



KPMG Finland, Independent Review of ITC, June 2024

ITC CCITF Meeting

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Background to the review

- Finland has been a long-term partner for ITC; latest package 5 MEUR 2021-2022. Window 1 funding.
- Allegations of early 2023; Finnish next installment put on hold. Internal requirement to commission an independent 3rd party review.
- KPMG Finland review April-June 2024.
- Excellent cooperation throughout the process with ITC.
 - ToR, materials, field mission, report, publishing
 - 16 interviews at ITC, including top leadership
 - 3 outside (OIOS, UNDP Ethics office & UNOG Regional Ombudsman)



Scope of the review / ToR

- Action taken by management following the UNOG employee survey and based on the ITC Moving Forward -initiative.
- Oversight and governance structure of ITC
- Ethics and integrity policies and practices
- Whistleblower mechanism
- Protection from Sexual Exploitation, Abuse and Harassment
- Risk Management



Observations, risks, recommendations

Critical risk	Corrective actions are required immediately
Significant risk	Corrective actions are required as soon as possible
Moderate risk	Corrective measures are to be carried out within a reasonable time
Minor risk	Corrective actions are to be taken simultaneously with other relevant measures

- Four main observations → recommendations
 - 3 on category of “significant”
 - 1 “moderate”
- **Final report out 26th June – all data since then!**

Moving Forward Action Plan, Part A: prohibited conduct – 6 action points (as of 1.4.2024)



Table 2. Action Points – Part A
(Source: ITC's Moving Forward Action Plan)

No	ITC commitment	Actions taken so far	Actions to be taken
1	An external investigation into allegations of prohibited conduct carried out by independent investigator.	<ul style="list-style-type: none"> - Investigation launched in March 2023. - The Director DPS placed on administrative leave. - OIOS has undertaken investigation. 	Ongoing. OED awaiting the results of the investigation from OIOS before taking further actions.
2	An external ITC-dedicated Ombudsperson available for staff.	<ul style="list-style-type: none"> - Dedicated Ombudsperson function was established in January 2023 and served until December 2023. 	Completed. Periodic reassessments whether an ITC-specific Ombudsperson may be needed again.
3	An independent review of ITC policies and processes on prohibited conduct to ensure the alignment with UN best practices.	<ul style="list-style-type: none"> - ITC engaged with a specialized consultant to conduct a review of all policies on prohibited conduct against those of the UN. - Updated policies have been drafted. - A recommendation from UNDP Ethics Office to separate the preliminary “in-take” function from any other management role. 	Ongoing. ITC reviewing the recommended changes before final review by JAC. Recruitment currently underway for in-take function. Completion estimated in Q2/2024.

→ Recommendation 1

→ Recommendation 2

Moving Forward Action Plan, Part A: prohibited conduct – 6 action points (as of 1.4.2024)



4	An independent review of ITC's accountability framework to ensure the alignment with the standards set by the UN JIU.	- Independent review provided recommendations on how to structure an updated version of the framework.	Ongoing. IEU/SPPG to set out milestones towards a new ITC accountability framework for JAC discussion / SMC endorsement by Q2/2024.
5	An internal task force to provide recommendations for SMC on improving ITC systems to support zero tolerance on prohibited conduct.	- Working group recommendations submitted to senior management on 22 September 2023. Recommendations cover a range of issues from personnel, practices, and the creation of focal points within ITC for harassment and mental health issues.	Ongoing. Implementation of recommendations led by HR and the Gender/Diversity/Inclusion Unit.
6	An internal campaign to provide guidance on grievance channels within the UN system.	- Campaign conducted from February to June 2023. Awareness raising through several means by ED, Ombudsman Office, OIOS and UN Ethics Office. - A visible link on the first page of ITC's intranet to information on available grievance channels.	Completed. Management and Staff Council continue raising awareness about the availability of information on grievance channels.

“The complete report of the JIU review was published in March 2023 (JIU/REP/2023/3). ITC’s accountability framework is updated based on the recommendations of the review and it is set under JAC discussion and will be endorsed by SMC during Q3 2024.”

“According to the information received, the management has endorsed the recommendations and the implementation is work in progress..”



#1 External investigation by OIOS

Observation #1	An external investigation into allegations of prohibited conduct was launched in early 2023. The investigations of some cases that had already been reported in the beginning of 2023 are still work in progress at the time of the KPMG review in May 2024. Based on interviews the long-lasting investigations have created uncertainty in the organization and have negatively affected the commitment of staff. However, since the investigations are conducted by an external body, OIOS, ITC itself has no control over the duration of the process.
Risk – Significant	The prolonged investigations of alleged prohibited conduct can have negative effects on the effectiveness and efficiency of the organisation's culture and operations.
Recommendation	The investigations should be completed in a more reasonable time frame to reduce uncertainty caused by unresolved matters.

- Not in ITC's hands; any news now?



#2 Filling the position of the intake officer

Observation #2	An independent review of ITC policies and processes on prohibited conduct was carried out to meet the objectives of the Action Plan point 3. The key findings of the review highlighted insufficient segregation, lack of operational independence, and the dual role of the Director DPS. According to the provided recommendation, ITC has established independent “in-take” function to respond to the findings. At the time of KPMG visit at ITC, the position of Intake Officer was still vacant. However, based on the information received, the recruitment process has since been completed.
Risk – Significant	The position of Intake Officer still being vacant does not allow the intake function to operate as intended in responding to insufficient segregation.
Recommendation	The position of Intake Officer should be filled at the earliest convenience to enable appropriate duty segregation in the processing of complaints.

- Started in her position in June

Moving Forward Action Plan, Part B: better workplace – 20 action points



- 20 action points → 20 working groups. 6 out of 20 marked as completed in 1.4.2024
- Those that under implementation, KPMG requested documentation on a sample basis; documents and interviews.
 - B15 on corporate upskilling needs
 - B16 on transition to a better and more user-friendly performance appraisal framework, with dedicated coaching for all managers
- *“Based on the discussions and material review, the ITC management has reacted to the problems that have come up and the working groups have been useful in increasing communication and bringing suggestions for improvement.”*

#3 Mgmt prioritizing over working groups' recommendations



Observation #3	The twenty working groups aimed at building a better workplace at ITC have led to a large number of recommendations. The work and recommendations also create expectations that management will take swift action to remedy the matters. However, it is most likely not feasible to implement all of the proposed at the same time. At the time of KPMG review, the work conducted and recommendations provided by 14 working groups are still ongoing and management has not taken a clear position yet which recommendations does it plan to implement as a priority.
Risk - Moderate	If ITC does not prioritise internal development, it might lose its focus on implementation and delivery of results.
Recommendation	ITC management should prioritise and clearly communicate the priority actions of internal development going forward.

- Townhall meetings every quarter; ED presenting.
- Comments by ITC?

#4 renewing guidelines and documents from structural changes in whistleblower mechanism



Observation #4	The transition period of renewing guidelines and documents from structural changes in whistleblower mechanism is underway. Until the revision process is completed and new policies are promulgated, the current policies, which include guidelines referring to the structure before the changes made based on the Moving Forward -Initiative, are in force.
Risk - Significant	If the policies are not up-to-date and in line with UN practices, it may create potential misunderstandings and mistrust within the organisation.
Recommendation	ITC management should complete and promulgate the revision process of the policies at the earliest convenience to have updated policies in force to best serve the structural changes required.

- According to ITC this work has concluded already during Q2



In summary

- 4 main observations, risks and recommendation. Our reading: 2/4 are already sorted.
- Fulfilled our internal requirement for an independent review
- ITC representative: *“Consider it well done and factual”*
- Reiterate thanks to the ITC!
- Need to maintain the MFAP implementation as a standing agenda item.
 - 6+20
 - Employee Engagement Surveys and their results!
 - Caseload figures



Thank you!