|  |  |
| --- | --- |
|  | **Document CWG-FHR-20/18** |
| **10 January 2025** |
| **English only** |
|  |  |
| Contribution by Switzerland |
| ENSURING THE RETURN TO THE NORMAL REPORTING CYCLE FOR THE 2024 FINANCIAL STATEMENTS |
| **Purpose**The Member States should reiterate the crucial importance they attach to the necessity that Council performs properly its function as principal oversight body of the Union between Plenipotentiary Conferences (PP), in particular with respect to the supervision of the finances of the Union. Switzerland is of the view that during the last two years (2023 and 2024) Council could not carry out this task correctly due to, amongst other things, the unavailability of the necessary documents on the occasion of the ordinary and additional sessions of Council. This situation is of great concern for the Swiss administration and a return to the normal reporting cycle in 2025 is critical.**Action required**The Council Working Group on financial and human resources is invited to call upon the Chair of the Working Group to convey to the External Auditor and the Secretary-General the expectations of the Member States of CWG-FHR with respect to the availability in due time (i.e. at least 14 days) before the 2025 ordinary session of ITU Council of the 2024 financial statements, audited by the External Auditor, as well as a *final and complete* audit report of the External Auditor.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**References***Documents* [*C24/109(Rev.1)*](https://www.itu.int/md/S24-CL-C-0109/en) *and Document* [*C23-ADD/9(Rev.1)*](https://www.itu.int/md/S23-C23ADD-C-0009/en) |

Having in mind (i) the fact that the financial statements of 2022 of ITU could ultimately only be approved by Council at its 2024 ordinary session ([Resolution 1426](https://www.itu.int/md/S24-CL-C-0133/en)) and (ii) the unconventional episodes that led to the consultation by correspondence of Council Member States of ITU on the external auditor’s report and opinion and the financial operating report on the audited accounts 2023 ([DM-24/1006](https://www.itu.int/md/S24-DM-CIR-1006/en) of 30 October 2024), Switzerland is of the conviction that no regular (i.e. thorough and timely) debates have taken place in Council plenaries on ITU’s financial statements for 2022 and 2023.

Now, the procedures/processes for issuing financial statements are crucial in any company or organization as they generate confidence. The submission of the financial statements to the control of an external authority and the opinion that emerges, the recommendations made and the provision of this information to the governing bodies are cardinal too. In this sense, the entire procedure must be laid down beforehand, determining the deliverables and setting delivery dates. *These deadlines, in particular, must allow the governing bodies to have sufficient time to analyze the deliverables and prepare for the debates in committees and in plenary*.

Thus, Switzerland wishes to ensure that in 2025 ITU returns to the normal reporting cycle for the 2024 financial statements.

Pursuant to No. 53 of the ITU Constitution (CS), the PP, which is the supreme organ of the Union, has the competence to examine the accounts of the Union and to finally approve them. No. 71 CS disposes that ITU Council, which acts on behalf of the PP, shall ensure the efficient coordination of the work of the Union and exercise effective financial control over the General Secretariat and the three Sectors. (It is to be emphasized that IMAC is an advisory body whose valuable opinions on the financial statements and the reports of the external auditors are merely of a consultative nature.)

In Resolution 77 (Rev. Bucharest, 2022), *noting b)* states that “the external auditor's reports on the Union's finances should normally be available to the Council in due time prior to its sessions”. Switzerland is of the view that after two years out of the ordinary, in 2025 normality has to return.

We recall that in June 2024 Council invited the External Auditor and Secretary-General to resume the regular reporting cycle for the financial statements for 2024 in the 2025 Council session. In this respect, we welcome the secretariat’s commitment —expressed on the occasion of Council 2024— to resuming the normal reporting cycle for the 2024 financial statements. (See Chapter 15 of Document [C24/109(Rev.1)](https://www.itu.int/md/S24-CL-C-0109/en).)

We press for the submission to the 2025 session of the Council by the External Audit of his *complete and final* report regarding the 2024 financial statements. In particular, his recommendations should be exhaustive (pro memoria: “The External Auditor had made limited recommendations that year [2024] because of the ongoing review of all extant audit recommendations” (see § 15.9 of Document C24/109(Rev.1)).

In conclusion, Switzerland proposes that in order to give substance to the Council’s above-mentioned invitation, the Chair of CWG-FHR should on behalf of CWG-FHR invite the External Auditor to provide to Council 2025 with his *complete and final* report on ITU's 2024 financial statements and 2024 financial operating report *to the latest 14 calendar days prior to the opening of the ordinary Council session*. The Chair of CWG-FHR should also ask the Secretary-General to undertake all efforts in form of the secretariat’s collaboration with the external auditor in order to keep to this deadline.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_