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WORKING PAPER

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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)

EXECUTIVE SUMMARY

In line with paragraph 9.1 of the OIO Charter, the Chief of the Office of Internal Oversight (OIO) shall submit an annual report to the Secretary General who shall transmit it to the Council with his 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 2023. OIO issued nine reports (four audits, four evaluations, and one advisory).

<i>Strategic Objectives:</i>	This paper relates to all Strategic Objectives, Transformational Objective, and Supporting Strategies.
<i>Financial implications:</i>	N/A
<i>References:</i>	C-WP/15452

1. BACKGROUND

1.1 The Office of Internal Oversight (OIO) assesses and contributes to the improvement of governance, risk management, system of internal control and programme management and achievement of results, using a systematic and disciplined approach that ensures accountability for the effective and efficient use of organizational resources in accordance with the approved Budget and Business Plan. OIO provides independent and objective assurance, advice, insight and foresight through internal audits, evaluations, and other oversight assignments.¹

2. PROFESSIONAL STANDARDS

2.1 In conducting audits and evaluations as well as other special assignments, OIO adheres to the International Professional Practices Framework promulgated by the Institute of Internal Auditors (IIA) and the Norms and Standards for Evaluation approved by the United Nations Evaluation Group (UNEG).

3. INDEPENDENCE OF OIO

3.1 OIO's Charter² requires the Chief, OIO, to confirm to the Council, at least annually, the independence of internal oversight activities, and whether there has been inappropriate scope or resource limitations.

3.2 During the reporting period, no instance/activity occurred that interfered or could be considered as jeopardizing the operational and functional independence of OIO. The scope of oversight activities was decided by OIO based on objective criteria and feedback received from the Council members, Senior Management, and the Evaluation and Audit Advisory Committee (EAAC).

4. STATUS OF OVERSIGHT ASSIGNMENTS

4.1 The table below illustrates the status of implementation of the OIO work plan for 2023 (C-WP/15452):

Assignment Title	Status
Audit of the Technical Cooperation Bureau (TCB) Project Personnel	Final report issued
Audit of Payroll Management	Final report issued
Audit of Contract Management	Final report issued
Audit of Enterprise Risk Management (ERM)	Final report issued
Evaluation of the AFI Plan	Final report issued
Assessment of Member States' Needs and Expectations	Final report issued
High-Level Review of ICAO's Contribution to the SDGs	Final report issued
Evaluation of the Regional Portfolio of the NACC Office	Final report issued
Analysis of Internal Oversight Reports	Final report issued
Audit of IT Asset Management	Fieldwork/data collection
Evaluation of Country Portfolio in Thailand	Draft report
Continuous Audit on Mandatory Training	Dropped ³
Audit of the NACC Regional Office	Dropped ⁴
Audit of the Use of Consultants	Postponed to 2024 ⁵

¹ Paragraphs 3.1 and 3.2 of the OIO Charter

² Paragraph 6.9 of the OIO Charter

³ This assignment has been dropped as ADB, in collaboration with the Ethics Office and Information Security Unit, has already started tracking compliance and issuing statistics on the status of mandatory training.

⁴ Dropped due to the P-5 Senior Auditor's departure in early May 2023, operational audit work by the External Auditors in the same region, and OIO evaluation of the Regional Portfolio of the NACC Office.

⁵ Postponed to 2024 due to the P-5 Senior Auditor's departure in May 2023.

4.2 As per the OIO's Standard Operating Procedure (SOP) for audit and evaluation report clearance, the target for finalizing a report and completing the Management Action Plan (MAP) should be within 22 working days of issuance of the draft report by OIO. In 2023, average delay beyond what is stipulated in the SOP is 15 working days (see Appendix D) which was 36 working days in 2022. OIO recognizes the continuing good efforts by the Secretary General to reduce the delays to help OIO issue reports in a timely manner. However, OIO invites all senior managers to take prompt action, in close cooperation with the Office of the Secretary General, for preparing MAPs that will enhance the value addition of internal oversight reports through timely implementation of recommendations as required by the Council (C-DEC 225/3).

5. KEY RISKS AND CHALLENGES FACING ICAO IN 2023

5.1 In line with paragraph 9.2 of the OIO Charter, this section presents a **summary of the key risks and challenges** identified by the results of oversight assignments and analysis of organizational risks.

5.2 In order for ICAO to effectively achieve its mandate and program delivery while preserving its strategic position in the global aviation community, **the establishment of a sound and stable financial management system and financial sustainability** remains one of the priorities of the Organization.

5.3 **Information Security risks and ICT issues remain a serious concern for the Organization.** Although, management of information security related risks has improved through the implementation of a Roadmap, more effective cooperation between the first-line IT operations and the second-line Information Security function needs to be enhanced to ensure that the key internal and external threats are mitigated in an integrated manner, and that ICAO has a sound and robust ICT framework that operates as intended. This is especially critical for the ongoing digital transformation initiative. Effective coordination amongst ICT, InfoSec, and Business will ensure that limited resources allocated in key projects are used in the most efficient and effective manner.

5.4 ICAO continues to face challenges in **attracting, retaining, and developing talent and filling vacancies in key positions in a timely manner.** The **need for an HR Strategy and modernization of HR procedures and systems** are prerequisites for ICAO to become an attractive employer. At the time of writing of this report, ICAO has already adopted an HR Strategy and its implementation is expected to address some of the key challenges going forward. An adequate corporate training budget considering the upskilling of ICAO staff in areas of organizational needs and priorities should be provided as a matter of priority to ensure staff, as the most valuable asset of ICAO, continue to contribute to the achievement of objectives and goals. Implementation of a well-functioning mobility policy is necessary to increase staff mobility by creating new professional opportunities while providing flexibility to the Organization to effectively reallocate human resources as appropriate.

5.5 **The ICAO Transformational Objective (TO)** is a comprehensive three-year portfolio of work designed to evolve ICAO into a modern, digital, adaptive, and collaborative organization. Implementing a portfolio of 42 projects comes with a myriad of challenges and risks that can significantly impact their success. One major challenge is **the complexity inherent in large-scale initiatives**, involving intricate coordination of numerous tasks, stakeholders, and resources. Managing this complexity demands a high level of organizational capability and project management expertise. **As of 7 November 2023, out of the 42 TO projects, 10 are not funded and 17 are partially funded which represents a funding gap of CAD 18 million.** This funding gap poses a great risk to the effective completion of TO initiatives. Therefore, for successful completion of TO projects, there should be **continuous monitoring of the use of resources to prioritize and descope projects as needed.** There is also a need to streamline business processes and procedures. Other issues that can potentially affect the successful delivery of TO projects include the skills/competency gap of ICAO teams and the potential lack of commitment and engagement from the Senior Management Group (SMG).

5.6 ICAO has made some **good progress in establishing an organization wide ERM**. However, **full implementation will require active involvement and buy-in from the 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 require substantial work to be developed.

5.7 As part of its outsourcing policy, ICAO has been increasingly using third-party service providers for its activities and internal functioning. While this approach may enable ICAO to achieve cost efficiencies when providing services of good quality, **management of third-party risk** has become more important than ever. It is of paramount importance to ensure that there is a well-equipped, skillful internal team that is managing the third-party service providers. This risk should be monitored closely as part of the Corporate Risk Register in terms of quality and cost of services by third-party service providers. **The Organization should ensure the confidentiality, integrity, and availability of ICAO data while using cloud services.**

5.8 Taking lessons from the recent experience of the Pandemic and as indicated by OIO in its reports, a **comprehensive crisis management mechanism** needs to be established **as part of organizational resilience management**. In this regard, robust Business Continuity Management (BCM) and Disaster Recovery (DR) procedures need to be kept up-to-date and tested for their applicability at regular intervals, to mitigate any risks and reduce exposure for ICAO in case of occurrence of business interruptions.

5.9 **Weak data protection and data management procedures** remain a key challenge for ICAO. This increases the **risks relating to data breaches, lack of confidentiality, integrity, and availability of data**. The inability to utilize modern IT tools that would enable productivity and efficiency gains also remains a key challenge for ICAO.

5.10 Strong managerial direction and oversight are essential to ensure effective compliance with policies and procedures and to establish a strong ethical working environment, with accountability for actions taken. **The revised ICAO Framework on Ethics needs to be fully operationalized** and embedded in practice. In this regard, continuous training of managers and staff is a prerequisite for creating a harmonious and ethical work environment for all. While the Secretary General sets the tone at the top for the Secretariat staff, the ICAO Council also is a crucial component in enhancing and improving the organizational culture as the governing body members are in the same building, and daily interaction with ICAO staff is continuous. In this regard, the Council has a unique role in influencing the organizational culture. In line with the good governance practices in the UN System Organizations, adoption of a Code of Conduct by the Council as the resident governing body of ICAO would further enhance its functioning and accountability.

5.11 Despite good efforts by the Secretary General, **timely implementation of recommendations** remains a challenge, which weakens the control environment and hampers ICAO to benefit from expected improvements/enhancements to its systems, procedures, and processes.

6. SUMMARY OF OVERSIGHT REPORTS ISSUED IN 2023

6.1 Audit of the Technical Cooperation Bureau (TCB) Project Personnel (IA/2023/1)

Overall audit opinion	:	Some improvement needed
Implementation status of recommendations	:	All 4 outstanding

6.1.1 Project personnel rules and procedures need to be updated and harmonized with ICAO regular programme considering changes in the Service Code that occurred since their last revision, and the ICAO Implementation Support provided to States aligning Technical Assistance and Technical Cooperation. The Civil Aviation experts' roster is under development and the Field Personnel Section (FPS) in its strategy did not incorporate the need to conduct a quality review of the roster and make it, in coordination with Technical Bureaus and Regional Offices, a reliable, accurate, comprehensive, and secured tool available to relevant ICAO personnel. The high percentage of frozen vacant posts in FPS due to budgetary constraints creates an overwhelming situation for the remaining staff, impacting their morale and motivation levels and increasing risks of errors, creating bottlenecks and delays in recruitments and resignations, potentially affecting TCB operations and affecting ICAO's reputation.

6.2 Audit of Payroll Management (IA/2023/2)

Overall audit opinion	: Effective
Implementation status of recommendations	: 1 outstanding

6.2.1 Controls on payroll calculations and payments were found to be generally satisfactory, compliant with ICAO rules and regulations, and supported by appropriate documentation. Segregation of duties is reasonably maintained to deter fraud risks, however, there are practical constraints whenever a key staff member is absent during payroll batch processing. ICAO planned to implement a new ERP system as part of the Transformational Objective, which will replace the current payroll module. This new initiative is expected to bring more efficiencies, however, there would be increased demand on resources of the payroll unit for testing the new system and to undertake a parallel run before achieving the "Go Live" status of the new system.

6.3 Audit of Contract Management (IA/2023/3)

Overall audit opinion	: Some improvement needed
Implementation status of recommendations	: 3 implemented, 1 outstanding

6.3.1 The revision of the Procurement Code and the separation of the Procurement Section (PRO) from the Technical Cooperation Bureau (TCB) in December 2021, improved the governance mechanisms over contract management and helped ensure proper segregation of duties between contract management, procurement, and contract administration. Handover processes between the contract award and contract management are assessed to be effective and ensure continuity of contract ownership throughout the contract life between PRO and RCMS. The lack of a contract management tool prevents ICAO and contract managers to manage and report on their contracts. Key management information such as the number of active contracts, values, contract manager name, dates of contract renewal, or key milestones are missing. While the reported completion rate of suppliers' performance assessment is satisfactory, improvement of the timeliness for completing suppliers' performance assessment forms is necessary to ensure that payments are made based on supported evidence of satisfactory delivery of services.

6.4 Audit of Enterprise Risk Management (ERM) (IA/2023/4)

Overall audit opinion	: Some improvement needed
Implementation status of recommendations	: All 7 outstanding

6.4.1 ICAO has been able to achieve the developing stage of ERM maturity according to the HLCM's model. However, ERM maturity across ICAO, internal controls over ERM processes need some improvements in areas concerning integration with strategic planning, capacity building to enhance staff competencies, and clarifying the roles and responsibilities of risk ownership and mitigation. For ERM to

mature, it will be necessary to review and expand on this first framework and to develop it further to embed the risk management process into strategic planning. The risk assessment process needs to be more closely aligned with ICAO's business needs and reflective of senior management's risk concerns, and improvement is needed in the corporate-level processes that determine and manage strategic risks. Management and staff training is inadequate to enable effective participation in ERM process. The IT system supporting ICAO's risk registers is Excel-based which lacks the ability to easily analyse risk information and be integrated with other processes including planning, which is essential. There are plans to improve the ERM system although no budget has yet been allocated for developing an ERM tool, which is one of the projects planned under the Transformational Objective.

6.5 Evaluation of the Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan) (EV/2023/1)

Implementation status of recommendations : All 6 outstanding

6.5.1 The evaluation found that the AFI Plan is relevant and has contributed to improving the Effective Implementation of aviation safety in Africa. However, to improve its effectiveness and efficiency, it needs comprehensive planning based on proper need analysis, sound monitoring as well as adequate participation of Member States and other stakeholders in the management and implementation of the Plan. The governance and management arrangement of the AFI Plan and resource mobilization for the programme should also be enhanced.

6.6 Assessment of Member States' Needs and Expectations (EV/2023/2)

6.6.1 Member States are largely satisfied with the standard-setting work of ICAO in addressing their needs. States identify harmonization of aviation rules with global applicability, transparency, consultation, and technical expertise among Panel members as top strengths; and timeliness in the delivery and translation of guidance material, the pace of SARP revision, and adequacy of the dates to implement SARPs as major areas for improvement. The relevance and adequacy of the Universal Security Audit and Universal Safety Oversight Audit Programmes are also positively assessed by Member States. Most Member States prefer keeping the audit programmes as they currently are, however, about one-third recommend expanding the audit programmes to include additional SARPs of critical annexes, particularly Annex 9. Security and Facilitation and Environmental Protection are the two areas of highest priority for ICAO to provide more implementation support. Partnering with the industry is considered a viable opportunity to expand the quantity and quality of implementation support to the States.

6.7 High-Level Review of ICAO's Contribution to the Sustainable Development Goals (SDGs) (EV/2023/3)

Implementation status of recommendations : All 3 outstanding

6.7.1 ICAO has implemented important activities as per the Assembly resolutions to contribute to the achievements of the SDGs. However, a clear strategy on the SDGs that outlines ICAO's role and comparative advantage as well as how ICAO will translate the Assembly Resolution(s) into actions including activities and roles and responsibilities have not been prepared. This has resulted in implementing activities in an ad hoc manner, less staff engagement and indecisiveness in joining the United Nations Sustainable Development Group (UNSDG).

6.8 Evaluation of the Regional Portfolio of the North American, Central American and Caribbean (NACC) Office (EV/2023/4)

Implementation status of recommendations : All 7 outstanding

6.8.1 The evaluation found that the NACC Regional Office projects and activities were relevant in addressing the gaps and needs of Member States and are contributing to the implementation of regional priorities as well as the ICAO Business Plan and Global Plans. The Regional Office has largely provided effective and timely support to its Member States. However, many Member States in the region have not attained the EI targets of the Global aviation safety and Security Plans. The NACC Systemic Assistance Programme (SAP) has been a very useful approach in providing tailored support to Member States based on specific needs, priorities, and challenges of each State. As the SAP is an audit-based process, however, there has been a strong focus on safety, air navigation and security, with very limited facilitation of the environmental protection and economic development strategic objectives.

6.9 Analysis of Internal Oversight Reports (AD/2023/1)

6.9.1 An analysis of internal oversight reports issued between 2017 and 2023 were conducted to take stock of oversight activities and assess whether areas of high risk and strategic importance were adequately covered; also identify areas of focus for OIO in the future and make recommendations to ICAO Management to enhance, under the strategic guidance of the Council, governance, risk management, oversight, compliance as well as organizational performance.

6.9.2 **OIO has issued a total of 52 internal oversight reports in the past six years. A total of 323 recommendations were made in these reports, 57% of which were of high priority.** The analysis has revealed that even though the number of recommendations made each year has been gradually decreasing, the number of recommendations closed each year has remained stable. This indicates challenges faced by ICAO in implementing recommendations in a timely manner.

6.9.3 **ICAO's work on standard-setting, auditing, and monitoring has been assessed as very positive and highly appreciated by Member States.** The implementation support projects and activities of ICAO have also contributed to improving the effective implementation rate of both global safety and security. Further, **the Organization enjoys a high degree of trust and respect by its Member States and other global and regional stakeholders.** To ensure that ICAO is agile, flexible, and remains responsive to its Member States, the Secretary General has embarked on a **Transformational Objective initiative** which, **once fully implemented, will transform the Organization to become more responsive, agile, efficient, and effective** in its internal functioning to be able to increase its value proposition and better serve its membership and achieve its mandate.

6.9.4 **Key risks/challenges facing ICAO are primarily due to weaknesses identified in the system of internal controls, lack of resources, organizational setting, and culture.** Furthermore, several exogenous factors such as developments in global aviation, increasing pressure from Member States to serve their needs and expectations, and global polycrisis are other aggravating factors. To achieve these objectives, business plans, operating plans, and budgets need to be prepared in an integrated manner to further enhance the following:

- **Establish a sound and robust financial management system** that will further strengthen financial management and budget sustainability.
- **Enhance the system of internal controls by timely implementing all oversight recommendations to bring about the intended changes** in the first- and second-line functions, while increasing operational effectiveness and efficiency.

- **Ensure that the Transformation Objective initiative achieves its objectives** within the set timelines and available budget, prioritizing, descope, and reallocating resources as and when required.
- **Establish a full-fledged crisis management system** and further enhance the Business Continuity / Disaster Recovery mechanisms and capacity based on the lessons learned from the Pandemic.
- **Enhance the use of data for informed decision-making, developing the knowledge management capacity, and sharing of information** internally and with Member States to facilitate implementation of activities and projects.
- **Further develop Enterprise Risk Management (ERM), Results-Based Management (RBM), Staff Performance Management system, and Strategic Planning to achieve a fully integrated organizational performance system.** In this regard, review and adjust the Program Performance Monitoring and Reporting mechanisms with emphasis on results-based planning of projects and activities at all levels.
- **Establish a well-defined Accountability Framework**, clarifying the roles and responsibilities between the Council and Secretariat.
- **Operationalize the established Human Resources Strategy** with emphasis on upskilling staff on board and **attracting and retaining talent for the current and future human capital needs of ICAO** as the global business environment evolves.
- **Taking a strategic view and based on cost-benefit analysis, strike the right balance between outsourcing versus co-sourcing for ICT operations**, ensuring that the increasing third-party risks are identified and mitigated with appropriate management actions in a swift manner.
- **Ensure that ICT and Information Security work in tandem to address all the key risks and challenges, jointly** providing a high-quality service to all internal and external stakeholders.

7. STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

7.1 The table below provides information on the issuance and implementation of oversight recommendations during 2023. Appendix A provides further information on the high-priority recommendations issued by OIO in 2023.

Source	Open as at 31/12/2022	Added during the year	Closed during the year	Open as at 31/12/2023
OIO	96	32	52	76
External Audit	37	14	24	27
JIU	45	15	15	45
Total	178	61	91	148

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.

7.3 Out of the 76 recommendations that were open as at 31 December 2023, 32 (42%) were overdue vis-à-vis planned target dates for implementation. Also, the target dates for 23 of these had been revised and extended, in some cases, more than once (See Appendix B).

7.4 The OIO monthly update on the status of implementation of oversight recommendations is made available to the Secretary General, the Senior Management, the EAAC, and the External Auditors. Copies are also posted on the Council website.

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 controls⁶. The list of areas where advisory services were provided by OIO during 2023 is in Appendix C.

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. In line with the IIA Standards, OIO conducted a self-assessment of its internal audit function in March 2023 and confirmed that internal audit activities continue to conform to the IIA Standards and OIO Charter and other established policies and procedures.

9.1.2 To ensure that assurance and advisory internal oversight work adds value and contributes to organizational effectiveness and efficiency, OIO monitors the impact of implemented recommendations. In 2023, OIO closed 52 recommendations which led to, *inter alia*, several organizational improvements in operational areas of strategic/high importance.

9.2 OIO Retreat

9.2.1 OIO organized an annual planning retreat to discuss its overall performance, working methods and priorities for preparing its work plan for 2024. OIO's risk assessment methodology considered the existing ICAO Corporate Risk Register and feedback received from Representatives on the ICAO Council, the EAAC, the Secretary General, and other senior staff.

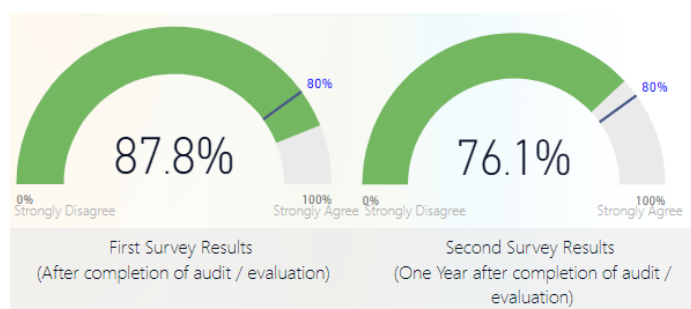
9.3 Update of OIO Intranet and Public Website

9.3.1 To provide up-to-date information on OIO's structure, reports, and other activities, OIO has updated its intranet and public webpages in 2023.

9.4 Feedback from Stakeholders

9.4.1 OIO continued to seek feedback from managers responsible for audited/evaluated areas 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 88% during 2023. Additionally, OIO sent another survey one year after the completion of an audit or evaluation providing that at least 75% of the recommendations have been implemented, to assess the impact of its oversight work. The consolidated results indicate that a satisfaction rate of 76% has been achieved. These two results are stable from 2022 to 2023. OIO appreciates this positive result and constantly strives to improve its performance and the impact of its work.

⁶ Paragraph 7.3 of the OIO Charter



10. COOPERATION WITH EXTERNAL OVERSIGHT BODIES

10.1 Evaluation and Audit Advisory Committee (EAAC)

10.1.1 OIO regularly presented the results of its oversight assignments to the EAAC virtually or in person and discussed significant governance, risk management, internal control, and programme management issues with the Committee. OIO is very appreciative of the continued support and advice provided by the EAAC on OIO's work.

10.1.2 Despite its limited resources, as of December 2023, OIO started providing secretariat support services to the EAAC to facilitate a more effective functioning of the Committee.

10.2 External Auditor

10.2.1 OIO continued to maintain very professional relations and cooperated effectively with the External Auditor. As per usual practice, OIO held regular meetings to discuss with the External Auditor the results of oversight reports as well as other organizational matters including governance, risk management and control issues. OIO also shared its annual and triennium work plan with the External Auditor to avoid any overlap and ensure effective oversight coverage of high risks areas.

10.3 Joint Inspection Unit (JIU)

10.3.1 During the reporting period, as the focal point for the Joint Inspection Unit of the United Nations (JIU), OIO coordinated ICAO's input to several JIU reports at various stages of completion and presented working papers to the Council including a summary of recommendations and Secretariat Action Plans for four JIU reports (see Appendix E), the report on the status of implementation of recommendations of the JIU, and the report of the JIU for 2022 and programme of work for 2023.

10.4 Networking with Other UN System Oversight Functions

10.4.1 OIO's Charter⁷ includes specific provisions on liaising and cooperating with the internal oversight services of other organizations of the United Nations system and Multilateral Financial Institutions. During 2023, OIO participated in the Annual Meetings of Representatives of Internal Audit Services of the UN system and Multilateral Financial Institutions and other International Organizations (UN-RIAS and RIAS) in Washington, DC from 22 to 25 August 2023. OIO also attended the Annual Meeting of the United Nations Evaluation Group (UNEG) in Washington, DC from 24 to 26 January 2023 and the Biennial Meeting of the Joint Inspection Unit (JIU) Focal Points of Participating Organizations in Geneva, Switzerland from 19 to 20 September 2023.

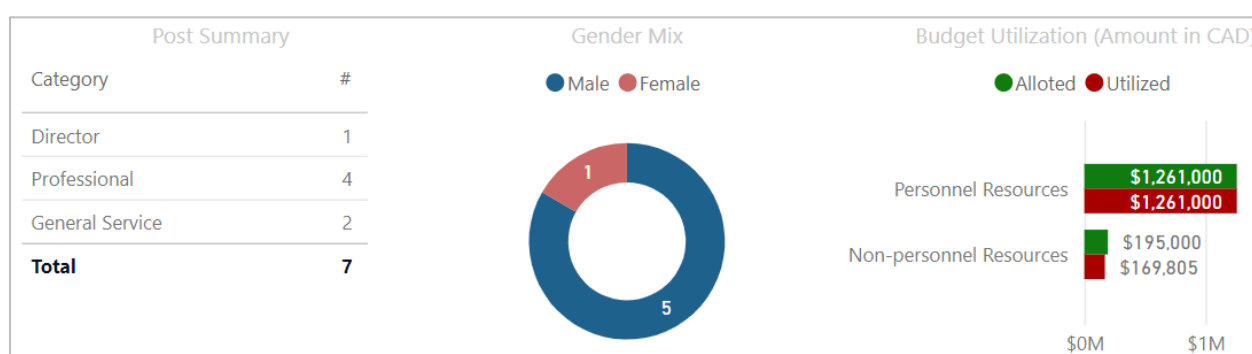
⁷ Paragraph 13.1 of the OIO Charter

11. OVERSIGHT RESOURCES

11.1 Budget and Staff

11.1.1 To discharge its mandate, OIO was provided with a triennial budget of CAD \$3.96 million (or CAD \$1.32 million per year) which only covers staff costs. OIO's non-personnel funds needed for effective implementation of the approved OIO Work Plan is secured with additional funding provided by the Secretary General upon request. The sufficiency of OIO budget has been discussed and decided by the Council that consideration should be given to provide adequate budget to OIO to undertake all the planned activities effectively.

11.1.2 Chart: OIO's human and financial resources as at 31 December 2023.



Note: P5 Senior Auditor position was vacant as at 31 December 2023

11.1.3 The post of P-5 Senior Internal Audit Officer became vacant in May 2023 upon the incumbent's departure. The recruitment for his replacement has been completed and the new incumbent will be in post as of 1 March 2024.

11.1.4 A seconded Evaluation Officer from the Japan Civil Aviation Bureau joined OIO on 16 October 2023.

11.2 Training

11.2.1 In line with the OIO Plan and considering the ICAO corporate training budget, a group training on report writing using root-cause analysis was organized for all OIO staff. OIO staff also attended individual trainings on communications and ethics.

APPENDIX A**HIGH PRIORITY RECOMMENDATIONS ISSUED BY OIO IN 2023**

Assignment Title	Recommendation No.	Recommendation	Target Date	Status update as at 31/12/2023
Audit of the Technical Cooperation Bureau (TCB) Project Personnel	IA-2023-1_1	TCB, in consultation with ADB and LEB, should jointly conduct a harmonization exercise for the project personnel policies and procedures to enhance consistency in Implementation Support for Technical Assistance and Technical Cooperation projects across ICAO.	30 June 2024	Outstanding
	IA-2023-1_4	TCB should conduct a quality assessment of the civil aviation experts' roster in coordination with Technical Bureaus and Regional Offices and take measures to enhance its security, accuracy, reliability, comprehensiveness and availability to the relevant ICAO personnel.	31 December 2023	Outstanding
Audit of Contract Management	IA-2023-3_2	ADB should (i) incorporate contract management critical requirements in the ERP system under development and, (ii) develop and disseminate a standard contract management key information fact sheet to RCMS Corporate Business Owners in support of their daily contract management.	31 March 2024	Implemented
	IA-2023-3_4	ADB should require from allotment holders that change orders, renewal, or extension of contracts requests systematically include (i) a completed supplier performance evaluation and (ii) risk assessment on contract extension or renewal.	15 October 2023	Implemented
Audit of Enterprise Risk Management (ERM)	IA-2023-4_2	The Office of the Secretary General, with the support of SPCP should ensure ERM roles, responsibilities, and governance are revised to be better aligned with the HLCM approved Three Lines model ensuring a) appropriate roles for management, including senior management as risk owners, b) communication of the role ascribed to all staff, c) proper inclusion of all second line functions, d) an appropriate role for internal audit, and e) prescribed oversight roles for the	30 June 2024	Outstanding

Assignment Title	Recommendation No.	Recommendation	Target Date	Status update as at 31/12/2023
		External Audit and Advisory Committee.		
	IA-2023-4_4	The Head of SPCP, should formally and concretely integrate risk management considerations into ICAO's annual operating and triennial business plans so that risks to strategies and objectives are clearly identified and assessed in planning documents as well as the ERM process.	31 December 2024	Outstanding
	IA-2023-4_6	The Head of SPCP in conjunction with the ERM Reference Group should develop an ERM capacity and communications strategy that will guide plans to achieve the necessary level of risk management competency for ICAO staff and management, including additional certifications for ERM staff.	31 December 2024	Outstanding
Evaluation of the Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan)	EV-2023-1_1	The AFI Plan Secretariat should revamp its planning processes by preparing a costed programme document with clear Theory of Change (TOC), implementation strategies, implementation plan and phase out strategies. The Programme Document should be developed in consultation with key stakeholders, including Member States, the four ROs and other relevant stakeholders.	30 June 2024	Outstanding
	EV-2023-1_2	The AFI Plan Secretariat should improve its result based monitoring and reporting system in order to monitor its progress and establish the contribution of AFI Plan to progress made by Member States. In this regard, it should: <ul style="list-style-type: none"> • Prepare a monitoring and evaluation plan • Develop and use a database to follow progress of key outcome and output indicators as well as key activities • Finalize ROST guidelines with the necessary templates linked to the monitoring and reporting plan and database 	31 December 2023	Outstanding
	EV-2023-1_3	The ICAO Secretariat should strengthen the Steering Committee to improve its guidance, follow-up and support to the AFI Plan in consultation with relevant Member States. This could include but not limited to	31 December 2023	Outstanding

Assignment Title	Recommendation No.	Recommendation	Target Date	Status update as at 31/12/2023
		improving the Terms of Reference of the SC, limiting membership size to support effective discussion, and guidance, and involving DGCA's and other key stakeholders.		
	EV-2023-1_4	The Secretariat should improve the AFI Plan management structure. This could include but not limited to establishing a formal coordination mechanism between AFI Plan Secretariat and participating ROs in implementing the AFI Plan. The Associate Regional Programme Officer (APO) of the AFI Plan should also report directly to the Secretary of the AFI Plan.	31 December 2023	Outstanding
High-Level Review of ICAO's Contribution to the Sustainable Development Goals (SDGs)	EV-2023-3_1	Develop a strategy that outlines ICAO's role in relation to the SDGs as well as how ICAO will translate the Assembly Resolution(s) into actions and an adequately resourced work plan with clear activities, roles and responsibilities, and timeline, driven by the needs of the Member States. ICAO also needs to do a cost benefit analysis to decide on joining the UNSDG.	30 September 2024	Outstanding
	EV-2023-3_2	Design and implement SDGs-aviation education and awareness programme targeting ICAO staff and Member States	31 December 2024	Outstanding
Evaluation of the Regional Portfolio of the North American, Central American and Caribbean (NACC) Office	EV-2023-4_1	The Regional Office, with NACC Member States, should identify the factors that are contributing to the inability of some States in the region to achieve the GASP and GAsEP targets, and strengthen/design a mechanism to enable States to attain the global targets based on State capacities and the ability of NACC RO to support the Member States.	30 June 2025	Outstanding
	EV-2023-4_2	The Regional Office should develop and implement an action plan to systematically support and follow up NACC Member States in the finalization and implementation of their NASPs, NANPs, and State Action Plans on CO2 Emissions	30 November 2024	Outstanding

CG-WP/20
Appendix A

Assignment Title	Recommendation No.	Recommendation	Target Date	Status update as at 31/12/2023
	EV-2023-4_5	The Regional Office, in collaboration with CDI, ADB and SPCP, should develop an action plan to improve human and financial resource availability for NACC RO. The action plan could include, but not be limited to, acquiring secondees and training on preparing costed project documents for donor funding.	31 July 2024	Outstanding
	EV-2023-4_7	The Regional Office in collaboration with OSG should address the communication gap on the status of ECCAA as the CAA of the Eastern Caribbean States.	30 June 2024	Outstanding

APPENDIX B

STATUS OF IMPLEMENTATION OF OIO RECOMMENDATIONS

Chart B1 – Outstanding recommendations

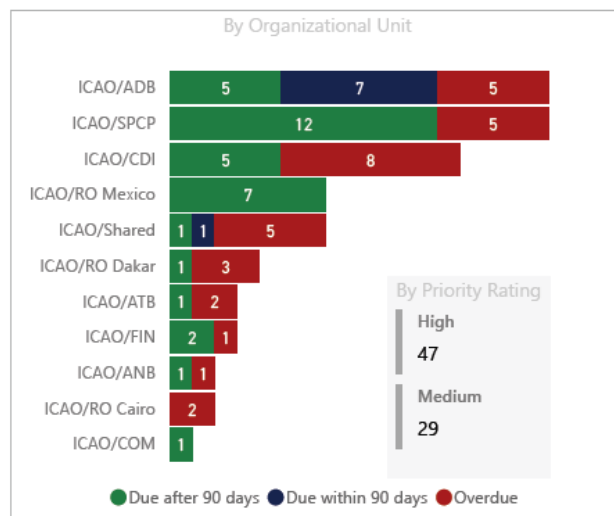


Chart B2 – Overdue recommendations

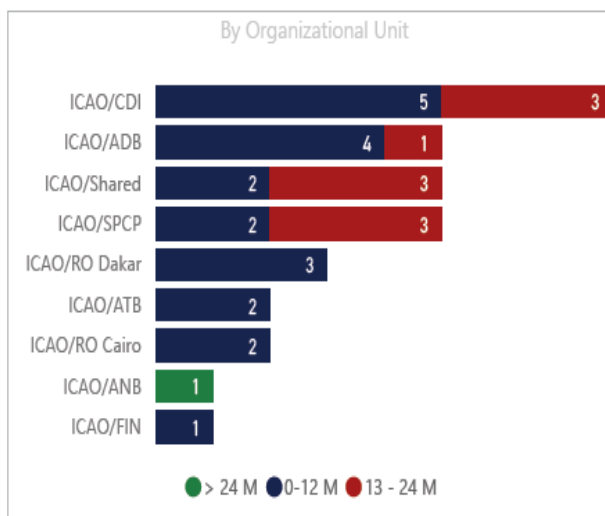


Chart B3 – Recommendations with revised target dates

Organizational Unit	Target date revised once	Target date revised twice	Target date revised three or more times	Total
ADB	1	3	9	13
CDI	1	1		2
FIN		1		1
Shared	1	2	1	4
SPCP	1			1
RO Cairo	2			2
Total	6	7	10	23

APPENDIX C

ADVISORY SERVICES PROVIDED IN 2023

1. Enhancing the Efficiency of the Working Methods of the Council and its Subsidiary Bodies
2. Management Assurance Statement and Declaration
3. Business Continuity Management / ICAO COVID-19 Response
4. European Union Grant Agreement
5. Policy on Revenue Generating Activities
6. Audit of ICAO by Outside Entity

APPENDIX D**DELAYS IN COMPLETING THE MANAGEMENT ACTION PLAN AND FINALIZING THE REPORT**

Assignment Title	Delay in working days
Audit of the Technical Cooperation Bureau (TCB) Project Personnel	6
Audit of Contract Management	4
Audit of Enterprise Risk Management (ERM)	23
Evaluation of the Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan)	33
Evaluation of the Regional Portfolio of the North American, Central American and Caribbean (NACC) Office	7
Average	15 working days

APPENDIX E

JIU REPORTS PRESENTED TO THE COUNCIL IN 2023

1. Business continuity management in United Nations system organizations (CG-WP/012).
2. Cybersecurity in the United Nations system organizations (CG-WP/011).
3. Review of United Nations system support for landlocked developing countries to implement the Vienna Programme of Action (CG-WP/010).
4. Review of the ethics function in the United Nations system (CG-WP/17).
5. Report of the Joint Inspection Unit (JIU) for 2022 and Programme of Work for 2023.
6. Status of Implementation of Recommendations of the Joint Inspection Unit (JIU).

— END —