



Summary Report of the 28th meeting

Present: Mr Kamlesh Vikamsey (Chair), Mr Honore Ndoko, Mr Henrique Schneider, Mr Alexander Narukavnikov (present on Monday 15 March)

Absent: Ms Sarah Hammer

1 Introduction

1.1 The twenty-eight IMAC meeting was held virtually from 15 to 17 March 2021.

1.2 In this summary report the terms IMAC and Committee are used interchangeably.

2 Follow-up to the UN System Oversight Committees meeting and related JIU Reports

2.1 The 5th Annual Meeting of the UN System Oversight Committees took place virtually on 8-9 December 2020. IMAC was represented by Mr. Honore Ndoko.

2.2 Mr. Ndoko briefed the Committee in detail on the topics discussed at the meeting, and the IMAC members considered some follow-up actions. In particular:

- Following the speed of digitization, accelerated by the situation of the COVID-19 pandemic, IMAC would be looking into the risk management aspects, in particular cybersecurity. IMAC will plan periodical briefings on how cybersecurity risks are addressed at the ITU from a governance point of view, engaging with the appropriate bodies.
- Alignment and progress towards the achievement of the 2030 Agenda and the SDGs, would also be included in IMAC's agenda, reviewing and advising on ITU's contribution.
- Regarding the assessment and evaluation of the work of the Committee, IMAC discussed the options to create an assessment questionnaire, seeking formally feedback from the key stakeholders, as well as considering the possibility for a peer-review and evaluation with another UN organization's Committee.

2.3 IMAC also discussed the findings of two of the latest JIU Reports, in particular the provisions related to the role and responsibilities of the audit/oversight committees:

- JIU Report Review of Audit & Oversight Committees in the UN System ([JIU/REP/2019/6](#)), containing specific proposals for consideration by the legislative bodies, on the terms of reference of the Committees;
- JIU Review of the state of the investigation function in the UN System ([JIU/REP/2020/1](#), in particular Rec. No. 6 related to the role of Audit and Oversight Committees vis-à-vis the investigation function).

3 Review of Status of IMAC Recommendations

3.1 IMAC reviewed the status of implementation of the IMAC Recommendations. Up to now, 83.6% of the IMAC recommendations (51 in total) have been implemented, while 10 recommendations (16.4%) remain in progress with the secretariat. IMAC will report on progress in detail in its Annual Report to Council.

4 Financial management issues

4.1 IMAC received a briefing from FRMD on the key financial management issues. The Committee took note of the schedule presented by the secretariat and is looking forward to receiving and reviewing the draft Financial Statements for 2020.

4.2 IMAC also noted the draft Budget for 2022-23, which is a balanced budget with an amount of revenue and expense at the level of 325.16 million CHF (5.4 million CHF lower than the 2020-21 budget).

5 Briefing with the External Auditor

5.1 IMAC received a briefing from Corte dei Conti on the proposed audit plan in 2021. The Committee reviewed the timeline and the themes/areas in the work programme.

5.2 IMAC discussed in particular the follow-up to the fraud case in a regional office revealed in 2018, the follow-up actions undertaken by the secretariat, as well as the progress made in addressing the deficiencies that have led to the External Auditor's qualified audit opinion of the 2018 and 2019 financial statements.

5.3 IMAC had also a closed confidential session with the External Auditors. In this closed session IMAC inter alia established the independency of the Corte dei Conti as part of the committee's own due diligence.

6 Update from the Ethics Office

6.1 IMAC received a regular briefing from the Ethics Officer, and discussed the developments and progress of work. In particular the topics covered included the handling of the financial disclosure statements from all staff, and the role of the Ethics Office in handling the preliminary investigations.

6.2 The Committee appreciated the work of the Office and provided advice in terms of the workload related to the processing of the financial disclosure statements and the possible move into an automated support system or the option to outsource the review.

7 Update from the Internal Audit Unit

7.1 IMAC received a briefing from the Head of the Internal Audit Unit, on the current status of work of Internal Audit, the 2021 Internal Audit Plan, and an update on the Forensic Audit exercise currently being conducted by PWC.

7.2 IMAC had previously recommended in its 2020 Annual Report to Council, that the Internal Audit Unit needs to be considerably strengthened from a resource point of view, coverage and adequacy of processes.

7.3 The Committee therefore appreciated the strengthening of the resources of the Internal Audit Unit, with the establishment of a Senior Internal Auditor post, abolishing the retired Audit Assistant's position. IMAC is looking forward to the prompt fulfilment of the post, so that more focus is given to direct audit work.

7.4 IMAC further advised to continue following a risk-based audit approach while building the Audit Plan. In order for IMAC to be satisfied by the selection of the risk items and the planned audit themes, the Committee will be focusing at its following meeting to review the assessment of the risks in the internal audit universe, ensuring the audit coverage of the key risk areas over a period of time.

7.5 IMAC also noted that the case of fraud or presumption of fraud, which had been reported to the External Auditor, related to an excess in staff member entitlements. Although members of IMAC became aware of the existence of such case during the meeting, the Committee was not provided with any additional information.

7.6 At its 8th Annual Report to the 2019 Session of Council, IMAC had highlighted that the secretariat had declined the request for a copy of the full investigation report and all relevant documents following the fraud case in a regional office, which would enable IMAC to discharge its responsibilities under the terms of

Resolution 162 (Rev. Busan, 2014), in advising Council on the effectiveness of the ITU's internal control systems. Finally, IMAC was provided with a redacted version of that investigation report, some 14 months after the fraud had been detected.

7.7 IMAC is also looking forward to receiving a briefing on the findings of the investigation related to the new fraud case involving staff member excesses in entitlements.

8 Update on Risk Management and the ITU Compliance Dashboard

8.1 IMAC received a briefing by the Strategy and Planning Division (SPD/SPM), on the implementation of the action plan aiming to strengthen risk management arrangements in ITU, and on the development of the prototype for the ITU Compliance Dashboard.

8.2 The Committee appreciated the progress on risk management and highlighted the need for the risk register and the risk management dashboards to be utilized by a critical mass within the organization, to be actively monitored and to avoid becoming a static tool.

8.3 On the Compliance Dashboard, the Committee appreciated the developed prototype, and advised to put it in production, highlighting the importance to have clear ownership and buy-in from all managers in order to make this an actionable tool.

9 Briefing from ITU Management on the follow-up to the fraud case

9.1 The Committee received a detailed briefing from the Working Group on Internal Controls on all the follow-up actions related to the fraud case in a regional office.

9.2 IMAC noted that a significant amount of work has been undertaken by the group, with all the actions to be moving to the right direction. The Committee advised management to ensure that all these improvements are reflected at the organization-wide level.

9.3 IMAC noted that the results of the work of the group represent a major step towards the closure of the case and the deficiencies previously identified, and encouraged management to put attention and move expeditiously with the remaining open and ongoing remedial actions.

10 Briefing on the Regional Presence Review and Follow-up

10.1 The Director of the BDT and the Deputy to the Director comprehensively briefed IMAC on the Recommendations made by PWC in the Review of the ITU Regional Presence.

10.2 The Committee was also informed about the set-up of the Ad Hoc Group of the CWG-FHR on the ITU Regional Presence Review, looked into its Terms of Reference, and expressed its interest in following the work of the group and in how it will be looking into the issues and recommendations raised by the PWC Report.

10.3 Members of IMAC expressed the opinion that they would have expected from the PWC Report to focus more on a strategic approach and on providing conceptual responses to the questions regarding the role, the effectiveness and the efficiency of ITU's regional presence.

10.4 The Committee appreciated management's approach and the internal mechanism set up to promptly respond to the specific recommendations, which support and reinforce the ITU's reform agenda.

10.5 Overall, IMAC's view is that the agenda for the global footprint of the ITU, and the discussions that will be taking place among Member States, would need to match the business needs, the resources available and the future global trends.

11 Briefing on Project Implementation in the Regional Offices

11.1 IMAC received a detailed and comprehensive briefing on the establishment of more robust project management practices in the Development Sector, in particular with the establishment of the Project Management Board, the strengthening of the project management skills, and the improved control and monitoring mechanisms. Some of the remaining challenges were also discussed, related to evaluation, project closure and application of the new procurement guidelines.

11.2 The Committee appreciated the efforts undertaken by the Secretariat and provided advice on overcoming some of the challenges. In particular, IMAC suggested for the cases of bigger projects to consider introducing assurance processes at the local implementation level, to provide additional checks and balances and report back on the quality and cost of the project. Similarly, the Committee highlighted the need for a comprehensive evaluation strategy, which would also then need to become an organization-wide initiative, and which would enable the organization to learn from past experience and reassure the donors on the impact of the funded projects. Such undertakings could be incorporated and be part of the project financial envelopes.

11.3 IMAC was very appreciative of the briefings provided by the Director of the BDT and of the overall efforts and reform undertaken at the Bureau.

12 Update on the HQ construction project

12.1 IMAC received a detailed briefing on the progress of the HQ building construction project by the Head of the Facilities Management and Building Project Division.

12.2 IMAC was pleased to see that the project implementation has been under control, and that the financing package has been completed. The Committee acknowledged that at this phase of the project there are instances of good management, and was pleased to see that the process seems to be moving well.

13 Briefing on the Digital Transformation Initiative

13.1 The Committee received a comprehensive briefing by the Deputy Secretary-General on the Digital Transformation Initiative, which was set up as an umbrella project to be carried out by a phased approach on prioritizing “what to transform”, and then determining “how to transform it”.

13.2 IMAC strongly supported the need for ITU to become a leader in this area within the UN system. The Committee noted that the digital transformation should be an ongoing and constant process and focus for the ITU, and highlighted the importance for it to go across the organization.

13.3 The Committee underlined how the digital transformation is contributing towards the concept of One ITU, and advised that specific resources should be allocated on this initiative.

13.4 IMAC was very appreciative of the Deputy Secretary-General’s briefing and of his engagement and commitment to the areas of the Committee’s work.

14 Working as One ITU

14.1 As highlighted in its 9th Annual Report to Council 2020, IMAC will be following up on the concept of “One ITU”, in order to provide any advice on enhancing the management processes in this direction. Overall, the Committee has taken note and appreciated initiatives that are organization-wide and contribute to that direction.

15 Closing Session with the ITU Secretary-General

15.1 In accordance with its usual practice, IMAC met with top management and briefed the ITU Secretary-General on the Committee meeting’s deliberations and observations, including areas where management may need to pay particular attention.

15.2 IMAC had an open and fruitful discussion with the Secretary-General, and highly appreciated his engagement, commitment and reaction to the issues raised by the Committee. One specific point of interest was ITU's mitigation and adaptation to the impacts of the extended duration of the pandemic as well as the post Covid 19 recovery opportunities and challenges.

16 Next meeting of the IMAC

16.1 The Committee will meet again on 3-5 May 2021 to draft the Committee's Annual Report to the 2021 Session of the Council. IMAC will need to hold an additional session towards the end of May, to review and advise on the findings of the External Auditor's Report for the 2020 financial statements.

16.2 The Committee would like to convey many thanks to all the participants for their contributions and to the IMAC Secretariat for the helpful support during the 28th meeting.
