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CONSULTATIVE COMMITTEE**Ninetieth Session
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PROCEDURE FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF UPOV

*Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The purpose of this document is to present a proposal for the procedure to appoint the external auditor of UPOV for the financial periods between 2018 and 2023.

BACKGROUND

2. Article 29(6) of the 1991 Act and Article 25 of the 1978 Act of the UPOV Convention provide that the auditing of the accounts of UPOV shall be effected by a State member of UPOV as provided in the administrative and financial regulations, and that the State shall be designated, with its agreement, by the Council.
3. Regulations 8.1 and 8.2 of the "Financial Regulations and Rules of UPOV" (document UPOV/INF/4/4) provide as follows (changes with respect to WIPO's Financial Regulations and Rules are highlighted):

"Appointment of the External Auditor**"Regulation 8.1**

"The WIPO External Auditor, who shall be the Auditor General (or official holding the equivalent title) of a Member State of WIPO, shall be appointed by the General Assembly of WIPO, in the manner decided by the WIPO Assembly. Where the WIPO External Auditor is the Auditor General (or official holding the equivalent title) of a State member of UPOV, the Council shall designate as External Auditor, with its agreement, the WIPO External Auditor. Where the WIPO External Auditor is the Auditor General (or official holding the equivalent title) of a Member State of WIPO that is not a State member of UPOV, the Council shall designate as External Auditor, with its agreement, the Auditor General (or official holding the equivalent title) of a State member of UPOV."

"Tenure of office of the External Auditor**"Regulation 8.2**

"The External Auditor shall be appointed for a term of office of six years non-renewable consecutively."

4. The General Assembly of WIPO, at the Forty-Ninth Series of Meetings of the Assemblies and other Bodies of the Member States of WIPO, which was held from September 26 to October 5, 2011, approved the recommendation of the WIPO Selection Panel for the appointment of the Comptroller and Auditor General of India as the WIPO External Auditor for a period of six years, to begin in January 2012 (document WO/GA/40/19 Prov., paragraph 29, and document WO/GA/40/3, paragraph 13).

5. The Consultative Committee, at its eighty-first session held in Geneva on April 8, 2011, endorsed the following approach for the designation by the Council of the UPOV External Auditor (see document C/45/14 "Designation of the External Auditor of UPOV", paragraph 6(b)):

"[I]f the WIPO External Auditor, appointed by the WIPO General Assembly, is not a State member of UPOV, to invite the Council to designate as UPOV External Auditor, with its agreement, the Auditor General (or officer holding the equivalent title) of Switzerland."

6. The Council, at its forty-fifth ordinary session, held in Geneva on October 20, 2011, designated Switzerland as external auditor of the accounts of UPOV for a term of office of six years starting from January 2012 (see document C/45/18 "Report", paragraph 28).

7. The WIPO External Auditor for the financial periods between 2018 and 2023 will be appointed by the WIPO General Assembly, at the Fifty-Seventh Series of Meetings of the Assemblies and other Bodies of the Member States of WIPO, to be held in October 2017.

8. The Council, at its fifty-first ordinary session, to be held in Geneva on October 2017, will be invited to appoint a new external auditor of the accounts of UPOV for a term of office of six years starting from January 2018.

PROCEDURE FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF WIPO

9. The procedure approved by WIPO member States in 2009 for the appointment of the External Auditor is reproduced in document WO/PBC/14/5 "Process for the Selection of External Auditor" (available at http://www.wipo.int/meetings/en/details.jsp?meeting_id=19022). The Annex to this document reproduces the timetable that was followed for the appointment in 2011 of the external auditor of WIPO.

10. In accordance with the above agreed procedure, it is expected that the appointment of the external auditor of WIPO for the financial periods between 2018 and 2023 will consist of the following steps and tentative dates:

	<u>Date</u>
– Invitations to be sent to all Members States seeking nominations for the appointment of External Auditor.	end March 2016
– Deadline for submission of nominations.	end May 2016
– Letter requesting audit institutions nominated by Member States to submit a formal offer.	end June 2016
– Closing date for receipt of formal proposals from candidates.	end September 2016
– Bids opened by procurement.	early October 2016
– Preliminary technical evaluation.	October-November 2016
– Results to be communicated to Selection Panel.	early December 2016
– Panel consultations on proposals received and results of the technical evaluation. Panel to agree on a short list of candidates to be invited to make an oral presentation.	December 2016 onwards
– Oral presentations to the Panel, each to be followed by a question and answer session.	First quarter of 2017
– Panel prepares their recommendation.	April 2017

- Recommendation by Selection Panel to be presented to the Assemblies of the Member States of WIPO and of the Unions administered by WIPO in time for their October 2017 sessions. May 2017
- Approval of recommendation by the WIPO Assemblies. October 2017
- Tenure of new External Auditor to begin. January 2018

PROPOSAL ON THE PROCEDURE FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR OF UPOV

11. On the above basis, and in accordance with the “Financial Regulations and Rules of UPOV” (see Regulations 8.1 and 8.2), the following approach is suggested for the procedure for the appointment of the external auditor of UPOV:

(a) to use, as far as possible, the procedure for the appointment of the external auditor of WIPO (see paragraphs 9 and 10);

(b) to specify the following in the WIPO invitations to be sent to all Members States seeking nominations for the appointment of the External Auditor (please note that all UPOV member States are also WIPO Member States):

In addition to conducting the external audit of WIPO, the External Auditor may be expected to audit the accounts of the International Union for the Protection of New Varieties of Plants (UPOV). If, however, the successful candidate selected by WIPO is not from a member State of UPOV, the selected candidate will only provide its services to WIPO and UPOV will pursue its own selection procedure.

(c) to report to the Consultative Committee, in October 2016, the candidates that have made formal proposals;

(d) the WIPO Selection Panel to consider inviting the President and Vice-President of the UPOV Council, to be present during the oral presentations of those short-listed candidates, which are Member States of UPOV;

(e) to report to the Consultative Committee, no later than April 2017, the progress made in relation to the work by the WIPO Selection Panel. If at any point during the WIPO selection process, it becomes apparent that the selection of an External Auditor for WIPO from a UPOV member State would be unlikely, the Consultative Committee would be invited to prepare for the establishment of a sub-committee to consider those candidates shortlisted by the WIPO Selection Panel that are member States of UPOV, or invite new candidates if none of the shortlisted candidates meet such criterion, and to make a recommendation to the Consultative Committee concerning the appointment of the UPOV External Auditor by the Council in October 2017.

12. The Consultative Committee is invited to consider the proposed procedure to appoint the external auditor of UPOV for the financial periods between 2018 and 2023, as set out in paragraph 11, above.

[Annex follows]

ANNEX

WIPO TIMETABLE USED FOR THE SELECTION OF EXTERNAL AUDITOR
APPOINTED IN OCTOBER 2011

(Extract from document WO/PBC/14/5 "Process for the Selection of External Auditor", available at http://www.wipo.int/meetings/en/details.jsp?meeting_id=19022)

	<u>Date</u>
– Invitations to be sent to all Members States seeking nominations for the appointment of External Auditor.	December 2009
– Deadline for submission of nominations.	end February 2010
– Letter sent to audit institutions nominated by Member States requesting them to submit a formal offer.	March 2010
– Closing date for receipt of formal proposals from candidates.	end June 2010
– Bids opened by procurement.	early July 2010
– Preliminary technical evaluation.	July -August 2010
– Results to be communicated to Selection Panel.	end August 2010
– Panel consultations on proposals received and results of the technical evaluation. Panel to agree on a short list of candidates to be invited to make an oral presentation.	end September 2010
– Oral presentations to the Panel, each to be followed by a question and answer session.	November 2010
– Panel prepares their recommendation.	December 2010
– Recommendation by Selection Panel to be presented to the Assemblies of the Member States of WIPO and of the Unions administered by WIPO in time for their September 2011 sessions.	
– Approval of recommendation by the WIPO Assemblies.	September 2011
– Tenure of new External Auditor to begin.	January 2012

[End of Annex and of document]