



## **Summary Report of the 36<sup>th</sup> IMAC meeting**

*Present:* Mr. Kamlesh Vikamsey (Chair), Mr Honoré Ndoko (Vice-Chair), Mr. Henrique Schneider, Ms. Sarah Hammer

*Absent:* Mr. Alexander Narukavnikov

### **1 Introduction**

Scheduled ahead of the Additional Meeting of Council 23 in October 2023, the thirty-sixth IMAC meeting was held virtually on September 29, 2023.

Throughout this summary, the terms IMAC and Committee are used interchangeably.

### **2 Update on 2022 Financial Statements and External Auditor's Report**

Attendees included Ms. Doreen Bogdan (ITU Secretary General), the External Auditor (NAO UK), Mr. Damian Brewitt, Mr. Simon Irvin, and ITU Management (Mr. Vaggelis Igglessis, Chief of Staff, Mr. Alassane Ba, Chief FRMD and Mr. Brian Elliott, Special Adviser of the ITU SG on Financial Issues), and EY expert.

The Committee was informed of further delays in the completion of the audit of the 2022 ITU Financial Statements and of External Auditor's additional requests related to IPSAS compliance, access to working documents and presentation of financial statements.

The ITU SG provided an update on developments following Council 23 and on ongoing efforts by the special task force to meet all requirements and finalize the submission of the 2022 Financial Statements and the completion. She renewed her determination to reach closure as soon as possible.

The EA and ITU Management shared their perspectives and proposed steps to finalize the statements and the audit.

Version 3 of the statements will be presented to the EA in early October, enabling to advance works towards a completion of the audit and a final report by mid-November 2023. The EA will provide an oral communication about progress toward completion of the 2022 audit to the Additional Meeting of Council 23 on October 19-20, 2023.

IMAC welcomed the briefing and exchanges and appreciated the commitment of ITU SG.

Observing that at least fifteen months of efforts have been so far directed to the finalization and audit of the 2022 financial statements, the Committee emphasized the importance of completing the audit. The Committee encouraged enhanced direct collaborative communication between the External Auditor and the ITU Management.

The Committee offered to remain on a proactive stand-by to help and to advise and requested to be kept apprised by the External Auditor of their preliminary assessment of the V3 draft of the financial statements.

IMAC stressed the need for ITU to analyze retroactive changes and ensure that current processes would prevent future misalignments.

### **3 Proposed Amendments to Financial Regulations and Financial Rules - Edition 2018**

ITU Management presented proposed changes to the Financial Rules and Regulations of ITU (Edition 2018), explaining the rationale for the changes.

The Committee raised questions for clarification and offered recommendations to enhance consistency and transparency for the Council.

The Committee welcomed the intention to enhance budget flexibility and improve budget programming, monitoring, and decision-based budget management. The Committee advised avoiding confusion between elements of the Income and Expenditure statement and categories of the institution's balance sheet, equity, and capital reserve.

The Committee also advised verifying the realism of the scope and timing of the proposed amendments.

### **4 Proposal for an Oversight Charter**

The ITU Chief of Staff and the Head of IAU presented progress since Council 23 regarding the approval of an Oversight Unit in ITU, encompassing Internal Audit, investigation, and evaluation functions.

The Charter, based on research and benchmarking with other UN organizations, will be discussed in CWG FHR and aimed for approval in Council 24.

The Committee welcomed the update and raised concerns regarding financing, independence, the Chief of the Unit's five-year term, and maintaining independence for internal audit, investigation, and evaluation. The Committee advised to ensure that internal audit, investigations, and evaluation will be established as distinct practices with functional and ethical separations.

Special attention was also given to complementarity with the Ethics Office and procedures regarding potential investigations of elected officials. The Committee advised ensuring an update and alignment of the charter of the Ethics Office.

The Committee will further reflect on IMAC' role and responsibilities with the Oversight Unit and will provide Comments and suggestions by the end of the first week of October 2023.

### **5 Report on the Union's Headquarters Premises Project**

The ITU Deputy Secretary-General and the technical team presented the status of the ITU's new building project, outlining various scenarios, constraints, and a potential timeline.

The Committee welcomed the update, reiterating that "time was of essence" in the project review, potential recalibration decision and mobilization of relevant resources and budget.

The Committee would want to further reflect on any enhancement of the effectiveness of the Governance of the project and its technical and financial controls.

## **6 IMAC Conclusions of the 36th Meeting**

The committee complimented and thanked the Secretary General , ITU management and staff as well as the External Auditor for their participation and assistance

The Committee shared its conclusions with the Deputy Secretary-General, with the understanding that the meeting's report and any recommendations to ITU will be issued before the Additional Session of Council on October 19-20.

The next Committee meeting is scheduled from October 30 to November 1, 2023.

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