

**ITU Independent Management Advisory Committee (IMAC)**

# **SELF-ASSESSMENT CHECKLIST**

**(In order to reflect good practice and generally accepted principles, the content and format of this evaluation draws on independent external and public sector templates, as also adapted and used in similar equivalent committees in a number of other United Nations entities e.g. WHO, WMO, WFP.)**

**March 2018**

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
<b>1. Relationships and Communication</b>	
<b>With the Council</b>	
Is the IMAC a committee of the Council?	<b>Yes (Resolution 162)</b>
Does the Committee follow up relevant recommendations agreed by the Council?	<b>As appropriate to IMAC's remit</b>
Does the Chair have open lines of communication with the Council?	<b>Yes via Council attendance, Council Chair and CWG FHR</b>
Does the Committee periodically obtain assurance from the Council on the effectiveness of the IMAC?	<b>IMAC established on an ongoing basis by PP-14</b>
Does the Committee make a formal annual report on its own effectiveness to the Council?	<b>Addressed via reporting to Council</b>
Do the Council agendas include a regular report from the IMAC?	<b>Yes</b>
Does the Report from the IMAC communicate recommendations to and/or for the Council?	<b>Yes, as appropriate</b>
Are outline agendas, without supporting papers, or alternative information made available to Council members to keep them up-to-date with the IMAC's work?	<b>Yes via SharePoint, Council Chair and CWG FHR</b>
Does the Council receive the minutes or records of IMAC meetings?	<b>Yes, as above</b>
Does the Chair/the Committee meet with the Executive Head (Secretary General) and the Finance Director bilaterally at least once a year?	<b>Yes, each meeting</b>
<b>With Internal Audit</b>	
Does the Chair/the Committee have open lines of communication with the Head of Internal Audit (chief audit executive)?	<b>Yes, each IMAC meeting</b>
Does the Committee periodically seek the views of internal audit on the work and effectiveness of the IMAC?	<b>Informally in regular open exchange with IAU.</b>
Does the Chair/the Committee meet separately (in closed session) with the Head of Internal Audit at least once a year?	<b>Yes</b>
Does the Committee review/take note of the internal audit plan and audit reports?	<b>Yes</b>
Does the Committee review the scope and remit of internal audit in the organisation?	<b>Yes</b>
Does the Committee consider whether the scope of internal audit work addresses the significant risks?	<b>Yes</b>
Does the Committee examine individual terms of reference for internal audit's work?	<b>As applicable</b>
Does the Committee consider the experience and expertise of the audit team?	<b>Yes</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Does the Committee monitor internal audit's progress in undergoing quality assurance or peer review procedures?	Yes
Does the Committee monitor whether internal audit is working to professional standards relevant to the organisation?	Yes
Does the Committee monitor whether internal audit have the resources and right people with relevant expertise to carry out its remit?	Yes
Is the Committee Secretary role separate from internal audit?	Yes
<b>Between internal and external audit</b>	
Does the IMAC monitor the effectiveness of relationships between internal and external auditors?	Yes
Does the Committee consider whether internal and external audit have communicated and coordinated audit plans?	Yes
Does the Committee consider whether external audit places reliance on the work of internal audit?	Yes (no formal reliance placed by EA on IA)
Does the Committee discuss whether there are areas where joint working would be beneficial?	Yes, in physical meetings, and through review of reports and plans
Does the Committee consider whether all audit services are joined up, including in-house operational audits?	Yes, implicit
Does the Committee expect internal and external auditors to communicate effectively with each other about understanding key business and operational risks, their assessments of risk areas and how their work will cover these key risk areas?	Yes
Does the Committee communicate this expectation to internal and external audit?	Where appropriate
Does the Committee require an annual report from internal and external audit on the extent of planned and actual co-operation between them?	Not expressly but cooperation is reviewed and discussed.
<b>With External Audit</b>	
Does the Chair/IMAC have open lines of communication with external audit?	Yes
Does the Committee periodically obtain the views of external audit on the work and effectiveness of the IMAC?	N/A
Does the Chair/the Committee meet separately (in closed session) with external audit at least once a year?	Yes
Does the Committee's advisory role include participation in the external audit appointment process?	Under discussion for the current appointment
Does the Committee consider the experience and expertise of the external audit team?	As applicable

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Does the Committee consider whether the external audit Director/Partner will spend sufficient time on the audit and whether time to be spent by other audit staff seems reasonable?	<b>As applicable</b>
Does the Committee monitor external audit compliance with applicable ethics guidance relating to the rotation of audit Directors/Partners?	<b>As applicable</b>
Does the Committee review the external audit plans and management letters?	<b>Yes, IMAC review EA plans and outputs including MLs</b>
Does the Committee seek specific assurance regarding external audit's quality assurance procedures when considering the audit strategy?	<b>Yes</b>
Do the external auditors inform the Committee of key developments and issues at key stages of the audit?	<b>Yes, through regular updates from EA at each IMAC meeting</b>
Does the Committee make suggestions to external audit regarding risk and problem areas the audit could address?	<b>Discussed during the IMAC meetings</b>
Does the Committee consider whether external audit focuses on the fundamental issues?	<b>As appropriate, in discussion during IMAC meetings with External Audit</b>
Does the Committee consider whether the external auditors have delivered fully against their plans?	<b>Yes, through discussion and review of outputs, etc.</b>
Does the Committee monitor the performance of external audit?	<b>Through discussion of work and outputs</b>
Does the Committee review audit fees?	<b>N/A</b>
<b>Communication with stakeholders</b>	
Does the Chair/IMAC have open lines of communication with stakeholders?	<b>Yes</b>
Is the Committee's membership published in the organisation's Annual Report?	<b>No, however IMAC membership and reports are posted on ITU's public website.</b>
Does the Annual Report contain a section on the roles and responsibilities of the IMAC and actions taken to discharge those responsibilities?	<b>No</b>
<b>2. Business Risk and Internal Control</b>	
<b>Assessing the scope and work of Internal and External Audit</b>	
Does the IMAC review whether the organisation's main risk areas are being addressed by internal and external audit?	<b>Yes</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
<b>Monitoring risk management arrangements</b>	
Does the IMAC's role include monitoring the effectiveness of the organisation's processes for assessing business risks and the financial implications?	<b>Yes via review of risk management infrastructure</b>
Does the Committee ensure that internal and external auditors report to them on what they perceive as the key risks currently and in the short and long-term?	<b>Yes</b>
Do senior executives report to the Committee on how key business risks and their financial implications are being dealt with?	<b>Strategic Risk monitoring arrangements are work in progress.</b>
Do internal and external audit comment on any Council reports on how key business risks are being dealt with?	<b>See above</b>
Is the Committee involved in reviewing the effectiveness of internal control?	<b>Yes</b>
Does the Committee consider whether corporate governance is treated as a compliance exercise or is being used to provide benefit to the organisation?	<b>Yes</b>
Does the Committee consider whether the system of internal reporting gives early warning of control failures and emerging risks?	<b>To be pursued</b>
Does the Committee consider whether responsibility for each of the significant risks is sufficiently assigned to and owned by the appropriate senior official and members of the Council?	<b>Strategic risks re-assessed in the new strategic plan of the organization and mitigation measures have been identified</b>
Does the Committee consider the need to raise the awareness of junior staff to the importance of risk management?	<b>See above</b>
<b>Statement on Internal Control and assurance from Internal and External Audit</b>	
Does the IMAC consider how meaningful the SIC is?	<b>Yes</b>
Does the Committee consider whether the SIC discloses adequately the processes for dealing with material internal control aspects of any significant problems disclosed in the annual report and accounts?	<b>Yes</b>
Does the Committee take a view on the SIC?	<b>Yes</b>
Does the Committee ensure that they receive from internal and external audit details on the operation of internal control, including any failures to implement recommendations accepted by the Council?	<b>Yes, indirectly</b>
Does the Committee take a view on whether the system of internal control has operated effectively throughout the reporting period?	<b>Informally</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
<b>Fraud</b>	
Does the IMAC consider whether effective anti-fraud and corruption policies and procedures are in place and operating efficiently?	Yes
Does the Committee consider whether arrangements have been established to deal with situations of suspected or actual fraud?	Yes
Does the Committee consider whether there is a code of conduct and whether it is properly distributed to employees?	Yes
Does the Committee consider whether a whistle blowers' hotline is required?	Yes
<b>3. Roles and Remit</b>	
<b>Terms of Reference, roles and responsibilities</b>	
Are the IMAC Terms of Reference approved by the Council?	Yes
Are the Terms of Reference reviewed at least annually?	<b>Periodic review by IMAC and every 4 years by the ITU PP</b>
Do the Terms of Reference adequately define the Committee's role and provide it with sufficient membership, authority, time and resources to perform its role effectively?	<b>Yes, subject to formal review</b>
Does the Committee consider the impact on their workload of changes to their role?	<b>Not yet applicable</b>
Does the role of the Committee include review of business risk and internal control, independence and effectiveness of internal and external audit, maintenance of proper accounting records and quality of financial statements, policies against fraud, implementation of new systems, relevant tax and litigation matters involving uncertainty, compliance with laws and regulations?	<b>No restriction placed on discussion or review</b>
Does the Committee's role include obtaining assurances relating to the corporate governance requirements for the organisation?	<b>In the course of the committee's oversight work</b>
Are the Terms of Reference consistent with accepted good practice?	<b>In most respects (revisions being proposed to Council and PP)</b>
<b>4. Meetings</b>	
<b>Frequency</b>	
Does the Committee meet sufficiently often to monitor important issues?	Yes
Do the Terms of Reference set out the frequency of meetings?	Yes
Does the Committee's calendar meet the organisation's business needs, governance needs and the financial calendar?	Yes

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Is there an adequate number of meetings a year e.g. 4, or 3 for smaller organisations?	<b>Yes – 3</b>
Can special meetings be organised to allow quick response to emergencies?	<b>Yes, if needed</b>
<b>Timing and length</b>	
Do the Terms of Reference set out the timing of meetings?	<b>N/A</b>
Are the meetings set for a length of time which allows all business to be conducted, yet is not so long that the meeting becomes ineffective?	<b>Yes</b>
<b>Agenda management</b>	
Does the Chair encourage full and open discussion and invite questions?	<b>Yes</b>
Are outline agendas planned ahead to cover issues on a cyclical basis?	<b>Yes</b>
Is the Council Secretary also the IMAC Secretary?	<b>No</b>
<b>Attendance</b>	
Do the IMAC Terms of Reference include rules for a quorum?	<b>Yes</b>
Are attendance records maintained and reviewed annually by the Council?	<b>Not needed – IMAC’s reports provide info.</b>
<b>Timing and content of IMAC papers</b>	
Does management reporting to the IMAC communicate relevant information at the right frequency, time, and in a format that is effective?	<b>Yes, generally</b>
Are agendas and supporting papers, together with brief executive summaries of papers, issued to all Committee members, internal audit and external audit, giving them at least a week to consider the papers in advance?	<b>As appropriate</b>
Are there oral reports to the Committee, supported by succinct, easy to read documents and presentations as appropriate?	<b>Yes</b>
Does the Committee issue guidelines on the format and content of the papers to be presented to the Committee?	<b>No, but guidance provided on request or where needed</b>
Is there a pro-forma for written reports to ensure focus on salient matters, clear recommendations, a timescale for completion, and the individuals responsible for implementation?	<b>N/A</b>
<b>Location</b>	
Are IMAC meetings rotated between locations to give the members the opportunity to see various operating sites?	<b>N/A</b>
<b>Actions arising</b>	
Are minutes/records of meetings prepared and circulated to the appropriate parties promptly?	<b>Yes</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Is a report on matters arising made and minuted at the Committee's next meeting?	<b>Yes</b>
Do action points indicate who is to perform what and by when?	<b>As applicable</b>
Are actions allocated to an identifiable single person, rather than joint responsibility?	<b>As applicable</b>
<b>5. Financial Information and Regulatory Matters</b>	
<b>Understanding financial matters</b>	
Does the IMAC consider how best to keep the Committee Chair abreast of public sector accounting requirements?	<b>As appropriate</b>
Does the Committee provide support to the finance function in explaining the effects of financial and reporting requirements to the Council?	<b>As appropriate</b>
Does the IMAC satisfy itself that:	
<ul style="list-style-type: none"> <li>• the organisation keeps proper accounting records?</li> </ul>	<b>Via review of audit outputs</b>
<ul style="list-style-type: none"> <li>• the annual financial statements present fairly the financial position of the organisation?</li> </ul>	<b>As above</b>
Does the Committee gain an understanding of management's procedures for developing the organisation's financial report and the historical reliability of the organisation's financial reporting?	<b>Indirectly</b>
Does the Committee review the annual report and financial statements before signature by the Executive Head/Secretary General?	<b>Not prior to signature</b>
Does IMAC consider specifically:	<b>Issues addressed in the course of review of the financial results and External Audit results.</b>
<ul style="list-style-type: none"> <li>• The suitability of accounting policies and treatments</li> <li>• Major judgements made</li> <li>• Large write-offs</li> <li>• Unusual credits</li> <li>• Last minute transactions</li> <li>• Changes in accounting treatment</li> <li>• Unusual financial trends</li> <li>• Unusual financial statement relationships</li> <li>• Accounting treatments varying from the sector norm</li> <li>• The impact on going concern of fundamental issues in the business</li> <li>• The reasonableness of accounting estimates</li> <li>• The reasonableness of other accounting entries requiring judgement</li> <li>• Reporting on the wider financial aspects of the business eg the operating and financial review</li> <li>• The narratival aspects of the reporting?</li> </ul>	
Does the IMAC consider whether there is a risk of the accounts being qualified by the external auditors?	<b>Yes</b>



GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Does the Committee review the Letter of Representation before signature by management and give particular attention to non-standard issues of representation?	<b>Not prior to signature</b>
<b>ISA 260 and External Audit</b>	
International Standards on Auditing (ISA 260) require the communication of audit matters to those charged with governance (governing bodies of entities). Does the IMAC liaise fully with the external auditors on matters concerning the financial statements?	<b>Yes</b>
Is there discussion of the unadjusted misstatements in the draft financial statements?	<b>Where appropriate</b>
Do the Committee consider why unadjusted errors in the draft financial statements detected by the external auditors are not corrected?	<b>Where appropriate</b>
<b>Compliance with regulations</b>	
Does the IMAC review whether the organisation complies with regulatory matters affecting the entity?	<b>Yes</b>
Does the Committee monitor whether the organisation's procedures for identifying and managing business risk have regard to relevant legislation and regulations?	<b>As appropriate</b>
Does the Committee enquire into whether there are procedures for making all employees aware of whistle blowing procedures?	<b>Yes</b>
<b>6. Membership, Induction and Training</b>	
<b>Size</b>	
Is the membership of IMAC in the range of 3 to 5?	<b>Yes</b>
Are the numbers attending the Committee's meetings (members and non-members) sufficient to deal adequately with the agenda, but not so many as to blur issues?	<b>Yes</b>
Does the Committee ensure that the right people attend, especially those who will have meaningful input on agenda items?	<b>Yes</b>
<b>Membership</b>	
The Chairmanship of the Committee and the Council should not be combined. Is this the case?	<b>Yes, not combined.</b>
Do the Chairs of the Committee and the Council and the other appropriate parties in governance consult widely before making recommendations on membership of the Committee?	<b>To be pursued</b>
Is the Head of Internal Audit invited to attend IMAC meetings rather than being a member?	<b>Yes</b>
If there is executive membership, is this rotated on an appropriate cycle (eg. 3 years)?	<b>N/A. Committee independent.</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
Is the Committee membership wholly or mostly composed of non-executive or independent members?	<b>Yes, all independent.</b>
Is the Committee Chair non-executive and independent?	<b>Yes</b>
Is the appointment of Committee members for an appropriate period of time (eg.3 years)?	<b>Yes, 4-year term.</b>
<b>Independence, skills, experience</b>	
Does the Council ensure that the membership of the IMAC demonstrates independence and the required mix of skills and experience?	<b>Yes</b>
Do the Committee's corporate competencies include accountancy skills/recent and relevant financial experience/risk management/audit/technical skills relevant to the organisation/an understanding of the public sector/UN environment?	<b>Yes</b>
Does the Committee set down requirements for areas of collective understanding?	<b>Yes. Terms of Reference refer.</b>
Is there a formalised process for the Council to consider what IMAC members bring to the Committee/the organisation?	<b>Via annual reports and review of IMAC performance</b>
Do the assessment criteria include knowledge, experience, personal qualities, time available?	<b>N/A</b>
How do candidates declare interests before appointment?	<b>Independently conducted selection process</b>
Are members required to declare interests in a register of interests and declare conflicts of interest on agenda items?	<b>Annual formal declaration of interests, reported to the Chair of Council.</b>
Are Committee members subject to regular appraisal by the Council?	<b>As a Committee</b>
<b>Dynamism and performance of IMAC</b>	
Does the Council ensure that the membership of the IMAC retains its dynamism?	<b>Indirectly via formal review after initial 4 years</b>
Have recent developments created a need for a review of the work of the IMAC?	<b>No</b>
Does the IMAC assess its effectiveness annually?	<b>Yes</b>
Does the Committee make a formal annual report on its own effectiveness to the Council?	<b>Addressed via reporting to Council</b>
How does the Committee benchmark itself against others?	<b>Informally through experience of other UN bodies, meetings of the Chairpersons of UN</b>

GOOD PRACTICE QUESTIONS	RESPONSE / ACTIONS REQUIRED
As part of self-assessment, does the Committee discuss the quality of the information it receives and make recommendations to the Council on its training needs?	oversight committees and JIU  Via the Secretariat as appropriate
<b>Induction of new members</b>	
Do new members receive a copy of the Terms of Reference, a formal letter of appointment setting out responsibilities, term and remuneration?	Yes (NB membership is pro bono)
Do new members receive recent financial statements and other public reports, executive summaries of internal audit reports, commentaries on how recommendations have been followed up, external audit management letters, codes of conduct etc.?	As appropriate via IMAC
Is there an induction for new non-executive members?	Yes
Is there an induction checklist for new IMAC members, including for example: <ul style="list-style-type: none"> <li>• Site visits where relevant</li> <li>• Attendance at Council</li> <li>• Meeting with risk manager</li> <li>• Meeting with head of Internal Audit</li> <li>• Meeting with External Audit</li> </ul>	Yes, as appropriate
Do the new members visit relevant business/operational locations?	N/A
<b>Access to advice</b>	
Does the IMAC Chair contact the Chair of the Council for approval for access to legal or other professional advice?	Terms of Reference refer
Does the Council ensure adequate budget to keep the members of the Committee updated on their role and provide access to legal and professional advice where necessary?	Implicit in the arrangements approved by Council.

**SOURCES OF GOOD PRACTICE  
USED TO COMPILE THIS CHECKLIST TOOL**

*Inter alia:*

United Nations entities	Self assessment arrangements for audit/oversight committees used in various UN Specialized Agencies and entities
United Nations	Report on Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (document reference A/60/883)
UN Joint Inspection Unit	JIU Report JIU/REP/2010/5 on The audit function in the United Nations system and other JIU practice guidance
UN Joint Inspection Unit	JIU Report JIU/REP/2006/2 Oversight lacunae in the United Nations system
UK National Audit Office	Various good practice guidance on governance and audit committees
UK Financial Reporting Council**	The Combined Code on Corporate Governance
ICAEW* Audit and Assurance Faculty	The Power of Three: Understanding the Roles and Relationships of Internal and External Auditors and Audit Committees
ICAEW* Audit and Assurance Faculty	Guidance for Audit Committees – <ul style="list-style-type: none"> <li>• Company Reporting and Audit Requirements</li> <li>• Working with Your Auditors</li> <li>• Reviewing Auditor Independence</li> <li>• Evaluating Your Auditors</li> </ul>
HM Treasury	The Audit Committee Handbook
ICAEW* Audit and Assurance Faculty	The Effective Audit Committee: A Challenging Role
ICAEW* Audit Faculty	Audit Committees – A Framework for Assessment
Financial Reporting Council**	Guidance on Audit Committees
Hepworth, Noel and de Koning, Robert	Audit Committees in the Public Sector – A Discussion Paper, May 2012

\* Institute of Chartered Accountants in England and Wales.

\*\* Independent regulator responsible for promoting high quality corporate governance and reporting, the UK's leading audit regulator.