



INTERNATIONAL CIVIL AVIATION ORGANIZATION

**ASSEMBLY - 35TH SESSION**

**ADMINISTRATIVE COMMISSION**

**Agenda Item 42: Review of expenditures, approval of accounts and examination of Audit Reports for the financial years 2001, 2002 and 2003**

**FINANCIAL YEAR 2001**

**SUMMARY**

This paper presents the accounts of the Organization for the financial year 2001 and the Report of the External Auditor. Draft resolutions appear in Appendix A. The Financial Statements and the Report of the External Auditor appear in Document 9825, being issued concurrently.

Action by the Assembly is in paragraphs 1.8 and 3.4.

**1. REGULAR PROGRAMME ACTIVITIES OF ICAO**

1.1 The 32nd Session of the Assembly approved a Total Authorized Appropriation of \$ 55 174 000 for the financial year 2001 (Resolution A32-24). Pursuant to Financial Regulation 5.2 c), the Council approved additional appropriations totalling \$ 909 000 as detailed in Appendix C to this paper. Pursuant to Financial Regulation 5.6, the Council approved the carry-over to the year 2001 of the balance of unobligated appropriation of \$ 4 081 000. Thus, the total available appropriation in 2001 amounted to \$ 60 164 000.

1.1.1 In February 2001, the Council (C-DEC 162/1) noted that the Organization's financial situation was stable and was expected to remain so for the balance of the year. As the financial year progressed, the financial situation remained sound.

1.1.2 With respect to the appropriations for 2001, the Council, pursuant to Financial Regulation 5.10, approved the transfer of \$ 77 000 from Major Programme: Administrative Support to Major Programmes: Air Transport \$ 25 000 and Legal \$ 52 000 (C-DEC 164/8).

1.1.3 Pursuant to Financial Regulation 5.11, the Council approved the transfer of unobligated appropriation of the Universal Safety Oversight Audit Programme (USOAP) to the year 2002 of \$ 280 000 to Major Programme: Continuation of the ICAO Universal Safety Oversight Audit Programme (C-DEC 165/4) as presented in Appendix C.

1.1.4 Pursuant to Assembly Resolution A33-24, the balance of unobligated appropriations including supplementary appropriations related to the Council's authority under Financial Regulation 5.2 at 31 December 2001 is to be used to fund improvements in information and communication technology. A balance of \$ 2 834 058 was transferred to the Information and Communication Technology (ICT) Fund for ICAO as presented in footnote 4 of Appendix C.

1.1.5 With regard to its examination of the Financial Statements and Report of the External Auditor, the Council noted that the External Auditor was of the opinion that the Financial Statements presented fairly, in all material respects, the financial position of the Organization as at 31 December 2001 and the results of its operations, and that the transactions of the Organization that came to her notice during her audit of the financial statements had, in all significant respects, been in accordance with the Organization's Financial Regulations and legislative authority. In completing its examination, full consideration was given by the Council to the observations of the External Auditor in her reports and the comments of the Secretary General.

1.1.6 In reviewing the External Auditor's Report for the financial year 1989, the 28th Session (Extraordinary) of the Assembly agreed (A28-WP/23, P/7) that in the future the Council should include in its report the action that the Secretary General intends to take in response to substantive recommendations in the Report of the External Auditor. Accordingly, Appendix B to this paper provides details of such action.

## 1.2 **Forward purchase of currency**

1.2.1 In order to insulate ICAO from the risks inherent in a situation where contributions are assessed in United States dollars while a large proportion of expenditures are in Canadian dollars, and taking advantage of the interest rate differential between the two currencies, Canadian dollars were forward purchased. This resulted in freezing the United States dollar equivalent of Canadian expenditures below the budgeted amount.

1.2.2 According to the forward purchase contracts, \$ 44 695 000 Canadian dollars were received in 2001 at an actual cost of U.S.\$ 29 607 338 (Can.\$ 1.51 for US\$ 1.00 on average) as compared to the budgeted cost of U.S.\$ 29 796 667 (Can.\$ 1.50 for US\$ 1.00). Consequently, the aim of stabilizing the Canadian dollar-related expenditures to a level within the budget was achieved.

## 1.3 **Budgetary position in 2001**

1.3.1 The budgetary position for 2001 is presented in Appendix C.

1.3.2 Appendix C compares actual expenditure at the budget rate (for the Canadian dollar) under each major programme with the respective approved appropriation. Expenditure of \$ 57 228 998 and transfer of \$ 280 000 relates to the appropriation made available of \$ 60 164 328.

## 1.4 **Increase in appropriations**

1.4.1 The Assembly, during its 32nd Session, adopted Resolution A32-29 amending Financial Regulation 5.2 c) effective 1 January 1998 for a three-year trial basis, according to which the Organization may take advantage of any excess of actual miscellaneous income over the budgeted one to finance expenses directly related to the sources of such additional miscellaneous income and expenditure on new and unforeseen projects related to aviation safety and/or to the enhancement of the efficient delivery of ICAO programmes.

1.4.1.1 The Council, pursuant to Financial Regulation 5.2 c), approved an increase in appropriation of up to \$ 940 000 for the year 2001, of which \$ 909 000 was actually appropriated as indicated in the following table.

**Increases in the 2001 appropriation pursuant to Financial Regulation 5.2 c)**

Council Decision	Major Programme	Increase (US\$)	Description
C 163/4	Legal	202 000	ICAO cost of the Diplomatic Conference
C 162/12	Universal Safety Oversight Audit Programme	476 000	Implementation of ICAO Universal Safety Oversight Audit Programme
C 161/18	Universal Safety Oversight Audit Programme	231 000	Analysis of findings and outcome of safety oversight audits
	<b>Total</b>	<b>909 000</b>	

**1.5 Meetings**

1.5.1 The approved budget for meetings for 2001 was \$ 1 278 000 including an amount of \$ 140 000 carried-over from 2000 and an increase in appropriation of \$ 202 000 for the Diplomatic Conference. Expenditures, based on the budget rate of Can.\$ 1.50 to US\$ 1.00, amounted to \$ 973 816. The balance of \$ 304 184 resulted partly from the cancellation of the Special Regional Air Navigation meeting, FAL meetings and savings in certain regional meetings. A detailed statement of expenditure in respect of meetings is shown in Appendix D.

**1.6 Miscellaneous income**

1.6.1 Total Miscellaneous Income realized in 2001 amounted to \$ 5 870 421 or \$ 2 153 421 in excess of the estimated amount of \$ 3 717 000 approved by the 32nd Session of the Assembly. This increase resulted primarily from higher interest income and sales of publications. Pursuant to Assembly Resolution A33-24, an amount of \$ 736 439, representing interest on the General Fund in excess to the amounts included in the budget under miscellaneous income, was transferred to the ICT Fund.

**1.7 Financial Statements and Report of the External Auditor - Council's Comments**

1.7.1 On 10 June 2002 (C166/10), the Council reviewed the Report of the Finance Committee on its examination of the Financial Statements for the year 2001 and the Report of the External Auditor (appearing in Document 9825). It was agreed to transmit this material and to recommend action as indicated below.

1.8 **Action by the Assembly**

1.8.1 The accounts for the financial year 2001 and the Report of the External Auditor thereon are submitted to the Assembly in accordance with the Financial Regulations.

1.8.2 The Council:

- a) invites the Assembly to note the Report of the External Auditor relating to the 2001 accounts and the comments by the Secretary General in response to the recommendations in the Audit Report (Appendix B to this paper refers); and
- b) recommends that the Assembly approve the audited accounts of the Organization. A draft resolution to this effect is given in Appendix A to this paper.

2. **ADMINISTRATIVE AND OPERATIONAL SERVICES COST (AOSC)**

2.1 Appendix E presents for the information of the Assembly a Statement of Approved Budget, Expenditure and Unencumbered Balance of Approved Budget for the 2001 Technical Co-operation Administrative and Operational Services Cost (AOSC), relating to the 2001 AOSC Budget Estimates as approved by the Council (C-DEC 161/11).

3. **UNITED NATIONS DEVELOPMENT PROGRAMME ACTIVITIES OF ICAO**

3.1 For the year ended 31 December 2001, the total expenditures incurred in respect of the United Nations Development Programme (UNDP) administered by ICAO amounted to \$ 52 767 928. Of this amount, \$ 50 413 117 was financed from Government funds under the Governments' cost sharing arrangements and the remainder of \$ 2 354 811 was financed from UNDP funds.

3.2 The Financial Regulations and Rules of the United Nations Development Programme provide that executing agencies, which are organizations of the United Nations system, transmit the accounts showing the status of funds allocated to them by the Administrator and the Report of the External Auditor to the Administrator of UNDP for submission to the Executive Board.

3.3 Those accounts for 2001 in respect of the UNDP Programme administered by ICAO are submitted for approval by the Assembly and for subsequent submission to the Administrator of the United Nations Development Programme, together with the Report of the External Auditor on the financial statements of the Organization. Those accounts and the Report have been examined by the Council and are submitted to the Assembly without comment.

3.4 **Action by the Assembly**

3.4.1 The Council recommends that the Assembly approve the accounts showing the status of funds allocated to ICAO by the Administrator of the United Nations Development Programme for the year 2001, note the Report of the External Auditor on the financial statements of the Organization and direct the submission of the Report and the Accounts to the Administrator of the United Nations Development Programme. A draft resolution to this effect is given in Appendix A to this paper.

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**APPENDIX A**  
**DRAFT RESOLUTIONS**

**Resolution 42/...**

**Approval of the accounts of the Organization for the financial year 2001 and examination of the Audit Report thereon**

*Whereas* the accounts of the Organization for the financial year 2001 and the Audit Report thereon, submitted by the Auditor General of Canada - 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 Report and submitted it 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 notes* the Report of the External Auditor on the audited accounts for the financial year 2001 and the comments by the Secretary General in response to the recommendations in the Audit Report.

*The Assembly approves* the audited accounts for the financial year 2001.

**Resolution 42/...**

**Approval of those accounts with respect to the United Nations Development Programme activities administered by ICAO as Executing Agency for the financial year 2001 and examination of the Audit Report on the financial statements of the Organization which also covers 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 2001 as well as the Audit Report on the financial statements of the Organization which also covers the United Nations Development Programme accounts submitted by the Auditor General of Canada, 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 Report and submitted it 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 Report of the External Auditor on the financial statements of the Organization which also covers those accounts relating to the United Nations Development Programme administered by ICAO as Executing Agency for the financial year 2001 and the comments by the Secretary General in response to the recommendations in the Audit Report;

2. *Approves* those accounts with respect to the United Nations Development Programme administered by ICAO as Executing Agency for the financial year 2001; 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 Report be transmitted to the Administrator of the United Nations Development Programme for submission to the Executive Board.

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## APPENDIX B

### COMMENTS BY THE SECRETARY GENERAL ON THE REPORT OF THE EXTERNAL AUDITOR

1. At the 28<sup>th</sup> Session of the Assembly it was agreed that in future the Council should include in its report, the action that the Secretary General intends to take in response to substantive recommendations in the Report of the External Auditor. This appendix presents the comments and the action contemplated by the Secretary General in response to the External Auditor's report for 2001 contained in Addendum No. 1.

2. The following comments are presented in the same order as that of the External Auditor's report.

#### 3. FINANCIAL STATEMENTS AND AUDIT OPINION (paragraphs 8 to 18)

3.1 Paragraph 11 notes that \$2.3 million was received from the group of Contracting States that had agreements with the Council, yet 24 out of 36 of these Contracting States had not met their obligations for the year 2001. It should be noted that the majority of States with agreements paid the amounts owing on their agreements in order to re-instate their voting rights prior to the 33<sup>rd</sup> Session of the Assembly, and, as it was not mandatory to pay the 2001 instalments and assessments in order to re-instate the voting rights, many States did not pay these during the year.

3.2 Whilst the collection of contributions in arrears lags, the improvements in the collection of current year assessments achieved in 1998, 1999 and 2000 continued to be maintained in 2001 as noted in paragraph 5.1 of my Foreword to the financial statements, with receipts as a percentage of contributions exceeding 93 % in all four years. Collection efforts continue and receipts of \$ 601 689 were recorded in the first 4 months of 2002 relating to amounts owed for 2001 and prior years.

3.3 As indicated in Paragraph 13, the disclosure of liabilities for after-service medical benefits has been provided following an actuarial calculation; the Organization will consider the estimated cost of Regular Programme and AOSC funded staff in the next actuarial evaluation. Currently, the Regular Programme assumes the cost for after-service medical benefits of all staff, including the AOSC staff. In view of the accumulated surplus of approximately \$8.2 million under the AOSC Fund, consideration could be given to charging the AOSC Fund with the cost of the after-service medical benefits of AOSC staff.

3.4 Paragraph 14 refers to a case of non-compliance with ICAO's Procurement Code and where ICAO's financial procedures were not applied. In addition to the corrective measures mentioned in the report which were taken by TCB and FIN, it should be stressed that both the extension for the remainder of year 2001 and the renewal for the year 2002 of the said contract were done after obtaining the timely authorization from Headquarters.

3.5 Paragraphs 15 and 16 refer to a situation where ICAO financial procedures were not followed in case of a Civil Aviation Purchasing Service Fund. In this regard, the following comments are provided.

3.6 Paragraph 15. The contract/purchase order referred to in this paragraph is for a very large amount and involves several payments to the supplier in accordance with scheduled delivery, with the first payment of \$7.2 million to be paid after signing the contract. The funds for this payment were deposited in ICAO's account prior to the signature of the contract. In addition, the government concerned confirmed in writing that funds to cover the total amount of the contract are earmarked and will be deposited in ICAO's account as needed. Furthermore, directives were issued in line with paragraph 1.4.6 of the ICAO Financial Procedures Manual which refers to the Civil Aviation Purchasing Service (CAPS) and states that "the government/administration/agency, which registers with and agrees to participate in CAPS, undertakes to ensure that adequate convertible funds are on deposit with ICAO to cover equipment requisitions submitted and to deposit, without undue delay, any additional amount which may be required, whenever advised by ICAO that the funds on deposit are insufficient to cover the proposed purchases". These provisions ensure that adequate funds are deposited in ICAO's account to meet the Organization's requirements. However, in order to cover situations cited by the External Auditor, paragraph 1.4.6 of the ICAO Financial Procedures Manual will be reviewed to ensure that the Organization is protected financially when dealing with large procurements executed in multiple years.

3.7 Paragraph 16. Cooperation and coordination between the Legal Bureau (LEB) and the Technical Co-operation Bureau is a matter of priority and importance. For the contract referred to in this paragraph, TCB requested LEB's review and advice, which was applied in the final draft of the contract. TCB considered it necessary to delete one sentence in a specific paragraph. TCB believed by removing the sentence, the paragraph would no longer be restricted to one aspect of weakness but would widen the protection for ICAO enabling the Organization to terminate the contract for any legitimate reasons rather than for only one reason related to the delay in depositing of funds. In addition, this change eliminated the need to purchase insurance coverage for the amount of US\$ 1 million. The change had to be applied before signing the contract in the offices of the government department in the recipient country, and there was no time to seek LEB's views before signing of the contract. However, in future, TCB would ensure that further timely consultation with LEB would take place before the signing of contracts.

3.8 Paragraph 17, which refers to Note 3 to the Trust Funds and Management Service Agreements and the Civil Aviation Purchasing Services (CAPS) Funds, correctly reflects recent developments with respect to the mediation. As indicated in Note 3 to last year's financial statements, ICAO has obtained the reimbursement of \$ 430 437 on 5 January 2001 relating to arbitration costs incurred on behalf of a government. Efforts continue to follow up on the matter.

#### **4. MANAGEMENT SERVICE AGREEMENT PROJECTS (paragraphs 19 to 38)**

4.1 Paragraphs 19 and 20. These paragraphs give a misleading impression that the Management Service Agreement (MSA), as a methodology and means to provide technical cooperation, was audited. The audit involved specifically 3 projects from one region; two were already audited by EAO and the third was audited by EAO and the External Auditors themselves in the year 2000.

4.2 Paragraph 24. The term "extra-budgetary resources" used in this paragraph could give the wrong impression that MSA projects are funded from extra-budgetary resources of ICAO. It has been long established that ICAO does not provide extra-budgetary resources for its technical cooperation projects.



4.3 Paragraph 26. Similar to all United Nations Organizations, ICAO does not apply its Field Service Staff Rules on local personnel. As a matter of fact, this aspect was realized by UNDP, which is the most involved in local personnel, and established in Section 6.4.2 (Personnel) of Chapter 6 of UNDP Programming Manual dated December 2000, that "The UNDP country office must take all reasonable steps to ensure that the Labour Laws and Regulations of the country programme are respected. This applies irrespective of the management arrangements." Since labour laws are different from country to country, it is not feasible to establish one set of rules and regulations to be applied on all local personnel of ICAO projects, whether they are MSA or other types (local personnel are not restricted to MSA projects). Instead, TCB will develop guidelines and procedures for the drafting of local personnel contracts taking into consideration the practices followed by other UN agencies, particularly UNDP.

4.4 Paragraph 28. The project that was audited includes a large number of Government staff that were transferred to the project under established contracts to become project local staff working full time for the project for specific compensation. However, there are still other Government staff that perform individual tasks for the project and get compensation for them. All these payments were authorized and requested by the Government through the National Project Coordinator (Head of Mission). Nonetheless, measures have already been taken to formalize the services of all Government staff and their compensation under local personnel contracts.

4.5 Paragraph 29. ICAO relevant manuals were strictly applied on international project personnel and local labour laws are applied on local project personnel, as per Government instructions.

4.6 Paragraphs 32 and 33. Since local staff are supervised by and report directly to the local Civil Aviation Authority, ICAO runs almost no risks for their performance and conduct. As a matter of fact, TCB has had to deal with few performance and complaints problems with respect to international project staff, including those on UNDP projects, while there have to date been no reported problems with any of the local staff hired by the Government. However, TCB will request information from UNDP and other UN organizations on this subject.

4.7 Paragraph 34. ICAO, through the Project Coordinator, ensures that no discriminatory policies are practiced and that equal opportunity is taken into account in the recruitment of local personnel. However, TCB will request information from UNDP and other UN organizations on this subject.

4.8 Paragraph 35. TCB has one Standard MSA that we present to States requesting technical cooperation MSA projects. This standard MSA has already been reviewed by LEB, FIN and PBU. When this MSA is accepted without modification it is signed without going back to LEB or FIN. If a modification was insisted upon, be it by the Government or by other funding parties, then in all such cases the MSA is forwarded to LEB and FIN for their review and comments. From our experience, we have many documented cases in which agreement could not be reached between the requirement of the Government and/or the funding institution and the opinion expressed by LEB and/or FIN. In such cases, TCB either refused to take the project or referred the matter to the President of the Council and the Secretary General who have the final decision.

## 5. REGIONAL OFFICES (paragraphs 39 to 72)

### 5.1 Formal review of Regional Offices plans (Paragraph 72 - Recommendation 1)

The Secretary General supports the recommendations of the External Auditor for establishing and reviewing a regional office plan for each of the seven regional offices within the strategic framework with clear priorities. Given the need to continue implementing much of the existing programmes, while at the same

time catering to increasing demands for new programmes within the constraints of a zero growth budget environment, it proved to be difficult for the Secretariat to implement the said recommendation in full. Nevertheless, considerable progress has been made in the last triennium in developing a draft business plan for the Paris Regional Office, with an intent to extend the same to other regional offices after the work on this draft plan is completed.

## **5.2 Better reporting from Regional Offices needed (Paragraph 72 - Recommendation 2)**

In relation to external audit's recommendation for a better reporting method from regional offices, it is hoped that the strategic priorities which would be established in the proposed business plan of the regional offices would provide clear directions for the preparation and reporting of the results, the resource costs and the variance from plans for all the regional activities. This would allow to monitor the performance and make conscious decisions in approving the final programme and budget for the regional offices. In order to further enhance and strengthen the reporting methods of regional offices, the Secretary General intends to provide detailed guidelines to Regional Directors on regular reviews of their respective programme implementation and performance against established objectives in each of the regional offices.

## **6. FOLLOW-UP ON 1999 REPORT**

### **6.1 The ICAO Universal Safety Oversight Audit Programme (USOAP) (paragraphs 73 to 127)**

The follow-up report of the 1999 External Auditor Report on the ICAO Universal Safety Oversight Audit Programme reveals that the mandate given to the Safety Oversight Audit Section (SOA) for conducting audits in 1999 - 2001 was successfully met, with a total of 183 audits completed (including 178 Contracting States and five territories), leaving only nine Contracting States to be audited as soon as conditions in those States permit. The external audit follow-up report notes that there has been a very good outcome of the audit process in terms of the identification of safety concerns and the need for providing assistance to States to resolve them. In addition, the follow-up report confirms that significant progress has been made both in terms of further developments regarding the Programme and in the implementation of the 1999 External Auditor's recommendations.

While noting the overall success and achievements of the USOAP, the External Auditor's follow-up report also identifies a number of challenges on hand that will need to be addressed in order for the Programme to successfully and cost-effectively implement its plans with regard to safety oversight as well as the provision of quality assurance (paragraphs 89 to 96 refer).

- a) With respect to the vulnerability of the Audit Findings and Differences Database (AFDD), the Secretariat recognizes the need for appropriate resources to be made available to maintain the system and to provide adequate backup of programming needs. The functions of the AFDD will continue to be a key element of the Programme, particularly as the USOAP expands to other areas of audit, and will need to be supported accordingly beyond 2002.
- b) With the expansion of the USOAP, it is intended that an integrated approach will be taken to all audit activities. In addition and in line with recent Council decisions, SOA is currently undergoing the process of ISO 9001-2000 certification which will provide an internal quality management system for the regular monitoring and

evaluation of the Programme and will assist in ensuring the quality and standardization of auditing processes and procedures. Certification is expected by July 2002.

- c) Regarding the resources required for the long-term sustainability of the USOAP, it is to be noted that funding for the Programme, including preparatory work for the expansion of the Programme to Annex 11 — Air Traffic Services, Annex 14 — Aerodromes, and Annex 13 — Aircraft Accident and Incident Investigation, has been provided for in the budget of the current triennium (2002 to 2004). Provision for the long-term sustainability of the Programme will need to be made in upcoming budget exercises.
  - d) As a way of continuously improving the effectiveness of the Programme, SOA requests all audited States to complete an audit or audit follow-up feedback form which solicits comments from the audited State on all aspects of the audit process. The relevant form and confidential pre-addressed envelope is provided at the post-audit briefing meeting and is to be sent by the State directly to the Director of the Air Navigation Bureau. However, to date only approximately fifty percent of audited States have completed and returned the feedback form to ICAO. In order to encourage States to provide ICAO with more feedback, SOA will again hand-deliver the forms established for this purpose during audit and audit follow-up missions and highlight the importance of providing feedback to ICAO. In addition, the forms are now posted on the ICAO website accessible to States, and States are requested to download the form, complete it and forward it to ICAO. In the near future, it is intended to enable States to fill out the form directly on the website and submit it to ICAO in electronic format.
  - e) The role and responsibilities of SOA as an auditing section has been well-defined in order to avoid the perception of any conflict of interest and this will continue to be evaluated with the establishment of IFFAS and its contribution toward technical co-operation projects.
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APPENDIX C

APPENDIX C  
STATEMENT OF APPROPRIATIONS AND EXPENDITURE  
BY MAJOR PROGRAMME - 2001  
(in United States dollars)

	(1) 2001 Approved Appropriation <sup>1</sup> (Res. A32-24, C 161/17, C 161/18, C 162/12, C 163/4)	(2) Transfer between Major Programmes (Fin. Reg. 5.10) (C 164/8)	(3) Transfer to 2002 <sup>2</sup> (Fin. Reg. 5.11) (C 165/4)	(4) Total (Adjusted) Appropriations (1) + (2) - (3)	(5) Expenditure at Budget Rate <sup>3</sup>	(6) Unobligated Balance at 31 December 2001 <sup>4</sup> (4) - (5)
<b>Major Programmes</b>						
I. General Policy and Direction	1,601,420	-	-	1,601,420	1,514,024	87,396
II. Air Navigation	8,206,875	-	-	8,206,875	7,993,849	213,026
III. Air Transport	5,124,600	25,000	-	5,149,600	5,046,466	103,134
IV. Legal	948,500	52,000	-	1,000,500	995,761	4,739
V. Regional and Other Programmes	19,759,700	-	-	19,759,700	15,291,654	4,468,046
VI. Administrative Support	22,385,524	(77,000)	-	22,308,524	21,394,379	914,145
VII. Finance, External Relations/ Public Information and Programmes						
Evaluation, Audit and Management Review	3,418,500	-	-	3,418,500	3,028,546	389,954
<b>Total</b>	61,445,119	0	0	61,445,119	55,264,679	6,180,440
<b>Reduction Factors:</b>						
Vacancy Rates	(3,622,000)	-	-	(3,622,000)	-	(3,622,000)
Meetings	(104,000)	-	-	(104,000)	-	(104,000)
<b>Total</b>	57,719,119	0	0	57,719,119	55,264,679	2,454,440
IX. Universal Safety Oversight Audit Programme to be Funded by Cash Surplus	2,445,209	-	280,000	2,165,209	1,964,319	200,890
<b>Total</b>	60,164,328	0	280,000	59,884,328	57,228,998	2,655,330
VIII. Miscellaneous Income	Approved Estimate				Actual Receipts	
	3,717,000				5,870,421	

1 Includes the increase in appropriation of \$ 909,000; \$ 202,000 under Legal, and \$ 707,000 under Universal Safety Oversight Audit Programme as well as the carry-over from 2000 of \$ 4,081,000.  
2 Pursuant to Financial Regulation 5.11, the Council approved the transfer to 2002 of \$ 280,000 under Major Programme: Universal Safety Oversight Audit Programme.  
3 Expenditure in Canadian dollars is reflected at the budget rate of CAN \$ 1.50 to US \$ 1.00.  
4 Transferred to ICT Fund (A33-24) including exchange adjustment of \$ 178,728 for a total of \$ 2,834,058.

APPENDIX D

APPENDIX D  
MEETINGS 2001  
STATEMENT OF EXPENDITURE (\*)  
(in United States dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Site	Budget (**)	Total Expenditure	Temporary Assistance, Salaries, Per Diem and Travel	ICAO Staff Travel and Per Diem	Overtime	All Other Costs
<b>MAJOR PROGRAMME I - GENERAL POLICY AND DIRECTION</b> Assembly - 33rd Session						
Montreal	448,200	435,287	319,089	-	80,905	35,293
<b>MAJOR PROGRAMME II - AIR NAVIGATION</b>						
Panel Meetings: - DGP/18 - CAEP/5	109,900	3,463 10,546 1,302 4,120	1,442 612	-	1,886 8,769 1,302 109	135 1,165
Council Committee: ALLPIRG/4 SADISOPSG/6				4,011		
<b>MAJOR PROGRAMME III - AIR TRANSPORT</b>						
Panel Meetings: - FALP/3 AVSEC Panel Meetings: - AVSEC/11 - AVSEC/12		2,106 2,225 11,706 10,994 5,850 10,816 75	- 9,985 4,230 3,269	- 10,994 1,128 7,026	1,970 2,132 1,660	136 93 61
AVSEC FAL Seminar Workshops: - STA - FEPW - RPW - WARFM - WARFM - Seminar on AT Regulatory Policy	166,500	7,386 9,044 8,113 5,473 7,776 5,898 6,904	2,353 4,938 300	4,679 4,106 7,813 5,473 7,467 5,898	75	354
Seminar: MER TFG AFI TFG APA TFG Environmental Colloquium					2,667	1,952
<b>MAJOR PROGRAMME IV - LEGAL</b>						
Legal Seminar Diplomatic Conference SGW/1/1	219,100	9,257 201,698 5,824	- 162,004 5,570	6,786	- 28,614 254	2,471 11,080
<b>MAJOR PROGRAMME V - REGIONAL AND OTHER PROGRAMMES</b>						
Planning Groups: - NAT SPG/37 - EANPG/43 - AAI/AAATF/7 - APANPIRG/12 - AT/SAIS/ARS/SG/11 - CNS/MET SG/5 - CNS/ATM/IC/SG/8 - MIDANPIRG AFS/ATN TF/7 - AOP SG/2 - COM/MET SG/4 - ATM/SAR/AIS SG - CNS/ATM/IC/SG/1 - GREPECAS AERMETS/SG/5 - GREPECAS AGA/AOP/SG/1 - GREPECAS ATM/CNS/SG/1		533 10,116 3,043 7,203 351 671 272 598 1,642 579 570 7,116 5,005 17,373	- 7,476	- 2,049 3,043 5,958	442 456 1,245 351 272 156 18 92 137 161 200 211	91 135

(\*) Expenditure in Canadian dollars is reflected at the budget rate of Can. \$1.50 to U.S. \$1.00  
(\*\*) After reduction factor, includes the carried-over amount of \$140,000 from 2000 to 2001 (C-DEC161/17) and the increase in appropriations of \$202,000 pursuant to Financial Regulation 5.2c) (C-DEC163/4)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Site	Budget (**)	Total Expenditure	Temporary Assistance, Salaries, Per Diem and Travel	ICAO Staff Travel and Per Diem	Overtime	All Other Costs
Canary Islands		18,940	-	16,332	1,140	1,468
Sal		30,108	2,306	24,787	1,768	1,247
Gigiri		5,376	4,358	-	-	1,018
Paris		2,598	2,598	-	-	-
Yaounde		769	-	769	-	-
Dakar		1,723	1,530	-	72	121
Paris		3,014	2,922	-	92	-
Athens		4,400	1,764	2,636	-	-
Paris		3,374	3,374	-	-	-
Paris		642	-	-	558	84
Brisbane		4,471	-	4,471	-	-
Singapore		3,580	-	3,528	52	-
Bangkok		71	-	-	71	-
Bangkok		160	-	-	160	-
Bangkok		160	-	-	160	-
Bangkok		19	-	-	19	-
Bangkok		106	-	-	106	-
Delhi		1,874	-	1,874	-	-
Denpasar		1,573	-	1,573	-	-
Bangkok		258	-	-	258	-
Cairo		285	-	-	21	264
Bangkok		1,056	-	1,056	-	-
Cairo		703	-	-	98	605
Dubai		672	-	603	44	25
Cairo		591	-	-	162	429
Mexico		7,191	6,991	-	200	-
Mexico		2,677	-	2,677	-	-
Grenada		4,393	-	4,393	-	-
Montego Bay		6,295	-	6,295	-	-
Mexico		5,328	-	5,328	-	-
Lima		1,420	1,420	-	-	-
Cayenne		3,379	-	3,379	-	-
Salvador		883	-	883	-	-
Bogota		995	-	995	-	-
Nairobi		2,481	2,179	-	21	281
Nairobi		2,793	2,278	-	-	515
Nairobi		1,056	1,056	-	-	-
Yaounde		1,799	-	1,799	-	-
Douala		4,249	4,249	-	-	-
Douala		600	600	-	-	-
Kuala Lumpur		823	-	772	51	-
Bangkok		291	-	-	291	-
Cairo		364	-	-	15	349
Cairo		650	-	650	-	-
Dubai		1,219	-	955	239	25
Miami		5,206	-	5,006	200	-
Sta. Cruz		2,198	-	2,198	-	-
Rio de Janeiro		1,811	-	1,811	-	-
Bogota		1,281	1,281	-	-	-
Nairobi		6,603	5,800	-	-	803
		973,816	568,259	201,499	140,553	63,505
		1,278,000				

(\*\*) After reduction factor, includes the carried-over amount of \$140,000 from 2000 to 2001 (C-DEC161/17) and the increase in appropriations of \$202,000 pursuant to Financial Regulation 5.2c) (C-DEC163/4)

**APPENDIX E**

**TECHNICAL CO-OPERATION ADMINISTRATIVE AND  
OPERATIONAL SERVICES COST STATEMENT OF APPROVED  
BUDGET, EXPENDITURE AND UNENCUMBERED BALANCE OF  
APPROVED BUDGET (2001)**  
(in United States dollars)

	Approved Budget 2001 <sup>1</sup>	2001 Expenditure	Unencumbered Balance of Approved Budget
Major Programme X	<u>4 622 000</u>	<u>4 628 178</u>	<u>(6 178)</u>
Balance of surplus from 1999 <sup>2</sup>	254 960		
Surplus from 2000 <sup>2</sup>	<u>195 116</u>		
	<u>450 076</u>	<u>144 875</u>	<u>305 201</u>
	<u>5 072 076</u>	<u>4 773 053</u>	<u>299 023</u>
Income		<u>6 165 767</u>	
Excess of Income over Expenditure and Surplus for the Year		<u>1 392 714</u>	

<sup>1</sup> Amount of \$ 4 622 000 approved by Council at its 161<sup>st</sup> Session (C-DEC 161/11).

<sup>2</sup> Represents 20% of the surplus for the year for the improvement of the Bureau's efficiency and effectiveness (C-DEC 155/7).

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