



国际民用航空组织

A35-WP/30
AD/12
23/7/04

工作文件

大会第 35 届会议

行政委员会

议程项目 42: 审议 2001 年、2002 年和 2003 年财政年度的支出、核准账目并审查审计报告

2003 年财政年度财务报表和外部审计员报告

摘要

本文件介绍载于 9834 号文件中的本组织 2003 年财政年度财务报表及其外部审计员报告。供大会审议的决议草案见附录 F。

大会的行动在第 6 段。

1. 国际民航组织的经常方案活动

1.1 拨款

1.1.1 大会第 33 届会议批准的 2003 年财政年度经常方案活动核准拨款总额为 57 584 000 美元（第 A33-23 号决议），其中包括由现金结余供资、用于继续进行普遍安全监督审计计划剩余部分的 1 052 000 美元。

1.1.2 根据《财务规定》第 5.6 款，理事会批准从 2002 年财政年度向 2003 年财政年度结转 3 355 466 美元的未承付拨款（C-DEC 167/9 和 C-DEC 169/12）。

1.1.3 全年中，理事会根据《财务规定》第 5.10 款，批准从主要方案财政、对外关系/新闻和方案评估、审计和管理审查中，总共转出 440 000 美元的拨款（C-DEC 170/11），其中，拨给主要方案一般政策和指导 48 000 美元；法律 87 000 美元；地区和其他方案 17 000 美元；和行政支助 288 000 美元。

1.1.4 同年，秘书长根据《财务规定》第 5.10 款，批准从主要方案地区和其他方案向主要方案航空运输转拨 111 000 美元；另从主要方案行政支助向主要方案地区和其他方案转拨 102 000 美元。

1.1.5 根据《财务规定》第 5.6 款，理事会批准从 2003 年财政年度向 2004 年财政年度结转总计为 2 524 077 美元的未承付拨款（C-DEC 170/11）。

1.1.6 由于上述增拨和转拨的结果，全年最终核准拨款额达到 58 415 389 美元。有关此类变动的详情，见本文件附录 A。

1.2 实际支出与预算的比较

1.2.1 如附录 A 所示，较之最终批准的预算，全年实际支出为 58 170 721 美元。对以加元以外的货币产生的支出，按联合国业务汇率出账。对以加元产生的支出，则按 1.54 加元兑换 1.00 美元的预算汇率出账。相比之下，财务报表中报告的支出额为 58 363 096 美元。之所以有此差异，是因为如下文第 1.4 段所述，且按照本组织的会计政策，财务报表对加元支出是按远期汇率出账的。有关实际支出与最终批准的预算按主要方案逐一比较的情况，详见附录 A。

1.3 会议支出

1.3.1 2003 年批准的会议预算为 738 000 美元。此外，2002 年包括语文服务专用款在内的未用会议拨款 991 000 美元，也结转到 2003 年使用。如附录 B 所示，2003 年的实际会议开支为 736 133 美元。会议支出减少，主要是由于两个大型会议延期举行。

1.4 货币的远期购买

1.4.1 国际民航组织的预算拨款，以及作为拨款资金来源向缔约国分摊的会费，都是按美元批准的，而其大量的开支，则是以加元产生或受到加元的影响。2002 年至 2004 年三年期的预算和分摊的会费均按 1.54 加元兑换 1.00 美元的汇率确定。为了尽量降低风险，保证预算不受潜在汇率波动的影响，经理事会批准后对加元实行远期购买。

1.4.2 2002 年至 2004 年三年期内，国际民航组织通过缔结期货购买合同买进 151 212 000 加元，平均汇率为 1.556 加元兑 1.00 美元。2003 年，实支 32 304 730 美元，实收 50 281 000 加元。实现了将加元相关支出稳定在预算内水平的目标。

1.5 杂项收入

1.5.1 2003 年实现的杂项收入总计 5 766 964 美元，比预算中估计的 4 454 000 美元超出 1 312 964 美元。这一增长主要来自出版物销量的增加。

2. 技术合作方案的行政和业务服务费用

2.1 经大会批准，2003 年财政年度技术合作方案行政和业务服务费用（AOSC）的指示性概算（支出）为 4 376 000 美元。同年，AOSC 收入估计为 4 090 000 美元。全年中，理事会根据《财务规定》第 9.5 款，将 2003 年的概算修订为 5 579 000 美元（C-DEC 170/8），同时将估计收入修订为 5 723 000 美元。

2.2 2003 年 AOSC 的实际支出和收入分别为 5 387 851 美元和 5 503 763 美元，全年净收入 115 912 美元。支出中包括一个 544 717 美元的非常项，是越南政府根据关于在越南的一个 CAPS 项目的清偿协议，归还欠款中的短缺部分引起的，此案自 1992 年以来一直处于仲裁中。有关 AOSC 指示性概算与实际收支比较的详情，见附录 C。

3. 国际民航组织管理的联合国开发计划署活动

3.1 在 2003 年 12 月 31 日截止的一年中，国际民航组织执行的联合国开发计划署（联合国开发署）项目总支出达到 7 160 327 美元。其中，5 114 550 美元根据费用分担安排由受援国政府供资，剩下的 2 045 777 美元则是由开发署资金供资。

3.2 联合国开发计划署（开发署）《财务规章和细则》规定，凡属联合国系统组织的执行机构，均须向开发署署长报送署长拨给它们的资金的账目和外部审计员就有关账目提出的报告，以便提交给开发署执行局。

3.3 2003 年国际民航组织执行的开发署项目有关账目载于本组织财务报表附表 F，外部审计员的报告因此也涵盖了开发署项目的账目。现将这些账目提交大会批准，并于其后报送联合国开发署执行局。

4. 外部审计员的报告

4.1 外部审计员提出的无保留意见认为，本组织 2003 年财务报表在所有重大方面公正地反映了本组织 2003 年 12 月 31 日截止的财务状况和业务成果，而且，在审计财务报表过程中引起她注意的本组织的各项账目往来，在所有重要方面均符合本组织的《财务规定》和立法授权。

4.2 外部审计员还报告了对选定的本组织活动进行审查的结果，并提出若干建议供本组织考虑。秘书长对外部审计员报告的评论以及就各项建议拟议的行动，见附录 D。

5. 理事会的审查

5.1 2004 年 6 月 21 日，理事会根据《财务规定》第 13.3 款，审查了本组织 2003 年财政年度的财务报表和外部审计员就此提出的报告（9834 号文件）。理事会还考虑了秘书长对外部审计员报告的评论（附录 D），以及秘书长关于外部审计员前几年的建议的执行情况报告（附录 E）。理事会在仔细审议了财务报表和外部审计员报告之后，同意报送这些文件，并建议采取下述行动。

6. 大会的行动

6.1 根据《财务规定》第 13.3 款，现将载于 9834 号文件中的 2003 年财政年度财务报表及其外部审计员报告，以及秘书长对外部审计员报告的评论（附录 D）一并提交给大会。此外，附录 E 中还提出了关于外部审计员前几年建议的执行情况的一份报告

6.2 理事会建议大会：

- a) 注意外部审计员关于 9834 号文件中所载 2003 年账目的报告和秘书长对外部审计员报告的评论（参见本文件附录 D），以及外部审计员前几年的建议的执行情况报告（附录 E）；
- b) 敦促秘书长继续执行外部审计员的建议；

- c) 批准 9834 号文件中所载本组织经过审计的账目；和
- d) 批准本组织执行的联合国开发署项目的相关账目（财务报表附表 F）。

6.3 附录 F 中就上述建议提出两项决议草案，供大会审议。

APPENDIX A

APPENDIX A

STATEMENT OF APPROPRIATION AND EXPENDITURE
BY MAJOR PROGRAMME - 2003
(in United States dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Approved Appropriations (Res. A33-23)	Carried-over from prior year (C 167/9, C169/12)	Transfers among Major Programmes (Fin. Reg. 5.10) (C 170/11)	Carry-over to 2004 (Fin. Reg. 5.6) (C 170/11)	Total Adjusted Appropriations (1)+(2)+(3)+(4)	Expenditure at Budget Rate	Unobligated Balance at 31 December 2003
							(5) - (6)
Major Programmes							
I. General Policy and Direction	888 000	991 513	48 000	(494 192)	1 433 321	1 433 321	
II. Air Navigation	8 640 000	811 800		(730 493)	8 721 307	8 700 981	20 326
III. Air Transport	4 622 000	73 532	111 000	(251 570)	4 554 962	4 554 961	1
IV. Legal	816 000	29 713	87 000	(7 660)	925 053	925 053	
V. Regional and Other Programmes	15 069 000	274 859	8 000	(84 867)	15 266 992	15 266 294	698
VI. Administrative Support	22 039 000	367 552	186 000	(179 995)	22 412 557	22 260 586	151 971
VII. Finance, External Relations/Public Information and Programmes Evaluation, Audit and Management Review	3 468 000	245 684	(440 000)	(179 211)	3 094 473	3 059 844	34 629
VIII. Universal Safety Oversight Audit Programme	990 000	153 174		(3 594)	1 139 580	1 139 580	
	56 532 000	2 947 827		(1 931 582)	57 548 245	57 340 620	207 625
VIII. Universal Safety Oversight (remainder of Continuation) Audit Programme to be Funded by Cash Surplus	1 052 000	407 639		(592 495)	867 144	830 101	37 043
	57 584 000	3 355 466		(2 524 077)	58 415 389	58 170 721	244 668
Miscellaneous Income	Approved Estimate 4 454 000					Actual Receipts 5 766 964	

NOTE:

In accordance with Assembly Resolution A33-23, the positive difference between the budget rate of CAN \$1.54 to US \$1.00 and the average forward rate of CAN \$1.556 to US \$1.00 amounting to \$ 260 000 has been transferred to the AVSEC Enhanced Mechanism.
Expenditure in Canadian dollars is reflected at the budget rate of CAN\$ 1.54 to US\$ 1.00.

APPENDIX B
MEETINGS 2003
STATEMENT OF EXPENDITURES (*)
(IN UNITED STATES DOLLARS)

	(1)	(2)	(3)
	Site	Budget (**)	Total Expenditures
MAJOR PROGRAMME I - GENERAL POLICY AND DIRECTION		991 000	
Language Provision (AN CONF/11; AT CONF/5) 34th Session (Extraordinary) of the Assembly			251 990 26 208
MAJOR PROGRAMME II - AIR NAVIGATION		160 000	
Panel Meetings:			
- AMCP/8	Montreal		6 071
- AIRP/1	Montreal		2 280
- GNSSP/4	Montreal		31 444
- OPSP/6	Montreal		3 065
- DGP/19	Montreal		4 716
- FCLTP/1	Montreal		4 814
AN CONF/11	Montreal		41 740
GTC/9	Marrakech		10 891
SADISOPSG/8	Bangkok		6 425
WAFSOPSG/1	Lima		3 546
MAJOR PROGRAMME III - AIR TRANSPORT		175 000	
AT CONF/5	Montreal		33 054
Panel Meetings:			
- ANSEP/4	Montreal		3 645
- AEP/5	Montreal		1 741
AVSEC Panel	Montreal		4 235
AVSEC FAL Seminar	Mauritius		8 875
Workshops/Seminars			
- WARFM	Dakar		8 356
- STAW/44	Bangkok		9 662
- Reg. Policy Seminar	Beirut		11 273
- FEPW, Dakar	Dakar		8 223
- FEPW, Cairo	Cairo		10 321
REG TFG			
- AFI TFG	Dakar		6 460
- MER TFG	Cairo		4 438
TAG/MRTD/14	Montreal		619
AH-DE/14	Montreal		1 396
IETC/4	Montreal		1 450
MAJOR PROGRAMME IV - LEGAL		53 000	
Legal Seminar	Dakar		20 056
MAJOR PROGRAMME V - REGIONAL AND OTHER PROGRAMMES		350 000	
Planning Groups:			
- APIRG/14	Yaounde		36 647
- NAT SPG/39	Paris		698
- EANPG/45	Paris		8 530
- APASM TF/5	Bangkok		-
- APASM TF/6	Honolulu		2 596
- ATS/AIS/SAR/SG/13	Bangkok		470
- CNS/ATM/IC/SG/10 & CNS/MET/SG/7	Bangkok		668
- ATTF/5	Phuket		1 657
- APANPIRG/14	Bangkok		7 723
- RPG-WRC-2003	Bangkok		-
- MIDANPIRG/8	Cairo		6 736

(*) Expenditures in Canadian dollars are reflected at the budget rate of Can. \$1.54 to U.S. \$1.00

(**) Includes carry-over from 2002.

	(1)	(2)	(3)	
	Site	Budget (**)	Total Expenditures(**)	
Planning Groups (cont'd):	- MIDANPIRG AFS/ATN TF/9	Cairo	166	
	- MIDANPIRG RVSM/TF/8	Abu Dhabi	965	
	- CS/ATM/IC/SG/2 MTG	Cairo	-	
	- ATM/SAR/AIS Sub-Group	Cairo	253	
	- ATS/IS/TF	Cairo	264	
	- AERMET/SG/6	Brasilia	8 291	
	- GREPECAS AGA/AOP/SG/3	Monterrey	7 792	
	- GREPECAS AIS/MAP/SG/8	Lima	7 849	
	- AOP/SG/5	Dakar	6 598	
	- DDG/CE/2	Nairobi	1 040	
	- CNS/ATM/SG/4	Dakar	7 741	
	Implementation Meetings:	- RVSM/RMAF/RMP/TF/2	Dakar	4 387
		- Informal Meeting on seasonal Haj Pilgrimage	Dakar	1 732
		- Informal Meeting on the improvement of the Air Traffic Service over the South Atlantic	Dakar	3 130
		- Group of African AVSEC Experts	Dakar	157
- ATS Coordination Meeting		Dakar	2 130	
- GNSS/ITF		Dakar	523	
- NAT IMG/22		Shannon	1 620	
- NAT IMG/23		Annapolis	2 271	
- NAT FIG/8		Shannon	1 554	
- NAT FIG/9		Annapolis	2 097	
- NAT ATMG/21		Reykjavik	2 230	
- TARTAR/14		Paris	230	
- TARTAR/15		Paris	250	
- RVSMIE/1		Moscow	4 267	
- OLIMP/4		Paris	416	
- OLIMP/5		Paris	180	
- AWOG/10		Paris	5 182	
- CMRI/4		Shenzhen	-	
- RVSM TF/17		Bangkok	-	
- RVSM TF/18		Hanoi	147	
- EMARSSH PIRM		Gold Coast	-	
- RVSM TF/20		Delhi	1 774	
- Special ATS Coordination Meeting		Bangkok	213	
- ACP WG-M		Bangkok	-	
- Review/CNS/ATM/OPS-GM/TF		Honolulu	2 657	
- OPMET/E TF/1		Bangkok	-	
- EUR/MID/Interface/1		Paris	1 224	
- RVSM/TF/10		Abu Dhabi	997	
- GREPECAS ACG/3		Lima	9 041	
- GREPECAS AVSEC/COMM/2		Mexico	442	
- C/CAR DCA/6 & MEVA/9		Nassau	6 301	
- E/CAR IWG/27		St. John's	5 447	
- E/CAR/DCA/18		Port of Spain	3 885	
- SAM 93/03 ATM		Quito	-	
- AIS/MAP/AUTO Informal Meeting		Lima	806	
- E/CAR NE SAM		Venezuela	-	
- SAM CAA Meeting/8		Buenos Aires	6 165	
- CMU/CNS/ATM	Mexico	1 745		
Seminars and Workshops:	- Workshop on Aerodrome Certification	Dakar	1 068	
	- Seminar/Workshop on Airworthiness	Accra	3 295	
	- Working Group to prepare AN CONF/11	Dakar	-	
	- Preparatory Seminar for AN CONF/11	Yerevan	6 154	
	- Workshop for Seniors Officials CASK	Dushanbe	2 995	
	- RVSM Seminar/5	Bangkok	41	
	- DLSS	Bangkok	-	
	- PM AN CONF/11	Bangkok	-	
	- Joint ICAO/ACI Workshop	Dubai	5 742	
	- RVSM Seminar/Task Force	Abu Dhabi	2 019	
	- Training Workshop on WAFS Products	Muscat	456	
	- Civil Military Coord. & SAR Seminar	Cairo	246	
	- Runway Safety & ATS Safety Management Seminar	Cairo	165	
	- DGSW	Kingston	1 279	
	- Preparatory Seminar for AN CONF/11	Lima	5 799	
		<u>1 729 000</u>	<u>736 133</u>	

(*) Expenditures in Canadian dollars are reflected at the budget rate of Can. \$1.54 to U.S. \$1.00
(**) Includes carry-over from 2002.

APPENDIX C

**TECHNICAL CO-OPERATION ADMINISTRATIVE AND OPERATIONAL
SERVICES COST STATEMENT OF APPROVED BUDGET, EXPENDITURE
AND UNENCUMBERED BALANCE OF APPROVED BUDGET (2003)**
(in United States dollars)

	Approved by the Assembly	Revised Budget 2003 ¹	Expenditure/ Income 2003	Unencumbered Balance of Approved Budget
Appropriation/Expenditure				
Major Programme XI	4 376 000	5 579 000	5 387 851	191 149
Income	4 090 000	5 723 000	5 503 763	
Excess/(Deficit) of Income over Expenditure	(286 000)	144 000	115 912	

¹ Noted by Council at its 170th Session (C-DEC 170/8).

APPENDIX D

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

1. At the 28th 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 2003 contained in Document 9834.

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 9 to 15)

3.1 In paragraph 11 of the Report, the External Auditor repeats the recommendation made in 2002 that ICAO reconsider its accounting policy and to include a provision for long-outstanding delays for collection of assessed contributions in the accounts. In his 2002 response, the Secretary General expressed the view that the introduction of a provision for doubtful collection is not considered appropriate as assessments are binding obligations on Contracting States once approved by the Assembly. The issue was discussed during the 12th meeting of the 169th Session, at which time the Council noted the observation by the Finance Committee that the provision recommended by the External Auditor may not significantly affect the usefulness of the financial statements, since information to interested parties was fully disclosed in the financial statements.

3.2 Efforts will continue in 2004 to further improve the reliability of the inventory control system mentioned in paragraph 13 of the Report, in order to enable the Secretary General to report the value of non-expendable equipment in the notes to the financial statements.

4. FOLLOW-UP OF THE 2000 REPORT- Human Resources Management (paragraphs 16 to 82)

4.1 General Comments

4.1.1 While the demands placed on the Personnel Branch (PER) are increasing, the staff resources allocated to do the work are decreasing. This is a result of the general budgetary constraints, which requires significant budget reductions, particularly in the administrative support areas. Such reductions have a serious and detrimental impact on PER's ability to meet its programme requirements.

4.2 Human Resources Planning

4.2.1 While commenting on human resources planning, the Audit Report refers to the processes used and efforts being made to reduce staff resources in the 2005-2007 triennial Programme Budget. Very early in the budget process, it became apparent that there had to be budget reductions and adjustments in order to meet the overall aspirations of Contracting States. Therefore, initially, Programme managers were required to identify possible cost reductions taking into account priorities at the level of each Major Programme as well

Appendix D

as the need to use the natural attrition process, as far as possible, for any reduction in staffing as directed by the Council. Then, an overall review of all proposals on an organization-wide basis was undertaken, taking into account the overall objectives of the Organization as well as the factors outlined in paragraph 3.1 of C-WP/12097. Other opportunities for reducing costs through further economy and efficiency were also considered. In this process, care was taken to ensure that critical programmes as well as some smaller programmes and organizational units were not unduly affected by the budget reduction. The problems associated with using the natural attrition process were also realized early on in the process and this was, in fact, outlined in C-WP/12097 and subsequent reports to the Council. In this regard, it should also be noted that given the staffing structure of the Organization, the natural attrition method was considered the most cost efficient approach for reducing overall costs.

4.2.2 In paragraph 33 of the Report, the Auditor states that senior management should decide what programmes the Organization can no longer support within current budget limits as a result of a review based on strategic and operational priorities. The processes undertaken by the Organization, as outlined above, did, in fact, reflect the approach mentioned by the Auditor, but resulted in the adjustment or reduction of programmes rather than the complete elimination of whole programmes. In this regard, it should be noted that programmes being undertaken by the Organization have evolved over the years to meet the specific needs of Contracting States and these are periodically reviewed by the Assembly, the Council and other bodies of the Organization. Subsequent reviews of the draft Programme Budget by the Council and its subsidiary bodies have, in fact, demonstrated that none of the programmes as a whole could be eliminated.

4.3 **Staff Competencies**

4.3.1 In paragraphs 36 - 38, the External Auditor has correctly assessed the importance of systematically collecting and monitoring information on staff competencies and having a shared understanding of staff competencies on an organization-wide basis in order to facilitate the decisions of senior management regarding staff reductions and redeployments. Work on staff competencies is presently in progress, both on a UN system-wide basis and in ICAO as competencies have been incorporated in the revised UN job classification system for Professional staff. Competency development is also a factor to be assessed in staff performance appraisals. In this connection, a joint ICAO administration/staff working group on performance management has already had its first meeting. The working group will submit recommendations to improve the existing performance management system. It is expected that these recommendations will include updating and expanding the existing staff competency framework.

4.4 **Human Resources (HR) Information System**

4.4.1 The Secretary General concurs with the External Auditor's observations in paragraphs 39 - 41 that the HR information system needs to be improved to better support human resources planning decisions. This is of particular concern for the Secretariat as the Systems Analyst post in the Personnel Branch which is responsible for maintaining and further developing the HR information system was lost during the present triennium and is also not foreseen to be budgeted in the 2005-2007 triennium. As a result, whatever limited human and financial resources which can be allocated during 2005-2007 will have to be devoted to operating and maintaining the HR information system and the development work which has been identified may have to wait until at least 2008 for the integration of PER with the financial management system.

4.5 **Staff Training**

4.5.1 The Secretariat concurs with the Auditor's observations regarding staff training in paragraphs 42-51 and the conclusion (para. 80) that ICAO does not devote sufficient funding to staff training. Deficiencies in the ICAO training programme have been noted in previous audit reports and again a recommendation has been made to devote the necessary funding to address training needs, particularly for technical matters. This recommendation reinforces the importance of an effective training programme in meeting the objectives of the Organization, particularly during a post reduction exercise where some staff will need to be redeployed and trained to assume functions with higher priority. The training needs of the Organization therefore need to be closely examined in the current budget exercise and higher priority should be attached to training requirements.

4.5.2 For the current triennium, the ICAO Council has taken note of the need to increase funding for training and has allocated \$100,000 for senior management training in the areas of performance reporting and executive development. Additional funding will be required to support these activities during the next triennium. If funds are not available under the RP Budget for this purpose, additional funding will need to be approved on an ad-hoc basis.

4.6 **Recruitment Practices**

4.6.1 In paragraphs 55 - 63, the External Auditor has recognized the progress made to improve and streamline the recruitment practices. The preparation of the short list and the time that it takes appointed candidates to report for duty are highlighted as two stages of the recruitment process where more stringent measures are required to further achieve efficiencies. These observations have been noted and efforts will continue to further reduce delays in all phases of the recruitment process.

4.6.2 With reference to the observations made in paragraphs 64 and 65 that the lead times should be monitored for all stages of the recruitment process, it can be noted the PER Branch has been analysing and monitoring the time taken at each stage of the recruitment processes. Thus far, this has been a manual exercise. Enhanced computer support is required in this area and this activity has been included in the PER System Analyst's work programme and in the PER user requirements for the integrated financial management system.

4.6.3 In paragraphs 66 - 70, the External Auditor has observed that ICAO has made good progress in improving its use of interviews in the selection process for staff at the professional and principal officer levels and the use of interviews for all candidates being considered for a post, whether or not they are known to the reviewing officer, is encouraged. In this connection, it should be noted that the post of Recruitment Officer is foreseen to be discontinued in April 2005 in light of the budget reductions. As a result, the support currently provided by the Personnel Branch to line managers in conducting interviews is at risk. The loss of the Recruitment Officer is expected to have a detrimental effect on the progress made to improve the recruitment process.

4.7 **Equitable Geographical Representation (EGR)**

4.7.1 The Secretary General is pleased to note that the External Auditor has observed in paragraph 72 that ICAO has made good progress in improving the representation of non-represented and under-represented States. Efforts will continue in this regard.

4.8 **Gender**

4.8.1 In paragraph 74, the External Auditor has commented that little progress has been made to improve the status of women in the Professional and Higher categories within ICAO over the last decade (1993 - 2003). Efforts will continue to further improve the representation of women at all levels of the Professional and Higher categories. Guidelines given by the Council in this regard have been noted for implementation.

4.9 **Recommendations**

4.9.1 The External Auditors recommendations which are summarized in paragraph 82 are endorsed. However, the implementation of these recommendations will depend on available human and financial resources, including the required support for the HR information system.

5. **FOLLOW-UP OF THE 2000 REPORT- Modernization of Financial Information Systems (paragraphs 83 to 96)**

5.1 The observations and recommendations made by the External Auditor in paragraphs 83 to 96 are agreed to with the clarifications in the following paragraphs:

5.2 The risks mentioned in paragraph 89 have been mitigated as follows:

- a) As indicated in paragraph 88 of the Audit Report, the use of dedicated project management resources and consultancy services has been restricted in order to limit the costs charged to the ICT Fund;
- b) Council has been informed on a periodic basis of the progress achieved; and
- c) Tight budgetary controls are being exercised and no specific funding has been allocated to other bureaux for the development and maintenance of administrative systems beyond those required to exercise good management practices.

5.3 The External Auditor has correctly assessed, in paragraph 90, the complexity of defining the scope of the project. A request for sealed tenders to potential suppliers of integrated financial information systems was issued in March 2004, and suppliers were asked to submit detailed cost estimates. Tender proposals were received from suppliers in early May 2004 and are currently being evaluated. When a final solution is selected, and subject to funds available, the Organization will properly scope and schedule the implementation of the project.

5.4 The need to consider the total cost of ownership of the new financial system is fully recognized. The request for sealed tenders asks suppliers to provide estimates for the initial software and licensing fees, hardware acquisition and maintenance, infrastructure, business processes redesign, user training, system maintenance and internal resources required from ICAO for the implementation. On-going support costs and internal costs will also be factored into the estimate and considered when selecting a solution.

5.5 With respect to the statement in paragraph 92 that there is a high likelihood of project failure, it should be noted that the Organization is only in the initial stages of determining the scope of the project on the basis of priorities and resources available. In the absence of long-term and sustainable sources of funding for the modernization of its financial system, severe limitations to the scope of the project will have to be imposed. It is true that, in the future, the Organization will have difficulties to keep the financial systems up-to-date with current technology without sustainable sources of funds.

5.6 With respect to the statement in paragraph 93 that there is some uncertainty about the Organization's ability to service and maintain a complex financial system, it should be noted that the Organization cannot acquire the necessary skills to support a new financial system before the selection of a specific solution, as different solutions would require different skills. Therefore, the necessary resources required to support the new system will be determined in due course on the basis of the solution that will be selected and the resources available.

5.7 Discussions with other UN organizations have taken place throughout the course of the project. This effort will continue. Due consideration will be given to the extent to which the current and long-term system needs of ICAO can be met using already established applications of other organizations, with the view to reducing costs.

6. OBSERVATIONS ARISING FROM THE 2003 PERFORMANCE AUDIT - Regional Offices, with Special Reference to the Western and Central African Office (Dakar) (paragraphs 97 to 133)

6.1 The External Auditor's Report on the Regional Office, Dakar, is welcome and all of the recommendations made therein are agreed. More specifically, referring to the general comment calling for improved processes for planning, managing and reporting on regional office work, it is expected that the planned introduction of business plans for Major Programme V will further improve the existing management processes. In addition, the business plans will assist in prioritizing and promoting the implementation of requirements contained in the global and regional air navigation plans, as well as further improve the plans themselves.

6.2 With regard to the recommendation on the development of planned outputs and results linked to the Regional Office's objective of providing a better base for accountability, the planned introduction of enhanced performance reporting is envisaged to further improve the evaluation process used to determine the effectiveness of ICAO's work.

6.3 In relation to the reporting of results achieved in the region, such as extensive planning required due to the annual hadj pilgrimage, it is intended to enhance the reporting format of the regional offices' monthly reports to ensure that the major activities specific to the region are included and later reflected in the Annual Report of the Council. This information may also be used by the regional offices during the budget planning process to demonstrate their need for resources.

6.4 In general, it is noted that the findings of the External Auditor's report are applicable to all regional offices and will be implemented as such. It is anticipated that the External Auditor's recommendations will be gradually introduced over the course of the next triennium.

7. OBSERVATIONS ARISING FROM THE 2003 PERFORMANCE AUDIT - Office of Programme Evaluation, Audit, and Management Review (EAO) (paragraphs 134 to 176)

7.1 General

7.1.1 The recommendations of the External Auditor are agreed to in principle. With the anticipated smaller size of the Office included in the programme budget for the 2005-2007 triennium, a pragmatic approach will be taken with respect to additional tasks which could take away from evaluation and audit activities. EAO already undertakes a number of tasks relating to non-core activities which are taking an even greater percentage of time of the staff. As the External Auditor had mentioned, these tasks relate to the increasing number of JIU reports, the follow-up of JIU reports, External Auditor's and EAO's recommendations and the opening of sealed tenders. All of these have taken away the time available for core activities; the situation will become even more time-critical in the next triennium.

7.2 Independence of EAO could be Strengthened with an Internal Oversight Committee

7.2.1 The External Auditor, in paragraphs 146 to 150, recommends that ICAO should establish an internal oversight committee to strengthen the EAO function and provide advice as required. The External Auditor observes that an oversight committee's main function would be to act as an advisory panel to EAO and help gain house-wide acceptance and usefulness of internal oversight. The existence of an internal oversight committee alone will not necessarily strengthen EAO and, if the committee is not properly considered, it may actually cause an additional administrative burden which may reduce the amount of time available for oversight functions. Oversight committees do exist in some UN agencies, however, these agencies do not have the same organizational structure or a permanent Council. Nevertheless, the proposal will be examined with the view to establishing an advisory panel that would be commensurate with the size of the Office and without unduly increasing the administrative burden on EAO.

7.3 Recommendations

7.3.1 Comments on the External Auditor's recommendations contained in paragraph 175 are provided in the following paragraphs:

- a) The External Auditor recommends that EAO should update its risk assessment study on an ongoing basis and seek Senior Management involvement in its assessment of risks. As mentioned in paragraph 152 of the Report, EAO has been taking into account risks in developing its work programme through discussions with programme managers. EAO will continue to do so and formalize the risk assessment process in the development of its annual work programmes;
- b) The External Auditor recommends that EAO should explore how it can use the Annual Report to inform Member States of the results achieved against goals or objectives explicitly stated in the Programme Budget, report on key indicators of its performance, note any progress, and outline future actions. EAO will explore the possibility over time to gradually improve its content in the Annual Report;
- c) The External Auditor states that EAO should begin all project work with clear objectives and those objectives should determine the type of work to be conducted and the standards

to be followed. EAO had consistently endeavoured to focus reports and use standards wherever possible, and will continue to do so taking account of the External Auditor's observations; and

- d) Concerning the recommendation that EAO should continue its efforts to build its evaluation capacity and develop appropriate standards and guidelines, EAO will continue with its effort within the current and planned resource levels.

7.3.2 Comments on the External Auditor's recommendations contained in paragraph 176 are provided in the following paragraphs:

- a) With regard to the recommendation that EAO should recapitulate the work planned for the year, the work done and the work carried forward, the report format has been simplified and has become more consistent than in the past. Further improvements will be made to the next Performance Assessment Report;
 - b) The External Auditor recommends that EAO should adopt a consistent reporting format in its Performance Assessment Report and Work Programme to identify for each product or project the objectives, key issues and recommendations, indicating the number of recommendations made and management's comments, where relevant. EAO has gradually improved its report presentation. The report format has been simplified and has become more consistent; this effort will continue. As requested by the External Auditor, the report to the Council will include a note that EAO information is made available unchanged;
 - c) Concerning the recommendation that there be a follow-up of previous EAO reports, the actual number of reports followed up and the number of outstanding recommendations already in place, this recommendation had already been implemented in the appendix to the Performance Assessment Report;
 - d) The Auditor wishes EAO to express an opinion on the situation whether follow up is being done by managers and whether progress is being achieved. Tabular information is being provided on the number and percentage of recommendations which have been implemented. This information shows progress which has been made; and
 - e) The External Auditor recommends that EAO report formally on its other activities, such as assisting in opening of sealed bids. As noted in paragraphs 161 and 162 of the Auditor's report, some information has already been included in EAO's report and improvements will continue in this regard.
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APPENDIX E

**STATUS OF PRIOR YEARS' RECOMMENDATIONS
OF THE EXTERNAL AUDITOR**

1. This status report provides an unaudited listing of the recommendations made by the External Auditor in prior years and that had not been actioned as of 31 December 2002. 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, the full description of recommendation made by the External Auditor, commentary on progress made in implementing the recommendation, and its current status.

2. RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 1998

2.1 Air Transport Bureau - The Statistics Programme

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
2.1.1	<p><u>1998 - Paragraph 63:</u> ATB to pursue the automation of collection, analysis and dissemination of aviation statistics in a timely manner. The design of its new integrated data base should support improved results measurement and performance reporting. It is obvious, that such technological upgrades will have to comply with Y2K needs.</p>	<p>In October 2002, the new Integrated Statistical Database (ISDB) became operational. In February 2004, States were advised that some of the data series were accessible online through the ICAO Secure Net (the remainder becoming available later in 2004). Such a facility renders obsolete the need to print the Digests of Statistics and provides States with more timely statistical information.</p>	<p>Largely completed</p>
2.1.2	<p><u>1998 - Paragraph 63:</u> ATB to conduct systematic programme monitoring and evaluation of the Programme and seek wider user feedback to ensure the Statistics Programme maintains its relevance to needs of States and other users.</p>	<p>A questionnaire on the usefulness of the contents of the Statistical Yearbook, which was added to the last two editions of that publication, yielded no replies. However many requests for this publication have been received since the publication was suspended. Relevance for States of the statistics programme elements linked to airports and air navigation services was confirmed during ANSConf 2000. Once the new system is on-line, ICAO will have a better opportunity to assess whether the requirements of States, in terms of data and timeliness, are being met. With regard to external users, there is daily evidence of the usefulness of the ICAO statistics database through their requests for data (notably by consultants) and the willingness of these parties to pay for such data.</p>	<p>In progress</p>

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
2.1.3	<p><u>1998 - Paragraph 63:</u> ATB to link existing performance-related data to its activities in order to determine whether any progress has been made as a result of actions taken or whether alternative actions should be considered.</p>	<p>A core feature of the new statistics database application is the tracking system which allows the monitoring of the submission of data by States. The system also allows the monitoring of the use of staff resources. Placing the data online has put an added burden on ICAO to process the data submitted on a timely basis and the monitoring features included in the system should allow to better predict peaks in staffing requirements.</p>	In progress

2.2 **Environmental Protection**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
2.2.1	<p><u>1998 - Paragraph 72:</u> An Environmental Management System (EMS) refers to the policies and procedures by which an organization is kept aware of the interaction of its products and activities with the environment and achieves a desired level of environmental performance. Some efforts have been undertaken at Headquarters to identify further economies in management practices and to address environmental concerns, for example, ICAO's Internet site is an important vehicle for dissemination of public information and efforts are directed at the use of recycled paper as well as paper is being recycled. Although the Secretariat has some components of an EMS in place, they are not complete and there is no systematic documentation of existing practices. We have recommended to the Secretary General notably to consider the implementation of an Environmental Management System in the Secretariat.</p>	<p>The ICAO building and all its environmental aspects are controlled by Public Works and Government Services Canada (PWGSC).</p> <p>ICAO is a tenant and any activities ICAO is involved in within the building that have an environmental aspect, are under the control of PWGSC and the building owner for management of environmental concern.</p>	In progress

2.3 Cash Management

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
2.3.1	<u>1998 - Paragraph 89</u> The investment policy be made more specific and complete;	ICAO only invests cash that is surplus to current requirements. Favourable arrangements have been made with banks for the investment of cash. Alternative forms of investments such as term deposits for longer periods are also being implemented.	Implemented
2.3.2	<u>1998 - Paragraph 89</u> The accounting system be modernized in order to facilitate timely action, including payment on due dates;	Action to modernize the accounting system is underway. The core systems, particularly those dealing with cash management, are expected to be replaced in the year 2005. In the meantime, all payable bills and invoices are carefully monitored to ensure timely payments.	In progress
2.3.3	<u>1998 - Paragraph 89</u> The Finance Branch continue to exercise cash flow forecasting where appropriate;	Cash flow forecasts, particularly in the short term, are being used to guide investment decisions.	Implemented
2.3.4	<u>1998 - Paragraph 89</u> ICAO consider establishing performance indicators for its cash management.	The risk tolerance and the operational environment is very specific to ICAO. A performance indicator, benchmarked against industry standards, may not provide for an objective measurement and therefore may not have more than a marginal practical value. However, cash balances are being closely monitored and, where feasible, invested with the view to maximizing returns within the parameters of ICAO's risk tolerance.	Not implemented

3. RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 1999

3.1 Universal Safety Oversight Audit Programme

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
3.1.1	<u>1999 - Paragraph 47</u> Resource issues at headquarters and regional offices should be resolved in order to meet the necessary commitment of resources in safety oversight audit activities.	Almost all Regional Offices were staffed with one Regional Officer, Safety Oversight (ROSO), who played an important role in the conduct of the initial audits. However, several of these posts became vacant. The arrangement was to use 50 percent of ROSO time for audit purposes while the remainder 50 percent was to be used in service of the Regional Office. The result was a mix, in that while some ROSOs were used for the allocated time and more,	In progress

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
		<p>others were not fully used for various reasons. In any case, the audits would have not been successfully completed without the support of seconded personnel from States to complement the limited resources available at the Regional Offices.</p> <p>Presently, audit follow-ups are being conducted with a minimum of support from Regional Offices as there are even fewer ROSOs and they are required to support States rather than audit them. Thus, SOA depends on its own staff and selected seconded staff.</p> <p>This issue has not yet been resolved. As the USOAP is expanding to cover all safety-related Annexes, a robust agreement needs to be reached and this is expected to be achieved by November 2004.</p>	
3.1.2	<p><u>1999 - Paragraph 47</u> In preparation for expansion of the Universal Safety Oversight Audit Programme, long-term financing of the Programme should be secured as soon as possible.</p>	<p>The 33rd Session of the Assembly endorsed the expansion of the Programme to Annexes 11 and 14 (Assembly Resolution A33-8 refers), including the finance requirements for the triennium 2002-2004. Accordingly, finances for the preparatory work in 2003 and the first year of audit in 2004 with respect to the expansion to ATM and AGA is available. Financial requirements for expanding to AIG, for the preparatory work and 2004, have been identified, but are not yet secured. The long-term financing requirement of the Programme, including continuation and expansion will have to be addressed and secured during the next budget. Recognizing the intrinsic difficulties of continuing to expand the Programme on an Annex-by-Annex basis, the Secretariat is working towards the conduct of comprehensive audits in the future.</p> <p>The budget for the next triennium is expected to address this issue.</p>	In progress
3.1.3	<p><u>1999 - Paragraph 47</u> The Safety Oversight Audit Unit should implement a time-recording system. This basic tool would provide management with detailed information on the use of resources and comparative data for future audit cycle planning and decision making.</p>	<p>A formal time reporting system was not instituted during the initial audits, although some individual auditors kept track of their time. Initial feedback in this regard led to changing the mission plan from three to two States per mission, and to the addition of one or two working days to each State, to allow for adequate time for the completion of the audits. Team leaders are empowered to assess the time</p>	Action not taken

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
		<p>required to complete an audit follow-up prior to establishing the schedule and missions are set up accordingly. A random quality control is performed by SOA management on the requirements recommended by the team leader and an assessment of time-usage is made at the end of the mission as part of the Team Leader's Mission Report.</p> <p>A requirement for Team Leaders to implement this action will be enforced as part of the expanded Programme as of 2005.</p>	

4. RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2000

4.1 The 2002-2004 Draft Programme Budget Planning Process

Paragraph 40 of the year 2000 Report of the External Auditor recommended: to develop a Programme Budget that can take into account the global needs and strategic priorities of ICAO, the Secretariat consider doing the following:

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.1.1	<p><u>2000 - Paragraph 40</u> Propose that, in the next version of the SAP, the Council consider preparing a long-term schedule, identifying the funds needed to complete the strategic framework, and include performance indicators at the strategic level to ensure that the SAP becomes an effective management tool.</p>	<p>The Secretariat and Council are continuously involved in the improvements to the Programme Budget document and the process through which it is formulated. In formulating the Programme Budget, the mandatory responsibilities enshrined in the Convention on International Civil Aviation, Assembly Resolutions and the global needs are taken into account. The Council will be reviewing the longer-term plans and perspectives of the Organization, including the financial implications in preparing the Programme Budget for the 2005-2007 triennium. The SAP has been linked to the Programme Budget, which is prepared for three years at a time, through appropriate cross-references. Expected results and performance indicators are currently shown in the Programme Budget at the Major Programme and Programme level. Performance indicators, if shown at the SAP level, would be very global and may not lend themselves to easy measurement and therefore are not likely to serve as an effective management tool as envisaged in the audit recommendation.</p>	<p>Continuous process-deemed completed</p>

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.1.2	<u>2000 - Paragraph 40</u> Implement a formal means such as a strategic planning function or a challenge review process at the senior levels to assist in establishing strategic objectives in their order of importance at the outset of the programme budget planning process.	Current processes require the SAP and the Programme Budget to be reviewed by the Senior Management Group before being submitted to the Council. For the 2005-2007 triennium, the Senior Management Group has been involved in reviewing all budget proposals.	Partially implemented-in progress
4.1.3	<u>2000 - Paragraph 40</u> Provide viable programme budget options to the Council so it can make decisions in full awareness of the pros and cons of each option and their potential impact on the ability of the Organization to fulfil its mandate.	For the 2005-2007 triennium, the Secretariat submitted for Council's consideration various options together with justifications for their needs. The Council and Secretariat are continuously seeking to further improve this process.	Implemented
4.1.4	<u>2000 - Paragraph 40</u> Propose to the Council that overall performance information on programmes and key activities be developed and provided to the Council on a regular basis.	Council is regularly informed on the results of activities under specific and selected programmes. The Annual Report is part of that process. However, procedures are being established to report to Council specifically on the overall performance against the Programme Budget.	In progress

4.2 Human Resource Management

In paragraph 64 of the year 2000 Report, the External Auditor recommended: To ensure that ICAO has a competent and sustainable work force, capable of achieving its strategic goal, the Secretariat needs to do the following:

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.2.1	<u>2000 - Paragraph 64</u> Ensure that it manages human resources from a strategic perspective while developing policies and systems (including succession planning) consistent with best management practices.	In June 2001, a Staff Costing System was made available to senior managers to assist in monitoring and prioritizing staffing resources and in planning for the advertisement and filling of posts. In November 2001, managers were requested to submit their staffing requirements for the triennium 2002-2004, indicate which posts were to be advertised and provide the expected skills/competencies required for these posts. To assist in this task, a summary of all existing staff/consultants/SSAs was provided as well as expected retirements/departures up to end-2004. The replies received had foreseen	Continuous

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
		<p>additional Professional and General Service posts in excess of the approved budget. Consultations followed to identify alternative sources of funding/compensating economies to cover the additional posts and to prioritize the staffing requests and identify high priority requirements.</p> <p>During the Full Senior Management Group Meeting at Headquarters in July 2003, staffing requirements and the available resources of the Regional Offices were reviewed. It was recommended that the core functions/disciplines of the Regional Offices be identified in order to establish the minimum staffing required. An internal Working Group is presently expanding on this recommendation (Discussion Paper No. 1 related to C-WP/12215 refers).</p> <p>In August 2003, managers were requested to prioritize their staffing requirements taking into account vacant posts and anticipated retirements/departures up to end-2004. In general, most of those posts were considered to be high priority and no ranking according to order of priority was given.</p> <p>In the fall of 2003, in order to urge managers to prioritize staffing requirements, the Council Study Group on Long-term Planning and Budgetary Process was provided with information on vacant posts and expected retirements/departures up to end-2010.</p>	
4.2.2	<p><u>2000 - Paragraph 64</u> Re-examine its recruitment practices to determine the underlying reasons for recruitment delays and continue strengthening its procedures for assessing candidates in the professional category, by developing an assessment framework to ensure that all candidates are appropriately and fairly evaluated.</p>	<p>At the request of the Council, progress reports have been provided on administrative procedures undertaken thus far to reduce delays in the recruitment of Professional and higher category staff. The Council agreed to reduce the deadline for applications in the case of international Vacancy Notices from four to three months in 2000 (C-DEC 160/5). This deadline was further reduced to two months in 2003 (C-DEC 168/3). The Council requested the Secretary General to focus on expediting the processing of applications. Accordingly, deadlines for each stage of the recruitment process were established and communicated to managers.</p> <p>In 2002, the Council requested the Commission for the Processing of Applications for Posts at the Director Level (COPAD) to undertake a review of the established COPAD procedures with the view to their improvement</p>	Continuous

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
		<p>and streamlining. The review was conducted and, in 2003, the Council noted a report submitted by COPAD on the outcome of this review.</p> <p>The practice of conducting telephone interviews with "unknown" candidates was introduced on a systematic basis at the beginning of the year 2000. Although these interviews have assisted the Reporting Officers in assessing candidates, they contribute to the delays in the recruitment process.</p>	
4.2.3	<p><u>2000 - Paragraph 64</u> Assess whether the composition of its work force is the most appropriate to ensure that the required competencies and skills are in place, and assess whether the combination of appointments is the most appropriate for career, operational, and cost-effectiveness purposes.</p>	<p>The types of contracts used to obtain the services of individuals are appropriate to the different types of functions they are to perform. However, there are certain constraints:</p> <p>a) Council's decision of 4 March 1985 (C-DEC 114/7) established the percentage of non-career appointments in posts subject to EGR at not less than 33 per cent. In compliance with this decision, all initial appointments in the Professional and higher categories are without exception on a non-career basis.</p> <p>b) Only temporary contracts are given to staff members serving on posts funded by extra-budgetary sources even if these represent long-term staffing requirements.</p> <p>c) Due to the present financial situation of the Organization, the Secretary General decided to keep in abeyance the recommendations for 2003 for term and permanent appointments for staff members in the Professional and higher categories.</p> <p>d) Enhancing the use of less expensive contractual services could have an adverse impact on EGR and gender statistics.</p>	Completed

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.2.4	<p><u>2000 - Paragraph 64</u> Ensure that adequate funding is provided to improve management and recruitment practices.</p>	<p>Performance reporting management and executive development programmes are among the projects approved by the Council to improve the efficiency and effectiveness of the Organization (C-WP/12219 and C-DEC 171/7 refer).</p> <p>The doubling of the budgetary allotment for training during the next triennium has been recommended as a high priority item. This will be necessary to undertake technical training of staff members to be redeployed to high priority functions/disciplines.</p>	In progress

4.3 Information Technology

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.3.1	<p><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 Organization will need funding, project leadership, and competencies in implementing modern information systems.</p>	<p>A case for the modernization of the financial system was presented to the Assembly through the Council. Initial funding for the renewal of the financial management system was authorized by Assembly Resolution A33-24 in 2001. Funds amounting to US\$2.5 million became available in early 2002. Action is underway to acquire and implement at least the core elements of a new financial management system. The implementation of the new system is expected to commence in 2005.</p>	In progress
4.3.2	<p><u>2000 - Paragraph 82</u> ICAO should reconsider the priority it has given to replacing the existing financial systems. The following key conditions are necessary for success: Funding for the renewal initiative such as software, training, future upgrades and maintenance.</p>		In progress
4.3.3	<p><u>2000 - Paragraph 82</u> Strong senior management leadership, strong support from Contracting States and user buy-in.</p>	<p>The recommendation refers to an on-going process. In implementing the new systems, all the necessary development standards will be observed. The Chief, Finance Branch has the overall responsibility for the project. The Secretary General, the Senior Management Group and key users of the systems participate in all critical stages of the development and implementation of the system.</p>	In progress

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
4.3.4	<u>2000 - Paragraph 82</u> A change management strategy that will mobilize and sustain the efforts to change to a new, modern system.	This recommendation will be implemented as the system is acquired, developed and installed.	In progress

5. **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2001**

5.1 **Management Services Agreement Projects**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
5.1.1	<u>2001 - Paragraph 38</u> ICAO should specify in Management Services Agreements the rules and procedures that should be followed for compensation of project personnel.	The rules and procedures that should be followed for the Compensation of Management Services Agreements project personnel are under review. As a result, they are being structured along the lines of the United Nations Common system of salaries, allowances and benefits. The objective is to incorporate the final product in the ICAO Field Service Staff Rules (FSSR) and the TCB Field Personnel Instructions (PI).	In progress
5.1.2	<u>2001 - Paragraph 38</u> ICAO should assess, with the assistance of the Technical Co-operation and Legal Bureaux, the risks associated with the use of project personnel not directly under its control in Management Services Agreement projects.	In addressing the potential risks associated with the use of local project personnel not directly under the control of ICAO, and in order to safeguard the immunities of the Organization, model contracts for local personnel were developed, which stipulate that ICAO shall not be responsible for any claim which may be brought by a third party against the subscriber in the performance of services under the contract, and that the subscriber will hold ICAO harmless against third party claims. These contracts also include a model clause on the suspension or interruption of agreement, whereby the subscriber agrees to waive any compensation if the project is suspended or interrupted totally or partially, whether this is due to lack of funding or any other cause. The responsibilities for medical and compensation insurance in the event of death, injury and illness attributable to the performance of official duties are also specified. In addition, as per the request of the Legal Bureau, framework agreements for technical cooperation, such as MSAs or Trust Fund agreements, and	Completed

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
		procurement contracts mandatorily include an indemnity clause whereby the contractor, at its own expense, shall indemnify and hold harmless ICAO, including its employees, from and against all suits, claims and liabilities arising out of the acts and omissions of ICAO or its employees on behalf of the government in the performance of the agreement/contract.	
5.1.3	<u>2001 - Paragraph 38</u> ICAO should continue project reviews of Management Services Agreements, with the assistance of EAO.	The External Auditors performed extensive MSA project reviews as part of their 2002 audit. Furthermore, whenever it is deemed necessary, EAO's assistance will be sought.	Completed

5.2 Regional Offices with special reference to the South American Office (Lima)

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
5.2.1	<u>2001 - Paragraph 72</u> The Secretary General should institute a formal annual review of plans with each regional office. This review should involve representatives of each headquarters bureau and focus on planned results and the expected resource costs to achieve them, in order to identify and agree on realistic priority activities.	The Secretary General shares the concern and supports the recommendation of the External Auditor for establishing a formal annual review process of regional office plan for each of the seven regional offices. 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 in due course subject to availability of resources.	In progress
5.2.2	<u>2001 - Paragraph 72</u> Regional offices should report the results, the resource costs, and the variances from plans for all major activities such as air navigation planning and implementation, air transport planning, and management improvement initiatives. This would apply both to internal reporting to headquarters throughout the year and in the Annual Report to the Assembly.	In relation to reporting of the results, the resource costs and the variance from plans for all the major activities of the regions, this recommendation will be considered in conjunction with the regional planning mechanism. The present method of submitting monthly progress reports by the regional offices will be enhanced as a part of an ongoing exercise to improve the efficiency of regional offices.	In progress

6. **RECOMMENDATIONS OF THE EXTERNAL AUDITOR REPORTED IN 2002**

6.1 **Technical Co-operation Projects**

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
6.1.1	<p><u>2002 - Paragraph 78</u> Project documents should include relevant information for the justification of the proposed project including formal analysis of the barriers faced by the Contracting State.</p>	<p>This matter is being taken into consideration in the preparation of project documents by TCB through the incorporation of relevant background information providing justification of the need for a proposed technical cooperation project. Particular regard is being given to the analysis of specific and common obstacles to be encountered by civil aviation administrations of developing countries with similar human resources, technical and/or financial difficulties. This has allowed the development of a regional or sub-regional approach to the implementation of technical cooperation activities in the areas of flight safety and security, thus increasing the efficiency and effectiveness of project execution while providing a practical solution and important cost savings to recipient States.</p>	Completed
6.1.2	<p>A checklist should be adopted for documenting the review of draft contracts or agreements.</p>	<p>TCB, LEB and EAO, through the Procurement Procedures Review Group (PPRG), have jointly reviewed and amended model contracts and contractual terms and conditions used by TCB. Any changes to standard contracts and agreements are reviewed by LEB and FIN on a case by case basis. Comments received are placed on file to facilitate future preparation and review of similar draft contracts and arrangements.</p>	Completed
6.1.3	<p>Sufficient information and documentation should be provided on the overhead rate to be charged at the planning phase of the project, tracked over the duration and reported on a timely basis.</p>	<p>Pending the implementation of a new accounting system which could facilitate the identification of direct and indirect costs specifically related to technical cooperation projects, ICAO is charging overhead costs to projects based on the complexity of the project and type of deliveries. Overhead rates for Management Service Agreements are negotiated with the State and may vary by project component. However, some interim measures will be introduced to monitor the actual cost of support of projects and to document the decisions taken with respect to the overhead charged.</p>	In progress

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
6.1.4	<p>Project risk assessment should be improved by:</p> <ul style="list-style-type: none"> - a) Completing a profile of potential risks to be considered at various phases of a project; - b) Assessing formally the potential risks for projects involved in assisting human resources development of a national civil aviation department; and - c) Re-assessing periodically its analysis of risks in the case of multi year projects. 	<p>Consistent and detailed monitoring of all ICAO technical cooperation projects continues to be the goal of TCB. More in-depth analysis in the areas of risk assessment at the outset and during various stages of project implementation is being undertaken. Projects are continuously monitored and all areas are being periodically assessed.</p> <p>The potential risks for ICAO with regard to projects involved with the mobilization of human resources for national civil aviation administrations of recipient States have been analyzed. In order to safeguard the immunity of the Organization, it has been decided that all contracts with project staff, who are not considered staff members of ICAO and are not directly under its control, shall stipulate that ICAO shall not be responsible for any claim which may be brought by a third party against the subscriber in his performance of services under the contract, and that the subscriber will hold ICAO harmless against third party claims. Such contracts also include a clause on the suspension or interruption of agreement, whereby the subscriber agrees to waive any compensation if the project is suspended or interrupted totally or partially, whether this is due to lack of funding or any other cause. In addition, as per the request of the Legal Bureau, framework agreements for technical cooperation, such as MSAs or Trust Fund agreements, and procurement contracts mandatorily include an indemnity clause whereby the contractor, at its own expense, shall indemnify and hold harmless ICAO, including its employees, from and against all suits, claims and liabilities arising out of the acts and omissions of ICAO or its employees on behalf of the government in the performance of the agreement/contract.</p>	<p>In progress (a, c)</p> <p>Completed (b)</p>
6.1.5	<p>A formal approach should be used to obtain feedback on the quality of its procurement services to Contracting States.</p>	<p>Contracting States are generally satisfied with the procurement services provided by ICAO. Whether a formal approach should be used is being considered.</p>	<p>Under review</p>

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
6.1.6	Continuation of its efforts to establish an integrated monitoring and reporting structure that would provide it with the necessary information and flexibility to manage technical co-operation projects.	General guidelines on monitoring and evaluation procedures are in place, including day-to-day monitoring through e-mail, faxes and phone-calls, or missions undertaken to States, as required. In many instances, however, it is necessary for TCB, in coordination with the recipient State and donor, to adapt such procedures in order to respond to specific monitoring and reporting requirements and schedules, in accordance with the complexity and type of project under implementation. TCB is in agreement that the establishment of an integrated monitoring and reporting systems would assist in the management of projects. Efforts in this regard will continue.	Continuous

6.2 **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
6.2.1	<u>2002 - Paragraph 114</u> 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.	Work has started on the issue of performance management and reporting which includes development of philosophy at the level of the SMG and development of the methodology and training.	In progress
6.2.2	The roles and responsibilities of regional offices should be clarified and the Regional Office Manual should be revised accordingly and made available in electronic format.	The Regional Office Study is in progress. The first phase is completed. The next phase is planned. The Regional Office Manual is being revised.	In progress

No.	Audit Report Year, Paragraph Number and Recommendation	Implementation Progress/Comments	Status
6.2.3	Regional offices should report the results, the resource costs, and the variances from plans for all major activities such as air navigation planning and implementation, air transport planning, and management improvement initiatives. This would apply to both internal reporting to headquarters throughout the year, and in the Annual Report to the Assembly.	Reports from the Regional Offices arrive more regularly and contain more information. Performance management referred to above will give possibilities for further improvement.	In progress
6.2.4	Regional Offices should report potential benefits in their budgetary plans, and actual benefits from their work in their monthly reports to headquarters. Accomplishments could also be published in the Council's Annual Report, along with any appropriate caveats about attribution.	Several press releases have been issued describing the accomplishments of the Regional Programmes. Benefits of the implementation efforts are represented as well.	In progress
6.2.5	Regional Offices should promote sharing of experiences and best practices amongst themselves.	Experience and best practices of Regional Offices are being shared on a regular basis.	Continuous

7.0 SUMMARY

**Summary of
Recommendations from External Auditor
Period 1998 to 2002
Status as of 31 December 2003**

Subject	Reference	Recommendations		
		Total	Number Completed	Number In Progress
1998				
Air Transport Bureau - The Statistics Programme	2.1	3	1	2
Environmental Protection	2.2	1	-	1
Cash Management	2.3	10	8	2
Total		14	9 (65%)*	5
1999				
Universal Safety Oversight Audit Programme	3.1	8	5	3
Total		8	5 (63%)*	3
2000				
The 2002-2004 Draft Programme Budget Planning Process	4.1	4	2	2
Human Resource Management	4.2	4	1	3
Information Technology	4.3	6	2	4
Total		14	5 (36%)*	9
2001				
Management Services Agreement Projects	5.1	4	3	1
Regional Offices with special reference to Lima	5.2	2	-	2
Total		6	3 (50%)*	3
2002				
Technical Cooperation Projects	6.1	8	3	5
Regional Offices, with Special Reference to Bangkok and Paris	6.2	5	1	4
Total		13	4 (30%)*	9

* Represents percentage completed of total recommendations

附录 F

决议草案

决议 42/...

本组织 2003 年财政年度账目的核准及对其审计报告的审查

鉴于本组织 2003 年财政年度的账目和作为国际民航组织外部审计员的加拿大审计长 — 联合国和各专门机构联合外部审计团成员 — 就其提交的审计报告在缔约国传阅后已提交给大会；

鉴于理事会已经审查了审计报告，并已将其提交大会审查；和

鉴于按照《公约》第八章第四十九条第六款，已对各项支出进行审查；

大会：

1. 注意到外部审计员关于 2003 年财政年度经过审计的账目的报告和秘书长就审计报告中的建议发表的评论，以及关于外部审计员前些年建议执行情况的报告，和；
2. 批准 2003 年财政年度经过审计的账目。

决议 42/

2003 年财政年度国际民航组织作为执行机构管理的联合国开发计划署项目相关财务报表的核准及对同时涵盖了联合国开发计划署账目的本组织财务报表审计报告的审查

鉴于反映联合国开发计划署署长拨给国际民航组织并由国际民航组织作为执行机构管理的 2003 年资金使用情况的账目，以及作为国际民航组织外部审计员的加拿大审计长 — 联合国和各专门机构联合外部审计团成员 — 就同时涵盖了联合国开发计划署账目的本组织财务报表提交的审计报告在缔约国传阅后已提交给大会；

鉴于理事会已经审查了审计报告，并已将其提交大会审查，以待报送联合国开发计划署署长；和

鉴于联合国开发计划署《财务规章和细则》规定，联合国系统组织受委托执行或实施联合国开发署活动的，应当向开发署署长报送反映署长所拨资金使用情况的账目，以便提交给执行局；而且，此类账目应当附有各组织外部审计员的审计证明，并附加审计报告。

大会：

1. 注意到外部审计员就同时涵盖了本组织作为执行机构管理的联合国开发计划署账目的 2003 年

财政年度财务报表提交的审计报告，以及秘书长就审计报告中的建议发表的评论；

2. 批准 2003 年财政年度国际民航组织作为执行机构管理的联合国开发计划署相关账目；和

3. 指示将本组织的财务报表，其中包括国际民航组织管理的联合国开发计划署账目，连同审计报告一并报送联合国开发计划署署长，以便提交给执行局。

—完—