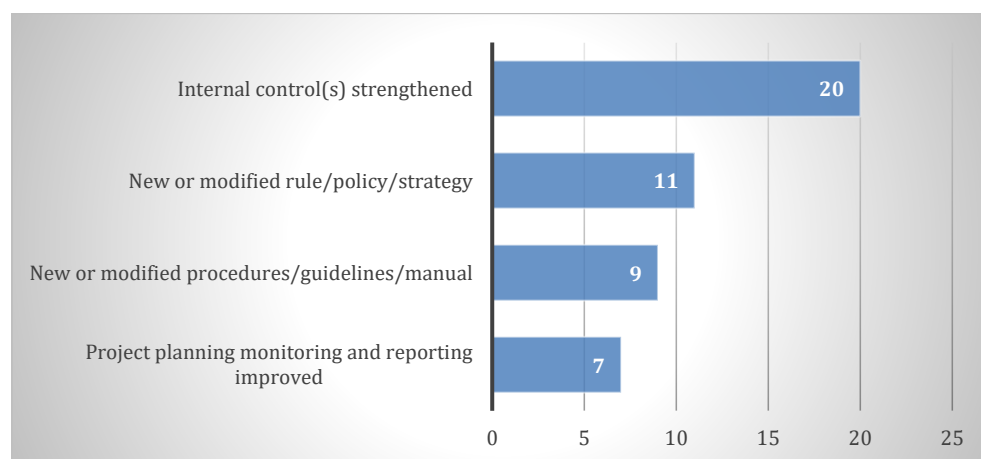
8.   CONSULTATIVE AND ADVISORY OVERSIGHT WORK

8.1   OIO continued to provide objective advice and guidance to improve the Organization's operations, systems and processes related to governance, risk management and internal controls[4]. The list of areas where advisory services were provided by OIO during 2020 is in Appendix B.

9.   OTHER OVERSIGHT ACTIVITIES

9.1   Quality Assurance and Improvement Programme

9.1.1   OIO maintains a quality assurance and improvement programme that covers all aspects of the internal audit and evaluation activities. The programme assesses the efficiency and effectiveness of the internal audit and evaluation functions and identifies opportunities for improvement.

9.1.2   At the end of 2019, OIO successfully underwent an external independent quality assessment (EQA) of the internal audit function to assess conformance with the International Professional Practices Framework (IPPF) of the Global Institute of Internal Auditors (IIA) and achieved the highest score of "Generally Conforms". During 2020, OIO implemented several improvements recommended by the external assessors to further enhance the overall operational effectiveness and efficiency of the internal audit function, including revision of the OIO Charter.

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[4] Paragraph 7.3 of the OIO Charter

9.1.3   In line with the IIA Standards, OIO conducted a self-assessment of its internal audit function in December 2020 which confirmed that OIO's audit activities continue to conform with the IPPF and the OIO performs according to established policies and procedures assisting ICAO to strengthen its governance, internal control and risk management processes.

9.1.4   In the case of evaluation, OIO assesses conformance with the UNEG Norms and Standards for Evaluation by taking part in independent/peer assessments every five years. A Peer Review carried out at the end of 2019 confirmed that the evaluation function meets the norms and standards of the UNEG. An action plan to address the recommended improvements from the Peer Review has been developed and is being implemented.

9.2   **OIO Charter**

9.2.1   Based on recommendations from both the External Quality Assessment of the internal audit function, and the Peer Review of the evaluation function, OIO revised and updated its Charter in 2020. The OIO Charter was restructured and streamlined in a more logical order; unnecessary detail was eliminated; recent organizational changes were incorporated; and the content was more closely aligned with the charters of oversight offices in other UN organizations. The Council reviewed and approved the revised OIO Charter during its 221st Session. At the same time, the Council approved the change in name of the office from Evaluation and Internal Audit Office (EAO) to Office of Internal Oversight (OIO).

9.3   **Public Disclosure Policy**

9.3.1   In order to increase transparency, the Council agreed, at its 219th Session, to the publication of OIO's reports on ICAO's public website, subject to the adoption of a disclosure policy covering the treatment of confidential or sensitive information (C-DEC 219/8 refers). Accordingly, OIO developed a Public Disclosure Policy for internal audit and evaluation reports, based on a comprehensive review of similar policies adopted by other organizations in the United Nations system. The Policy was reviewed and approved by the Council at its 221st Session.

9.4   **OIO Retreat**

9.4.1   OIO organized a virtual retreat to discuss its overall performance, working methods and priorities for preparing its work plan for the year 2021. OIO's risk assessment methodology considered the existing ICAO Corporate Risk Register, feedback received from Representatives on the ICAO Council, the EAAC, the Secretary General and other senior staff.

9.5   **Satisfaction Surveys**

9.5.1   OIO continued to seek feedback from colleagues of audited/evaluated offices through client satisfaction surveys issued after each assignment to identify satisfaction rates and areas for improvement in the quality of its work and services provided. Based on an analysis of survey responses, OIO achieved an overall satisfaction rate of 86% during 2020.

9.5.2   Additionally, OIO has developed a follow-up client survey, which is sent one year after the completion of an audit or evaluation providing that at least 75% of the recommendations have been implemented, in order to measure the impact of its oversight work. The consolidated results indicate that a

satisfaction rate of 82% has been achieved. This positive result helps OIO to assess its performance and to strive to further improve the impact of its audit/evaluation reports where needed.
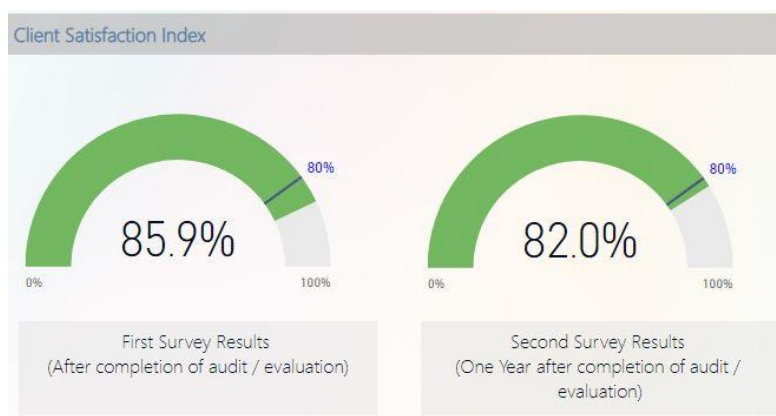
9.6   OIO Monthly Dashboard and Newsletter

9.6.1   The OIO monthly dashboard which provides useful, succinct information on OIO staffing and budgets, as well as the status of work and implementation of oversight recommendations was revamped in 2020. Monthly updates of the OIO dashboard are made available to the Secretary General and the EAAC. Copies are also posted on the Council website.

9.6.2   OIO also issued its first electronic newsletter "EAO[5] Update" in May 2020.

9.7   OIO Intranet/Internet Websites

9.7.1   To provide up-to-date information on OIO's structure, reports and other activities, OIO has updated its intranet and internet pages in 2020.

10.   COOPERATION WITH EXTERNAL OVERSIGHT BODIES

10.1   Evaluation and Audit Advisory Committee (EAAC)

10.1.1   OIO presented the results of its oversight assignments to the EAAC in the presence of representatives from management, and discussed significant governance, risk management, internal control and programme management issues with the EAAC members. OIO appreciates very much the continued support and advice provided by the EAAC on OIO's work.

10.1.2   OIO provided secretariat services and logistical support to the EAAC to enable the Committee to function in an effective and efficient manner.[6]

10.2   External Auditor

10.2.1   During the reporting period, OIO cooperated effectively with the outgoing and incoming External Auditor. As per usual practice, OIO shared its annual plan with the External Auditor for comments

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[5] The newsletter was issued before the name change
[6] In accordance with the revised Charter, this role will be transferred to the Secretariat in 2020.

and feedback on its work plan and activities. OIO regularly interacted with the External Auditor on organizational matters including governance, risk management and control issues.

10.3   Joint Inspection Unit (JIU)

10.3.1   As the focal point for the Joint Inspection Unit of the United Nations (JIU), OIO coordinated ICAO's input to 25 JIU reports at various stages of completion. In 2020, OIO presented working papers to the Council summarizing the recommendations and Secretariat Action Plans for seven JIU reports (see Appendix C).

10.3.2   OIO also presented working papers to the Council on the status of implementation of recommendations of the JIU (C-WP/15124) and the Report of the JIU for 2019 and programme of work for 2020 (C-WP/15125).

10.4   Networking with Other Oversight Functions

10.4.1   OIO's Charter includes specific provisions on liaising and cooperating with the internal oversight services of other organizations of the United Nations system and Multilateral Financial Institutions. OIO recognizes the value and importance of developing relationships with its peers. During 2020, OIO continued its active and useful collaboration and networking with other United Nations system organizations and entities using virtual means.

10.4.2   Due to the Covid-19 pandemic, the annual in-person Meeting of Representatives of Internal Audit Services of the UN system and multilateral financial institutions and other International Organizations (UN-RIAS and RIAS), and the annual in-person Meeting of the United Nations Evaluation Group (UNEG) were both cancelled. However, OIO attended virtual meetings organized by these UN Networks.

11.   OVERSIGHT RESOURCES

11.1   Budget and Staff

11.1.1   To discharge its mandate, OIO was provided with a triennial budget of CAD $3.88 million, which represents 1.2% of ICAO's budget for the 2020-2022 triennium.

11.1.2   The charts below illustrate OIO's budget utilization for 2020 as at 31 December 2020.
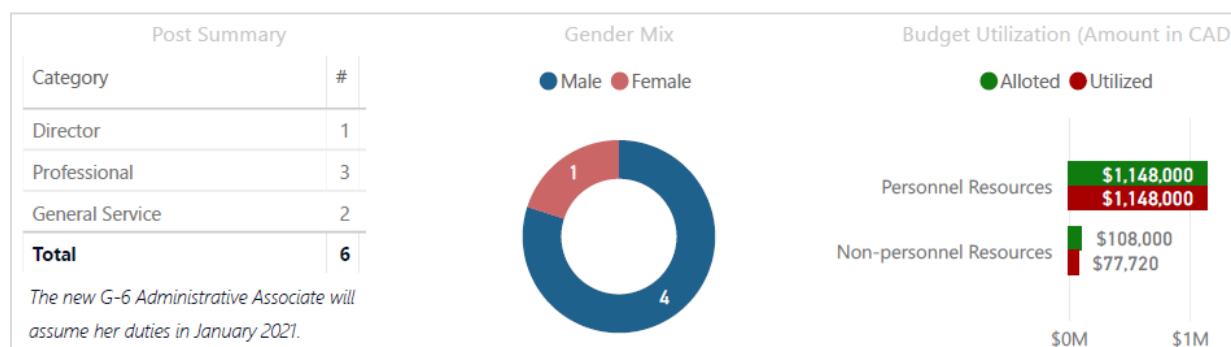
11.1.3   The recruitment of the Administrative Associate was finalized in 2020 and the selected incumbent reported for duty in January 2021.

11.2   **Training**

11.2.1   During 2020, an in-house group training course for all OIO staff on Report Writing through Root-Cause Analysis was delivered virtually.

11.2.2   In addition, in line with individual staff development objectives as agreed in the PACE system, OIO staff attended various online training courses on topics such as information security and IT awareness, fundamentals of IT auditing, Ethics, etc. to enhance their technical knowledge and skills and to equip them to perform their duties in an efficient and effective manner.

APPENDIX A

HIGH PRIORITY RECOMMENDATIONS ISSUED BY OIO IN 2020

Assignment Title	Recommendation No.	Recommendation	Target Date	Status as at 31/12/2020	Status update as at 31/12/2020
Audit of Business Continuity Management	IA/2019/5 Rec 1	Under the supervision of the Secretary General and in close cooperation with all Bureau Directors/Chiefs, Director, ADB as chair of Crisis Management Team, should develop: (a) A business continuity coordination mechanism and clearly define and document the roles and responsibilities of organizational units and staff responsible for implementing Business Continuity at ICAO; (b) A monitoring and reporting mechanism for effective organization-wide implementation of Business Continuity Management. Regular reporting to Secretary General on the status of Business Continuity Management implementation should include updates on risk assessments, identification of critical functions, and exercises/ drills.	30/06/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020. Extension of target date to mid 2021 is requested.
	IA/2019/5 Rec 3	The Secretary General should nominate a high level senior Director who will coordinate, in close cooperation with other Bureaus/Units, the preparation of: (a) A corporate Business Continuity Plan based on risk assessment and Business Impact Analysis, and which will include, inter alia, a list of critical functions, key staff who will perform critical functions, and detailed tasks/processes/services to be performed in case of a crisis. The Corporate Business Continuity Plan needs testing through drills on a regular basis, (b) A Business Continuity Plan for each Bureaus/Unit based on risk assessment and Business Impact Analysis and identified critical processes.	30/06/2021	Outstanding	i) As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020. ii) While there has been much work done in this area, there still needs to be further review and confirmation of BC plans. This is ongoing at the moment.
	IA/2019/5 Rec 4	Regional Directors should ensure that the Business Continuity Plans of their respective Regional offices are duly updated on the basis of a risk assessment and a Business Impact Analysis, to include a list of critical	30/06/2021	Outstanding	While this work has been ongoing in 2020 as an operational priority due to the COVID-19 crisis, nonetheless extension of

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		functions/systems that need to be maintained/ recovered during a crisis and clearly define tasks/ processes/ services to be performed for each critical function. An exercise to validate the Business Continuity Plan should be conducted after updating the Business Continuity Plans.			the target date to mid 2021 is requested. Additional human resources have been secured for the remainder of 2020 to address this recommendation.
	IA/2019/5 Rec 5	ICT Management should fully develop and formalize ICT disaster recovery procedures for all critical business functions and conduct a fallback exercise to test the effectiveness of the disaster recovery procedures.	31/12/2021	Outstanding	In progress.
	IA/2019/5 Rec 6	ICT in coordination with Information Security Section should assess various options for an alternative site for restoration of data, considering available options, technologies, and risks/ benefits in different approaches and good practices adopted by other United Nations System Organizations.	31/12/2021	Outstanding	In progress.
Audit of Safety and Security Management	IA/2020/1 Rec 2	In light of the safety and security needs of ICAO HQ and Regional Offices and considering the UN good practice, ADB should make an assessment of human resources requirements for an effective safety and security function.	30/06/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020.
	IA/2020/1 Rec 3	CSG should ensure that (i) There is formal verification of mandatory training requirements by all security personnel deployed by the Host Country. (ii) A formal security clearance is provided to ICAO for each security personnel and other contractors (e.g. cleaning personnel) deployed by the Host Country.	30/06/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020.
	IA/2020/1 Rec 4	ICAO, in collaboration with host Government, should undertake threat assessments of the entrance lobby and loading dock area and identify security strengthening measures.	30/06/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020.
	IA/2020/1 Rec 6	ADB, in collaboration with LEB, should develop a standard operating procedure which defines clearly the roles and responsibilities of HR, LEB and CSG for reviewing and updating access rights to ICAO Headquarters, considering	30/06/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible

		staff and delegates' movements.			to address this audit recommendation in 2020.
	IA/2020/1 Rec 8	ADB in close cooperation with the Regional Offices, should review the approved UNSMS Security Risk Management Measures applicable at Regional Offices to ensure full compliance with endorsed SRM at the Designated Area (duty Station).	31/12/2021	Outstanding	As a result of the COVID-19 crisis, current emergency response priorities and the re-alignment of resources, it has not been possible to address this audit recommendation in 2020.
Audit of Travel Management	IA/2020/2 Rec 1	ADB, in consultation with the Finance Branch should: i) Review and update the Staff Rules related to travel; ii) Review the current Administrative Instructions on Official Travel to bring together all relevant policies, procedures and practical guidance in a single document to provide greater clarity, transparency and efficiency.	31/03/2021	Outstanding	i) FIN and POD to determine if need to update Staff Rules, referred to POD. Revised target date 31 Mar 2021. Revised AI published 07 January 2021. ii) (C/FPS) ACTIONS TAKEN - Staffing situation a challenge for the Section, especially at the professional level (50%) less, no extra hands at this moment to progress this. ACTION PLAN - Planned for review between January - March 2021.
	IA/2020/2 Rec 2	In close cooperation with the bureaus and the Finance Branch, ADB should: i) Prioritise the review and improvement of travel-related processes, and implement an electronic travel management module/functionality, integrated with Agresso, as soon as practical. ii) Establish an appropriate system to produce accurate, relevant and timely organization-wide reports on travel related activities for senior management oversight and reporting purposes (for example monthly dashboards, and an annual report). iii) Consider how to implement an organization-wide travel planning tool, which links planned missions to the activities and deliverables in the bureau/office operating plan, and the ICAO Business Plan. iv) Consider how to establish an electronic process to systematically capture, record, and report on travel-related contributions in kind and cost recoveries.	31/12/2022	Outstanding	In progress.

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	IA/2020/2 Rec 3	ADB should revise the Administrative Instructions on Official Travel to clarify the expected target for submission of TAs. ii) The Travel Unit should keep statistics on TA submission dates and provide reports to the Secretary General on a periodic basis on actual performance by individual bureau/office in order to enforce compliance with the deadlines set.	30/06/2021	Outstanding	i) Completed. Platform developed, once mission travel resumes, we will gauge the data and when requested we will provide a periodic report to the OSG. ii) C/FOS instructed FOS Officers on 23 Dec 2020, on the time frame requirements for mission travel requests.
	IA/2020/2 Rec 4	The Secretary General should establish a clear policy on how many staff are permitted to attend events held outside of headquarters/regional offices, as well as a systematic process whereby the proposed list of staff attending is reviewed and pre-approved in accordance with the agreed policy.	31/03/2021	Outstanding	In progress, OSG in consultation with SMG.
	IA/2020/2 Rec 5	ADB should establish a central repository for all mission reports, accessible to all staff, for the purposes of information sharing and to enhance organizational learning.	31/12/2020	Outstanding	SPCP and FIN to action, awaiting status.
	IA/2020/2 Rec 6	ADB should: i) Provide clear guidance on when a UNDSS security clearance certificate is required; which people travelling on ICAO business are required to obtain this clearance; and the process for obtaining it. ii) Establish an organization-wide mechanism for ensuring that all staff and other relevant personnel travelling on ICAO official business obtain a security clearance certificate.	31/12/2020	Outstanding	Completed. Revised (7/20) FORM 100-1 (Mission Travel Authorization) includes Security Clearance REQUEST/GRANTED approval. Supporting evidence of completion is pending.
	IA/2020/2 Rec 7	HR should review the adequacy of emergency medical insurance coverage for staff and other personnel travelling on official mission and provide clear guidance.	30/06/2021	Outstanding	SEA and PRO to award new insurance contract package effective 01 April 2021 including requirement for emergency medical travel insurance. SN and instructions will be issued by SEA.
	IA/2020/2 Rec 9	TCB should: i) Harmonise, simplify and streamline the process for approving mission travel charged to TCB projects, including re-design of the various forms used. All of the required steps should be incorporated in an automated mission travel workflow. ii) Fully document the administrative processes to be followed with respect to	30/06/2021	Outstanding	(FOS/FPS/PRO) ACTIONS TAKEN - A review and consolidated background information of all existing travel processes applied in TCB for different categories of personnel

		mission travel, as well as prepare comprehensive written guidance for travellers.			was prepared by BSS to facilitate, to the extent possible, the work of the responsible Process Owners in reviewing and streamlining the TCB mission travel processes. ACTION PLAN - 1. Process Owners (FOS/FPS/PRO) to review, document, streamline and coordinate through a peer review their respective mission travel processes in accordance with relevant QMS procedures and instructions. 2. Submit to the Quality Assurance Process for review and further processing.
	IA/2020/2 Rec 12	The Finance Branch should implement revised procedures to facilitate the automated reconciliation and recording of monthly credit card transactions in Agresso.	30/09/2020	Implemented	Implemented.
Audit of the WACAF Regional Office	IA/2020/3 Rec 1	The Secretary General should formally remind the Bureaus to comply with the provisions of the Regional Office Manual for effective coordination with Regional Offices such as the advance planning of USOAP/USAP Audits, ICAO Coordinated Validation Missions (ICVMs) and training activities. This coordination will enable Regional Offices to effectively implement their respective operating plans while providing support to the Bureaus. No Regional Office staff should be engaged without prior formal authorization of the Regional Directors.	31/12/2020	Outstanding	In progress.
	IA/2020/3 Rec 2	The Regional Director, in close cooperation with SPCP, should take the lead to establish an office-level risk register that will identify and manage all key risks facing the WACAF Office and put in place appropriate mitigating actions and controls.	30/06/2021	Outstanding	i) The Regional Office has established an initial risk register for 2020, in coordination with SPCP. The risk register identifies all key risks facing WACAF Office and contains appropriate mitigating actions and controls. Currently, the Regional Office has initiated an update of the risk

					register for 2021 based on the provisions of the draft ERM and equipped with the guidance received from SPCP during the training workshop in November 2020. ii) In coordination with SPCP, a basic training workshop was provided to technical staff in November 2021. The Regional Office plans to organize an advanced training to technical staff during the first semester of 2021.
	IA/2020/3 Rec 3	The Regional Director should ensure that in compliance with the existing ICAO procedures: (i) all staff members prepare a mission report in a timely manner, clearly linking the mission outcomes to the specific Operating Plan activities; (ii) a central repository is created and made available to all staff for better coordination of missions, knowledge sharing and institutional memory purposes.	30/09/2020	Implemented	Implemented.
	IA/2020/3 Rec 4	The Regional Director should take immediate action to enhance the staffing, IT infrastructure as well as logical and physical IT controls in the following areas: (i) In close cooperation with ICT and the Procurement Section, new servers and UPS should be procured in an expeditious manner; (ii) The ICT processes on user management, backups, and organization of folders on shared drive should be documented; (iii) Administrator Passwords should be stored in a sealed envelope and kept separately with Regional Director; and (iv) A network diagram of the WACAF office should be prepared for help in network-related troubleshooting.	30/09/2021	Outstanding	i) Considering that the procurement of equipment by HQ (ETS and PRO) requires more time. ii) Implemented. iii) Implemented.
	IA/2020/3 Rec 5	The Regional Director should ensure that all procurement activities are undertaken in strict compliance with ICAO procurement Rules and Procedures and all sole source procurements are fully justified, documented and formally approved.	30/06/2020	Implemented	Implemented.

Audit of TCB Project Management	IA/2020/4 Rec 1	TCB should: i) establish criteria for the acceptance of future TCB projects which could include, but are not limited to, the amount and nature of acceptable risk and, to the extent possible, the achievement of ICAO's Strategic Objectives and Business Plan; ii) implement a formal due diligence process, including assessment of any associated risks, as part of the project acceptance stage.	31/03/2022	Outstanding	In progress.
	IA/2020/4 Rec 2	TCB should: i) develop an alternative operating modality for those projects where ongoing administrative services are provided; and ii) work closely with the regional offices and technical bureaus to identify projects that can contribute to improving the implementation of ICAO's Standards and Recommended Practices by Member States in a sustainable manner; and which have SMART objectives and outcomes, that can be achieved in a short timeframe.	31/03/2022	Outstanding	In progress.
	IA/2020/4 Rec 3	TCB should: i) develop and apply a comprehensive project management manual to include all aspects of project management such as: • monitoring and reporting; • governance arrangements; • quality assurance mechanism; and • independent evaluations of projects. The project monitoring and reporting approach should also be linked to the broader ICAO monitoring and reporting system for the Business Plan. ii) review and simplify existing administrative processes within the bureau and introduce appropriate, fit for purpose, automated tools and systems to increase efficiency. iii) establish an appropriate costing system and pricing policy to ensure that each project is charged an appropriate amount based on actual costs incurred.	31/12/2021	Outstanding	In progress.
Continuous Audit of Vendor Data Management	CA/2020/1 Rec 1	Finance Branch in cooperation with Procurement Office, ICT and regional offices' focal points should develop a task force to identify root causes on issues related to vendor management with the aim of developing an action plan to address the way forward on the following points: (i) maintenance and regular reviews of the vendor database by respective organizational units. (ii) categorization of vendors in different supplier groups. (iii) procedures/guidance on	31/12/2020	Implemented	Implemented.

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		maintaining segregation of duties between the activities of vendor registration and authorizing payments. (iv) documenting steps for validating vendor's bank account details before authorising payments.			
Evaluation of Results-based Management	EV/2019/2 Rec 1	In close collaboration with all the Bureaus and units, SPCP should develop and implement a comprehensive roadmap describing how RBM will be further enhanced in an integrated manner in the organization over the next 5-10 years. The roadmap should describe how the organization intends to mainstream results-based management into programming processes including projects and systems. The roadmap should include: ▪ A change management framework that identifies specific actions and strategies to ensure a smooth transition in the integration of RBM principles into existing approaches and systems in planning, budgeting, monitoring, implementation, reporting and evaluation of strategic plans and projects. This should come with a communication plan aimed at creating awareness; ▪ Adequate resources for the implementation of the roadmap/strategy.	31/12/2021	Outstanding	In progress.
	EV/2019/2 Rec 2	SPCP, in collaboration with Bureaus and Regional Offices, should develop and implement: a. RBM guidelines and coherent tools (for planning, budgeting, monitoring and reporting); b. a comprehensive training program on Results Based Management to ICAO staff, management and to Council Members.	31/12/2022	Outstanding	In progress.
	EV/2019/2 Rec 3	SPCP, in collaboration with Finance Branch, Bureaus and Regional Offices, should improve the strategic planning process of the Organization and individual Bureaus'/units' plans by focusing on outcome level results. Specifically, SPCP should: ▪ simplify and improve the templates of the Business Plan and its results structure;▪ link all ICAO work (projects and programmes and activities) to the outcomes in the Business Plan;▪ improve the business plan/budget template to show that the funds coming from different sources (regular programme, voluntary, trust, revenue-generating and TCB projects) are linked to the achievement	31/12/2022	Outstanding	In progress.

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		of results;▪ Ensure that no budget is allocated without linking it to specific results (i.e., outputs or outcomes).			
	EV/2019/2 Rec 4	SPCP, in collaboration with Bureaus and Regional Offices, should▪ improve and align the indicators in the CMRT to better monitor the achievements of the outcomes/expected results of the Business Plan.▪ ensure that all relevant staff have access to, and use the CMRT for monitoring and decision making.	Outstanding	31/12/2023	In progress.
	EV/2019/2 Rec 5	Under the guidance and in close consultation with the Council, the Secretariat should reduce the number and improve the content of reports prepared on the Business Plan/ work of the Organization by focusing on reporting of results. The focus should be on having consolidated reports (an annual progress report and triennium report on the Business Plan), as opposed to having many different reports such as SG Sessional reports, regional or individual Bureaus' reports.	31/12/2023	Outstanding	In progress.
Evaluation of Regional Projects in Africa	EV/2020/1 Rec 1	TCB should ensure that adequate guidance on project design and project document development is included in the Project Management Manual being developed. The manual should be consistent with the results-based management approach adopted by ICAO and be accompanied by a training plan for relevant HQ and Regional Office staff.	31/12/2022	Outstanding	FOS already requested SPCP RBM or RM policy.
	EV/2020/1 Rec 2	Regional Offices, in close coordination with SPCP, should • Develop results framework with clear results and indicators for active regional projects; • Develop performance monitoring plan to track regional project results beyond follow up of activities; • Prepare and implement an exit strategy for regional projects to ensure sustainability of results; and • Fully integrate regional projects within their operating plans and take full responsibility of the management of regional projects.	31/12/2022	Outstanding	In progress.
	EV/2020/1 Rec 3	In collaboration with the Steering Committees (SCs) of the projects, the WACAF and ESAF Regional Offices should design and implement a mechanism to encourage timely payment of contributions by Member States for AFPP and CODEVMET projects. The mechanism could include but	30/06/2021	Outstanding	In progress.

		not limited to: • more transparent and participatory planning, monitoring and implementation processes; • regular follow up of payments by senior management of the regional offices; and • evidence based advocacy; • sharing of project success stories; • building strong relationships with relevant Member State leaders.			
	EV/2020/1 Rec 4	WACAF and ESAF Regional Offices should resume the CODEVMET project by finding prompt solutions to the current human resource issues by. • urgently filling the vacant positions of MET Regional Officer and CODEVMET Project Coordinator; • getting support from the ESAF Regional Office MET Officer to initially coordinate the project; • updating participating Member States on the status of the project.	31/03/2021	Outstanding	The Regional Office has completed the recruitment process for the RO/MET Officer, WACAF who will coordinate the implementation of CODEVMET project in liaison with the ESAF Officer responsible for MET. RO/MET WACAF reported for duty on 7 December 2020. Supporting evidence of resumption of the project is pending.

APPENDIX B

ADVISORY SERVICES PROVIDED IN 2020

1. Enterprise Risk Management

2. Statement on Internal Control

3. Procurement Code

4. Information Security

5. EU/FAFA Agreement

6. Fraud Risk Survey

7. Advisory on proportion of salary and entitlements to total budget

8. Advisory on a case of single source procurement

APPENDIX C

JIU REPORTS PRESENTED TO THE COUNCIL IN 2020

1. Enhancing accessibility for persons with disabilities to conferences and meetings of the United Nations system (C-WP/14980).

2. Strengthening policy research uptake in the context of the 2030 Agenda for Sustainable Development (C-WP/14981).

3. Review of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (C-WP/14982).

4. Review of the integration of disaster risk reduction in the work of the United Nations system in the context of the 2030 Agenda for Sustainable Development (C-WP/15126).

5. Review of change management in United Nations system organizations (C-WP/15127).

6. Managing cloud computing services in the United Nations system (C-WP/15128).

7. Review of audit and oversight committees in the United Nations system (C-WP/15129).

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