



ORGANISATION DE L'AVIATION  
CIVILE INTERNATIONALE

INTERNATIONAL CIVIL  
AVIATION ORGANIZATION

**Internal Audit Report**  
**on**  
**Enterprise Risk Management (ERM)**

**IA/2023/4**

**Office of Internal Oversight**

## ACRONYMS

CEB	UN System Chief Executives Board for Coordination
CPMR	Corporate Performance Monitoring and Reporting
ERP	Enterprise Resource Planning
ERM	Enterprise Risk Management
HLCM	High Level Committee on Management
ICF	Internal Control Function
FIN	Finance Branch
ICAO	International Civil Aviation Organization
JIU	Joint Inspection Unit
OIO	Office of Internal Oversight
OSG	Office of the Secretary General
RMM	Risk Maturity Model
SPCP	Strategic Planning Coordination and Partnerships
PRC	Planning and Regional Affairs Coordination

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## EXECUTIVE SUMMARY

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1. Enterprise Risk Management (ERM) is a systematic approach to managing risks and opportunities to provide greater certainty that organizations will achieve their objectives. This is an important topic which has received a high level of attention in the recent years in the United Nations system. This audit was included in the work programme for the Office of Internal Oversight (OIO) in 2023 (C-WP/15452).
2. The audit had three objectives, to assess: a) the efficiency and effectiveness of ICAO's ERM process and its utilization for ICAO's strategic/operational planning and monitoring; b) whether resources are adequate and the system and tools supporting risk management are fit for purpose; and c) the current maturity level of the ICAO's ERM process with respect to the Reference Maturity Model (RMM) developed by the High-level Committee on Management (HLCM), and benchmarks developed by the Joint Inspection Unit (JIU). The scope of the audit included ERM results and processes implemented at the Headquarters and in the Regional Offices since February 2021 when ERM in its current form was endorsed by the ICAO Council.
3. ICAO's ERM framework has been in place for some 2.5 years and has provided a basis for the initial implementation of ERM as well as the internal control function across the Organization. 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. This should include an improved ERM management framework, and the provision of guidance and procedures for staff with ERM responsibilities. While Risk Management is a shared responsibility of every staff member in the Organization, the ultimate accountability for risk management lies with Senior leadership. It is necessary to provide the support needed for management to understand and take full ownership of risk management.
4. The risk assessment processes described in the ERM framework have provided a complete set of risk registers for individual organizational units, but the quality of the results is not consistent. The risk process itself 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. With time and experience, an effective risk appetite statement can be formulated to provide direction to all ICAO staff on appropriate risk-taking. Staff currently lack the guidance needed to participate in ERM and a means to escalate information on new and increasing risks.
5. ERM processes should support risk ownership, ensure an overall level of integration, and consistent quality application across operations. The current ERM process does not provide sufficient support to integrate risk considerations in strategic and corporate planning. Considering the existing risk management capability and capacity constraints in ICAO and the complexity of requirements and resources needed, reaching a higher RMM maturity level, and implementing all JIU benchmarks should be considered an aspirational and long-term goal.
6. The initial system tool used to support ICAO's risk registers is Excel-based and this is an appropriate first step for new ERM functions. However, the current system lacks the ability to easily analyse risk information and be integrated with other processes including planning, which is essential. Plans are being made 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. As understood by SPCP, it will be necessary for any subsequent ERM system to be integrated with planned or existing corporate IT systems.
7. Training was completed to support the initial implementation of the ERM process and there are plans to provide a training course to relevant ICAO staff. Future training efforts should be focused as part of a broader strategy on further building sustainable ERM capacity for both management

and staff. This would guide plans to achieve the necessary level of risk management competency for ICAO staff and management, including additional certifications for ERM staff.

8. ICAO as an organization has demonstrated a commitment to risk management for high-risk projects. For example, there was very good success in managing the risk of putting on ICAO's 41st triennial Assembly. These results should be documented and shared as a case study with all staff. This would show the benefits and results of good risk management practices and senior management's commitment to the practice. The current Transformational Objective projects are using ICAO's current ERM tool to manage the high risks at portfolio, programme, and project levels. The Transformational Objective and other high-risk areas should be supported with adapted processes as necessary and used as a learning opportunity for ERM.
9. Improving risk culture is the most challenging part of an ERM framework to improve. It requires providing knowledge and incentives to change behaviours as well as consistent communication through tone at the top. Perceptions of senior management indicate a good level of awareness of ERM; however, improvements are overall needed to the ERM framework, processes, and systems<sup>1</sup> to support effective implementation and culture change. This should be supplemented by additional communications from ICAO's senior management to share the importance of ERM with all staff.
10. To date with a very modest investment of resources, ICAO has been able to achieve the second, or developing, stage of ERM maturity according to the HLCM's RMM model and has partially met the ERM benchmarks established by the JIU. While the basics are in place, there are improvements needed to the quality, comprehensiveness, and alignment of the framework and processes to support ICAO's strategic and business objectives.
11. The following table summarizes the current assessed status of the ERM function against the HLCM ERM maturity model and provides an indication of the additional steps required to achieve an established level of maturity.



12. Overall, OIO assessed the maturity of ERM at ICAO somewhere between developing level and early stages of established level. While OIO recognizes the efforts made by SPCP to further improve the

<sup>1</sup> These are specified in recommendations 1, 2, 3 and 4 of this report

ERM maturity across ICAO, internal controls over ERM processes need “some improvement”. This report made seven recommendations including three high-priority recommendations in areas concerning integration with strategic planning, capacity building to enhance staff competencies, and clarifying the roles and responsibilities of risk ownership and mitigation. Management comments and proposed actions are in the Management Action Plan at Annex 4.

13. OIO wishes to thank management and staff for their assistance and cooperation during the audit.

## RESULTS OF THE AUDIT

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### Introduction

14. Risk Management or as it is commonly known, Enterprise Risk Management (ERM), is important because it provides management with a structured approach to deal with risk and opportunity, thus providing greater certainty that an organization will achieve its objectives. ERM needs to be well established across the Organization and robust enough to report on the range and diversity of risks faced by the Organization. Due to the significance of this topic to organizational outcomes, the Office of Internal Oversight (OIO) included an audit of ERM in its work programme for 2023.
15. Risk management is regarded as a critical function in the UN system and has recently been a focus of two major reviews. In 2019, the High-Level Committee for Management (HLCM) issued its Reference Maturity Model for Risk Management. The purpose of the model was to develop a United Nations specific risk maturity model that agencies could benchmark themselves against. The Joint Inspection Unit (JIU) issued its own benchmarks on the topic in its 2020 report Enterprise risk management: approaches and uses in United Nations system organizations.
16. ICAO adopted an Enterprise Risk Management and Internal Control Framework (ERM Framework) in early 2021, which was endorsed by the Council. The ERM framework established a structured approach for managing risks, i.e., identifying, assessing, mitigating, reporting, monitoring, and reporting on risks across ICAO operations. A corporate risk register was developed, which is updated twice a year and reported annually to the Council. The corporate risks are reviewed by the ERM Reference Group, which is formed of ICAO senior management and chaired by the Secretary General. While risk management is a shared responsibility of every staff member, it is important to note that ownership of risk management resides with senior management.
17. Responsibility to support the integration of ERM at ICAO has been assigned to the Strategic Planning, Coordination, and Partnerships (SPCP) Office under the Planning and Regional Affairs Coordination (PRC) unit. The Head of SPCP is the designated ERM champion. Functionally the work has been completed to date under the supervision of the Chief of PRC by an external consultant. A recruitment process was ongoing to hire a P4 staff member for the role at the time of the audit.
18. According to its self-assessment, SPCP indicated that it was at an "Initial" (or first of five) risk maturity level in 2021 on all dimensions of the risk maturity model developed by HLCM. It was reported to the Council in 2023 (228th Session) that ICAO reached the "Developing", or second level, at the end of 2021, as it was able to implement a combination of both structured and repeatable processes in risk identification and assessment which enabled it to create its corporate risk register. ICAO's goal is to reach the "Established" risk maturity level by the end of 2023 and maintain this level. No set goal has been established for the JIU benchmarks; however, these closely mirror the HLCM requirements. Considering the existing risk management capability and capacity constraints in ICAO and the complexity of requirements and resources needed, reaching a higher RMM maturity level, and implementing all JIU benchmarks should be considered an aspirational and long-term goal.

### Audit Objectives and Scope

19. The objectives of the audit were to assess:
  - a) the efficiency and effectiveness of ICAO's Enterprise Risk Management process and its utilization for ICAO's strategic/operational planning and monitoring;
  - b) whether resources are adequate and the system and tools supporting risk management are fit for purpose; and

- c) the current maturity level of the ICAO's ERM process with respect to the Reference Maturity Model developed by the High-level Committee on Management, and benchmarks developed by Joint Inspection Unit.
20. Considering the criteria set in the HLCM and JIU models, the audit assessed the design and operating effectiveness of processes including risk identification and assessment, development of risk responses, monitoring, escalation, reporting, follow-up, and integration of ERM with the strategic planning and the internal control framework (ICF). This included plans for development of IT tools to support ERM and an assessment of measures taken by ICAO to enhance the risk management culture, maturity, and competencies of staff members.
  21. The audit covered the time-period from the initial implementation of the ICAO ERM framework in February 2021 to July 2023. It covered the organization-wide implementation of ERM at the Headquarters and in the Regional Offices.

## Methodology

22. In the planning stage of the audit, a desk review was completed of ICAO ERM documentation, best practices in the UN system, and industry standard ERM frameworks. A risk assessment was also completed to determine areas of focus for the audit which included the recency of the ICAO ERM implementation, and the limited resources devoted to date for the function.
23. OIO conducted structured interviews with 14 ICAO stakeholders across the organization. These results were tabulated into a sentiment analysis to assess perceptions regarding the effectiveness of ICAO's ERM implementation and its results. OIO also observed a meeting of the ERM Reference group in June 2023.
24. The HLCM risk maturity model was used as the basis for the OIO audit criteria and results are included in each section of this report. The HLCM model has already been used by ICAO's ERM function to assess its own maturity. It is accepted and promulgated across the UN system and provides a solid benchmarking of the maturity level of ERM against an accepted standard. It also has a high degree of correlation to the JIU benchmarks. An assessment of results specifically against the JIU benchmarks is included in Annex 3 of this report.
25. The HLCM Maturity Model defines five levels of risk maturity across six different dimensions of enterprise-wide risk management. The Maturity Model also provides indicative questions as well as documentation and evidence checklists to assist United Nations organizations in assessing their risk maturity against the Maturity Model.
26. The dimensions of the model are:
  - Enterprise Risk Management Framework and Policy
  - Governance and Organizational Structure
  - Process and Integration
  - Systems and Tools
  - Risk Capabilities
  - Risk Culture
27. The maturity levels of the model are:
  - Level 1: Initial – Unstructured, managed informally/inconsistently, ad hoc, reactive.
  - Level 2: Developing – Structured implementation, basic architecture, some reporting and repeatable management processes.
  - Level 3: Established – Defined/documented and standardised processes, good organizational coverage, some evidence of use and embedding. Regular reporting and escalation, information used in operational decision making.

- Level 4: Advanced – Well structured, strong evidence of embedding. Standardised reporting and thresholds for escalation and management action. Information used in strategic decision making.
- Level 5: Leading – Fully embedded. Escalation mechanisms well understood and used at all levels of the organization. Innovative/creative approach delivers continuous improvement and can adapt as the organization changes.

28. Information to support the assessment was gathered through a review of the ERM Framework and its application including information contained in the risk registers, risk documentation, interview evidence, and observation of an ERM reference group meeting. Supporting ERM documentation and supplementary information was provided by the SPCP.

## Findings

### ERM Framework and Policy

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
ERM Framework and Policy	The current ERM Framework has provided a solid basis for the initial implementation of ERM across ICAO's operations		<p>A revised framework and guidance suite is required that consistently applies ERM standards.</p> <p>Improvements are needed to the risk management processes to integrate with ICAO's business plan, further development of risk appetite statement, to provide sufficient support to risk owners, and to enhance competencies for staff to participate in the risk assessment and escalation processes.</p>		

JIU Benchmark	Comments	Result
Benchmark 1. Adoption of a systematic and organization-wide risk management policy and/or framework linked to the organization's strategic plan	A process is in place, it has been adopted, it includes strategic risk as a category (this does not mean it is linked to strategy). It has yet to be widely disseminated or revised from its initial form.	Partially Met

29. This section of the maturity model assesses the elements that make up the risk management framework including the overall strategy, policy, procedures, and guidance. A sound ERM policy and comprehensive framework are important to guide the overall implementation of ERM in an organization. They set the direction and processes for management and staff to follow in the implementation of an effective risk management system. This section corresponds to the first JIU benchmark.

30. A critical part of an ERM framework is the processes and tools by which risks are identified, assessed, managed, and monitored. The framework provides how risks are categorized for management reporting, how the likelihood and impact of risk occurrence on organizational objectives is assessed, and which emerging or increasing risk levels are escalated to management. An ERM framework also sets limits for risk-taking, commonly known as risk appetite, as determined by management and approved by the governing body. This corresponds to the second JIU benchmark.

31. ICAO's ERM framework was endorsed by the ICAO Council in February 2021. This marked an important first step for the development of ERM in ICAO. The framework document provides a description of intended ERM principles, definitions, risk appetite statement, risk and internal control

process, a set of roles and responsibilities, and a high-level view of the risk assessment process including risk categories and key risk areas and a quantitative and qualitative risk assessment methodology.

32. ICAO's ERM framework should be supplemented by a suite of documents that provide a comprehensive view of ERM from the governance and framework level down to procedural guidance to be used at the operational levels.
33. The sixth JIU benchmark further suggests that risk management processes be practical, agile, and user-friendly in order to promote a sustainable ERM programme. The ERM process should be tailored for the organization's business planning including its external environment, its mandate, and its ability to deliver on its objectives and strategic plan.

#### Role of Senior Management in consideration of corporate risks

34. For risk management to be effective it needs to be integrated at all levels of an organization. Most important is the involvement of senior leadership in setting the tone at the top for risk management and in leading efforts to mitigate the key strategic risks facing the enterprise. Senior Management should approve the addition and removal of risks from the corporate risk profile. This corresponds to the fourth JIU benchmark.
35. Efforts have been made by SPCP to ensure the involvement of ICAO's senior leadership team in the risk management process. The ERM reference group and the discussions that are enabled there is a good example of this. However, in practice, risks are incorporated into the corporate risk register in a bottom-up driven approach where high and medium risks from the individual unit risk registers are tabulated into a corporate risk register. Consideration of risks from operational units is necessary and perhaps a good starting point, but it is important that support is provided so that senior management's input is considered at an early stage in reviewing, adapting, and approving the corporate risk profile.
36. A management-driven discussion would allow for the inclusion of broader governance or reputational issues and external factors. Senior Management should also approve risks that are to be removed from the corporate risk profile. Senior leadership should be supported to focus on the top risks that they view as impacting organizational performance and drive communication and oversight on these key issues.

#### Guidance is needed for users on the risk assessment process

37. As noted, currently the ICAO risk material is essentially all contained in one document, the ERM framework. Successful ERM implementations should provide additional guidance that is useful to focal points who are generally staff at a middle management level that are tasked with the practical implementation of the process. Such guidance would include technical information on the risk register process, how to conduct a risk identification and assessment session, and broader risk management topics. An important feature is working groups held among focal points for training purposes, to gather feedback, and to share good practices.
38. In the Bureau risk registers there was a wide range of practices noted in the way risk statements were formulated. A lack of clarity was noted on what constitutes a risk, which are uncertain future events that impact organizational objectives. In several cases, it appeared that often current problems were being reported instead of true risks. Providing a clearer definition of what risk is and how to formulate risk statements would be useful. Providing feedback and guidance is necessary to build capacity in risk management.
39. The current framework also lacks guidance on how to escalate risks. It is important that there be a clear process by which risks are escalated to higher levels of management as they emerge or increase beyond acceptable tolerance levels. Such a process may be as simple as an email chain, but it's critical that the risk and approved actions be recorded in the ERM system. A defined escalation process is an essential part of an ERM process.

40. Finally in any risk management system there needs to be a process in place to de-escalate or remove risks. This should follow the same rigorous and defined approval process as identifying and assessing risk in the first place. Removing risk requires a level of review beyond simply noting the completion of a set of mitigation actions. It would be important for the ERM reference group to have a formal role in the approval and removal of risk from the corporate risk profile and that these actions be formally documented.

The risk appetite statement needs to be revised as ERM matures

41. SPCP has indicated in the ERM framework document that ICAO will need to further define its risk appetite as it matures its risk management approach. This is an astute statement; risk appetite is a challenging topic to incorporate in the initial stages of an ERM implementation.
42. With experience the risk appetite statement will need to be refined to make it clear what risks are acceptable to management, within prescribed limits, and what risks are not acceptable for staff to take. A well-defined set of risk appetite statements provides the boundaries to staff and management about their limits to take on risk. Risk appetite statements are generally incorporated into the overall framework on risk.
43. The current ERM framework document provides a good first step as a founding document in ICAO’s risk management implementation. To achieve an established process a number of improvements need to be made to further tailor the process to ICAO’s requirements, to improve guidance for risk focal points, and to improve the processes for staff to participate in risk management, escalate risks, and understand the boundaries in which they can take risk.

Recommendation 1	Improvements to the ICAO risk assessment process
Priority	Medium
The Head of SCPC should, in consultation with the ERM Reference Group, revise ICAO’s ERM framework and related documentation to ensure that they a) incorporate improved risk appetite statements, b) provide a complete package of information and processes needed for risk owners to support ERM, and c) provide a clear approval process for the addition and removal of risks from the corporate risk register.	
Closing criteria: Revisions to the ERM framework and procedural guidance include items a) to c) of this recommendation.	

Governance

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
Governance and Organizational Structure	An initial set of roles/responsibilities established. There has been reporting on ERM to the Council / EAAC		An oversight role needs to be defined for EAAC. Risk ownerships need to be more clearly assigned in the first line, and the second and third lines should be more established.		

JIU Benchmark	Comments	Result
Benchmark 2. Formally defined internal organizational structure for ERM with assigned roles and responsibilities	Roles have been assigned in the ERM framework using a Three Lines approach, it requires improvement	Partially Met

44. A critical element of an effective risk management system is the clear definition of roles and responsibilities to ensure proper accountability for managing risk and providing risk oversight. This helps ensure good governance over risk-taking and an understanding of ERM responsibilities for senior management, risk focal points, and staff. This aspect of the HLCM model is further considered in JIU benchmarks two and three.

#### Roles, responsibilities and risk oversight need better definition

45. The Three Lines Model, supported by the Institute of Internal Auditors (IIA), provides risk management roles for senior management and staff (first line), for management review functions (second line) and independent oversight (third line). It also provides roles for the governing body and external audit functions. For an organization, these risk management roles are generally described in the risk management framework. The current ICAO ERM framework document provides a set of roles and responsibilities to support the three lines model but requires some improvement.

#### First-Line Roles

46. A critical concept for the first line is the designation of a risk owner. This is generally expected to be a senior management level position, responsible for achieving specified objectives and managing risks to these objectives in a first-line function.

#### First-line areas for improvement

47. In the current ICAO ERM framework, there is a lack of clarity around ownership of risk. Responsibility to “approve” risk is assigned to ICAO’s senior management team and “ownership” of risk to a middle management level. For proper accountability, senior management should own the risks related to their objectives, while mitigation measures and other actions can be delegated to middle-level management.

48. The current ICAO ERM framework ascribes a role for all staff to manage risk, but the document has not been made available to all staff. If staff are to be responsible for managing risk, they need to be made aware of the assignment of this task and provided with the tools and training needed. SPCP plans to roll out a staff training plan by the end of 2023.

#### Second-Line Roles

49. Second lines are those with a responsibility to monitor and evaluate the risk and control functions of the first lines. This includes not only risk management but also compliance and other similar functions.

#### Second-line areas for improvement:

50. For ICAO, it will be important to fully consider the role of second-line management review functions that contribute to the management of risk. Currently, the only second-line functions noted are for ERM and the internal control function (ICF) which are combined in the current framework. As ERM becomes more fully established with sound processes and quality review functions the second-line role of the ERM unit will also improve.

51. As ERM further matures and organization-wide risk mitigation strategies are put in place, other functions that have responsibilities in setting policies and guidance, providing advice, and overseeing the actions of the first line should also be considered in ICAO’s second-line risk management function.

### Third-Line Roles

52. Third lines are independent and provide assurance on the effectiveness of risk and control processes, but they are not responsible for managing risk.

### Third-line areas for improvement

53. The third-line function, currently assigned only to OIO, is largely correct with one exception. It prescribes a role where OIO is responsible for reporting annually on corporate risks and the robustness of the framework. This should in fact be done by the ERM unit itself. The role of OIO is independent and more periodic in nature. In fact, the undertaking of this audit assignment provides a great deal of the independent assurance required on ERM.
54. The Three lines model expects that legislated auditors and regulators also be included, separately from the third line. It will be important to recognize in the ICAO ERM model the role that external audit and the JIU have in providing independent assessments on ERM as these roles have been important. These groups are important and have already had a good deal of influence on ICAO's ERM processes.

### Governance Roles

55. According to corporate governance frameworks, governing bodies are expected to provide oversight over the risk management process and the level of risk that the organization takes on. This is typically achieved through the approval of an ERM framework that sets out the broad parameters for managing risk in the organization. The governing body should also approve risk appetite, which is the amount of risk that the organization is approved to take on. Regular reporting on risk is also required.
56. In practice the ICAO Council has endorsed the ERM framework and receives updates on ERM including the corporate risk profile. The current framework assigns a review and guidance role for the Council on ERM.
57. The Evaluation and Audit Advisory Committee (EAAC) terms of reference appropriately include a review responsibility for ERM. In practice, reporting on ERM to the EAAC has regularly taken place. However, the current ERM framework itself does not mention the EAAC. It is necessary to properly document the review oversight role of this body in the ERM framework.
58. The Three Lines concept is an important one to get right at the early stages of an organization's ERM journey. Having a clear understanding of roles and responsibilities in line with the HLCM endorsed Three Lines Model is a critical step towards an established ERM function and meeting the JIU benchmarks. Ultimately these roles and responsibilities for ERM should be aligned with ICAO's Accountability Framework when implemented.

Recommendation 2	Clarifying roles and responsibilities and ERM governance
Priority	High
<p>The Office of the Secretary General, with the support of SCPC 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 External Audit and Advisory Committee.</p> <p>Closing criteria:</p> <p>A revised ERM framework is put in place that clearly describes roles in accordance with the Three Lines model remedying shortfalls as outlined in this recommendation in points a) through d).</p>	

### Leveraging the risk champion role

59. According to the second JIU benchmark, it is important for ERM to be appropriately placed within the organization taking into consideration its mandated business model and available resources. The ICAO ERM function is situated in the SPCP directorate under the PRC function. According to the ERM website, the Head of SPCP is the ERM champion. Functionally the work is delegated to the supervision of the Chief of PRC and to date has been undertaken by an external consultant. A recruitment process was underway at the time of the audit to hire a P4 staff member for the role.
60. Organizationally it often makes sense to include risk management in a function that includes strategic planning. However, the placement of the main functional responsibility for ERM at a professional (P4) level within a subsection of a larger directorate can dilute its independence and ability to influence effective processes. In some instances, the ERM function is included in high-risk areas like business transformation that touch all areas of the organization, and which tend to report directly to the highest level of the organization.
61. In an organization of the size of ICAO, a senior level resource devoted solely to the role of Chief Risk Officer is likely not practical. None the less it is important that an executive level position be clearly assigned to take on this role and to ensure that risk management issues are effectively brought up and discussed at senior management meetings. It will be important to ensure that the risk champion role is leveraged effectively to promote ERM in executive-level management discussions, framework approvals, and decision-making as well as in the Council discussions.

### Process and Integration

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
Process and Integration	There is an established process to identify and assess risks implemented across ICAO, it is linked to the ICF.		Quality review processes should be implemented to provide feedback to risk owners (senior management) on the quality of their risk information to increase the utility of the risk register process.  There is a need to implement a clear process to integrate risk into corporate planning.		

JIU Benchmark	Comments	Result
Benchmark 5. Integration of risk management with key strategic and operational business processes	ERM is not embedded in planning processes, however there is evidence of use outside the ERM process for high-risk areas	Partially Met

62. An established ERM function requires a systematic process for all aspects of risk management. This will include a risk register tool to record risk and assessment results, processes to review information on risks, and a means for management to validate mitigation measures. According to the HLCM model, the ERM process should be well integrated with planning and with the internal control framework. The JIU benchmark five covers this topic and further recommends that there be a feedback loop so that ERM practitioners can receive feedback on their risk information.

### Review of risk registers

63. Since 2021 an ERM process has been established at ICAO by which risk registers are completed and results are tabulated into an overall corporate risk profile. The overall corporate results are reviewed by senior management and shared with the ICAO council. This is a good base on which an established ERM process can be built.

64. The challenge to achieving a more mature function is in providing useful tools and integrated processes for managing risk and making decisions. In interviews, managers expressed concern that the current ERM process was more of a box-ticking or compliance exercise than a management process. Managers also did not think that risk management was actively used in decision-making.
65. On review of the bureau and office risk registers, a range of practices was noted. While some individual results were good, in general, registers were not always complete and up to date. For example, information on “Key Risk Indicators” was frequently missing, although this can be explained as this is a relatively new requirement. Regarding risk mitigation, those responsible for the action were not always identified. It was also not clear the extent to which the Bureau risk registers were being updated, many of the risks remained unchanged since initially recorded in 2021.
66. The way risks were identified and ranked in these risk registers varied greatly across organizational units. For example, risks were noted in compliance with rules, on language and translation issues, in many cases on resources, and in some cases on technical issues. Many of the areas noted as risks appeared to be simply business problems or issues that had occurred and needed to be addressed. There appeared to be a lack of a common understanding of what constitutes a risk (i.e., an uncertain future event that can impact the achievement of business objectives).
67. To date, a systematic quality review process of the bureau and office risk registers has not been able to be put in place by the ERM team. Providing feedback directly to the responsible senior manager is essential to supplement training efforts and to ensure consistency in risk identification and assessments carried out across the organization. There was no doubt an issue of resources in the early stages of ERM implementation, but as processes become established more effort should be placed on review and improvement. This is an essential part of the second-line function played by SPCP.
68. In the fall of 2023, there is a planned review of regional office risk registers by the ERM reference group. This will be an excellent opportunity to ensure the content of these risk registers is of high quality and adequately synthesizes the risks that ICAO’s regional offices are facing from an executive-level perspective. Practices such as this which allow for a common ranking and assessment of risks are important for senior management’s understanding of corporate risks. This practice should be continued by the ERM reference group and supplemented by ongoing quality reviews of the risk registers by the ERM team.

Recommendation 3	Ongoing quality review and feedback for risk registers
Priority	Medium
<p>The Head of SCPC, as part of its second line function, should consider how best to implement review processes for the bureaus and office risk registers to ensure a consistent understanding and correct application of risk management principles across ICAO by providing regular feedback directly to the senior management risk owner on the quality and completeness of their risk registers.</p>	
<p>Closing criteria:</p>	
<p>A quality review procedure for bureau and office risk registers is documented in the ERM framework and has been demonstrably implemented for at least one cycle.</p>	

### Integration with key business processes

69. Both the HLCM and the JIU are strong proponents for the linkage of strategy and business planning along with internal control with risk management. The foundation of risk management is to identify, assess, and manage risk to business objectives and as a result, effective planning needs to go hand in hand with risk management.
70. There are linkages between ERM and the ICF, due in part to the inclusion of internal control principles in the current ERM framework. For example, the risk register requires consideration of internal control

for each risk identified. Similarly, the annual internal control questionnaire on Management Assurance Statement and Declaration (MASD) has several questions on the ERM process. A recent report by the external auditor provided a positive view of the internal control processes.

71. However, even though the ERM team is housed with planning, and linkage of ERM with planning is noted as a principle, to date there has been little evidence of how ERM has been included into ICAO's strategic planning processes at the corporate level. The ERM framework indicates that there is to be a link between planning and risk in the guiding principles, but there is no additional guidance on how this is done in practice.

Recommendation 4	Integration of ERM with Planning
Priority	High
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.	
Closing criteria:	
The next ICAO business plan and annual operating plans clearly document risks with respect to strategy and the operating plans.	

## System and Tools

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
Systems and Tools	An excel tool has been implemented to capture risk information across ICAO	To support integration with planning and internal controls, an ERM system that is integrated with ICAO's other IT systems (e.g., CPMR) would be the best solution. A new system should also support better analysis of risk information and data analytics			

JIU Benchmark	Comments	Result
Benchmark 7. Effective use of information technology systems and tools for enterprise risk management	The current system covers all of ICAO, plans are underway to develop a new system	Partially Met

72. Sound IT systems that support the collection of risk information and provide linkages to other systems that use risk information, like planning and internal controls are necessary for established ERM functions. These systems are important because they provide platforms to collect and consolidate risk information from across the organization. In more advanced applications they also provide data and indicators on the level of risk and the effectiveness of mitigation measures. IT systems are considered in the JIU benchmark number seven.
73. The current tool used for ERM is comprised of a set of Excel spreadsheets. This is a logical starting point for new ERM systems as it is low-cost to implement and easy to use. The ERM team has been able to incorporate information on key risk indicators and internal controls in the current model.
74. One downside of using an Excel-based tool is that it makes analysis of risk information across organizational units a challenging and manual process. Data on common risks can often only be retrieved based on keyword searches, which are not easy to manipulate in Excel.

75. Another disadvantage of the current system is the standalone nature of the risk register. An automated system linked to the planning platform is ideal as the link between business objectives, risk, and internal control can be systematically integrated. Also, as ERM becomes more established there will be a greater need for access to data to provide indicators of the evolution of risk and the effectiveness of mitigation efforts.
76. At the time of this audit, the ERM team was preparing a business case for a new ERM IT system, however, this project is unfunded. It will be important to ensure that this project is given the appropriate level of significance and the same priority as the other related system investments in the transformation. A new system would provide the functionalities missing in the current system, namely improved analysis across risk registers, linkages with other systems including planning, and some data functionality. The current Transformational Objective initiative supporting digitization provides an excellent opportunity to incorporate ERM into new and existing systems including the CPMR. Continuing with a standalone ERM system will impede further maturation of the risk management function and the ability to take full risk into consideration in decision-making across the organization.

Recommendation 5	Any new ERM system should be integrated within the corporate system
Priority	Medium
The Head of SPCP should ensure that any new system for ERM is integrated into new or existing corporate systems including the CPMR and provides a solid platform for analytics and data management.	
Closing criteria:	
The business plan to support the new ERM system clearly recommends a system that is integrated with existing or planned IT systems (for example the CPMR).	

### Capabilities

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
Risk Capabilities	Training has only been provided to staff directly involved in ERM.	Some areas of the organization demonstrate risk competency	A full training and capacity building strategy is needed to provide all staff with the necessary level of competency.  Good examples of practical ERM application in high-risk projects were noted, these should be supported, and their results communicated to all staff to show the importance of ERM and how it can be put into practice.		

JIU Benchmark	Comments	Result
Benchmark 8. Communication and training plans to create risk awareness, promote risk policy and establish risk capabilities for the implementation of ERM	Initial training was done for those involved in the ERM process, but not for all staff and not all-staff were made aware about the risk management process.	Partially Met

77. This section considers risk competencies of staff, the capacity of the organization to make effective risk-based decisions and the availability of risk information and reporting for senior management. These elements are important because they provide a measurement of risk maturity across the Organization by looking at overall risk capabilities that are led and influenced by SPCP but overall, the responsibility of the rest of the Organization to follow and carry out. Capacities are considered in JIU benchmark 8.

An ERM training, capacity-building, and communications strategy is needed

78. In the initial roll-out stage of ERM there was training provided only to managers and focal points involved in the preparation of the risk registers. This was due to limited resources and the need to get the process up and running among the key participants.
79. Given that in the current ERM framework all staff are responsible for managing risk in their work, training will be essential to offer to everyone at ICAO. In interviews, managers indicated that while their staff generally had a good understanding of risk in the technical areas of ICAO, this knowledge was seen as lacking for corporate, ethical, financial, and administrative risks.
80. The ERM team has plans to roll out two online training modules, one for all staff and another for managers and focal points. This will provide a good foundation for the training programme needed to fully implement ERM. To reach an established level of ERM maturity, according to the HLCM model, it will be necessary to further develop risk management as a competency and make it part of a wider staff development programme. For example, as ERM becomes more fully entrenched, risk management capabilities should be assessed in performance assessments.
81. To achieve this, an overall capacity and communications strategy should be developed. Such a strategy would include the provision of ongoing communications on risk from senior management, regular focal point meetings to share successes and issues, as well as regular intranet communiques on risk practices. There are many examples of good practices in risk communication and training in other UN organizations. Adapting these and incorporating proven practices into ICAO's ERM training programme would be a cost-effective means to achieve greater maturity in building risk competencies.
82. It is also important to provide support for formal ERM certifications and this should be a requirement for ERM staff. The job description for the new P4 ERM staff member did not require any risk management certifications. It would be important for the new incumbent to receive adequate training and certification.

Recommendation 6	Need for capacity building in ERM competencies
Priority	High
<p>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.</p> <p>Closing criteria:</p> <p>An approved and communicated ERM capacity and communications strategy that outlines the level of risk competency required of staff and management including how it will be assessed in performance appraisals. It should also include the level of training and support to be provided including mandatory courses.</p>	

### Provide support for high-risk projects and share results

83. According to the JIU benchmark six, successful implementation of ERM requires agile, practical, and user-friendly approaches to build capacity. A stated desired outcome of ICAO's ERM process for senior management is that it be pragmatic and used effectively to manage critical business risks.
84. ICAO has demonstrated good success with risk management to manage the risks associated with ICAO's 41st triennial Assembly in 2022. This conference took place during the COVID-19 pandemic and required careful mitigation of not only logistical issues but also critical health and reputation risks for ICAO. Many senior managers in interviews spoke positively of the process employed and the results achieved.
85. This was a good example of adopting risk management practices. Currently, the Transformational Objective initiative is actively using ICAO's risk management process to deal with the high risks of this complex undertaking. The transformation includes multiple projects of various sizes, many different project owners, limited resources, and the need for a high level of commitment and involvement in complicated change management processes. The current risk register system is not built to handle projects and certainly not large projects of this level of complexity. This particular process will provide an excellent opportunity to evaluate and improve the functioning of ICAO's ERM process, taking the lead from senior management's needs. The ERM team should follow this project closely, providing support as needed and reporting on lessons learned in risk management from the transformation initiative.

Recommendation 7	Support high risk projects and communicate results
Priority	Medium
<p>The ERM reference group, with the support of SPCP, should have processes in place to identify and closely monitor high risk projects and emerging areas of risk to support them and to use them as an opportunity to learn, communicate the importance of good risk management, and share of the results of actual practices with ICAO staff.</p> <p>Closing criteria:</p> <p>Processes are put in place in the ERM framework to define and monitor high risk projects and support has been provided to the Transformational objective initiative and a case study is published on the triennial conference ERM experience.</p>	

























### Risk Culture

MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
Risk Culture	Senior commitment to implementing ERM	Mgmt. to	Communication of the importance and expectations for effective risk management processes by senior management needs to be shared with all staff and supported by the ERM team.		

JIU Benchmark	Comments	Result
Benchmark 3. Risk culture fostered by "tone at the top" with full commitment from all organizational levels	While tone at the top is sound ERM has not yet been rolled out to all staff.	Partially Met

86. Changing risk culture starts with changing attitudes towards risk and then modifying behaviors to support effective risk management actions. Attitudes towards taking risks can only change in a safe environment, one in which it is okay to take risks within acceptable boundaries and where appropriate risk-taking behavior is supported and rewarded. Risk culture is considered in JIU benchmark three.
87. In interviews, perceptions expressed by senior managers indicated an initial (level 1) level of development of ERM culture. This is to be expected for early ERM implementation as increasing knowledge, changing views, and improving behaviors on risk-taking is a time-consuming process. The following chart provides a high-level view of management’s perceptions regarding ERM as expressed during the structured interviews carried out during the audit.

Perception chart based on structured interview questions:

Entity	Awareness about key risks in their own areas	Level of overall implementation of ERM	Views about staff training and systems supporting ERM	Effectiveness of governance processes	Involvement of staff in escalating information about risks	Perception about risk culture of ICAO
Office of Secretary General						
Administrative Services						
Technical Bureaus						
Regional Offices						

Scale:

Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Dissatisfied
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88. Overall, managers were positive about the level of risk awareness in their own areas. Regarding awareness and speaking up about risk, many managers indicated a healthy environment for staff to speak up about day-to-day and technical risks in their work. However, for ethical matters, they felt less positive that staff would be open to speaking up.
89. It is important to note that the technical divisions, finance, and IT had more positive views on ERM overall. Some of these units had in place additional risk management processes to mitigate their own inherent risks.
90. Many of the perceptions correlate to the improvements needed in the current ERM framework that have already been noted in this report. This should not be taken as a negative but rather as an indication of only the early stages of ERM maturity that have been achieved.
91. Overall, most interviewees thought that ICAO’s culture was mainly risk-averse. There were several rigid procedures in vogue that rather controlled risk-taking and influenced the culture to focus on following the existing norms. There was nonconscious effort to integrate risk into decision-making including incorporating the concept of capitalizing on opportunities.
92. Communication about senior management’s expectations for tackling risk in a practical manner will be necessary to improve behaviors for effective and pragmatic risk-taking. SPCP can continue to support strong and consistent messaging about the importance of risk management in day-to-day work and can also assist the organization in using it in complex decision-making. Changing risk

culture is the most challenging part of achieving a mature ERM process, it needs to be led by Senior Management with the support of SPCP.

## ANNEX 1: DEFINITION OF AUDIT TERMS

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### Audit Ratings

In providing an overall assessment of the results of the audit, OIO uses the following standardized audit rating definitions:

Audit Assessment	Definition
Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses or areas for improvement were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Several key control weaknesses were noted and/or several areas of strategic/high importance were identified where significant improvements can be made to increase efficiency and effectiveness.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

Internal control is defined as a process effected by senior management and staff, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance objectives. Whilst internal control provides reasonable (but not absolute) assurance of achieving organizational objectives, limitations may result from:

- suitability of objectives established as a precondition to internal control;
- reality that human judgment in decision making can be faulty and subject to bias;
- breakdowns can occur because of human failures such as simple errors.
- ability of management to override internal control.
- ability of management, other staff, and/or third parties to circumvent controls through collusion;
- external events beyond the organization's control.

### Priority of Audit Recommendations

The audit recommendations in this report are categorized according to priority as a guide to management in addressing the issues raised. The following categories are used:

High: recommendations, which address significant and/or pervasive deficiencies or control weaknesses, or areas where significant improvements can be made.

Medium: recommendations, which address important deficiencies or control weaknesses, or areas where some improvements can be made.

Low: suggestions, which represent best practice, or general opportunities for improvement.

## ANNEX 2: ASSESSMENT AGAINST HLCCM MATURITY MODEL

Overall ICAO has generally achieved a “Developing” level of risk maturity. An established level of maturity is defined in the HLCCM model as a system having a structured implementation, basic architecture, some reporting and repeatable management processes.

The following table provides a summary of the results of the risk benchmarking review; detailed descriptions of the maturity model criteria are listed in the subsequent pages.

Reference Maturity Model for Risk Management in the UN System					
MATURITY LEVEL	INITIAL	DEVELOPING	ESTABLISHED	ADVANCED	LEADING
ERM Framework and Policy	The current ERM Framework has provided a solid basis for the initial implementation of ERM across ICAO’s operations		A revised framework and guidance suite is required that consistently applies ERM standards. Improvements are needed to the risk management processes to integrate with ICAO’s business plan, further development of risk appetite statement, to provide sufficient support to risk owners, and to enhance competencies for staff to participate in the risk assessment and escalation processes.		
Governance and Organizational Structure	An initial set of roles/responsibilities was established. There has been reporting on ERM to the Council / EAAC		An oversight role needs to be defined for EAAC. Risk ownership and roles need to be more clearly assigned in the first line, and the second and third lines should be more established.		
Process and Integration	There is an established process to identify and assess risks implemented across ICAO, it is linked to the ICF.		Quality review processes should be implemented to provide feedback to risk owners (senior management) on the quality of their risk information to increase the utility of the risk register process. There is a need to implement a clear process to integrate risk into corporate planning.		
Systems and Tools	An excel tool has been implemented to capture risk information across ICAO	In order to support integration with planning and internal controls, an ERM system that is integrated with ICAO’s other IT systems (e.g., CPMR) would be the best solution. A new system should also support better analysis of risk information and data analytics			
Risk Capabilities	Training has only been provided to staff directly involved in ERM. Some areas of the organization demonstrate risk competency.		A full training and capacity-building strategy is needed to provide all staff with the necessary level of competency. Good examples of practical ERM application in high-risk projects were noted, these should be supported, and their results communicated to all staff to show the importance of ERM and how it can be put into practice.		
Risk Culture	Senior Mgmt. commitment to implementing ERM	Communication of the importance and expectations for effective risk management processes by senior management needs to be shared with all staff and supported by the ERM team.			

## ANNEX 3: ASSESSMENT AGAINST JIU BENCHMARKS

The following table provides an assessment of ICAO's ERM results against the benchmarks as set by the JIU in 2020.

JIU Benchmark	Comments	Result
Benchmark 1. Adoption of a systematic and organization-wide risk management policy and/or framework linked to the organization's strategic plan	A process in place, it has been adopted, it includes strategic risk as a category (this does not mean it is linked to strategy). It has yet to be widely disseminated or revised from its initial form.	Partially Met
Benchmark 2. Formally defined internal organizational structure for ERM with assigned roles and responsibilities	Roles have been assigned in the ERM framework using a Three Lines approach, it requires improvement	Partially Met
Benchmark 3. Risk culture fostered by "tone at the top" with full commitment from all organizational levels	While tone at the top is sound ERM has not yet been rolled out to all staff.	Partially Met
Benchmark 4. Legislative/governing body engaged with enterprise risk management at the appropriate levels	There are established processes to regularly engage with the Council and EAAC on risk	Met
Benchmark 5. Integration of risk management with key strategic and operational business processes	ERM is not embedded in planning processes, however there is evidence of use outside the ERM process for high-risk areas	Partially Met
Benchmark 6. Established systematic, coherent, and dynamic risk management processes	Improvements are needed to all aspects of the ERM process, including a quality review function.	Partially Met
Benchmark 7. Effective use of information technology systems and tools for enterprise risk management	The current system covers all of ICAO, plans are underway to develop a new system	Partially Met
Benchmark 8. Communication and training plans to create risk awareness, promote risk policy and establish risk capabilities for the implementation of ERM	Initial training was done for those involved in the ERM process, but not for all staff and not all-staff were made aware about the risk management process.	Partially Met
Benchmark 9. Periodic and structured review of effectiveness of ERM implementation for continuous improvement	There has been a good level of independent review of the ERM process with the EA, EAAC and OIO. This should be continued until an established state is achieved.	Met

## ANNEX 4: MANAGEMENT ACTION PLAN

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
1	The Head of SPCP should, in consultation with the ERM Reference Group, revise ICAO's ERM framework and related documentation to ensure that they a) incorporate improved risk appetite statements, b) provide a complete package of information and processes needed for risk owners to support ERM, and c) provide a clear approval process for the addition and removal of risks from corporate risk register.	Medium	Y	Agree with the recommendation.	ICAO will update the current risk appetite statement as part of the integration of ERM in the business plan as advised in the ERM framework, including a clearer approval process for the addition and removal of risks from corporate and bureau/office risk registers to be added to the additional materials that will be created for risk owners to better support ERM.	SPCP	a) Q4 2024 to align with business planning. b) and c) Q3 2024
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 External Audit and Advisory Committee.	High	Y	The current ERM Framework, section VI "Roles and Responsibilities", already have roles and responsibilities defined using the "Three Lines Model" (The Institute of Internal Auditors) for the ICAO Council, Secretary General, ERM Reference Group, First Line (H/Bureau/Office, Section Chief and Deputy Director, and all staff), Second Line (SPCP), and Third Line (OIO).	Already in ERM framework. Management can provide a review of Section IV of the ERM Framework at the December 2023 ERM Reference Group for any comments and changes as required on the current Three Lines Model used.	SPCP in coordination with the ERM Reference Group	June 2024

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
3	The Head of SPCP, as part of its second line function, should consider how best to implement review processes for the bureaus and office risk registers to ensure a consistent understanding and correct application of risk management principles across ICAO by providing regular feedback directly to the senior management risk owner on the quality and completeness of their risk registers.	Medium	Y	Review and feedback processes already in place. Additional processes as already identified will be implemented (quarterly reporting of the corporate risk at the SMG in addition to the bureau/office risk registers)	Discuss the review with the ERM Reference Group in December 2023 and update current procedures to include a quarterly review of the corporate risk register to match the risk review frequency of the bureaus and to be also presented at the SMG to ensure all risks at ICAO are reviewed and followed up more frequently as part of the ongoing risk review process.	SPCP with the ERM Reference Group	June 2024
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.	High	Y	The next triennial operating plan (26-28) will integrate risk impact analysis with the business processes.	Action already in workplan and recommendation is already in progress and included in the next triennium strategy and Business Plan.	SPCP	December 2024
5	The Head of SPCP should ensure that any new system for ERM is integrated into new or existing corporate systems including the CPMR and provides a solid platform for analytics and data management.	Medium	Y	Although in agreement to have a system, the approach being taken is that while implementing ERM, a start should be made with a spreadsheet. Implementation of a system is possible, a business case exists, but no budget.	Pending until project business case is approved and budget is available	SPCP in coordination with ICT and the TO DT & OPS PBs	December 2025

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
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.	High	Y	ICAO has a staff risk training plan and site with essential training at the management and all staff levels that will be launched by the end of 2023.  Certification required for SPCP management and staff responsible for ERM.	Action already in-progress. All staff training to be launched by the end of 2023.  Certification training to be done for SPCP management and staff responsible for ERM once budget and time available.	SPCP	Q1 2024  Q4 2024
7	The ERM reference group, with the support of SPCP, should have processes in place to identify and closely monitor high risk projects and emerging areas of risk to support them and to use them as an opportunity to learn, communicate the importance of good risk management, and share of the results of actual practices with ICAO staff.	Medium	Y	ICAO's Risk Categories include 12 key risk areas where Project/ Programme is already one of the key risk areas defined under the Strategic Risk Category and the current risk assessment process was used for A41 and TO for risk assessment at three levels – Portfolio, Programme, and Project to identify the high, medium, and low rated risks.	Risk management to be applied to projects as part of the effort of integrating ERM into business processes.	SPCP with all Bureaus/ Offices	Q4 2024