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| **Agenda item: ADM 2** | **Document C23/53-E** |
| **12 June 2023** |
| **Original: English** |
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| Report by the Secretary-General | |
| PROPOSAL FOR THE CREATION OF AN OVERSIGHT UNIT | |
| **Purpose**  Provide the organization with an effective system of risk-based, independent, and objective internal oversight and evaluation.  **Action required by the Council**  The Council is requested to **take note** of the proposal to create an Oversight Unit and to **approve** the creation of a Chief of Oversight position at the D-1 level.  **Relevant link(s) with the Strategic Plan**  Human resources excellence and organizational innovation  **Financial implications**  None  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  IMAC Recommendations: 2022/4, 2022/5 (Document [C22/22](https://www.itu.int/md/S22-CL-C-0022/en))  Joint Inspection Unit reports: [JIU/REP/2020/1](https://www.unjiu.org/sites/www.unjiu.org/files/jiu_rep_2020_1_english_0.pdf) - Review of the state of the investigation function: progress made in the United Nations system organizations in strengthening the investigation function [JIU/REP/2014/6](https://www.unjiu.org/sites/www.unjiu.org/files/jiu_document_files/products/en/reports-notes/JIU%20Products/JIU_REP_2014_6_English.pdf) - Analysis of the evaluation function in the United Nations system [JIU/REP/2016/1](https://www.unjiu.org/sites/www.unjiu.org/files/jiu_document_files/products/en/reports-notes/JIU%20Products/JIU_REP_2016_1_English.pdf) - Review of management and administration in the International Telecommunication Union (ITU)  ITU accountability framework (Document [C22/57](https://www.itu.int/md/S22-CL-C-0057/en)) | |

## Background and objectives

ITU is committed to the highest standards of integrity among its staff members and other personnel and to transparency and accountability in its programmes and operations. In line with this objective, ITU is undertaking considerable efforts to strengthen its oversight function and capabilities, as part of a wide review aiming to reinforce controls and the efficiency of its Three Lines Model[[1]](#footnote-1). Accordingly, the ITU management is implementing a comprehensive plan to reinforce the accountability framework; reinforce monitoring and evaluation; improve internal controls and correct related deficiencies; and revamp the risk management and compliance frameworks and functions.

As part of this comprehensive plan, and in line with the configuration of a large number of United Nations organizations, ITU intends to create an Oversight Unit (OU) that will be responsible for providing the organization with an effective system of risk-based, independent, and objective internal oversight and evaluation. The OU would come into operation by bringing together the audit and investigations functions within a single unit, with the addition of a new evaluation function. The OU will be led by a Chief of Oversight who will provide leadership and strategic direction at the appropriate seniority level, and will ensure the quality of service.

Integrating these functions will strengthen the third line of the Three Lines Model by allowing for a more holistic view of the organization's risk landscape. Audits help identify potential risks and vulnerabilities in internal controls, governance, and compliance; investigations address allegations of misconduct, fraud, or other violations of the ITU internal regulatory framework; and evaluation assesses the effectiveness and impact of programmes, policies, and interventions across the organization.

Having these functions within the same Unit, but with clear and separate responsibilities, will contribute to a more robust risk management framework and will improve coordination, information sharing and communication between the respective teams that have oversight responsibilities (while ensuring confidentiality for investigations). This will lead to more effective identification and resolution of systemic issues, increased efficiency and better-informed decision-making.

This new Unit will enable an improvement of workload management and resource allocation, as it is expected that this configuration will allow for greater flexibility, with auditors may be able to support investigations and vice versa, depending on the specific needs of the organization at any given time. The Unit will act as a single point of contact to manage interaction with three significant professional networks in the United Nations system: (1) the Representatives of Internal Audit Services of the United Nations system organizations (UN-RIAS); (2) the United Nations Representatives of Investigative Services (UN-RIS); and (3) the United Nations Evaluation Group (UNEVAL). This arrangement is expected to foster the advancement and exchange of oversight-related practices and experiences.

## Functions and responsibilities of the Oversight Unit

The Oversight Unit (OU) will assist the Secretary-General of ITU in the fulfilment of management oversight responsibilities. OU’s audit, investigation and evaluation activities will be governed by ITU’s Financial Regulations and Financial Rules and by a Charter of the Oversight Unit, which will stipulate, inter alia, its mission, the scope of its work, responsibilities and authority and the key principle of independence of OU in fulfilling its duties.

Internal oversight services cover all programmes, projects, operations, and activities undertaken by three Bureaux of ITU and the departments of the General Secretariat, including those in the field. The following principles will be at the core of OU’s operations:

1. Enhancing transparency and accountability: OU will ensure that ITU’s actions align with the organization's objectives, policies and procedures, with guidance issued by the secretariat of the United Nations and the United Nations system, and with the interests of ITU’s stakeholders. Through this Unit the Secretary-General will ensure that ITU remains transparent and accountable to the Member States, the wider UN system and the public.
2. Strengthening risk management and internal controls: OU will help identify potential risks and areas of improvement in ITU’s internal controls, thereby facilitating a robust risk management framework. The unit will also support ITU in implementing and complying with best practices regarding the five components of the COSO Framework[[2]](#footnote-2): control environment, risk assessment, control activities, information and communication, and monitoring.
3. Fostering a culture of continuous learning and improvement: OU will facilitate the sharing of lessons learned and best practices within the ITU secretariat. This will promote a culture of continuous learning and improvement so as to enhance the organization’s performance.

OU will be responsible for:

1. Internal audit: Internal audits conducted by OU will serve as an independent, objective assurance and advisory activity designed to add value and improve the operations of the organization. They will support ITU in meeting its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes, ensuring compliance. All audits will be risk-based and in conformance with the International Professional Practices Framework promulgated by the Institute of Internal Auditors[[3]](#footnote-3).
2. Investigations: OU will investigate allegations of misconduct by ITU personnel including fraud, theft and embezzlement, corruption, sexual harassment, sexual exploitation and abuse, discrimination, workplace harassment and abuse of authority, retaliation against whistle-blowers, and abuse of privileges and immunities. OU will have the sole responsibility for the conduct of all investigations within ITU.
3. Evaluation: Evaluation will play a critical role across ITU, following a systematic process that helps assess the effectiveness and impact of programmes, policies, and interventions across the organization. It involves providing, guidance, technical support and training to staff members involved in monitoring and evaluation activities throughout the organization. It promotes a culture of evidence-based decision-making, and as a result, strengthened monitoring and evaluation systems and practices. The primary purposes of evaluation are to inform decision-making, improve performance, and ensure accountability and transparency. The evaluation function plays an essential role for the UN system organizations, which was previously missing from the ITU centralized oversight functions. All evaluations will be conducted in conformance with the United Nations Evaluation Group (UNEG) standards.

The detailed organizational structure of the Unit will be finalized by the Secretary-General following a review and assessment of the audit and investigation functions.

## Financial considerations

This proposal can be realized within the current resource envelope allocated for the Internal Audit and Investigation functions, while the cost of a new Evaluation Specialist position will be met by transferring an existing budgeted position in the organization. Therefore, no additional costs for the organization are envisaged.

## Action required by the Council

The Council is requested to note the proposal to create an Oversight Unit and to approve the creation of a Chief of Oversight position at the D-1 level.

## Related functions

The Ethics Office will remain as a separate, independent unit and maintain close collaboration within the remit of its responsibilities, including promoting the development and implementation of the highest standards of ethical behaviour in all the activities of ITU, leading ethical standards, and advising management, staff and stakeholders by providing confidential advice and guidance on ethical behaviour and providing guidance to staff to understand and adhere to ITU policies, procedures and practices.

In addition to the above, ITU is invested in ensuring staff have access to effective avenues for informal conflict resolution. The Secretary-General has decided to incorporate the ombudsman function into ITU, in alignment with practice within the United Nations system, to offer a safe place for staff to discuss any workplace concerns and explore possible options to address them, with the premises of independence, neutrality, confidentiality, and informality. This function will be outsourced, following the practice of many UN organizations, to ensure effective use of resources. Along these lines, ITU has started discussions with the Office of the United Nations Ombudsman and Mediation Services (UNOMS) to seek advice on the way forward.

**Annex**: 1

Annex 1

Job description: Chief of Oversight (D1)

**Organizational context**

The Chief of Oversight is responsible for providing leadership, strategic direction, and overall management of the Oversight Unit (OU), ensuring effective coordination and collaboration between the internal audit, investigation and evaluation functions in collaboration with other related functions such as ethics. The Chief of Oversight reports directly to the Secretary-General.

The duration of service in this position is capped at five years as per best practice.

**Duties and responsibilities**

The Chief of Oversight will:

1. Provide strategic vision, leadership, and direction for OU, creating and implementing medium- and long-term strategies, policies, and frameworks that contribute to continuous improvement and added value to ITU.
2. Ensure that the work of OU is in line with international auditing, investigation, and evaluation standards, principles, and guidelines, in keeping with the ITU internal oversight mandate.
3. Offer independent, objective assurance, advice, and reporting to the Secretary-General, Member States, and management with a view to improving ITU operations and supporting the organization in achieving its objectives.
4. Lead audits, investigations and/or evaluations where necessary, especially when they are complex and/or sensitive.
5. Prepare a yearly oversight plan based on risk and priority, in consultation with the Secretary-General, and identify significant risk exposure.
6. Develop and maintain a quality assurance/improvement programme for all aspects of the work of OU, including periodic reviews and ongoing self-assessments.
7. Review and appraise ITU's internal control mechanisms, organizational structures, systems, and processes, and ensure efficient and effective use of ITU resources.
8. Direct OU's work and develop its capabilities, strategically managing resources and ensuring appropriate controls for performance management.
9. Seek advice from the Independent Management Advisory Committee (IMAC) on oversight policies, strategies, and work plans, and report progress quarterly.
10. Represent ITU at high-level meetings within the United Nations system organizations, internal and external oversight entities, Member State structures, and other international organizations.
11. Perform other duties as assigned.

**Requirements**

Education:

* Advanced university degree in business administration, public administration, audit, law, finance, accounting, or a relevant field, OR education in a reputed college of advanced education with a diploma of equivalent standard to that of an advanced university degree in one of the fields above.
* Professional certification(s) from one or more recognized auditing body (CIA, CFE, CPM, CISA, or equivalent).
* For internal candidates, a first university degree in one of the fields above in combination with twenty years of qualifying experience may be accepted in lieu of an advanced university degree for promotion or rotation purposes.

Experience:

At least fifteen years of experience in the fields of audit, evaluation, investigation, management advisory services, business process improvement, organizational governance, oversight, or risk management, with progressively greater responsibility and including at least five years at a senior management and policy-making level in an international environment or in the private sector. A doctorate in a related field may be considered as a substitute for three years of working experience. Proven experience at a senior level is required, including in staff supervision. Experience within an organization of the United Nations common system would be an advantage.

Languages:

Knowledge of one of the six official languages of the Union (Arabic, Chinese, English, French, Russian, Spanish) at an advanced level and knowledge of a second official language at an intermediate level. Knowledge of a third official language would be an advantage. (Under the provisions of Resolution No. 626 of the Council, a relaxation of the language requirements may be authorized in the case of candidates from developing countries: when candidates from such countries possess a thorough knowledge of one of the official languages of the Union, their applications may be taken into consideration).

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1. The ITU Accountability Framework (Document [C22/57](https://www.itu.int/md/S22-CL-C-0057/en)) is expressed in terms of the Institute of Internal Auditors’ Three Lines Model (TLM) ([theiia.org](https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf)). Operational managers are the “first line” – those who own and manage risks and controls during implementation (performance and risk management). The “second line” is comprised of the control activities, established by the management of the organization to strengthen and monitor the first line of controls. The “third line” refers to an independent and objective assurance and advice function on all matters related to the achievement of the objectives. [↑](#footnote-ref-1)
2. The Control Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) was introduced in 1992 and has since been accepted worldwide for its comprehensiveness, effectiveness, and universal principles of strong internal controls. [↑](#footnote-ref-2)
3. [www.theiia.org](http://www.theiia.org) [↑](#footnote-ref-3)