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| **Council 2020 Geneva, 9-19 June 2020** |  |
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| **Agenda item: ADM 27** | **Document C20/60-E** |
| **17 April 2020** |
| **Original: English** |
| Report by the Secretary-General | |
| CREATION AND FUNDING OF a New Investigation Function | |

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| Summary  The fraud case in a Regional Office underscored the importance of strengthening internal controls within ITU. In parallel, ITU has experienced in the last 18-20 months a stiff increase in reports of potential misconduct. Investigating such cases is not only necessary as a matter of ethics and good governance but, in fact, a legal obligation whenever allegations are sufficiently credible. Moreover, such cases entail significant reputational and financial risk.  The creation of a full-time dedicated investigator position is an unambiguous sign that ITU seriously intends to tackle misconduct. Likewise, it demonstrates top management’s determination to address unethical behavior and to uphold the Secretary-General’s commitment to observe a zero-tolerance policy vis-à-vis certain acts such as sexual harassment and fraud. Such creation also brings the ITU in line with best practices within the UN common system.  Action required  The Council is invited to **endorse** the reinforcement of ITU’s investigation function, through the creation of a dedicated position, at the P.5 or P.4 level, being placed in the Office of the Secretary-General and under his supervision, to be financed through a withdrawal from the Reserve Account.  \_\_\_\_\_\_\_\_\_\_\_\_  References  Document [CWG-FHR-11/15](https://www.itu.int/md/S20-CWGFHR11-C-0015/en): Contribution by the United States - proposal for a new investigation function and process;  Document [C20/50](http://www.itu.int/md/S20-CL-C-0050): Report by the Chairman of the Council Working Group on Financial and Human Resources (CWG-FHR) |

Creation and Funding of a New Investigation Function and Process

**Background**

1. The investigation capacity and needs within ITU have been low until 2018. In this sense, it is noteworthy that there is no staff member in the Union bearing the title of “Investigator” or having the conduct of investigations as the main duty in his/her job description. The ITU Internal Audit Unit’s (IAU) mandate includes audits and investigations but until early 2018, the emphasis had been placed on audits.
2. ITU has been handling misconduct allegations on an *ad hoc* basis, with the involvement of different departments/units (HRMD, IAU, Ethics Office, etc.) and, very often, hiring external investigators case-by-case.
3. In 2019, ITU has spent nearly CHF 200’000 in fees to various external investigators hired on an *ad hoc* basis to complement the current in-house investigation capacity mentioned above.
4. Therefore, the ITU management has concluded that the investigation function has to be reinforced, not only in terms of resources allocated to those activities but also in terms of structure and procedures to be further developed and implemented.
5. It is therefore proposed to the Council that the Secretary-General set up an independent investigation function, through the creation of a dedicated position, at the P.5 or P.4 level, being placed in the Office of the Secretary-General and under his supervision.

**Budgetary implications**

1. The estimated annual costs of the proposal from the ITU secretariat (option 1 in the table below), as well as of each of the two options in the Contribution by the United States of America (Document CWG-FHR-11/15) are as follows:

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| Option 1 | 1 post P.5 | CHF 244 292 | Max: CHF 244 292  Min: CHF 210 533 |
| Alternatively, 1 post P.4 | CHF 210 533 |
| Option 2 | 1 post D.1 | CHF 278 362 | Max: CHF 488 895  Min: CHF 459 452 |
| 1 post P.4 | CHF 210 533 |
| Alternatively, to the P.4, 1 post P.3 | CHF 181 090 |

These figures are estimated average annual costs for each a given grade. Real costs vary depending on the post incumbent’s years of experience, family situation, place of recruitment, and various other factors.

1. There might be additional indirect costs, mainly to provide the investigator(s) the structural means to carry out their duties, including adequate office space/room for interviews; basic infrastructure (phone, IT equipment), specialized software, travels, etc. Additionally, it would be wise to foresee some extra provision for case-by-case consultancies or assistance; indeed the investigator(s) would be, by default, conducting any investigation required in ITU, but may also hire external consultants on a need basis, either to provide specific support in a given case (e.g. graphology or authentication of video or audio footage) or to perform the investigation as a whole (in particular in case of conflict of interest, very specialized matter, or peak of work).

**Cost-benefit analysis**

Financial aspects

1. In light of the amount spent in hiring external investigators and as well as indirect costs generated by in-house resources mobilization, as referred to in para. 3 above, option 1 is arguably less costly than the current practice, since an in-house dedicated staff member would conduct, if not all, at least the bulk of this work for the budgeted amount.
2. That said, cost-efficiency depends on whether the number and complexity of investigations remains at similar levels than currently. Relevantly, misconduct reports were rare in past years. In 2017, ITU received one report, namely the one relating to fraud in a Regional Office. By contrast, since June 2019, at least thirteen reports/complaints have been received by the Ethics Office, the majority of which has been deemed to warrant a full-fledged investigation.
3. These reports/complaints concern different behaviors, various types of ITU personnel or even external individuals throughout the various Bureaux/Departments/Services/Units, and combined with those reported prior to June 2019, they came spread over the last 18-20 months with a progressive increase but no peaks, nor any apparent link to conjunctural events. Further, given the factors that logically appear to have encouraged reporting (e.g., the Ethics Officer position having been filled, hence reactivated; anonymous complaints have been allowed; “Me too” movement; staff having perceived that a number of reports have led to launching investigations), there is no reason to expect their call effect to cease in the near future.
4. Experience has shown that each full-fledged investigation takes an approximate two person-months of work from a qualified professional. Therefore, indicatively, six investigations a year would represent a full workload for a staff member entirely dedicated to investigations. Considering that the range of fees for each investigation conducted by external consultants, which depends on a series of criteria (complexity of the case, duration of the investigation, number of interviews to be undertaken and records to be established, etc…), hiring a P.5 or P.4 staff member would already be cost-effective as of 6 or 7 investigations per year.
5. The workload of an investigator is not limited to the strict conduct of investigations, especially in the initial years. S/he will certainly need to invest a considerable portion of time for developing and issuing comprehensive investigation working methods, developing templates, protocols and other standardized work documents; exploring and establishing databases, management systems and other tools; identifying, raising and addressing systemic/legal issues; preparing and updating a list of qualified investigation experts, consultants and providers to be hired on a need basis; giving guidance to external consultants and experts and checking the quality of their services; preparing statistics and input required by the Secretary-General and relevant stakeholders.

Non-financial aspects

1. Beyond the potential savings, an in-house investigator is expected to contribute to a significant upgrade of the entire ITU Administration, by bringing added value on the following counts:
2. *Improve quality of investigations and enhance investigation accountability* through professional expertise in investigation techniques, international best practices and standards required by ILOAT; and also further elaboration of investigative tools and software. Additionally, an in-house investigator will acquire a good understanding of ITU, including its structure, functioning and legal framework.
3. *Efficiency*: An in-house investigator working exclusively for ITU and with no concurrent duties will prioritize ITU investigations. Not having an in-house investigator in the last year or two, has had a massive impact on some units (most particularly IAU, to the point that it has seriously affected the implementation of the annual audit work plan). Although some such challenges would partially remain if ITU had one in-house investigator alone (e.g. note taking, interview with two individuals, prioritization of investigations, added work for other units, etc.), this would still represent a significant improvement.
4. *Consistency*: An in-house investigator guarantees that the same standards are applied across all cases, is well-placed to detect and address inconsistencies, to put in place standard procedures, templates and protocols and to provide uniform guidance to any external consultant that may still be hired. S/he would also help limiting the risks of inadequate administrative, logistical and background support.
5. *More confidentiality, limited conflict of interests*: An in-house investigator centralizing investigations is likely to avoid having situations whereby a number of other units’ staff become aware of investigation details which would avoid thus conflict of interest (real or perceived) with respect to the core tasks of such units.

**Final considerations**

1. The proposal by the Secretary-General to set up an an independent investigation function, through the creation of a dedicated position, is fully coherent with:
2. The conclusions and recommendations of the United Nations Joint Inspection Unit as established in the course of its review of the state of the investigation function and progress made in the United Nations system organizations in strengthening the investigation function, one of the preliminary conclusions and recommendation is that organizations should review the adequacy of resources and staffing of the investigation function[[1]](#footnote-1);
3. The proposal made in the contribution by the United States of America to the Council Working Group on Finance and Human Resources at its 11th session in February 2020, in Document CWG-FHR-11/15. The conclusions of the CWG-FHR on that proposal can be found in the Summary report of the Chair, in Document CWG-FHR/11-20, paragraph 9.6.
4. Best practices within the UN common system, as shown in Annexes I to XII to the JIU Report.
5. It is proposed that the creation of this position be financed through a withdrawal from the Reserve Account.

ANNEX

draft DECision

Creation and funding of new investigation function

The Council,

in view of

Decision 5 (Rev. Dubai, 2018) adopted by the Plenipotentiary Conference,

having considered

the Document C20/60 presented by the Secretary-General on the proposed creation of an independent investigation function

decides

to approve the creation of an independent investigation at the P5/P4 level and to authorize the Secretary-General, in accordance with Article 27 of the Financial Regulations and Financial Rules, to withdraw ¨{CHF 815’000/702’000}[[2]](#endnote-1) from the Reserve Account to cover the costs of this function for the year 2020 to 2023.

instructs the Secretary-General

to implement the above-mentioned decision in 2020, as necessary, and to report to the 2021 Council Session.

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1. The full report *JIU Review on the state of the investigation function* may be found at <https://www.unjiu.org/content/reports> - at the time of drafting the current Council document it was not yet available in its final version. [↑](#footnote-ref-1)
2. The current financial, approved in Dubai 2018, did not include this cost. Next financial plan 2024-2027 will include this cost. [↑](#endnote-ref-1)