



WORKING PAPER

COUNCIL — 224TH SESSION

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

**WORK PROGRAMME OF
THE OFFICE OF INTERNAL OVERSIGHT (OIO) FOR 2022**

(Presented by the Secretary General)

EXECUTIVE SUMMARY

This working paper presents the work programme for the Office of Internal Oversight (OIO) for 2022 in paragraph 9.3.

In accordance with paragraph 8.2 of the Charter for the Office of Internal Oversight (OIO), the work plan is prepared based on OIO risk assessment and feedback received from senior management, the Secretary General, and the Council.

In accordance with paragraph 8.5 of the OIO Charter, the work plan has been submitted to the Evaluation and Audit Advisory Committee (EAAC) for its review and advice before submission to the Council.

As per paragraph 11.2 of the OIO Charter, “in presenting the Organization’s programme and budget proposals to the Council, the Secretary General shall take into account the need to ensure the operational independence and the necessary resource requirements to ensure the effective functioning of OIO. The Council shall recommend approval of OIO’s budget and resources to the Assembly through established processes. The Secretary General shall ensure that the resources are available and committed to the implementation of the annual work plan; for training and continuing professional development needs; and for specific assignments, in a timely manner.

Action: In accordance with paragraph 8.6 of the Charter, the Council is invited to consider and approve the proposed work programme of the Office of Internal Oversight (OIO) for 2022.

<i>Strategic Objectives:</i>	This working paper relates to Supporting Implementation Strategies.
<i>Financial implications:</i>	Activities referred to will be undertaken subject to the resources available in the 2020-2022 Regular Programme Budget.
<i>References:</i>	C-DEC 205/7 C-DEC 210/9 C-WP/14945

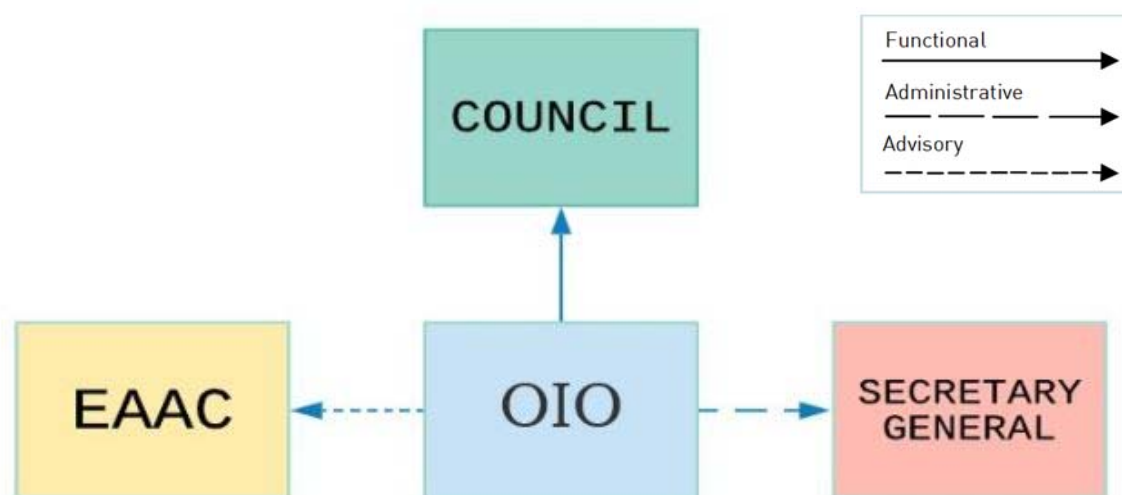
1. BACKGROUND

1.1 The Office of Internal Oversight (OIO) provides independent and objective assurance, advice, insight and foresight through performing internal audits, evaluations, and other oversight assignments.

1.2 In line with paragraph 8.1 of its Charter, OIO prepares an annual work plan, as well as a triennial work plan to align its oversight assignments with the Organization's Strategic Objectives and priorities. The annual and triennial work plans shall be developed based on a set of criteria including risk assessments, topical and strategic importance, organizational coverage, and potential for learning.¹

1.3 OIO is free from managerial interference in determining its annual work plan, which is approved by the Council during the last session of the Council meetings in each calendar year². The organizational structure enables Chief OIO to report administratively to the Secretary General and functionally to the Council.

1.4 The chart below illustrates OIO's reporting lines.



2. PROFESSIONAL STANDARDS

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

3. OBJECTIVES OF OIO

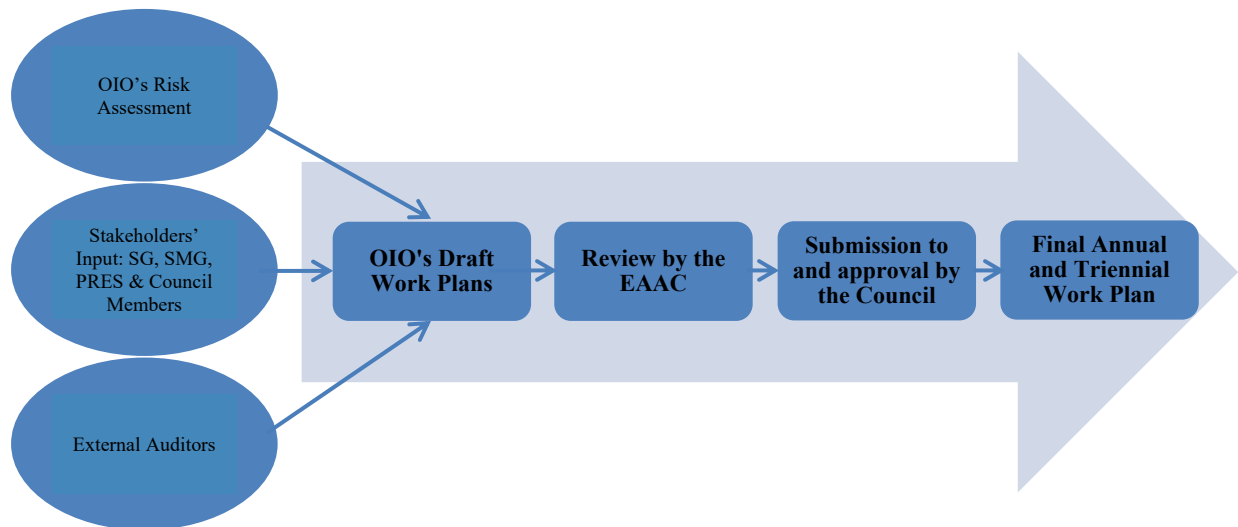
3.1 OIO strives to increase its value added to the Organization's systems and processes and improve operational effectiveness and efficiency by:

¹ Paragraph 8.1 of the OIO Charter

² Paragraph 6.2 of the OIO Charter

- a) Establishing risk assessment and annual planning processes to focus on existing and emerging high-risk areas such as strategic, financial, operational and compliance risks;
- b) Aligning the work plans and other oversight activities with ICAO's strategic objectives in the triennial Business Plan;
- c) Cooperating closely with the External Auditor and the EAAC with a view to providing effective oversight coverage while avoiding potential gaps and overlaps;
- d) Coordinating oversight activities between OIO as a third line function and other functions within ICAO associated with the second line, including but not limited to, Enterprise Risk Management, Compliance and Information Security;
- e) Expanding the use of technology and data analytics for traditional audit and continuous auditing assignments;
- f) Consulting with and reporting to the Secretary General, Senior Management³, the Council and the EAAC for preparation and implementation of OIO work plans;
- g) In line with its Quality Assurance and Improvement Program (QAIP), regularly reviewing and improving the quality of oversight reports by increasing the use of available information technology tools to further enhance the quality and timeliness of reports;
- h) Attracting and retaining staff with the right balance of knowledge, experience and professional skills and competencies.

4. OIO WORK PLANNING PROCESS



5. RISK ASSESSMENT METHODOLOGY

5.1 OIO's advisory and assurance services (audits, evaluations, and ad hoc reviews) assess effectiveness, efficiency, economy, sustainability and coherence of ICAO's programme activities, systems and processes, and contribute to the improvement of governance, risk management and compliance processes, regarding the:

- a) Achievement of the Organization's strategic objectives;
- b) Reliability and integrity of financial and operational information;
- c) Effectiveness and efficiency of operations and programmes;
- d) Safeguarding of assets; and

³ Includes Senior Managers both at the HQ and Regional Offices

- e) Compliance with laws, regulations, policies, procedures, and contracts.

5.2 Given its limited human and financial resources, OIO focuses on high-risk areas facing the Organization. In this respect, OIO uses a risk rating scale as depicted in the diagram below:

LIKELIHOOD	Almost certain	Important/ Medium	Critical/ High	Critical/ High	Critical/ High
	Probable	Desirable/ Low	Important/ Medium	Critical/ High	Critical/ High
	Possible	Desirable/ Low	Desirable/ Low	Important/ Medium	Critical/ High
	Remote	Desirable/ Low	Desirable/ Low	Desirable/ Low	Important/ Medium
		Small	Noticeable	Critical	Catastrophic
		IMPACT			

5.3 OIO has developed a Risk Assessment Methodology in line with the international standards and considered the Organizational Corporate Risk Register as appropriate. A number of criteria used in OIO's Risk Assessment includes, *inter alia*, the control environment, management/system change, financial impact, last oversight activity and its results as well as strategic importance of the subject and special requests from the governing Council/stakeholders and coverage of strategic objectives.

6. INPUT FROM KEY STAKEHOLDERS

6.1 In accordance with paragraph 8.2 of its Charter, OIO has sought feedback/input from the Secretary General, senior management, and the Council in the preparation of its annual and triennial work plans.

7. LINKAGE TO ICAO'S STRATEGIC OBJECTIVES

7.1 OIO oversight activities included in the annual and triennial work plans are prepared bearing in mind the alignment with the evolving business priorities as set out in the ICAO Business Plan 2020 – 2022⁴ and the five Strategic Objectives of the Organization.

8. TRIENNIAL OVERSIGHT PLAN – 2020 TO 2022

8.1 In line with its Charter, OIO had prepared and presented a triennial oversight plan to the Council in 2019 (C-WP/14945) to ensure that given its limited resources, OIO focuses its work on areas of high risk and/or priority for the Organization.

⁴ The ICAO Business Plan sets the Strategic Objectives and priorities to guide the activities of the Organization to enable Member States to achieve a safe, secure, efficient, economically viable and environmentally responsible air transport network.

Assignment Description	2020	2021	2022
Audit of the Reclassification Process (*)	X		
Audit of the WACAF Regional Office	X		
Audit of Outsourced Translation Services	X		
Audit of IT Logical Access Controls	X		
Audit of Staff Performance Management	X		
Audit of Voluntary Funds Management	X		
Evaluation of TCB Regional Projects in Africa	X		
Evaluation of Technical Assistance to Member States	X		
Continuous Audit – Accuracy of GL Accounts	X		
Continuous Audit – Review of ICAO Vendor Database	X		
Audit of Staff Benefits/Entitlements		X	
Audit of IT Security		X	
Audit of Records Management		X	
Audit of Aviation Safety Audits		X	
Audit of Contract Management		X	
Audit of the ESAF Regional Office		X	
Evaluation of the Global Aviation Security Plan (GASeP)		X	
Evaluation of Country Portfolio (Thailand)		X	
Continuous Audit – Flexitime/Overtime		X	
Audit of Conference Services			X
Audit of IT Asset Management			X
Audit of the Enterprise Risk Management (ERM)			X
Audit of the Ethics Framework			X
Audit of Procurement for HQ			X
Audit of Recruitment of TCB consultants and project staff			X
Audit of the MID Regional Office			X
Evaluation of ICAO's implementation of SDGs			X
Evaluation of Country Portfolio (Namibia)			X
Evaluation of Environmental Protection			X
Continuous Audit – Mobile Phone Expenses			X

(*): Carried over from 2019

9. ANNUAL OVERSIGHT PLAN – 2022

9.1 In the preparation of its annual work plan for 2022, OIO has estimated the total workdays available for core oversight activities based on the premise that the new Senior Internal Audit Officer will be in post as of March 2022 and OIO will be provided additional financial resources to be able to engage consultants to effectively undertake planned oversight assignments.⁵

9.2 Time allocated for each oversight assignment is calculated considering the time available per OIO staff member excluding time for administrative activities, training and planned/unplanned leave

⁵ OIO currently has four professional posts and two general service staff. Senior Internal Audit Officer will depart on early retirement and the new staff member is expected to start as of March 2022. Further, OIO coordinates its plans and consults with the External Auditor to ensure for effective oversight coverage while avoiding any duplication of efforts or oversight fatigue.

and other absences. Time is tracked through timesheets during the year and results are used for adjusting the time allocation for future assignments.

9.3 Given the available time and based on the OIO risk assessment, feedback received from the Senior Management and the Council following oversight assignments are planned for 2022. Changes made to the initially proposed annual work plan for 2022 as presented in C-WP/14945 are indicated as below.

Assignment Description	Planned Quarter	Remarks
Audit of Management of TCB Project Personnel	Q1/Q2	To be conducted as planned
Review of the Ethics Framework	Q2/Q3	To be conducted as planned. OIO will review the effectiveness of the current Ethics Framework and will conduct surveys with internal and external stakeholders including a benchmarking survey with other UN organizations.
Audit of the MID Regional Office	Q2/Q3	To be conducted as planned. On-site visit to the regional office will be subject to the prevailing travel situation.
Audit of IT Asset Management	Q3/Q4	To be conducted as planned.
Audit of Staff Benefits/Entitlements	Q3/Q4	An audit of Education Grants has been carried out in 2021 so the scope of this audit will cover all the other benefits and entitlements.
Evaluation of the AFI Plan	Q1/Q2	This evaluation replaces the planned evaluation of Country Portfolio (Namibia) in order to avoid duplication with the performance audit of the External Auditor that will cover the TCB project in Namibia.
Evaluation of ICAO's Contribution to the SDGs	Q2/Q3	To be conducted as planned. This will be a high-level review of ICAO's contribution to the Sustainable Development Goals.
Continuous Audit – Segregation of Duties in the ERP system	Q2	Due to the pandemic and implementation of working from home arrangements, the planned audit of Flexi-time/Overtime is now replaced with this audit.
Audit of Conference Services		Due to the suspension of in-person conferences as a result of the pandemic since March 2020, this audit will be deferred to the next triennium
Audit of the Enterprise Risk Management (ERM)		This audit will be deferred until such time as the implementation of ERM in ICAO is more established and mature.
Audit of Procurement for HQ		This audit will be deferred to the next triennium to allow time for the provisions of the revised Procurement Code to be implemented in practice, and to enable the effectiveness of the transfer of the Procurement Section from TCB to ADB to be assessed.
Evaluation of Environmental Protection		Due to OIO's limited resources coupled with existing workload of evaluation function and delays in 2021 caused by the Pandemic conditions, OIO plans to conduct two evaluations. As a result, this evaluation is deferred to 2023.

10. CONSULTATIVE AND ADVISORY OVERSIGHT WORK

10.1 In addition to its assurance and advisory assignments, OIO will continue to provide objective expert insight and advice to improve the Organization's governance, risk management and internal controls. In so doing and being mindful of the need to maintain its independence and objectivity, OIO shall act solely in an advisory capacity and shall not make management decisions or assume a management role.

11. COOPERATION WITH EXTERNAL OVERSIGHT BODIES

11.1 OIO will liaise closely and hold regular meetings with the External Auditor regarding respective work plans to provide effective audit coverage while avoiding duplication of efforts and oversight fatigue.

11.2 OIO submits its annual work plans to the Evaluation and Audit Advisory Committee (EAAC) for their review and advice before submission to the Council. Chief OIO attends regularly the EAAC sessions and provide advice and exchange views on governance, risk management and internal control matter. Additionally OIO presents the results of final oversight reports to the EAAC and discusses the status of implementation of oversight recommendations.

11.3 As the focal point for the Joint Inspection Unit (JIU), OIO coordinates management's response to JIU reports and recommendations and submits reports thereon to the Council.

12. FOLLOW-UP OF OVERSIGHT RECOMMENDATIONS

12.1 OIO maintains a tracking system to follow up on open oversight recommendations and regularly meet with managers to assess whether the appropriate management action has been taken. Monthly OIO dashboards provide updates to the Secretary General, the EAAC, and the Council on the status of implementation of oversight recommendations.

13. OUTREACH ACTIVITIES

13.1 As part of its ongoing effort to better explain and advocate for the internal oversight function, OIO will reach out to colleagues within ICAO through presentations given to new staff in the induction training and presentations to Directors and Senior Managers as and when required.

13.2 In line with paragraph 13.1 of the Charter, OIO participates in the annual networking events of oversight functions of the UN system and other international organisations.