

Drafting Group on Res 162

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Drafting Group on Resolution 162

COMPILATION OF PROPOSALS ON RESOLUTION 162

RESOLUTION 162 (Rev. Busan, 2014~~Guadalajara, 2010~~)

Independent management advisory committee

The Plenipotentiary Conference of the International Telecommunication Union (Busan, 2014~~Guadalajara, 2010~~),

considering

the recommendation of the Representatives of Internal Audit Services of the United Nations organizations and multilateral financial institutions on the establishment of effective and independent audit committees,

considering

~~the recommendation of the Representatives of Internal Audit Services of the United Nations organizations and multilateral financial institutions on the establishment of effective and independent audit committees,~~ [APT Proposal – has been moved to later in the Resolution]

recalling

a) _____ the report of the Joint Inspection Unit entitled *Oversight Lacunae in the United Nations System (JIU/REP/2006/2)* and in particular recommendation 1 thereof on the establishment of an independent external oversight board,

b) _____ Council Decision 565 (C11) appointing five independent experts as members of the independent management advisory committee (IMAC) to serve for a term of four years; [CITEL proposal – referenced by APT and CEPT in other parts of the document]

c) _____ Council Decision 563 (revised/modified 2014), which adds to the Terms of Reference of the Council Working Group on Financial and Human Resources (CWG-FHR) “to undertake on an annual basis, a review of the status of the implementation of the recommendations of

the Independent Management Advisory Committee as presented annually to Council, taking into account Resolution 162 (Guadalajara, 2010)”; [APT and CITELE proposals]

d) the decision of Council 2014 to approve the publication on a temporary and exceptional basis until the PP-14 decides on the general policy of accessing ITU information and documents of:

- the report of the IMAC for 2013;*
- the report of the external auditor for 2013; and*
- summary of the internal auditor report for 2013, [CITELE proposal]*

reaffirming

its commitment to efficient, accountable and transparent management of the Union,

recognizing

a) that the establishment of an independent management advisory committee contributes to effective oversight and governance of an organization;

b) that an independent management advisory committee is a governance tool and does not duplicate the financial audit functions of either the internal or the external auditor;

c) that the Council 2011 by its Decision 565 established IMAC on a trial basis for four years and appointed its five Members; [APT proposal -referenced by CITELE and CEPT in other parts of the document]

de) that the established practice among international institutions is that an independent management advisory committee serves in an expert advisory capacity and assists the governing body and the ~~head~~-management of the agency in fulfilling their oversight and governance responsibilities, [APT and CITELE proposals]

ALT 1: APT proposal

e) the valuable contribution that the IMAC has made to the oversight capacity of the Council in its first three years of reporting,

ALT 2: CITELE proposal

d) the valuable contribution of the IMAC in assisting ITU Council and the Secretary-General in fulfilling their governance responsibilities, including ensuring the effectiveness of ITU’s internal control systems, risk management, and governance processes,

considering

the recommendation of the Representatives of Internal Audit Services of the United Nations organizations and multilateral financial institutions on the establishment of effective and independent audit committees, [APT proposal - moved from further up]

considering further

the report of the Council to this Plenipotentiary Conference on the activities carried out by IMAC, [APT proposal]

noting

ALT 1: APT proposal

the reports by the Chairman of the Council Group on the Financial Regulations and other related Ffinancial Mmanagement issues (Group FINREGS) (Documents C10/28 ~~and WG-RG-18/2~~),

ALT 2: CITEC proposal

that Resolution 162 (Guadalajara, 2010) instructed the Council to establish IMAC on a trial basis for four years, and to report to the 2014 plenipotentiary conference,

noting further

the reports by the Council and the Chairman of the Council Group on the Financial Regulations and other related financial management issues (Group FINREGS) ~~(Documents C10/28 and WG-RG-18/2)~~, to this Plenipotentiary Conference on the activities of the IMAC [note this has also been amended to a 'noting further in the IAP.]

ALT 3: CEPT proposal – referenced by CITEC and APT in other parts of the document.

~~the reports by the Chairman of the Council Group on the Financial Regulations and other related financial management issues (Group FINREGS) (Documents C10/28 and WG-RG-18/2),~~

Decision 565 (C11) appointing five independent experts as members of the IMAC to serve for a term of four years

noting further

ALT 1: CEPT and CITEC proposals

~~Annex D to the report by the Chairman of the Standing Committee on administration and management of the Council (Document C10/75), which contains draft terms of reference for the establishment of an independent management advisory committee with the title "Independent audit advisory committee of experts (IAACE)",~~

ALT 2: APT proposal

~~a) Annex D to the Report by the Chairman of the Standing Committee on Administration and Management of the Council (Document C10/75), which contains draft terms of reference for the establishment of an independent management advisory committee with the title "Independent audit advisory committee of experts (IAACE)";~~

~~b) Questions raised and clarifications sought in regard to the scope of activities and the manner in which the Report of the IMAC should be treated by the Council;~~

~~c) Reports of the IMAC to Council 2012, 2013 and 2014- (Documents C12/44 First annual report, C13/65 + Corr. 1 Second annual report, C14/22 Third Annual Report), including its 9 Recommendations,~~

resolves

ALT 1: APT proposal

~~1~~ to review and amend, if necessary, approve the terms of reference for the ITU Independent Management Advisory Committee (IMAC) contained in the annex to this revised resolution;

~~2~~ to take note of the reports of the IMAC as referred to in considering further above,

ALT 2: CEPT and CITELE proposals

~~to approve the terms of reference establish~~ for the ITU Independent Management Advisory Committee (IMAC) on a permanent basis according to the terms of reference contained in the annex to this resolution,

resolves further

to renew the mandate of the IMAC for an additional 4 years until end of 2019, [APT proposal]

instructs the Council

ALT 1: APT proposal

~~1~~ to establish IMAC on a trial basis for four years, and to report to the 2014 plenipotentiary conference. consider the annual reports and the recommendations of the IMAC and take appropriate action;

~~2~~ to evaluate, through appropriate mechanisms, on an annual basis the results of implementation of paragraph 1 (purpose) of Annex to Resolution 162,

ALT 2: RCC proposal

to ~~establish~~ ensure the activities of IMAC ~~on a trial basis~~ for a further four years, with IMAC ~~and~~ to report to the 2018~~4~~ plenipotentiary conference.

ALT 3: CEPT and CITELE proposals

~~to establish IMAC on a trial basis for four years, and to report to the 2014 plenipotentiary conference.~~

1 _____ to appoint, at its first ordinary session following the 2014 plenipotentiary conference, [and after that every four year ~~–CEPT proposal only~~], five independent experts as members of the IMAC to serve for a term of four years;

2 _____ to consider the annual reports and recommendations of the IMAC and take appropriate action.

_____ instructs further

to review on an ongoing basis by the Council Working Group on Financial and Human Resources, as well as its ordinary sessions, the terms of reference (ToR) and propose any required amendment, as appropriate, and report on the matter to the Plenipotentiary Conference 2018 for its consideration and appropriate action. [APT proposal]

_____ instructs the Secretary-General

to publish, without delay, and provide public access to the report of the IMAC and the annual report of the Internal Auditor, as presented to Council, on a publicly accessible website. [CITELE proposal]

ANNEX TO RESOLUTION 162 (~~Guadalajara, 2010~~Rev. Busan, 2014)

Terms of reference for the ITU Independent Management Advisory Committee

Purpose

1 The Independent Management Advisory Committee (IMAC), as a subsidiary body of the ITU Council, serves in an expert advisory capacity and assists the Council and the Secretary-General in effectively fulfilling their governance responsibilities, including ensuring the ~~effectiveness-functioning~~ of ITU's internal control systems, risk management and governance processes, including human resources management. IMAC must ~~add value and must~~ assist in enhancing transparency, strengthening accountability and governance functions of the Council and the Secretary-General.

2 IMAC will provide advice to the Council and ITU management, on:

- a) ways of improving the quality and the level of financial reporting, governance, risk management, monitoring and internal controls in ITU, including the evaluation and ITU value estimation functions;
- b) assistance in developing the actions taken by ITU management on ~~audit~~ recommendations concerning the responsibilities and processes referred to in § 1 above;
- c) ensuring the independence, effectiveness and objectivity of the internal and external audit functions; and
- d) how to strengthen the communication among all stakeholders, the external and internal auditors, the Council and ITU management. **[RCC proposal]**

Responsibilities

3 The responsibilities of IMAC are:

- a) Internal audit function: to advise the Council on the staffing, resources and performance of the internal audit function and the appropriateness of the independence of the internal audit function.
- b) Risk management and internal controls: to advise the Council on the effectiveness of ITU's internal control systems, including ITU's risk management and governance practices.
- c) Financial statements: to advise the Council on issues arising from the audited financial statements of ITU, and letters to management and other reports produced by the external auditor.
- d) Accounting: to advise the Council on the appropriateness of accounting policies and disclosure practices and assess changes and risks in those policies.
- e) External audit: to advise the Council on the scope and approach of the external auditor's work. IMAC may provide advice on the appointment of the external auditor, including the costs and scope of the services to be provided.
- f) Evaluation: to review and advise the Council on the staffing, resources and performance of ITU's evaluation function.

Authority

4 IMAC shall have all the necessary authority to fulfil its responsibilities, including free and unrestricted access to any information, records or staff (including the internal audit function) and the external auditor, or any business contracted by ITU.

5 The Head of the ITU internal audit function and the external auditor will have unrestricted and confidential access to IMAC, and vice versa.

6 These terms of reference (ToR) are to be reviewed periodically, as appropriate, by IMAC, and any proposed amendment submitted to the Council for approval.

7 IMAC, as an advisory body, has no management powers, executive authority or operational responsibilities.

Composition

8 IMAC shall comprise five independent expert members serving in their personal capacity.

9 Professional competence and integrity shall be of paramount consideration in the selection of members.

10 No more than one member of IMAC shall be a national of the same ITU Member State.

11 To the greatest extent possible:

- a) no more than one member of IMAC shall be from the same geographical region; and
- b) membership of IMAC shall be balanced, with individuals from developed and developing countries, in terms of public- and private-sector experience, and in terms of gender.

12 At least one member shall be selected on the basis of his/her qualifications and experience as a senior oversight professional or senior financial manager, preferably in the United Nations system or in another international organization, to the greatest extent possible.

13 To undertake their role effectively, members of IMAC should collectively possess knowledge, skills and senior-level experience in the following areas:

- a) finance and audit;
- b) organization governance and accountability structure, including risk management;
- c) law;
- d) senior-level management;
- e) the organization, structure and functioning of the United Nations and/or other intergovernmental organizations; and
- f) a general understanding of the telecommunication/ICT industry.

14 Members should ideally have or acquire rapidly a good understanding of ITU's objectives, governance structure, the relevant regulations and rules, and its organizational culture and control environment.

Independence

15 Since the role of IMAC is to provide objective advice, members shall remain independent of the ITU secretariat, the Council and the Plenipotentiary Conference, and shall be free of any real or perceived conflict of interest.

16 Members of IMAC shall:

- a) not hold a position or engage in any activity that could impair their independence from ITU or from companies that maintain a business relationship with ITU;
- b) not currently be, or have been within the three years prior to appointment on IMAC, employed or engaged in any capacity by ITU, a Sector Member, an Associate or a Member State delegation, or have an immediate family member (as defined by the ITU

Staff Regulations and Staff Rules) working for or having a contractual relationship with ITU, a Sector Member, an Associate or a Member State delegation;

- c) be independent of the United Nations Panel of External Auditors and the Joint Inspection Unit; and
- d) not be eligible for any employment with ITU for at least three years immediately following the last day of their tenure on IMAC.

17 IMAC members shall serve in their personal capacity and shall not seek or accept instructions in regard to their performance on IMAC from any government or other authority internal or external to ITU.

18 Members of IMAC shall sign an annual declaration and statement of private, financial and other interests (Appendix A to these ToR). The Chairman of IMAC shall provide the completed and signed declaration and statement to the Chairman of the Council promptly after a member commences his/her term on IMAC, and thereafter on an annual basis.

Selection, appointment and term

19 The process for selection of members of IMAC is set out in Appendix B to these ToR. The process shall involve a selection panel comprising representatives of the Council on the basis of equitable geographical distribution.

20 The selection panel shall relay its recommendations to the Council. Members of IMAC shall be appointed by the Council.

21 Members of IMAC are appointed to serve for a term of four years, renewable for a second and final term of four years, which need not be consecutive. To ensure continuity of membership, the initial appointment of two of its five members shall be for one term of four years only, decided by the drawing of lots at IMAC's first meeting. The Chairman shall be selected by IMAC members from amongst their number and shall serve in this capacity for a term of two years.

22 A member of IMAC may resign his/her membership by notice in writing to the Chairman of the Council. A special appointment for the remainder of that member's term shall be made by the Chairman of the Council in accordance with the provisions set out in Appendix B to these ToR to cater for such a vacancy.

23 An appointment to IMAC may only be revoked by the Council, under conditions to be established by the Council.

Meetings

24 IMAC shall meet at least twice in an ITU financial year. The exact number of meetings per year will depend on the agreed workload for IMAC and the most appropriate timing for consideration of specific matters.

25 Subject to these ToR, the IMAC will establish its own rules of procedure to assist its members in executing their responsibilities. The IMAC rules of procedure shall be communicated to the Council for its information.

26 The quorum for the committee is three members. As members serve in a personal capacity, alternates are not allowed.

27 The Secretary-General, the External Auditor, the Chief of the Administration and Finance Department, the Head of the internal audit function and the Ethics Officer, or their representatives, shall attend meetings when invited by IMAC. Other ITU officials with functions relevant to the items on the agenda may likewise be invited.

28 If necessary, IMAC has the ability to obtain independent counsel or have recourse to other outside experts in order to advise the committee.

29 All confidential documents and information submitted to or obtained by IMAC remain confidential.

Reporting

30 The Chairman of IMAC will submit its findings to the Chairman of the Council and the Secretary-General after each meeting, and will present an annual report, both in writing and in person, for consideration by the Council at its annual session.

31 The Chairman of IMAC may inform the Chairman of the Council, in between Council sessions, of a serious governance issue.

Administrative arrangements

32 Members of IMAC will provide services pro bono. In accordance with the procedures applying to appointed staff of ITU, members of IMAC:

- a) shall receive a daily subsistence allowance; and
- b) those not resident in the Canton of Geneva or neighbouring France shall be entitled to reimbursement of travel expenses, to attend IMAC sessions,

33 The ITU secretariat will provide secretariat support to IMAC.

Chair's Note: the RCC has also proposed an editorial amendment to rectify a spelling error in the title of the 'Declaration & Statement of Private, Financial and Other Interests Form (Appendix A, page 4/4)'. As this was the only change requested from this point on it is noted, but the full text not included here.