

PROPOSAL 28

Annual Review of the Biennial Budget

Introduction

Since PP-02 income variations have been a source of concern in Council, due to their impact on the ITU's financial stability, but no complete solution has been identified. During the same period, Council has overseen the introduction of greater flexibility into the ITU's management structures, including new financial management systems

To be more effective, Council needs more up-to-date financial information on expenditure before making decisions and for those decisions to be taken at a point closer to the end of the financial year.

It is proposed to strengthen the existing authority of Council to review annually the income and expenditure, with a view to effecting adjustments where appropriate, bearing in mind the facility of the new International Public Sector Accounting Standards (IPSAS) for the preparation of audited annual financial statements. One possible way of achieving this may be by means of a small group of financial experts from Council to meet separately from the main body once, or perhaps twice a year, but it would be for the Council to agree the best way forward.

Setting a budget annually would disrupt other important Council business, nevertheless, a biennial budget does not prevent setting up annual financial audits and reporting cycles, as the prime requirement is to review the accounts on an annual basis and there is no reason why this cannot be done within the framework of a biennial budget setting process.

Setting the date of Council in, or close to, the final quarter of every calendar year would bring greater cohesion to managing the budget and linkage between it and the operational plans. To achieve regular meetings of Council at the same time every year, it would be necessary to move the date of the Plenipotentiary Conference to the middle of the year. This change would also bring greater continuity to management of the ITU, as Council would automatically follow in the same calendar year. For example, PP-10 would occur some time between February and June 2010 and Council-2010 would follow in the time frame between September and November 2010.

Proposal

The following proposal is intended to strengthening the existing authority of Council to carry out an annual review of income and expenditure with a view to effecting adjustments where appropriate, bearing in mind the facility of the new International Public Sector Accounting Standards (IPSAS) for the preparation of audited annual financial statements.

Adjustment of the scheduling of the Council and Plenipotentiary Conference to bring greater cohesion to the managing the budget and linkage between it and the operational plans is also proposed.

Proposals

To improve financial forecasts, ITU planning and the ability of the ITU to revise its income estimates.

EUR/XXA28/1

MOD

ARTICLE 4 (CV)

The Council

73 7) review and approve the biennial budget of the Union, and consider the budget
PP-98 forecast (included in the financial operating report prepared by the Secretary-General under
PP-02 No. 101 of this Convention) for the two-year period following a given budget period, taking
MOD account of the decisions of the Plenipotentiary Conference in relation to No. 50 of the
Constitution and of the financial limits set by the Plenipotentiary Conference in accordance
with No. 51 of the Constitution; it shall ensure the strictest possible economy but be mindful
of the obligation upon the Union to achieve satisfactory results as expeditiously as possible.
In so doing, the Council shall take into account the priorities established by the
Plenipotentiary Conference as expressed in the strategic plan for the Union, the views of the
Coordination Committee as contained in the report by the Secretary-General mentioned in
No. 86 of this Convention and the financial operating report mentioned in No. 101 of this
Convention. The Council shall carry out an annual review of income and expenditure with a
view to effecting adjustments where appropriate.

Reason

To strengthen the existing authority of Council for the annual review of income and
expenditure with a view to effecting adjustments where appropriate, bearing in mind the
facility of the new International Public Sector Accounting Standards (IPSAS) for the
preparation of audited annual financial statements.

ADD

RESOLUTION XXX (ANTALYA, 2006)

SCHEDULING OF THE COUNCIL AND PLENIPOTENTIARY CONFERENCES

The Plenipotentiary Conference of the International Telecommunication Union (Antalya, 2006),

considering

- a) Decision 7 (Marrakesh, 2002) which instructed the Council, *inter alia*, to establish a group of specialists to report on the “effectiveness, efficiency, and economy of the management and administration of the Union as a whole”;
- b) the presentation to the 2003 session of the Council by the Group of Specialists containing a series of recommendations which identified a number of improvements that could be made to the management of the Union, and which resulted in the adoption of Council Resolution 1216 outlining various implementation strategies,
- c) that the Group of Specialists in its Recommendation 2 regarding the process for preparation and review of the budget recommended that the timetable for budget preparation should be lengthened to allow this process to take place and that consideration should be given to convening Council no earlier than September each year, so that the budget would be ready and audit reports from the preceding year would be available for the review,

recognizing

- a) that the Plenipotentiary Conference is normally held in the last quarter of the calendar year and that this schedule impacts on the meeting dates for Council;
- b) that holding the Plenipotentiary Conference earlier in the calendar year would make it possible to set the meeting date for Council at the same time each year;
- c) that scheduling the Plenipotentiary Conference, so that an ordinary meeting of Council follows in the same calendar year, would facilitate the progressing of studies adopted at the conference;
- d) that scheduling the Plenipotentiary Conference earlier in the calendar year would improve the linkage between the strategic, financial and operational plans, and the budget.

recognizing further

- a) that the date of Council’s ordinary session is not fixed within a Plenipotentiary cycle;
- b) that Council tends to meet in, or close to, the 2nd quarter of the calendar year;
- c) that the external auditor’s reports on the ITU’s finances should be available to Council in due time prior to its sessions;
- d) that scheduling Council’s ordinary session during the last quarter of the calendar year would make the review of finances more effective,

resolves

- 1 that Plenipotentiary Conferences shall in future be scheduled between April and June of the year preceding the start of the Financial Planning period to be agreed by that Conference;
- 2 that Council shall hold its ordinary session in the final quarter of each year;
instructs the Secretary-General
to report to the Council on the implementation of this Resolution, proposing further improvements, as appropriate;

instructs the Council
to take appropriate measures to facilitate the implementation of this Resolution and report to a future Plenipotentiary Conference on any improvements in the implementation of this Resolution.