

Council

C/56/12

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## PROCEDURE FOR THE APPOINTMENT OF THE EXTERNAL AUDITOR

*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 proposed procedure for the appointment of the External Auditor of UPOV for a term of office of six years, from January 2024 to December 2029.

### EXECUTIVE SUMMARY

2. The Council is invited to:

(a) note the developments with regard to the procedure for the appointment of the External Auditor of WIPO reported in this document; and

(b) consider the approach for the procedure for the appointment of the External Auditor of UPOV for a term of office of six years starting from January 2024, as set out in paragraph 8 of this document.

### BACKGROUND

3. 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.

4. Regulations 8.1 and 8.2 of the “Financial Regulations and Rules of UPOV” (document UPOV/INF/4/6) 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.”

5. In accordance with the mechanism approved by the WIPO member States in 2009 (document WO/GA/38/20), in February 2022 WIPO launched a selection process in order to appoint a new External Auditor by means of an invitation to all WIPO member States seeking nominations for the appointment

of External Auditor to WIPO and possibly to UPOV also. A note verbale was then issued on April 25, 2022, to audit institutions nominated by WIPO member States requesting them to submit a formal offer. Nominees were invited to submit any questions or requests for clarification by May 9, 2022 with answers provided by WIPO by May 17, 2022. A second round of possible questions was envisaged with a deadline for submission of June 6, 2022 and with answers to be provided by June 17, 2022. In the absence of any further questions received, no second round took place.

6. The closing date for the receipt of formal proposals was June 30, 2022 by which time proposals had been received from five WIPO member States, two of which are not members of UPOV. These proposals are to be evaluated by the Finance Division and the Internal Oversight Division (IOD) of WIPO, using an evaluation matrix prepared by the Finance Division and reviewed by both the IOD and WIPO's Independent Advisory and Oversight Committee (IAOC). A Selection Panel, consisting of the seven regional coordinators of WIPO's member States, also reviewed the matrix and will consider the results of the evaluation once completed. This work by the Selection Panel is due to begin in September 2022. Members of the Selection Panel may read the proposals received as may members of IAOC. The evaluation will consider both the technical and financial elements of the proposals received.

7. Once the Selection Panel has completed its assessment of the proposals and their evaluation, the Panel will draw up a short list of candidates who will be invited to make an oral presentation in early 2023. The Selection Panel will then adopt its recommendation during spring 2023 before finally submitting this to the WIPO General Assembly for approval later in 2023.

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

8. The following procedure is proposed for the appointment of the External Auditor of UPOV for a term of office of six years, from January 2024 to December 2029:

Considering that from the five nominations received from WIPO member States, two of them are not from UPOV members, the following steps are suggested:

- (1) the Office of the Union to start consultations with UPOV members that have, in the past, audited the UPOV accounts or are members of the UN Board of Auditors;
- (2) if the General Assembly of WIPO, in 2023, appoints the Comptroller and Auditor General of a WIPO member State that
  - i. is also a UPOV member, then the Council shall designate as External Auditor, with its agreement, the WIPO External Auditor;
  - ii. is not a UPOV member, then the Office of the Union would make a proposal to the Council, to appoint with its agreement, a UPOV member that has, in the past, audited the UPOV accounts or is a member of the UN Board of Auditors.

9. *The Council is invited to:*

*(a) note the developments with regard to the procedure for the appointment of the External Auditor of WIPO reported in this document; and*

*(b) consider the approach for the procedure for the appointment of the External Auditor of UPOV for a term of office of six years starting from January 2024, as set out in paragraph 8 of this document.*

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