Summary Report of the 40th IMAC meeting

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

1. Opening Session

Quorum was confirmed with all members present. No conflicts of interest were reported.

Members of IMAC reflected on takeaways from the June and October 2024 Council and CWG FHR meetings.

2. Session with ITU Secretary-General

The Committee welcomed the Secretary-General and complimented ITU for the recent World Telecommunication Standard Assembly, the participation to the Compact for the Future and several highly visible contributions at the global stage.

The Committee took note of the Secretary-General opening updates and remarks which among others included the following points:

- o Council Decisions on the new building project, the Oversight Charter, and the External Audit report.

- o Progress and completion of recruitment of the Chief Transformation Initiative, the Chief of the Internal Oversight Unit, and the Head of Procurement.

- o Progress in the establishment of Ombudsman Service

- o Progress in the preparation of a voluntary early separation programme

- o WTSA Outcomes and Implications for ITU's future strategies.

- o Summit of the Future Contributions and ITU's potential role in shaping the Global Digital Compact.

- o Internal Efficiency Measures within the General Secretariat.

- o Organizational Positioning Post-Summit: Implications for ITU's role in global processes and potential WSIS updates.

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- o Progress in updating and aligning the legal framework and policies guiding the internal redress and justice system. The draft revised policies and guidelines will be submitted to IMAC for review and advice.

- o Progress in the revision of the tasks, duties and responsibilities of the Ethics Office and the establishment of a charter of the Ethics Office.

- o Next steps towards Council's endorsement of 2023 audited Financial Statements

- o Expectations from the Senior Management Retreat of November 2024

IMAC congratulated ITU on the many advancements the organization has made and encouraged the Secretary-General to continue streamlining the organization's strategic focus and increasing performance efficiency, which can be one of the most important contributors in the ongoing budget discussions.

In line with increasing ITU's role in bridging the digital divide, a precondition for many other ITU programs and initiatives, IMAC deliberated on strategies to leverage assistance to more countries.

IMAC stressed the importance of an approved Ethics Charter as well as the necessary consultations in the approval processes.

The Committee appreciated the continuing engagement and open conversation with the Secretary-General and offered comments, suggestions and advice on a broad range of topics.

The committee reiterated its recommendation of a staff engagement survey in 2024 and emphasized the need to continue to invest in enhancement of staff well-being and in the prevention of stress and workplace mental health risks.

3. Courtesy Session with ITU Council Chairperson

The Committee welcomed the Chair of ITU Council and took note with appreciation of his opening remarks which included an overview of the Council's function, his role, and recent achievements, including successful collaboration between the Council Chair and IMAC Chair.

Emphasis was placed on the risks associated with sectoral polarization and ITU's financial constraints.

The Chair of ITU Council highlighted the opportunities and challenges arising from sector developments at the UN and international levels.

The Committee appreciated the open exchange of views about critical ITU challenges and opportunities and emphasized the commitment of IMAC, a subsidiary body of the ITU Council to advise and assist Council in its governance and oversight responsibilities. A suggestion was made to include a regular session with the Chair of Council once a year in IMAC meeting agenda.

4. Financial Management and Budget

The Committee reviewed Key updates provided on ITU's financial status and preparations for the 2026-2027 budget.

The Committee noted with appreciation that the fiscal year 2024 will likely close with a balanced budget or a surplus due to an activation of the cycle of sales of publications.

A proposal was made to establish internal cost centres to enhance financial transparency and accountability across ITU.

IMAC acknowledges ITU's significant challenges in preparing the 2022 and 2023 financial statements, resulting in delayed releases that impacted the timely submission for the Council meetings. IMAC stresses the importance of a timely release of these statements in the future.

IMAC noted that the External Auditor and the Finance Department were committed to meeting the deadlines for the 2024 audit cycle. The aim is to present the audited financial statements in time for the June 2025 Council meeting. IMAC urges all ITU managers and staff to provide timely and accurate information and to collaborate with the FMRD.

IMAC took note of some processes with risks of delays and disruptions of the timely completion of the closure of the 2024 financial year:

- o Travel Claims: Recommendations were made to streamline, speed up and improve the travel claims submission process.

- o Procurement Timeliness: IMAC urged a strengthened approach to ensure timely procurement processes and high-level recommendations were made to improve the procurement process.

- o IMAC invites the Senior Leadership of ITU to ensure adherence to established procedures and timelines.

Financial Statement Preparation: Improvements in the 2023 financial statements were acknowledged, though further enhancements were advised to meet IPSAS standards, particularly IPSAS 23. The focus was on providing detailed supporting documentation and a strong audit trail for the 2024 statements.

Upcoming IPSAS Standards: IMAC advised ITU to prepare for new IPSAS standards (IPSAS 43, 45, 46, and 47) taking effect in 2025 and 2026, recommending a gap analysis to ensure readiness for these standards and their impact on ITU's financial statements.

IMAC expressed interest in the ongoing discussions about member states contributions and noted that the current formula for determining the value of contributory units, set during Plenipotentiary Conferences, poses challenges for ITU's financial planning and stability, despite the consistently increasing value and benefits ITU delivers to its member states through its programs, initiatives, and global leadership in ICT development. Consequently, IMAC supports discussions on integrating a price adjustment mechanism into the assessment of member state contributions to ensure alignment with inflationary trends and currency appreciation

while maintaining predictability for member states. IMAC will explore in coming months realistic options of a price factor.

5. Session with the Staff Council

The Committee took note with appreciation of the well-structured presentation made by the Chair of Staff Council.

The Committee appreciated the open exchange with the Officers and took note of the Staff Council key representation, advocacy and priority actions areas.

6. Oversight Unit Updates

The Chief Oversight presented priorities for the new unit, which includes internal audit, investigation, and evaluation functions. IMAC congratulates the efforts being made to align independent functions and recalls its recommendations encouraging the ITU to continue its efforts in this matter.

Internal Audit

The Committee reviewed the 2025 Internal Audit plan and its risk coverage. The Committee requested to add the new building project and transformation initiatives to the 2025 audit plan, with some components of the accountability framework and fraud risk management audits reconsidered for feasibility. The Committee also encouraged the inclusion of technology-related audits, which are absent in both IA and EA plans.

Investigation

The Committee will review the annual report and analysis on 2024 investigation activities at its 41st Meeting in February 2025.

Evaluation

The Committee advised to prepare and deliver a meaningful evaluation program in 2025 with an active contribution of external consultants and providers of evaluation services. IMAC also encouraged to pursue effective coordination with sectors about their evaluation needs and plans.

Staffing and Budget

The Committee emphasized the importance of ensuring adequate resources for the Internal Oversight Unit and requested a presentation of a 2025 -2027 staffing and budget at its 41st Meeting.

The Committee also suggested exploring flexible arrangements for internal audits and investigations and considering outsourcing evaluation functions rather than hiring full-time evaluation staff.

7. New Building Project

The Committee reviewed the update on the New Building Project and took note of progress made in the new concept approved by Council 2024.

IMAC reiterates the importance of governance processes with regular reports. IMAC recommends a multiyear programme of annual internal audits to ensure that the project remains on track.

The Committee requested for its next meeting a detailed presentation of the costing that distinguishes the comprehensive cost of the building project from the indirect cost related to business continuity. The costing should include assumptions of inflations and externalities. The extra cost of renovation of the Tower beyond budgeted maintenance should be annexed to the costing. Options of funding should also be annexed.

8. Session with External Auditors

The Committee reviewed and endorsed the External Auditor draft 2025 Audit Plan.

The external auditor presented their audit plan, which was supported by ITU senior management. The timeline aims to complete audited financial statements by June 2025 for Council review, emphasizing thorough preparation by all departments.

IMAC recalled the importance of accurate statements and reports and stresses timeliness as an important attribute of good governance.

The committee took note of the external auditor's approach and vetting of conflicts of interest

9. Transformation Initiative

The Committee welcome the new chief of the Transformation Team and took note of her presentation .

The committee discussed the temporary role of the Transformation Team . The Transformation Team has been established as a temporary entity to drive and support change across ITU, addressing the challenges of its complex organizational structure and historically slow pace of change adoption. The team's role focuses on catalyzing reforms, fostering collaboration across departments, and setting the groundwork for long-term organizational improvements.

IMAC commented on the Strategic Roadmap and Phased Implementation. The Transformation Roadmap outlines a structured and phased approach, balancing accelerated initiatives ("quick wins") with foundational reforms. Initial focus areas include streamlining processes such as recruitment and performance management and leveraging technology, including AI solutions, to improve operational efficiency.

The Committee renewed its advice for an urgent development of clear and measurable KPIs is critical to ensuring the success of the transformation program. These indicators will serve to monitor progress, measure efficiency enhancements, and align initiatives with ITU's strategic objectives. Without well-defined targets, the transformation's impact and success cannot be reliably assessed.

The Committee highlighted the importance of the Change Management and Staff Engagement .Effective change management is central to the transformation effort, focusing on leadership development, culture enhancement, and active staff engagement. Initiatives include leadership workshops and mobilization of the Change Makers network to drive ownership and participation across all levels of the organization.

The Committee commented and advised on Governance, Risk Mitigation, and Accountability. Robust governance mechanisms, including regular IMAC oversight and Council reporting, ensure transparency and accountability. Risk mitigation strategies address potential barriers such as resource limitations and organizational inertia, with an emphasis on ensuring sustained momentum throughout the transformation process.

10. Data Management and Information Security

IMAC acknowledged the progress made in implementing the vulnerability management program within ITU. However, it was noted an uneven engagement and participation across departments and sectors.

IMAC recommends that Senior Leadership take immediate action to ensure that all sectors, departments and units of the organization are fully integrated into the vulnerability management program. It is essential to recognize that the ITU's overall cybersecurity posture is only as strong as its weakest link. A unified, centralized vulnerability management framework approach to cybersecurity across the organization is imperative to mitigating risks effectively, to enhancing organizational resilience and to safeguarding the ITU's strategic objectives. This integrated approach will reinforce ITU's defence mechanisms and align with best practices for cybersecurity governance, promoting a unified standard of security across all federated structures within the organization.

The IMAC underscores the need for the IT function to urgently develop and publish a comprehensive strategic plan and roadmap that aligns IT initiatives with business priorities, supports risk analysis, defines a future state enterprise architecture, and outlines cost reduction and process refinement strategies. These activities are critical to demonstrating how IT creates measurable value going forward, supports the organization's mandate to Member States, and helps to achieve more effective administrative, tactical, and operational outcomes.

The IMAC commends the efforts by the IT Security team with regards to developing relevant key performance indicators (KPIs). However, the Committee recommends the creation of a broader set of KPIs that measure the overall effectiveness of the cybersecurity program and assist in better securing the digital infrastructure and sensitive data on which the ITU depends. This expanded data-driven approach will support the identification of security weaknesses, assessment of risk levels, prioritization of investments, and contribute to improved decision-making. Key areas for coverage should include security governance, incident response, third-party risk management (TPRM), asset management, and identity and access management (IAM)

Clear articulation of AI activities and projects, robust risk management, and detailed benefit realization plans are crucial to responsibly integrate AI into ITU's transformation journey and maximizing its potential to drive efficiencies, risk mitigation, and cost reduction.

While the strategic use of consultancies can bring specialized skills, it is vital that ITU is better equipped to respond to shifting business demands and ongoing technology advancements by reducing excessive reliance on external entities. There are associated risks, such as lack of management ownership and accountability, the widening of internal skills gaps, escalation in costs, lack of continuity, reduced agility, and stifled innovation, that the organization needs to mitigate effectively.

IMAC acknowledged the strategic decision to migrate SAP to the cloud for improved efficiency and security. However, greater clarity is needed on the choice of SAP S/4HANA, designed for large enterprises, over SAP Business One, which might offer a more streamlined fit for an organization of ITU's scale. Detailed insights into key decision drivers, including return on investment (ROI) and total cost of ownership (TCO), will be instrumental in determining value creation.

11. Dalberg Progress Report on the Comprehensive Review of the ITU General Secretariat

The Committee commented on the draft report presented by Dalberg. Dalberg's review of the ITU General Secretariat is a separate initiative from the broader Transformation Roadmap. However, IMAC emphasized the importance of carefully managing interfaces between the two efforts to ensure coherence, avoid duplication, and maximize the impact of organizational improvements.

The Committee reminded of its initial set comments and recommendations which included : (1) getting the context, the strategic big picture and uniqueness of ITU mission right; (2) having a visionary horizon strongly determined by technology/digital/AI opportunities and risks;(3) Understanding and articulating a convincing value added by the reorganization; (4) Ensuring appropriateness of the benchmark pool;(5) Focusing on Robust internal controls , fraud prevention, effectiveness and efficiency; (6)Clarifying roles, responsibilities , segregation of duties Accountability , workflows; (7) update well recognized professional standards; (8) focusing on people management and change management.

Commenting on the Deep Dives and Self-Evaluations approaches , The Committee noted that Dalberg conducted an in-depth review of the Financial Resources Management Department (FRMD) while permitting other General Secretariat units to perform self-evaluations. IMAC noted that this approach might limit the stringency of the search for efficiencies, underscoring the need for robust follow-up measures.

IMAC recommended the formulation of concrete efficiency enhancement plans, supported by Key Performance Indicators (KPIs). These KPIs are essential to ensure that efficiency gains are achieved and tracked, not only within FRMD but across the entire General Secretariat. Without such measures, the success of the review's recommendations remains uncertain.

IMAC advised a thorough review of the "make or buy" question—evaluating whether certain functions or services should be retained in-house or outsourced. The results of this analysis should be reported at the next IMAC meeting, providing clarity on resource optimization strategies and their potential benefits.

12. Radiocommunication Bureau (BR)

The Committee welcomed the opportunity of a direct engagement with The Radio Communication Bureau and appreciated the comprehensive and informative briefing presentation on the sector activities, opportunities and challenges

BR representatives shared insights into the ITU-R sector's mission and priorities, covering recent updates on publication issues and satellite network filings.

IMAC encouraged openness to exploring new opportunities in the current business model.

13. Closing session with the ITU Deputy Secretary General

The IMAC Chair briefed the ITU Deputy Secretary-General on the outcomes of the sessions with various sector representatives and GS departments, highlighting key findings and offering recommendations to ITU management in the discussed areas. The Deputy Secretary-General and IMAC members deliberated on identified issues, potential quick wins, and priorities in implementation. The Deputy Secretary-General expressed gratitude to the Committee for their hard work and affirmed the commitment to collaborate with IMAC for the organization's benefit.
The Committee requested an update about the IMAC recommendation approved by Council 24 to include a small budget complement to cover ASHI liability in the funding of new positions

14. Other Matters and agenda items

Advisory Boards and Groups

The Committee reviewed a presentation providing an overview of ITU Advisory Boards and Groups. It was observed that while the existence of numerous advisory bodies adds to the complexity of ITU's organizational structure, several of these bodies appear to make substantial contributions to ITU's strategic objectives.

Update of the Ethics Office

The regular update of the Ethics Office was postponed due to unforeseen factors.

Open IMAC Recommendations

IMAC conducted a thorough review of its 23 outstanding recommendations, all of which have been approved by the Council. The review highlighted the need for further clarification on the status of several recommendations. To address these gaps, the Committee emphasized the necessity of obtaining additional feedback and input from the respective business owners before proceeding with their closure. IMAC underscored the critical importance of ensuring the

timely and effective resolution of these recommendations to uphold organizational compliance and foster continuous improvement in ITU's governance processes.

Revision of IMAC Terms of Reference

In accordance with statutory requirements to review its Terms of Reference at least biennially, the Committee initiated discussions on necessary updates. The proposed revisions will address areas including the Internal Oversight Unit and its charter. The updated Terms of Reference will be shared with Management for review and input before inclusion in the agenda of the next CWG-FHR meeting.

IMAC Self-Assessment

The Committee will conduct its self-assessment exercise and the stake holder survey in the first quarter of 2025.

Functioning of IMAC

The Committee confirmed the lack of conflicts of interest of members for the 40th Meeting and was pleased to confirm that its programme of work for 2024 has been completed. A few pending items under its purview will continue to be reviewed by correspondence.

Acknowledgements

The Committee took note with appreciation of the timely submission of the meeting documents.

The committee extends its appreciation and compliments to the ITU Secretary General, the ITU Management and staff as well as its Executive Secretary for their contribution and participation to the 40th IMAC Meeting.

Calendar

The 41st IMAC Meeting is scheduled to take place in Geneva from February 25 to February 28, 2025, and the 42nd Meeting from May 14 to May 16, 2025.

November 2024

Independent Management Advisory Committee