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| **Council 2019Geneva, 10-20 June 2019** |  |
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|  | **Document C19/130-E** |
| **20 June 2019** |
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Decision 613

(adopted at the ninth Plenary Meeting)

General Audit Following the Case of Fraud at a Regional Office

The Council,

expressing its deep concerns

with respect to the misappropriations recently exposed, in particular their magnitude, ease of perpetration and of the weak detection mechanisms in place,

acknowledging the need

for effective oversight and audit mechanisms, effective people, processes, policies and procedures systems, clear delegation of authority on all processes and approvals, in order to enable timely, appropriate action to address concerns such as these, including through best practices that reflect the independence of the investigation process, strong ethics functions, and a corporate culture that encourages identifying and addressing institutional shortcomings,

recognising

the commitment, quality of work and integrity of the staff of the Union,

recognising further

the whistle-blower whose conduct allowed the uncovering of these misappropriations, and that further action is needed to strengthen whistleblower protections at the organization,

expressing its gratitude

to the Government of the Kingdom of Thailand for its willingness to assist with further investigation of the recently uncovered misconduct in the ITU Regional Office for Asia and the Pacific,

recalling

that the reputation of the Union relative to the diligent, careful, and efficient management of the funds put at its disposition by the contributing members and donors is of paramount importance,

having considered

the special report and recommendations by the External Auditor to address an instance of fraud at the ITU (Document [C19/106](https://www.itu.int/md/S19-CL-C-0106/en), the Secretary-General’s response and Document [C19/108](https://www.itu.int/md/S19-CL-C-0108/en)), including

all audit recommendations, in particular recommendations 9 and 11 and point IV in the executive summary of Document C19/106,

intending

to investigate all activities of the Union where misappropriations might have taken place, ensure that Council members have oversight of the reform process, and identify whether further reforms are needed,

decides to instruct the Secretary-General

1 to mandate an external enterprise specialized in financial crime investigations with carrying out a forensic audit of the International Telecommunication Union in order to identify any instances of fraud or other financial misconduct over the course of the past 10 years;

2 in consultation with IMAC, prior to tendering, to prepare the Terms of Reference for the external enterprise, to ensure that it takes into account vulnerabilities of the organisation to fraud, including but not limited to those already identified in ITU internal auditor, external auditor and IMAC reports and recommendations;

3 to ensure that the audit should determine in fact whether the organisation has suffered further loss or injury in addition to the known case of fraud in the ITU Regional office for Asia and the Pacific;

4 to recover funds lost and take action, including legal proceedings against the perpetrator and any other entities, as necessary;

5 to present the final report of the above-mentioned enterprise at the 2021 session of Council; such report including recommendations on strengthening ITU internal controls and management accountability; and interim reports shall be provided at the CWG-FHR meetings, to IMAC and Council-20 to take necessary action as appropriate,

further decides

that an initial amount of CHF 1.1 million be allocated to fund this forensic audit from the 2018 budget implementation savings in accordance with relevant Council Decisions; the financial allocation could be reviewed by Council-20,

further instructs the Council Working Group on Financial and Human Resources

based on conclusions of the audit, and in consultation with the Ethics Office and the Internal Audit Unit, to recommend actions for ITU Council to strengthen the independence of ITU oversight and audit functions, ethics framework, and investigation procedures in view of UN system-wide best practice and UN Joint Inspection Unit recommendations as appropriate, and to the extent prudent, to advise the UN Joint Inspection Unit with respect to any relevant matters,

invites the membership, the management, the staff, the experts and the service providers currently and previously under contract with the ITU

to co-operate fully and provide all necessary support to the endeavour of restoring the trustworthiness of the Union,

encourages

other potential whistle-blowers knowledgeable of possible wrongdoings damageable to the Union to come forward.

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