



WORKING PAPER

ASSEMBLY - 40TH SESSION

ADMINISTRATIVE COMMISSION

Agenda Item 49: Review of expenditures, approval of accounts and examination of Audit Reports for the financial years 2016, 2017 and 2018

**FINANCIAL STATEMENTS AND REPORTS OF THE EXTERNAL
AUDITOR FOR THE FINANCIAL YEAR 2016**

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

This paper contains the Financial Statements of the Organization for the financial year 2016 and the corresponding Auditor's Report and opinion as well as the Secretary General's comments to the Auditor's Report.

Action: The Council recommends that the Assembly:

- a) note the Auditor's Report relating to the 2016 accounts, in particular, the Auditor's unqualified opinion;
- b) approve the audited accounts of the Organization for the financial year 2016 contained in Document 10089 ; and
- c) adopt the draft Resolution proposed in the Appendix.

<i>Strategic Objectives:</i>	This working paper relates to SIS - Management and Administration: Budget and Financial Management.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	Doc 10075, <i>Assembly Resolutions in Force</i> (as of 6 October 2016) Doc 7515, <i>The ICAO Financial Regulations</i> Doc 7300, <i>Convention on International Civil Aviation</i> , Chapter VIII, Article 49 (f)

1. INTRODUCTION

1.1 This working paper presents the Financial Statements of ICAO for 2016 along with the External Auditor's Report and Opinion and the Secretary General's comments.

2. REPORTS OF THE EXTERNAL AUDITOR

2.1 The External Auditors have provided the Auditor's Report which contains an audit opinion on the Financial Statements of the Organization, without reservation, stating that the Financial Statements of the Organization for 2016 presented fairly, in all material respects, the financial position of the Organization as at 31 December 2016 and the results of its operations, and that the transactions of the Organization that came to their notice during their audit of the Financial Statements had, in all significant respects, been in accordance with the Organization's Financial Regulations and legislative authority.

2.2 The External Auditors produced a report which is presented in Part V under Addendum No. 2 entitled *Report of the External Auditor to the Assembly on the Audit of the Financial Statements of the International Civil Aviation Organization for the Financial Period Ended 31 December 2016*.

3. REVIEW BY THE COUNCIL

3.1 On 7 June 2017, the Council reviewed the Financial Statements of the Organization for the financial year 2016, and the Audit Report thereon Document 10089. After careful consideration of the Financial Statements and the Report of the External Auditor to the Assembly as well as the Secretary General's comments to the Report, the Council agreed to transmit the document and to recommend action to the Assembly as reflected in the Draft Resolution in the Appendix.

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APPENDIX

DRAFT RESOLUTION

Resolution 49/1

Approval of the accounts of the Organization for the financial year 2016 and examination of the Audit Report thereon

Whereas the Financial Statements of the Organization for the financial year 2016, the Report of the External Auditor to the Assembly thereon as well as the Secretary General's comments to the Report of the External Auditor, submitted by Mr. Arturo Martucci di Scarfizzi, the President of the Corte Dei Conti - a member of the Panel of External Auditors of the United Nations and Specialized Agencies - as the External Auditor of ICAO, have been submitted to the Assembly after being circulated to Member States;

Whereas the Council has examined the audit report, Financial Statements and the Report of the External Auditor as well as the Secretary General's comments to the Report of the External Auditor and submitted the same to the Assembly for its review; and

Whereas in accordance with Chapter VIII, Article 49 (f) of the Convention, expenditures have been reviewed;

The Assembly:

1. *Notes* the Report of the External Auditor on the Financial Statements as well as the Secretary General's comments to the Report of the External Auditor for the year 2016; and
2. *Approves* the audited Financial Statements for the financial year 2016.

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