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	منظمة الأغذية والزراعة للأمم المتحدة	联合国 粮食及 农业组织	Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольственная и сельскохозяйственная организация Объединенных Наций	Organización de las Naciones Unidas para la Alimentación y la Agricultura
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FINANCE COMMITTEE

Hundred and Forty-eighth Session

Rome, 18 - 22 March 2013

Selection and Appointment of the External Auditor

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

- At its 143rd Session in May 2012, the Finance Committee confirmed the proposed arrangements for the selection and appointment of the External Auditor for the period 2014-19 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 Short-listing of Bids have now been completed.
- In accordance with the agreed process, the shortlisted bidders have now been invited to orally present their proposals to the full Finance Committee at its 148th Session in March 2013.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to consider the oral presentations and proposals of the short-listed 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 2014.

Draft Advice

- **The Committee noted that as agreed at the Committee's 143rd 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 three candidates who were invited to make oral presentations to the 148th Session of the Finance Committee.**
- **The Committee considered the oral presentations of the three shortlisted candidates and various aspects of the proposals such as independence, qualifications of officials and staff, training and experience, audit approach and strategy, audit reports and costs.**
- **Following consideration of the presentations and proposals of the short-listed candidates, the Committee agreed to recommend to Council for its consideration the proposal submitted by**
- **The Committee recommended the following resolution to the Council for the appointment of the External Auditor for the six year period 2014-19.**

Resolution .../146

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 2014.

1. The term of the present External Auditor, the Commission on Audit of the Republic of the Philippines, comes to an end in 2013. In practical terms this means on completion of the audit of the Organization's Accounts for the biennium 2012-13 and the External Auditor's presentation of the audit report to the Finance Committee, which would normally be scheduled for its Autumn Session in 2014.
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. The incumbent External Auditor is allowed to bid in any tender process. Accordingly, before the end of 2013, the Organization must appoint the External Auditor for the six year period starting with the calendar year 2014.
3. At its 143rd Session in May 2012, the Finance Committee confirmed the proposed arrangements for the selection and appointment of the External Auditor for the period 2014-19 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 2012, 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. Six bids were received (Germany, Nigeria, Norway, Philippines, Poland and the United Kingdom).
5. As agreed at the Committee's 143rd Session, a Working Group of Finance Committee Members (USA, Australia, Mexico, Kuwait, Netherlands, Japan and Burkina Faso) met on 18 December 2012 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 143rd Session², the Working Group concluded that, taken as a whole, the bids presented by Germany, the Philippines, and the United Kingdom 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 orally present their proposals to the full Finance Committee at its 148th session in March 2013.
7. The Finance Committee should now consider the oral presentations and proposals of the short-listed 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 2014.
8. Consistent with 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 148th Session and will also be available in the meeting room during consideration of this agenda item.

¹ CL 135/7, para 53-55

² See FC 143/12, Annex