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**Executive Board
Second Regular Session**

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RESOURCES, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

*For information**

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PROCESS FOR THE SELECTION AND APPOINTMENT OF THE WFP EXTERNAL AUDITOR FOR THE TERM FROM 1 JULY 2010 TO 30 JUNE 2016

Report of the ACABQ

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	<p style="text-align: center;">Advisory Committee on Administrative and Budgetary Questions</p> <p style="text-align: center;">16 September 2009</p>
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Dear Ms. Sheeran,

The Advisory Committee on Administrative and Budgetary Questions recently met with your representatives to discuss the note on the proposed process for the selection and appointment of the World Food Programme's external auditor for the term from 1 July 2010 to 30 June 2016 (see WFP/EB.2/2009/5-E), which was submitted to the Committee pursuant to Executive Board decision 2009/EB.A/12. By that decision, the Board, *inter alia*, requested its Bureau to develop a recommendation on the arrangements for the appointment of the external auditor and to submit it at an informal consultation of the Board after receiving the advice of the Audit Committee, the FAO Finance Committee and the Advisory Committee. The Board further requested the Bureau to submit to it, after considering input provided during the informal consultation, the final text of the recommendation for approval by correspondence. The Advisory Committee has considered the administrative aspects of the selection and appointment process and wishes to make the following comments.

According to the time frame set out on page 4 of the above-mentioned document, the Executive Board of the World Food Programme (WFP) had been due to approve the selection process in early August 2009. Upon enquiry, the Advisory Committee was informed that, while there had been some slippage in the original schedule, the Board still hoped to meet its final deadline of the first regular session of 2010 for the appointment of the external auditor, and that a revised time frame would be issued in due course. In this connection, the Advisory Committee expects that every effort will be made to complete the selection and appointment process expeditiously, in particular to ensure that the new external auditor will be ready to take office in July 2010. With respect to the information provided in paragraph 6 of the report, the Committee expects that its further role would be limited to commenting on procedural aspects of the selection of the external auditor.



The Advisory Committee has taken note of the selection criteria enumerated in paragraph 16 of the document, the rating system described in paragraphs 17 to 21 and the guidelines for scoring contained in the annex. Under the heading “training and experience”, the Committee notes that one of the criteria is “familiarity with the audit of financial statements prepared in accordance with the International Public Sector Accounting Standards (IPSAS)”. During the course of the discussion, representatives of WFP informed the Advisory Committee that criterion had been included because, as of 2008, WFP had been submitting IPSAS-compliant financial statements. Nevertheless, the Committee was assured that candidates from States that had not adopted/fully implemented IPSAS would not be disadvantaged by a lack of hands-on experience auditing IPSAS-compliant statements; theoretical knowledge acquired through training or other relevant means would be taken into account.

The Advisory Committee notes that paragraph 19 of the document states that, for each selection criterion, the Evaluation Panel may define further sub-criteria and assign weights to them. To safeguard the confidentiality of the process, the detailed weights assigned by the Panel to the sub-criteria will not be disclosed. While recognizing that there might be a need to introduce additional sub-criteria at a later stage in order to differentiate between closely-matched candidates, the Committee is concerned that the lack of transparency surrounding such further requirements may lead to grievances. Accordingly, the Executive Board may wish to consider drafting more detailed provisions regulating the use of sub-criteria, for instance by specifying that they may be introduced only in the event that a second round of scoring is required to distinguish between two or more closely-matched candidates and that they must be disclosed to the candidates.

Subject to the comments in the paragraphs above, the Advisory Committee recommends that the Board approve the proposed process for the selection and appointment of the WFP external auditor for the term from 1 July 2010 to 30 June 2016 as set out in document WFP/EB.2/2009/5-E.

I would appreciate it if you would make the necessary arrangements to have the present letter placed before the Board members attending the informal consultation to be held on 18 September 2009.

Yours sincerely,

Susan McLurg
Chairman

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