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| **Council Working Group on Financial and Human Resources****Tenth meeting – Geneva, 18 September 2019** |  |
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|  | **Document CWG-FHR-10/11-E** |
|  | **6 September 2019** |
|  | **English only** |
| United States of America |
| Proposal for a sub-working group in response to council Decision 613 |

**Introduction**

The United States is pleased to submit this contribution to the ITU Council Working Group on Finance and Human Resources issues (CWG-FHR) for consideration during its September 18, 2019 meeting based on the 2019 Council decision on *General Audit Following the Case of Fraud at a Regional Office* ([Decision 613](https://www.itu.int/md/S19-CL-C-0127/en)).

**Discussion**

During the 2019 Council session, members were provided details of fraud and misconduct that occurred at the ITU Regional Office for Asia and the Pacific.[[1]](#footnote-1) The fraud and misconduct that were uncovered in this incident exposed shortcomings in the organization’s internal controls framework and its oversight mechanisms. For example, according to current investigation procedures, neither the Ethics Officer nor ITU’s Internal Audit Unit (IAU) have the authority to initiate investigations into allegations of misconduct, as is best practice in the UN system, and a recommendation of the UN Joint Inspection Unit (JIU).[[2]](#footnote-2) Concerns were also raised about how the allegations were handled, including maintaining the confidentiality of the information provided by the complainant, and therefore, whether ITU’s policy to protect staff from retaliation for reporting misconduct (Service Order 11/04) was effectively implemented.[[3]](#footnote-3)

In Council Decision 613, the council members acknowledged the need for effective oversight mechanisms, policies and procedures through the implementation of best practices as it relates to the independence of the investigation process and strong ethics functions. This decision and Resolution 48 (Rev. Dubai, 2018) recognized that the organization needs to take further steps to strengthen whistleblower protections, including addressing the findings and recommendations from the JIU report on "Review of Whistle-Blower Policies and Practices in United Nations System Organizations" with respect to the Union. The Council instructed the CWG-FHR, in consultation with the Ethics Office and the Internal Audit Unit, to recommend actions for ITU Council to strengthen the independence of ITU’s oversight and audit functions, ethics framework, and investigation procedures in view of UN system-wide best practice and UN JIU recommendations as appropriate. The United States believes that this decision of Council should be implemented immediately to minimize the risk of further fraud/misconduct and cultivate an ethical culture.

**Proposal**

Pursuant to Council Decision 613, and taking into account Resolution 48 (Rev. Dubai, 2018), the United States proposes that the CWG-FHR establish a sub-working group to recommend actions for ITU Council that would strengthen the independence of ITU’s 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. Even though the forensic audit is not complete, the sub working-group should be established as soon as possible in order to start the consultation process with the Ethics Office and the IAU. This subgroup can also begin making recommendations to the Council to address current oversight weaknesses in the organization due to the lack of implementation of any UN system best practices or UN JIU recommendations. We propose that the sub-group conduct its work as follows:

1. Consult with the Ethics Office and IAU to identify current weaknesses in ITU’s ethics framework and oversight mechanisms;
2. With the assistance of IAU and the Ethics Office, or any other relevant office in the Union, evaluate current UN system best practices in the areas of audit, investigation, and ethics;
3. Evaluate and determine which UN JIU recommendations in the areas of audit, investigation, and ethics have not been implemented by the Union.
4. Once the forensic audit is complete, evaluate the results and any recommendations from the audit to determine whether CWG-FHR should make any further recommendations to the Council.

1. [Special Report by the External Auditor – addressing fraud at ITU](https://www.itu.int/md/S19-CL-C-0106/en) [↑](#footnote-ref-1)
2. In the JIU report, [*The Investigations Function in the United Nations System (A/67/140)*](https://www.unjiu.org/content/reports)*,* the JIU recommended that internal oversight entities or investigation units have authorization to initiate investigations without the executive head's prior approval as it undermines the independence of the investigation process. [↑](#footnote-ref-2)
3. [Special Report by the External Auditor – addressing fraud at ITU](https://www.itu.int/md/S19-CL-C-0106/en) [↑](#footnote-ref-3)