



WORKING PAPER

ASSEMBLY - 37TH SESSION

ADMINISTRATIVE COMMISSION

Agenda Item 72: Review of expenditures, approval of accounts and examination of Audit Reports for the financial years 2007, 2008 and 2009

FINANCIAL STATEMENTS AND REPORTS OF THE EXTERNAL AUDITOR FOR THE FINANCIAL YEAR 2008

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

This paper contains the Financial Statements of the Organization for the financial year 2008, the Auditor's Report, which contains the audit opinion on the Financial Statements and the Report of the External Auditor to the Assembly, which contains a long-form audit report on the audit of the Financial Statements of the Organization, as well as the Secretary General's Response to the Report of the External Auditor, as contained in Document 9922.

The status of implementation of recommendations issued by the External Auditors in their report on the 2007 accounts and reports of prior years' accounts is included in Appendix A.

Action: The Council recommends that the Assembly:

- a) Note the Auditor's Report and the Report of the External Auditor to the Assembly relating to the 2008 accounts and the Response of the Secretary General to the Report of the External Auditor contained in Document 9922, and the report on the status of implementation of the External Auditor's prior years' recommendations (Appendix A);
- b) Approve the audited accounts of the Organization for the financial year 2008 contained in Document 9922 including the accounts with respect to the UNDP activities (Schedule C.1 in the Financial Statements) executed by the Organization;
- c) Approve draft Resolutions proposed in Appendix B.

<i>Strategic Objectives:</i>	This working paper relates to Supporting Implementation Strategy 1 and does not relate to any Strategic Objective.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	Doc 7300, Convention on International Civil Aviation, Chapter VIII, Article 49(f) Doc 9902, <i>Assembly Resolutions in Force</i> (as of 28 September 2007) Doc 7515/13, <i>The ICAO Financial Regulations</i>

1. INTRODUCTION

1.1 This working paper presents the financial reports on the year 2008. The audited Financial Statements of the Organization, two audit reports as explained below, and the Secretary General's response to the Report of the External Auditor in Document 9922.

1.2 The format and presentation of the Financial Statements for the year ended 31 December 2008 have been significantly changed compared to 2007 as a result of the introduction of International Public Sector Accounting Standards (IPSAS) for expenditures, the adoption of the IPSAS presentation format, and the change from U.S. dollars to Canadian dollars as reporting currency.

1.3 The status of implementation of recommendations issued by the External Auditors in their long-form report on the 2007 accounts and reports of prior years' accounts, has been presented and considered by the Council during its 187th Session, in accordance with C-DEC 174/11 and is presented to the Assembly in Appendix A.

2. REPORTS OF THE EXTERNAL AUDITOR

2.1 The External Auditors have provided two audit reports. The Auditor's Report contains an audit opinion on the Financial Statements of the Organization, without reservation, that the Financial Statements of the Organization for 2008 presented fairly, in all material respects, the financial position of the Organization as at 31 December 2008 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 have also reported in the Report of the External Auditor to the Assembly the results of the examination of selected activities of the Organization and made recommendations for the consideration of the Organization; and the Secretary General's Response to the Report of the External Auditors and the proposed action on the recommendations are presented in Document 9922.

3. REVIEW BY THE COUNCIL

3.1 On 26 June 2009, the Council reviewed the Financial Statements of the Organization for the financial year 2008, the audit reports thereon and the Secretary General's Response to the Report of the External Auditor (Document 9922). The Council also reviewed and considered the report of the Secretary General on the status of the prior years' recommendations of the External Auditor (Appendix A). After careful consideration of the Financial Statements and the Auditor's Report, the Report of the External Auditor to the Assembly and the Secretary General's Response to the Report of the External Auditor, the Council agreed to transmit the document and to recommend action to the Assembly as reflected in the Draft Resolutions in Appendix B.

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APPENDIX A

STATUS REPORT OF THE EXTERNAL AUDITOR'S RECOMMENDATIONS ON THE 2007 AND PRIOR FINANCIAL YEARS

1. INTRODUCTION

The Council, at the 11th meeting of its 174th Session, *inter alia*:

- a) agreed to examine annually, each May/June Session, the status and schedule of implementation of recommendations by the External Auditor in previous reports. This examination would be a separate exercise from the customary presentation of and reaction to the External Auditor's report concerning the year just ended; and
- b) established a general rule that the External Auditor's recommendations, where accepted, be implemented within a year of the publication of the report, unless the Secretary General makes a proposal for an extension that is agreed by the Council.

2. STATUS OF RECOMMENDATIONS

2.1 This status report provides a listing of the recommendations made by the External Auditor in 2007 and prior years as of 31 March 2009. For each outstanding audit recommendation, the information presented includes the year of the audit report in which the recommendation was made, the paragraph number of that report, a description of the recommendation made by the External Auditor, an unaudited commentary on progress made in implementing the recommendation, its current status and its expected completion date.

1 **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2007**1.1 **Performance Audit: Moving to Results-Based Management**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
1.1.1	<p>Results-based organization needs long-term effort and an overall implementation plan <u>2007 – Paragraph 41</u> ICAO should develop and carry out a strategy and an overall implementation plan to ensure the timely, orderly, and coherent execution of all major initiatives that are needed to become a results-oriented, performance-based organization.</p>	<p>Such a strategy is being finalized at the time of writing. A workshop is expected to be held in August/September 2009 for members of the Senior Management Group (SMG). The Business Plan and Budget will be developed based on this strategy and consistent with the charter letter addressed to the Secretary General designate.</p>	Partially Implemented	November 2009
1.1.2	<p>The Business Plan for 2008-10 has not been finalized and approved <u>2007 – Paragraph 50</u> ICAO should ensure that both the Budget and the Business Plan are finalized and approved prior to the beginning of each triennium and that the two documents remain coherent at all times.</p>	<p>A timeline of activities for both the Business Plan and the Budget has already been prepared for the next triennium 2011-2013. The Business Plan will be prepared prior to the Budget exercise. A roadmap for the Budget preparation will also be presented to the SMG, the Secretary General designate and the Finance Committee in May 2009 to ensure that both documents are approved before the start of the next triennium. The Business Plan will include all activities that need to be carried out during the triennium regardless of the source of funding. The Budget will be a reflection of the Business Plan activities funded under the Regular Programme.</p>	Implemented	
1.1.3	<p>Intermediate outcomes are needed <u>2007 – Paragraph 57</u> ICAO should complete its development of measurement methods for the remaining high-level indicators. ICAO should also establish an appropriate number of intermediate outcomes, together with corresponding performance indicators to measure and manage its performance.</p>	<p>ICAO has been working on the remaining four High-Level Indicators (HLIs) (i.e. #A3, #C2, #C3 and #D4), and the progress is as follows: 1. High-level Indicators for A – Safety <u>#A3 Level of implementation of the eight critical elements of a safety oversight system.</u> This indicator could be implemented in 2009, as enough data have been collected.</p>	Partially Implemented	December 2009

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
		<p>2. High-level Indicator for C – Environment <u>#C2. Number of residents in the vicinity of major airports exposed to noise at or above DNL 65 dB</u> <u>#C3. Distribution of aircraft in the in-service fleet by NOx characteristics</u> Regarding these two HLIs, the data is available through the Committee on Aviation Environmental Protection (CAEP), but there is a need to ensure that the data can be used by the ICAO Secretariat as it is not in an ICAO database. If, however, it is made available to ICAO, the update could occur only every 3 years for #C2.</p> <p>3. High-level Indicator for D – Efficiency <u>#D4 The number (percentage) of major international traffic flows wherein performance-based navigation operations are conducted.</u> The Economic Analyses and Databases Section (EAD) is working on the methodology and the availability of the data, and #D4 could be made available in the next triennium. However, it should be noted that, as the Council Working Group on Strategic Objectives has been dissolved, there are no specific target dates established for finalizing the remaining four HLIs. With regard to the development of subordinate metrics, the Air Navigation Bureau (ANB) is working closely with the Regional Offices to select top-down metrics, as intermediate outcomes, to measure performance. All ICAO regions and Planning and/or Implementation Regional Groups are committed to develop metrics for the purpose of tracking regional performance. At the time of submission of this response:</p>		

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
		<ul style="list-style-type: none"> i) metrics have been adopted by the Africa-Indian Ocean (AFI) Regional Air navigation (RAN) Meeting; ii) The North American, Central American and Caribbean (NACC) and South American (SAM) Office have developed interim metrics for some ATM performance objectives, and Contracting States in the CAR/SAM regions will be requested to submit data for these metrics through the CAR/SAM Regional Planning and Implementation Group (GREPECAS), after the delivery of workshops in those regions on the development of the performance framework; iii) a draft set of metrics for the Asia and Pacific (APAC) region has been submitted for consideration by the ASIA/PAC Air Navigation Planning and Implementation Regional Group (APANPIRG); and iv) Regional Performance workshops, which are key to the development of these metrics, have been delivered to APAC and NAM/CAR/SAM regions, and are planned for all other regions this year. 		
1.1.4	<p>Further work is needed before the operational plans can fully support the Business Plan 2007 – Paragraph 61</p> <p>ICAO should complete all operational plans for each bureau, office, and section of the Organization, to support the Business Plan and the related action plans.</p>	<p>The development of operational plans is an ongoing effort throughout the Organization. To facilitate this task and to enhance transparency, the ICAO Knowledge Shared Network (IKSN) has been developed and will be implemented in all Bureaus. The primary approach to achieving this is based on a pilot project within ANB, with a view to expansion to all technical parts of the Organization during the remainder of the year. ANB has now completed uploading its operational plans into IKSN. The Air Transport Bureau (ATB) and the Implementation, Support and Development Section (ISD) are in the process of uploading their operational plans into IKSN.</p>	Partially Implemented	December 2009

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
1.1.5	<p>The results-based budgeting process needs improvement 2007 – Paragraph 69</p> <p>ICAO should define the different roles and responsibilities of Champions versus managers of bureaus and offices for achieving results, and should ensure that its reporting and accountability properly reflect this management structure.</p>	This issue is to be addressed during the SMG workshop planned for August 2009.	Partially Implemented	August 2009
1.1.6	<p>Use of human resources is reported based on initial estimates without validation 2007 – Paragraph 74</p> <p>Given the significance of costs related to human resources, ICAO should validate the use of payroll costs charged to activities that are key to achieving strategic results.</p>	The Human Resource (HR) module of the new Enterprise Resource Planning (ERP) is designed to provide a link between resources and the Organization's objective. This will improve the level of precision and tracking of budget expenditures by results in relation to human resources and hence validate the use of payroll costs charged to strategic activities.	Partially Implemented	September 2009
1.1.7	<p>ICAO Knowledge Sharing Network (IKSN) is at an early stage of development 2007 – Paragraph 82</p> <p>Given that IKSN is critical to managing capacity in a results-based environment, ICAO should develop a project plan with specific schedules and deadlines for the implementation of IKSN</p>	ICAO established an IKSN Steering Group which developed a timeline for implementation based on the availability of resources. While the timeline was (and remains) exposed to significant risks (e.g. vacancy of key positions and use of new technology), the major milestones, including the use of IKSN provided in three briefings to the Council and Air Navigation Commission (ANC), have been delivered on time.	Partially Implemented	December 2009

2 RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2006

2.1 Follow-up on the Human Resources Management – Performance Appraisal System

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
2.1.1	<p>2006 – Paragraph 60</p> <p>A small committee with members from those working on the business planning process and</p>	Key tasks in the Performance and Competency Enhancement (PACE) reports are drawn from the operational plans of each Bureau or Section, and are	Implemented	

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
	members of the Performance Management Committee should review a sample of Part A of the PACE reports to ensure that there is a clear linkage within bureaus of key tasks to achieve stated business objectives. In the first years of implementation, it should also identify good statements of key tasks (using active verbs and specific, identifiable, and measurable outcomes) to be used as examples in training information.	therefore in line with the Business Plan of the Organization. To enhance efficiency in completing the PACE reports, training was provided on the occasion of the Full Senior Management Group (FSMG) meeting in January 2009.		
2.1.2	The Performance Management Committee should complete its work to define levels of competencies. As the same core competencies apply to almost all staff, expected performance should be commensurate with each level of staff.	Levels of competencies have been incorporated as guidelines to completing the PACE reports and in the issuance of Vacancy Announcements.	Implemented	
2.1.3	Bureau directors should ensure consistency of ratings among sections. The HRB should review a sample of completed PACE reports for consistency of ratings and provide additional feedback and guidance to managers and supervisors.	In the context of preparing a progress report on the performance appraisal process and based on a completion rate of 90.17% of the 2007 PACE reports, a greater consistency was observed in ratings provided, across the board, throughout the Organization.	Implemented	

2.2 Follow-up on the Information and Communication Technology Systems

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
2.2.1	<u>2006 – Paragraph 77</u> ICAO should finalize the organization structure for consolidating its ICT operations and take steps to implement it.	ICT submitted a consolidation plan in 2006. With the compressions in the 2008-10 triennium budget, several IT positions were abolished both inside and outside of ICT. Most remaining IT positions are consolidated under ICT with some exceptions. The allotment for outsourcing activities was increased in an effort to compensate for the abolition of posts. ICT is the designated allotment holder and is	Partially Implemented	End 2010

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
		<p>coordinating all outsourcing activities. Most IT activities are being conducted in cooperation between ICT and the end user sections. Continued effort is still needed to consolidate remaining IT activities under ICT.</p>		
2.2.2	<p>ICAO should develop a work plan to address the concerns raised in our previous report regarding risks related to security and to establish a proper security framework and a proper recovery plan for ICT operations. This plan should include a timetable for addressing our concerns expeditiously.</p>	<p>In 2007, ICT completed the recruitment of an IT Security Officer. An IT security strategy, in line with ISO 27001/27002, was developed and approved. An Information Security Policy was drafted in 2007 using the UN policy as a base. This Policy was approved by the Secretary General (SG). A vulnerability management solution to monitor ICAO's public and internal IT assets was implemented. A Policy on the Use of IT Resources has been developed by ICT and approved by the SG. ICT is currently working on Data Classification and Handling Procedures. An interactive web based Information Security Training and Awareness Program has been approved by the ICT Management Committee and will begin end of 2009. Automatic encryption of email communication between HQ and Regional Offices has been implemented. Projects to further enhance email communication security and Laptop security are ongoing. Phase I of an IT disaster recovery project is ongoing to define business driven Recovery Time Objectives and Recovery Point Objectives for critical ICT systems, data and operations.</p>	<p>Partially Implemented</p>	<p>End 2010</p>

2.3 **Update on the Modernization of the Financial Information Systems**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
2.3.1	<p data-bbox="390 337 611 362"><u>2006 – Paragraph 97</u></p> <p data-bbox="390 396 888 605">The Sponsors' Group should frequently review the progress made on the modernization project and ensure that corrective action be taken as required to keep the project on schedule and within budget. The Group should also ensure that contingency measures be considered and developed.</p>	<p data-bbox="913 337 1461 513">The project's Sponsors' Group, comprised of Directors, Deputy Directors and Chiefs of business areas affected by the implementation, meets on a bi-weekly basis to review progress with the Project Team. It also makes regular reports to the Finance Committee.</p>	Implemented	

3 **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2005**3.1 **Follow-up on External Auditor 2000 Report: Modernization of Financial Information Systems**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
3.1.1	<p data-bbox="396 912 617 937"><u>2005 – Paragraph 23</u></p> <p data-bbox="396 943 911 1027">ICAO should adapt its ICT operations to a changing environment by applying industry best practices.</p> <p data-bbox="396 1034 911 1182">a. As a starting point, ICT stakeholders should obtain Council's firm commitment to renew the ICT operations and view them as an essential element of the entire organization, not just a section or bureau issue.</p> <p data-bbox="396 1219 911 1425">b. ICAO should refer to the Joint Inspection Unit's report, Management information in the United Nations System Organizations: Management information systems, to help it implement appropriate information technology governance. The report explains the basis of good IT governance.</p>	<p data-bbox="934 1034 1467 1089">a. Although fully supported, there are still issues to be accomplished (see 2.2.1).</p> <p data-bbox="934 1219 1467 1304">b. Supported. Work has begun on updating the ICT Master Plan and JIU recommendations will be incorporated in the update.</p>	<p data-bbox="1493 1034 1650 1089">Partially Implemented</p> <p data-bbox="1493 1219 1650 1274">Partially Implemented</p>	<p data-bbox="1734 1034 1793 1058">2010</p> <p data-bbox="1703 1219 1824 1274">December 2009</p>

4 **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2004**4.1 **Attest Audit Results**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
4.1.1	<u>2004 – Paragraph 10 d)</u> Income recognition for sales of publications does not comply with United Nations System Accounting Standards (UNSAS).	It is recognized that in order to fully comply with UNSAS for sales of publications on an accrual basis, the inventory of publications held for sale would need to be recognized as an asset on the balance sheet. It was anticipated that this requirement would be met in 2008, with an IPSAS-compliant ERP application that would facilitate the valuation of inventories and the tracking of cost of production. Due to other urgent and conflicting priorities and a lack of appropriate resources, it was not possible to implement either UNSAS or IPSAS on inventories in 2008. As stipulated in the approved IPSAS Project Plan, the related IPSAS will only be fully implemented in 2010. During the remainder of 2009, the Agresso Sales Order Processing and Inventory application will be introduced which will facilitate inventory recording and control.	Partially Implemented	2010

5 **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2003**5.1 **Regional Offices with Special Reference to the Western and Central African Office (Dakar)**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected completion Date
5.1.1	<u>2003 - Paragraph 133</u> Results should be reported in the Regional Office monthly reports and in the Annual Report to the Assembly.	As a matter of clarification, major activities specific to the region are reflected in the Annual Report of the Council. These reports are presented on a triennial basis to the Assembly. The issue of monthly monitoring/reporting will be addressed during the review of the Regional Office Manual,	Partially Implemented	2010

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected completion Date
		once the WGOE and the Council have completed the Organizational Review of the Regional Programme.		

5.2 Follow-up on External Auditor 2000 Report: Human Resource Management

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
5.2.1	<u>2003 - Paragraph 82</u> ICAO should develop a shared understanding of staff competencies at the senior management level to assess whether ICAO has the right knowledge and skills needed to achieve its objectives, and if not, to develop programmes that address knowledge and skill gaps.	Senior Managers have established shared high level objectives to support their achievement of joint organizational goals.	Implemented	
5.2.2	<u>2003 - Paragraph 82</u> ICAO should devote the necessary funding to address the technical training programmes identified in a recent survey of training needs to help ensure that ICAO has the skills and competencies needed to achieve its current and future objectives.	A comprehensive training programme covering managerial, technical, administrative and IT training was launched during the first quarter of 2009 as listed on the ICAO intranet: http://secretariat.icao.int/HRB/Training/default.aspx	Implemented	

6 RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2002

6.1 Regional Offices with Special Reference to the Asia and Pacific Office (Bangkok) and the European and North Atlantic Office (Paris)

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected completion Date
6.1.1	<u>2002 - Paragraph 114</u>	ICAO has developed a Business Plan and is in the	Implemented	

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected completion Date
	The Secretary General should institute a formal annual review of plans with each Regional Office. This review should involve representatives from each Headquarters bureau and should focus on planned results and the expected costs required to achieve them. This will enable realistic priorities to be identified and agreed upon.	process of fine-tuning the performance measurement models. The ICAO Regional Directors presented the 2009 Work Programmes of their offices at the Full Senior Management Group (FSMG) Meeting held in January 2009. The Regional Office plans were reviewed to ensure that they are achievable and aligned with the priorities of the global work programme. It is expected that these reviews will be held on an annual basis. The ICAO Knowledge Shared Network (IKSN) is being progressively deployed to the Regional Offices and several of them have begun uploading their projects unto the system.		

7 RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2000

7.1 Human Resource Management

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
7.1.1	<u>2000 - Paragraph 64</u> Ensure that adequate funding is provided to improve management and recruitment practices.	The Human Resources Committee (HRC) is reviewing recruitment and general Human Resources policies.	Implemented	

7.2 Information Technology

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
7.2.1	<u>2000 - Paragraph 81</u> ICAO has attempted to renew its financial system but has made little progress, despite the acknowledged urgency of the need. The	The legacy financial system has been replaced by the Agresso ERP. The general ledger, accounts payable, accounts receivable, procurement and management of projects modules have been in use	Implemented	

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
	Organization will need funding, project leadership, and competencies in implementing modern information systems.	since January 2008. Phase II of the project, which comprises human resources/payroll, budget planner, sales of publications, fixed assets and travel is on its way to being launched in the coming months.		
7.2.2	<u>2000 - Paragraph 82</u> A change management strategy is necessary to mobilize and sustain the efforts to change to a new, modern system.	Change management has been a key consideration since the roll-out of Phase 1. The IRIS Project team is making a concerted effort to coordinate, with CRC and TCB, an action plan to deploy the Agresso system to the Regional Offices and Field Project Offices. Under the draft project charter for the Regional Office/Field Office (ROFO) Deployment, change management is highlighted as a key consideration. The project will be implemented using an incremental approach tied to adequate scoping on the basis of value and fund availability. The Pre-Planning Phase is currently underway. Contingent on the approval of the project budget, a detailed implementation schedule will be produced during the Planning Phase, which is estimated to last from July - October 2009. The Implementation Phase will tentatively commence in November 2009 and the anticipated completion date is December 2010.	Partially Implemented	December 2010

8 **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 1998**8.1 **Cash Management**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status	Expected Completion Date
8.1.1	<u>1998 - Paragraph 89</u> The accounting system be modernized in order to facilitate timely action, including payment on due dates.	The Agresso A/P application provides the necessary tools to support payment of invoices on due dates.	Implemented	

9. SUMMARY

**Summary of Recommendations from External Auditor
for the period 1998 to 2007
Status as of 31 March 2009**

Subject	Ref.	Total	Number Implemented by March 2009	% Implemented by March 2009	% Implemented by March 2008
2007					
Performance Audit: Moving to Results-Based Management	1.1	7	1		
Total		7	1	14%	n/a
2006					
Follow-up on the Human Resources Management - Performance Appraisal System	2.1	8	8		
Follow-up on the Information and Communication Technology System	2.2	3	1		
Update on the Modernization of the Financial Information System	2.3	3	3		
Total		14	12	86%	57%
2005					
Follow-up on 2000 Report: Modernization of Financial Information Systems	3.1	4	3		
Human Resource Management- Performance Appraisal Report Process	3.2	4	4		
Total		8	7	88%	75%
2004					
Attest Audit Results	4.1	4	3		
Follow-up on 2002 Report on Management of TC Projects	Reported in 2008	6	6		
Total		10	9	90%	90%
2003					
Regional Offices with Special Reference to Dakar	5.1	5	4		
Follow-up on 2000 Report: Human Resource Management	5.2	6	6		
Total		11	10	91%	73%
2002					
Regional Offices with Special Reference to Bangkok and Paris	6.1	5	5		
Total		5	5	100%	80%
2000					
Human Resource Management	7.1	4	4		
Information Technology	7.2	6	5		
Total		10	9	90%	70%
1998					
Cash Management	8.1	10	10		
Total		10	10	100%	90%

APPENDIX B

DRAFT RESOLUTIONS

Resolution 72/3

Approval of the accounts of the Organization for the financial year 2008 and examination of the Audit Reports thereon

Whereas the accounts of the Organization for the financial year 2008, the Auditor's Report and the Report of the External Auditor to the Assembly thereon, submitted by the Cour des Comptes of France - 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 Contracting States;

Whereas the Council has examined the audit reports and submitted them 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 Auditor's Report and the Report of the External Auditor on the Financial Statements for the year 2008 with related Response of the Secretary General to the Report of the External Auditor, and the report on the status of the implementation of the External Auditor's recommendations for prior years;
2. *Directs* the Council to ensure that the Secretary General takes the necessary action, as deemed appropriate, on the recommendations made by the External Auditor and reports these actions to the Council on a regular basis; and
3. *Approves* the audited accounts for the financial year 2008.

Resolution 72/4

Approval of those accounts with respect to the United Nations Development Programme activities administered by ICAO as Executing Agency for the financial year 2008 and examination of the Audit Reports on the Financial Statements of the Organization which also cover the United Nations Development Programme accounts.

Whereas those accounts showing the status of funds allocated to ICAO by the Administrator of the United Nations Development Programme and administered by ICAO as Executing Agency for the financial year 2008 as well as the Audit Reports on the financial statements of the Organization, which also cover the United Nations Development Programme accounts submitted by the Cour des Comptes of

A37-WP/54

AD/11

Appendix B

France, 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 Contracting States;

Whereas the Council has examined the Audit Reports and submitted them to the Assembly for its review and for submission to the Administrator of the United Nations Development Programme; and

Whereas the Financial Regulations and Rules of the United Nations Development Programme provide that Organizations of the United Nations system entrusted with the execution or implementation of UNDP Programme activities shall transmit, to the Administrator for submission to the Executive Board, accounts showing the status of funds allocated to them by the Administrator and that such accounts shall bear audit certificates from the External Auditors of the Organizations and shall be accompanied by their reports.

The Assembly:

1. *Notes* the Auditor's Report and the Report of the External Auditor on the Financial Statements of the Organization, which also cover those accounts relating to the United Nations Development Programme administered by ICAO as Executing Agency, for the financial year 2008;
2. *Approves* those accounts with respect to the United Nations Development Programme administered by ICAO as Executing Agency for the financial year 2008; and
3. *Directs* that the Financial Statements of the Organization, which also include accounts of the United Nations Development Programme administered by ICAO, and the Audit Reports be transmitted to the Administrator of the United Nations Development Programme for submission to the Executive Board.

— END —