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| **Council 2016 Geneva, 25 May – 2 June 2016** |  |
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| **Agenda item: ADM 8** | **Addendum 1 to**  **Document C16/40-E** |
| **31 May 2016** |
| **Original: English** |
| **Note by the Secretary-General** | |
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Please find in annex the presentation of the report by the External Auditor on the Union's accounts.

**Annex:** 1

**PRESIDENT RAFFAELE SQUITIERI’S SPEECH**

**AT THE INTERNATIONAL TELECOMMUNICATION UNION**

**COUNCIL 2016**

**31 May 2016**

Thank you very much, President

Distinguished Councillors,

I am very pleased to have an opportunity to present you the audit certificate and the audit report concerning the financial statements as at 31st December 2015 of the International Telecommunication Union.

As a results of the audit of the data disclosed in the financial statements (and after verification of the accounting policies adopted), we have expressed an “unqualified audit opinion” according to which the International Telecommunication Union financial statements for 2015 present fairly, in all material respects, the financial position of the Organization as at 31st December 2015, as well as, for the year then ended, the financial performance, the changes in net assets, the cash flows and the comparison of budget and actual amounts, in accordance with IPSAS and the Financial Regulations and Rules of the ITU.

In the audit certificate, however, we have also introduced an “emphasis of matter” concerning the fact that the statement of financial position shows a negative Net Asset, mainly due to the impact of actuarial liabilities relating to long-term employee benefits (the so-called After Service Health Insurance scheme). Details of our analysis are included in our report. Measures are being undertaken by Management, which has assured us that it will monitor the effectiveness of these measures.

The long-form audit report, annexed to the audit certificate and issued according to the Financial Regulations and Financial Rules of the Organization, provides key information on the financial statements and the results of the audit we carried out on the activities performed by Management.

According to our audit terms of reference, we have also carried out the audit of the accounts of the International Telecommunication Union TELECOM World Event 2015. The results of this audit activity are set out in an “ad hoc” report. Finally, we have verified and certified the accounts, as at the end of 2015, of the projects financed by the United Nations Development Programme (UNDP) and managed by the International Telecommunication Union.

My colleagues and I will be pleased to answer your questions on our audit activities, if any.

Before concluding, I would like to thank sincerely the International Telecommunication Union Management and staff for their kind and professional co-operation and assistance in providing us with the information and documentation we needed to perform our duties and issue our opinion and audit report.

Thank you very much for your attention.

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