



Summary Report of the 38th IMAC meeting

Present: Mr. Honore NDOKO, Mr. Henrique SCHNEIDER, Ms. Chitra BARTH-RADHAKISHUN, Mr. Niel HARPER, Mr. Christof Gabriel MAETZE, Mr. Bassam HAGE

Introduction

The meeting took place on March 13-15, 2024, in Geneva, Switzerland, with remote participation. Throughout this summary, IMAC and Committee are used interchangeably.

1. Agenda and Planning for the Meeting

The quorum was verified, and the Committee endorsed the meeting's agenda.

2. Induction of the new members

The ITU Chief of Staff and IMAC Secretary presented an overview of ITU's mission, strategy, and structure as well as its positioning within the wider UN landscape. The Committee expressed appreciation for the presentation and sought clarification where needed.

3. Execution of the Declaration and Statement of Private, Financial, and Other Interests Form

Each member confirmed their commitment to uphold the organization's ethical standards by executing the declarations about the absence of conflicts of interest. These annual declarations were sent to the Ethics Office for their formal presentation to the Chair of the ITU Council, in accordance with the IMAC Terms of Reference.

4. Election of the officers of IMAC

The Committee unanimously elected Honore Ndoko as its Chairperson and Henrique Schneider as its Vice Chairperson for a two-year term. The Committee emphasized the importance of a balanced representation across various dimensions, including gender, economic development, country size, and geographical diversity.

5. ITU Management

The Committee convened with the ITU Secretary General and Deputy Secretary General, who welcome IMAC members and commended the newly elected officers. The Secretary General

shared organizational achievements, challenges, and priorities. Subsequent discussions centered on mutual expectations and fostering a collaborative relationship with ITU management.

6. Private Session on IMAC's Role and Responsibilities

The Committee discussed and collectively delineated roles, responsibilities, as well as working methodologies and agreed to continue to further reflect on best practices for the discharge of IMAC duties. Insights were shared regarding recent ITU Council Working Group Finance and Human Resources and UN Oversight Bodies meetings.

7. BDT Director and ITU Regional Directors

The Committee met with ITU Regional Directors led by the Director of the Telecommunication Development Bureau (BDT). The Committee appreciated the opportunity of a brief on ITU regional footprint, BDT and regions key strategic priorities and programs, the funding of projects and the endeavour for a successful resource mobilization. The Committee complimented the Regional Directors and their teams for their important frontline client engagement. In its future meetings with Regional Offices the Committee will review opportunities of impact, effectiveness and efficiency, risk management, integrity, controls and fraud prevention.

8. Update on Financial Management

The Chief FRMD, accompanied by departmental heads, presented the activities of the department and a financial activity dashboard under construction.

The Committee commented that a unified view of ITU's financial landscape (with a consolidation of regular and extrabudgetary activities) is essential for informed decision-making, allowing to grasp the full financial picture. Strategic planning, resource allocation, and the organization's financial integrity and sustainability depend on this complete and unified perspective.

During the discussion with the Head of Procurement the Committee also commented on the importance of supply chain risk management (SCRM) in identifying, assessing, and proactively addressing potential disruptions and vulnerabilities within the ITU supply chain. Fully assessing and mitigating these risks can minimize disruptions in the flow of goods and services that the organization needs to deliver against its broad mandate. Addressing cyber risk in the supply chain was emphasized.

The Committee took note of the ongoing efforts to enhance the accounting function and encouraged the chief FRMD to fast track the completion of the recruitment and on-boarding of the two professional accountants approved in the 2024 staffing plan.

The Committee complimented the department for the briefing and will continue in its future meetings to review financial, administration and budget matters.

9. Updates on Transformation Initiative

The Acting Chief of the Transformation Team outlined ongoing transformation endeavors, highlighting areas such as people management, digital transformation, and financial management.

The Committee reiterated its views that a transformative initiative of this magnitude requires dedicated appropriate level resources with key capabilities such as project management, change management, business process reengineering, technology, and internal control, among others.

The Committee also took note of the progress in the preparation of a roadmap and affirmed its continuing commitment to supporting ITU in this transformative journey.

10. Updates on the HQ Building Construction Project

Representatives from the Facilities Management Division offered a comprehensive introduction to the headquarters building construction project. They detailed different phases of the project since its inception in 2017 and presented the status, the alternatives that are discussed and the next steps until Council 2024.

The Committee reiterated the urgency in reaching a timely decision by Management and Council regarding the way forward, understanding that delays result in significant additional costs and may boost the risks of impairment of the incurred capitalized expenditures.

11. Update from the External Auditors (UK National Audit Office)

The Committee took note of the External Auditor's audit approach, their methodology for ITU, their reporting plans, and expectations concerning IMAC's involvement.

Reviewing the 2022 Financial Statements, IMAC took note of the unqualified audit opinion with a modified opinion on regularity due to ex gratia payments. Challenges in closing the 2022 financial statements were highlighted again with additional explanations provided by Management about the Task Force and the contracted external resources to support the process.

The External Auditor presented the audit plan for the 2023 financial statements, including a timeline for implementation, with unfortunately only an interim report scheduled for the June session of the ITU Council and a final report currently envisaged for September 2024. They also outlined focus areas for the audit and anticipated changes in audit standards, notably IPSAS, impacting ITU financial reporting.

The Committee renewed its appreciation of external auditor's ongoing efforts and Collaboration with ITU and IMAC. The Committee expressed concern about the fact that the updated work plan does not allow to present a completed audit of the 2023 Financial Statements at the June 2024 Council. Observing that this could be a disservice for all, the Committee urged the External Auditor to make every effort in coming months to meet the

June 2024 deadline. Further, IMAC asked the Finance team to ensure that the deadline of 26 March 2024 to deliver the draft auditable 2023 Financial Statements and relevant supporting trail to the external auditor is met.

The Committee recommended that ITU conduct a gap analysis to assess internal resource coverage for the new IPSAS 47 implementation.

The Committee renewed its commitment to be available for any further contribution to the process.

12. Update from Internal Audit

The Head of Internal Audit provided a status report on the Oversight Unit, comprising the Internal Audit, Investigation Function, and Evaluation Function. The Oversight Charter is currently undergoing negotiation and awaits approval by the ITU Council. IMAC reviewed the Oversight Unit Concept and provided comments and advice on the Oversight Unit Charter.

The Head of Internal Audit presented audits conducted since the last meeting, along with related activities, investigations, and advisory work carried out by the Unit. Concerning the status of implementation issues raised by Internal Audit, the Committee noted the presence of longstanding recommendations yet to be implemented and recommended establishing agreed deadlines with the concerned departments at the time when the reports are issued for their action and implementation.

IMAC has observed with concern that several recommendations from the Internal Audit remained unaddressed, some dating back as far as 2016. The delay in implementing critical audit recommendations undermines the effectiveness of ITUs governance, risk management, and control processes. The IMAC urges ITU Management to prioritize the resolution of these outstanding recommendations.

The Committee discussed the benefits of a COSO 2013 framework at the organization level.

13. Update on Human Resources

The Chief of HRMD outlined the department's mission and objectives for 2024, and emphasized the challenges and opportunities associated with achieving these objectives. The Committee engaged in discussions with the Chief of HRMD regarding the potential for streamlining durations and validations required in key human resources processes.

The Committee reiterated its advice for a comprehensive staff engagement survey in 2024.

The Committee also advised that HRMD work closely with Information Security to review the process framework for human resources information security. The process framework should include rules pertaining to:

- background checks for sensitive roles
- granting and revoking access to ITU systems and data
- responsibilities for staff, contractors, partners, and associated individuals for handling sensitive data
- security awareness training; and

- accessing user accounts without their consent

14. The Ethics Office

The Ethics Officer presented the Ethics Office, its structure, resources, and activities. The Committee remarked again that the Ethics Office did not have a Charter. The tasks and duties of the new ITU Oversight Unit would also impact the Ethics Office's duties and responsibilities.

The Committee noted the continuing increase of the volume of activities. This is likely to compound the pressure on resources and the workload. The Committee advised to assess the appropriateness of resources in line with the revision of relevant policies, the new Oversight Unit Charter, the Ethics Office Charter and the Ombuds function.

The Committee mentioned that it had scheduled a dedicated session on the ITU's internal justice system at its next session (May 2024) to get a better picture of the interaction of the functions of internal audit, oversight and investigation, the legal office, human resources, and ethics, and on the synergies between the functions.

15. Closing session with ITU Management

The IMAC Chair briefed the ITU Secretary-General on the outcomes of recent meetings with various sector representatives and GS departments, highlighting key findings and offering recommendations to ITU management in the discussed areas. The Secretary-General and IMAC members deliberated on identified issues, potential quick wins, and priorities in implementation. The Secretary-General expressed gratitude to the Committee for their hard work and affirmed the commitment to collaborate with IMAC for the organization's benefit.

16. Other matters

Considering that 2024 is the inaugural year of its four-year term with four new members, the Committee agreed to postpone its self-evaluation and the stakeholder's assessment to the first quarter of 2025.

The Committee extends its appreciation and compliments to the ITU Management and staff as well as its Executive Secretary for their contribution, participation and assistance to the 38th Meeting.

The Committee reiterates its expectations to receive future meeting documents and presentations at least 7 calendar day prior to the opening of each meeting.

The 39th IMAC Meeting is scheduled to take place in Geneva, from May 21st to 23rd, 2024 and the 40th Meeting will take place from October 29 to 31, 2024.

March 2024

Independent Management Advisory Committee