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منظمة
الغذية والزراعة
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FINANCE COMMITTEE

Hundred and Seventy-fifth Session

Rome, 18 - 22 March 2019

**Selection and Appointment of the External Auditor for
the period 2020-2025**

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FC 175

EXECUTIVE SUMMARY

- At its 170th Session in May 2018, the Finance Committee reviewed and noted the arrangements for the selection and appointment of the External Auditor for the period 2020-2025 and requested that the Secretariat initiate the selection process.
- The selection stages covering Invitation for Proposals, Receipt of Proposals, Preparation of Comparative Analysis and Review of and Shortlisting of Bids have now been completed.
- In accordance with the time frame for completion of these arrangements, the shortlisted bidders have now been invited to make an oral presentation of their proposals to the Finance Committee at its 175th Session in March 2019.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to consider the oral presentations and proposals of the shortlisted candidates. On the basis of such consideration, the Committee should then recommend to the Council the appointment of the External Auditor for a six-year period starting with the audit of the accounts of the calendar year 2020.

Draft Advice

The Committee:

- **Noted that, as agreed at the Committee's 170th Session, a Working Group of Finance Committee Members had met to review the proposals received for the provision of external audit services to the Organization and had drawn up a shortlist of two candidates who were invited to make oral presentations to the 175th Session of the Finance Committee.**
- **Following consideration of the oral presentations and proposals of the shortlisted candidates, the Committee agreed to recommend to Council for its consideration the proposal submitted by**
- **Recommended the following resolution to the Council for the appointment of the External Auditor for the six-year period 2020-25.**

Resolution .../161

APPOINTMENT OF THE EXTERNAL AUDITOR

THE COUNCIL

Noting that the Finance Committee recommends the appointment of as External Auditor of the Organization;

Recognizing the need and importance of the function of the External Auditor to review and certify the accounts of the Organization;

Decides to appoint as External Auditor of the Organization for a period of six years commencing with the year 2020.

1. The term of the present External Auditor, the Commission on Audit of the Republic of the Philippines, will come to an end with the completion of its audit of the Organization's 2019 annual accounts and the presentation of the Report of the External Auditor to the Finance Committee at its Autumn Session in 2020.
2. The Finance Committee and Council have previously confirmed the policy whereby the External Auditor shall be appointed for a period of six years, non-renewable, following which the appointment for External Auditor must be re-tendered¹. Accordingly, before the end of 2019, the Organization must appoint the External Auditor for the six-year period starting with the calendar year 2020.
3. At its 170th Session in May 2018, the Finance Committee reviewed and noted the proposed arrangements for the selection and appointment of the External Auditor for the period 2020-25 and requested that the Secretariat initiate the selection process by inviting proposals from eligible Auditors-General of Members of FAO.
4. In accordance with the agreed process, in August 2018 the Organization sent invitations, including all pertinent information, to all Members with the request that they submit proposals for the provision of external audit services. Four bids were received (France, India, Italy and Pakistan).
5. As agreed at the Committee's 170th Session, a Working Group of Finance Committee Members (Australia, Brazil, China, Egypt, Equatorial Guinea, Germany and the United States of America) met on 19 November 2018 to review the bids received and draw up a shortlist of the best proposals. Having performed a detailed review of the bids against the criteria agreed by the Finance Committee at its 170th Session², the Working Group concluded that, taken as a whole, the bids presented by France and India should be shortlisted to make a presentation to the Finance Committee.
6. In accordance with the agreed process, the shortlisted bidders have been invited to make an oral presentation of their proposals to the Finance Committee at its 175th Session in March 2019.
7. The Finance Committee should now consider the oral presentations and proposals of the shortlisted candidates and obtain any additional information or confirmation of facts as deemed necessary in the circumstances. In carrying out this work, Members will need to give particular consideration to the technical capacity and capability of the candidates, the costs involved, and to the appropriateness of proposals for the division of work between financial and value-for-money audit. On the basis of such consideration, the Committee should then recommend to the Council the appointment of the External Auditor for a six-year period starting with the audit of the accounts of the calendar year 2020.
8. Consistent with the process followed by the Working Group, the original proposals received from the various interested bidders will be available for consultation by Finance Committee Members prior to the 175th Session and will also be available in the meeting room during consideration of this agenda item.

¹ Doc CL 135/7, para 53-55

² Doc FC 170/12, Annex