



Summary Report of the 25th meeting

Present: Mr Alexander Narukavnikov, Mr Honore Ndoko, Mr Henrique Schneider

Absent: Ms Sarah Hammer, Mr Kamlesh Vikamsey

1. Introduction

- 1.1. The twenty-fifth IMAC meeting was held from 3 to 5 February 2020.
- 1.2. In this summary report the terms IMAC and Committee are used interchangeably.

2. New membership of IMAC

- 2.1. The 25th meeting of IMAC has been the first meeting attended by the three (3) new members of the Committee appointed as from 1st January 2020. The Secretariat welcomed the new members and provided an extensive introduction to the work of IMAC, briefing the new members on the Committee's Terms of Reference -as per the Plenipotentiary Resolution 162 (Rev. Busan 2014), the issues identified in the previous reports and the outstanding IMAC Recommendations.
- 2.2. The Committee decided to postpone the election of the Chair of IMAC until its 26th meeting.
- 2.3. The members of IMAC signed their personal forms for declaration and statement of private, financial and other interests.

3. Participation at the ITU Council Working Group on Financial and Human Resources (CWG-FHR)

- 3.1. The members of IMAC participated at the session of the Council Working Group on Financial and Human Resources (CWG-FHR), in particular following the topics of Results-based management, the fraud case and related matters, and the presentation on strengthening risk management in the ITU.
- 3.2. The members of the Council Working Group appreciated the participation of the IMAC members, welcomed the new members of the team and wished a successful term in the Committee, highlighting the importance of close cooperation and interaction in the topics of common interest.
- 3.3. The members of IMAC noted with appreciation the analytical framework for results-based management and the process as well as the progress of measures set in place to address, mitigate, and resolve cases of fraud.
- 3.4. The members of IMAC will continue to liaise with the Council, especially its Working Group of Financial and Human Resources.

4. Review of Status of IMAC Recommendations

- 4.1. IMAC reviewed the overall status of implementation of IMAC Recommendations. Up to now, 83% of the IMAC recommendations have been implemented, while 10 recommendations (17%) remain in progress with the secretariat. IMAC will report on progress in detail in its Annual Report to Council.

5. Introductory session to ITU structure and departments

- 5.1.** An introduction session has been organized by the Secretariat for the new IMAC members to become familiar with the organization and the structure of the ITU, with the participation of the Departments of the General-Secretariat and the three Bureaus. The following organizational structures introduced their work to the IMAC members:
- Financial Resources Management Dept.
 - Legal Affairs Unit
 - Human Resources Management Dept.
 - Conferences and Publications Dept.
 - Information Services Dept.
 - Strategic Planning and Membership Dept.
 - Internal Audit Unit
 - Ethics Office
 - ITU Telecom
 - the Radiocommunication Bureau (BR)
 - the Telecommunication Standardization Bureau (TSB)
 - the Telecommunication Development Bureau (BDT).
- 5.2.** The IMAC noted with appreciation the organization of this well-crafted introduction section, especially the preparation, openness, and candor of the representatives of all departments and sectors.
- 5.3.** The IMAC members were able to receive substantial information on the tasks of all departments and sectors. While different additional questions were raised in each meeting, issues most commonly addressed regarded the number of staff in each operational unit, their respective budgets, and the challenges each face. Special questions were raised on the structure and modalities of membership as well as on the strategic acquisition of members and resources.
- 5.4.** The Committee wants to continue to engage with the different operational units. In each of the IMAC's meetings, a "deep-dive" in a particular department should be planned. Members identified the Financial Resources Department, the Human Resources Management Department, the Information Services Department, and the Ethics office as priorities.

6. External Audit

- 6.1.** IMAC met with the External Auditors, both in a session with members of the ITU secretariat and in a closed session.
- 6.2.** In the meeting with members of the ITU secretariat, the IMAC discussed closed and open recommendations of the external auditors. Members of IMAC wish to receive a compilation of recommendations which have been followed and which are still to be implemented.
- 6.3.** In the closed session, IMAC members were substantially informed about the process of external auditing, about recommendations made in the past by external auditors, and about the case of fraud.
- 6.4.** In the case of fraud, IMAC members deepened their understanding of the case, of the role played by external auditors, on the ongoing process within the BDT and in the tendering of the investigation. IMAC members were referred to several reports.
- 6.5.** IMAC members want to continue to engage with the external auditor. In each IMAC meeting, an agenda point for a closed session with the external auditors should be planned.

7. Internal Audit

- 7.1.** IMAC received a briefing from the Internal Auditor on developments since the Committee's previous meeting. This included Internal Audit staffing, follow-up monitoring of Internal Audit recommendations and progress on the renewed External Auditor appointment process.

- 7.2. The internal auditor's status report was discussed. IMAC members inquired how the internal auditor adapts its auditing plan and manages backlogged audits. Noting that the auditing plan is a work in progress and the limited resources of the auditor's office, members of the Committee were satisfied with the explanations provided. IMAC also discussed the focus of the internal audit plan for 2020.
- 7.3. The Committee emphasizes the importance of the internal auditor's office within ITU especially remarking that the backlog in auditing activities due to investigation activities causes a serious gap in the implementation of good governance as well as showcase the very scarce resources of the office. Different ways of at least temporarily remedying the issue were discussed.
- 7.4. IMAC is of the opinion that there are still too many recommendations, classified by Internal Audit as high risk, that remain outstanding after a number of years. IMAC recommends that management should take more effective steps to ensure that Internal Audit recommendations are implemented expeditiously.
- 7.5. IMAC also had a closed meeting with the consultant conducting the five yearly external assessment of ITU internal audit. The scarcity of resources, the strategic orientation of the auditor's office, and the organization of internal audits were among the topics discussed.

8. Financial Management

- 8.1. IMAC discussed the current financial issues with the Financial Resources Management Department.
- 8.2. IMAC was informed about the procurement, the implementation of the new procurement manual, and different issues related to the details of procurement as well as the alignment of ITU's policies with other multinational organizations. The Committee received information on accounting focusing especially on IPSAS compliance, actuarial liabilities arising from health insurance and arrears. The Committee was also introduced to the budgeting process and discussed the financial planning as well as the cost allocation processes.

9. Follow-up to the fraud case in a Regional Office

- 9.1. IMAC discussed the fraud case with the Director of BDT in presence of internal audit, HRMD, FRMD, and PROC. The Director of BDT stated that over 50% of the necessary measures are in place and that the framework of governance set in place incorporating the learnings from this case prevents the further occurrences of similar cases (within reasonable certainty).
- 9.2. IMAC members discussed several issues related to the case, mainly follow ups on recommendations by the internal and external auditors, the implementation of a framework of governance, and the strengthening of internal processes.
- 9.3. IMAC members offer their help and expertise in the further resolution of the case and express their preoccupation with the lack of resources – e.g. in internal auditing and ethics office – for preventing, mitigating, and resolving such cases.
- 9.4. IMAC will continue to monitor this issue, especially how ITU is following up on the internal and external auditors' recommendations. The committee also wishes to meet the consultancy firm reviewing BDT's external presence.

10. ITU HQ construction project

- 10.1. IMAC received a briefing from the Senior Construction Project Advisor on progress and developments in the ITU's HQ premises construction project. IMAC was informed about the overall framework of the project, its implementation, its budget, and its governance structure. IMAC members addressed past interactions between the project and IMAC.
- 10.2. IMAC will continue to monitor progress and provide advice on an ongoing basis.

11. Session with the ITU Secretary-General

- 11.1.** IMAC members had a sessional lunch with ITU's Secretary General during which strategic issues were discussed. Special emphasis was given the ITU's role in global digitization, esp. development, the ITU's role vis-à-vis other multinational organization, the development of the ITU, its resources, and its governance.
- 11.2.** The ITU's Secretary General emphasized his keen interest in working with IMAC and his continuing commitment towards the highest degree of governance and compliance.
- 11.3.** IMAC members highly appreciated this meeting and would like to continue the practice of regular briefing/debriefing meetings with ITU's Secretary General.

12. Next meeting of the IMAC

- 12.1.** The Committee agreed to meet in May 2020, to review the External Auditor's report, follow-up on the issues within IMAC's Terms of Reference, to elect the Chair of IMAC, and to finalize the Committee's Annual Report to the 2020 Session of the ITU Council.
 - 12.2.** The Committee would like to convey many thanks to all presenters for their contributions and to the IMAC Secretariat for the helpful support during the 25th meeting.
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