

## **Program and Budget Committee**

### **Fifteenth Session**

**Geneva, September 1 to 3, 2010**

#### **REPORT ON THE STATUS OF THE SELECTION OF EXTERNAL AUDITOR**

*prepared by the Secretariat*

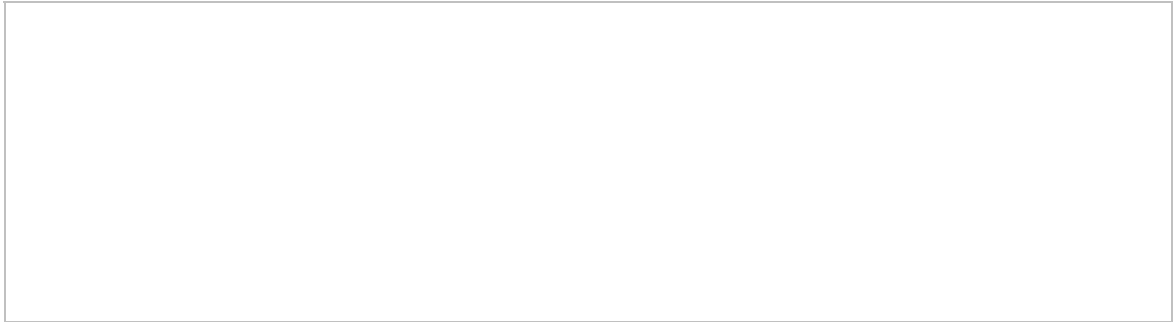
1. In September 2009, the Assemblies of the Member States of WIPO authorized the Secretariat to launch a selection process in order to appoint an External Auditor for the financial periods 2012-2013, 2014-2015 and 2016-2017, in accordance with the procedure approved by the Member States (see document WO/GA/38/20).
2. In line with the timetable laid out within the approved procedure, in December 2009, WIPO invited Member States to nominate a candidate, fulfilling the conditions of Regulation 8.1 of WIPO's Financial Regulations and Rules (FRR), to be considered for appointment as the External Auditor of WIPO and UPOV. The invitation document is attached as Annex A.
3. By February 28, 2010, the deadline for receipt of nominations, WIPO had received nine candidates.
4. In accordance with the approved procedure, a Call for Proposals document was issued on March 31, 2010 (Annex B), requesting candidates to submit their formal offers by June 30, 2010. The offers should be structured and presented in the order laid out in the document (section D, content of the Proposal).
5. A first round of questions from candidates was received by WIPO prior to the deadline of May 1, 2010. These questions, together with the answers and the Note verbale issued in response, are attached as Annexes C and D respectively. A second series of questions was received by June 1, 2010 and these, together with the answers provided, are attached as Annex E.
6. In respect of the process for the selection of the External Auditor, the WIPO General Assembly had decided at its thirty-eighth session, held in Geneva from September 22 to October 1, 2009 (paragraph 14 of document WO/GA/38/20) that "a

selection panel would be set up which would be composed of the Coordinators of each of the seven Groups of countries of WIPO Member States. If a proposal was received from the same country as that of a Coordinator, that member should absent herself/himself from the evaluation of that particular application and be replaced by another representative of the same Group of countries, so that there was no conflict of interest “.

7. No applications were received from any of those countries from which coordinators of each of the seven Groups of countries of WIPO Member States are currently drawn. There is therefore no conflict of interest and the Selection Panel will be composed of the Permanent Representatives of the countries acting as Regional Group Coordinators. The first meeting of the Selection Panel is to take place on July 7, 2010.
8. Rules governing how the Selection Panel should operate have been prepared by the Secretariat. These rules have been issued to the Coordinators of the seven Groups of countries of WIPO Member States and will be discussed during the first meeting of the Selection Panel.
9. As provided for under Section E of the Call for Proposals, Finance Services, with the assistance of the Internal Audit and Oversight Division (IAOD), prepared a list of selection criteria with appropriate weightings. The list was submitted to the Audit Committee (AC) on May 6, 2010, for its review and some slight modifications were made following receipt of the AC's comments. The Selection Panel will consider and approve the evaluation matrix at its first meeting and no proposal will be opened until this approval is obtained.
10. The evaluation of the proposals by Finance Services and IAOD will take place in July/early August and will then be forwarded to the Audit Committee for review. The results will be communicated to the Selection Panel by the end of August 2010 and the Panel will then consider the proposals in order to short-list as many candidates as they wish. Short-listed candidates will be invited to make an oral presentation to the Selection Panel in November 2010 and the Selection Panel will formulate its recommendation during the following month.

*11. The Program and Budget Committee is invited to recommend to the WIPO General Assembly to take note of the contents of the present document.*

[Annexes follow]



ANNEX A

CN. 3063

APPOINTMENT OF EXTERNAL AUDITOR OF THE  
WORLD INTELLECTUAL PROPERTY ORGANIZATION  
For the financial periods 2012-2013, 2014-2015 and 2016-2017

The World Intellectual Property Organization (WIPO) presents its compliments to the Member States of WIPO and has the honor to recall that in September 2009, the Assemblies of the Member States of WIPO authorized the Secretariat to launch a selection process in order to appoint an External Auditor for the financial periods 2012-2013, 2014-2015 and 2016-2017, in accordance with the procedure approved by the Member States. This procedure was originally issued as document WO/PBC/14/5 and the document enclosed as Annex I reflects the content of the original document submitted to the Program and Budget Committee, now amended to include the proposals of Member States. The External Auditor shall be the Auditor-General (or an officer holding equivalent title or otherwise qualified) of a Member State.

Therefore, the Organization has the honor, to invite Member States to nominate a candidate fulfilling the conditions of Regulation 8.1 of WIPO's Financial Regulations and Rules, whom they may wish the Assemblies of the Member States of WIPO to consider for appointment as the External Auditor of WIPO for the financial periods 2012-2013, 2014-2015 and 2016-2017. The Terms of Reference governing the External Audit of WIPO and the full text of Regulation 8.1, which is included in Chapter 8 of the Financial Regulations and Rules are enclosed herewith as Annexes II and III.

/...

Annex III, page 2

In addition to conducting the external audit of WIPO, the External Auditor may be expected to audit the International Union for the Protection of New Varieties of Plants (UPOV).

Should a Member State wish to propose a candidate, the name of the candidate should reach the Organization no later than February 28, 2010. Once such nominations have been received, WIPO will contact the audit institutions concerned in March 2010, requesting them to submit a formal offer. Additional information, to include copies of all accounts on which an opinion is required and a copy of the Program and Budget, will accompany the request. If you have any questions with regard to the content of this circular letter, please contact Ms. Janice Cook Robbins, Head, Finance Services, at the following electronic address: *Janice.cookrobbins@wipo.int*.

December 15, 2009

WIPO



DATE: December 15, 2009

WORLD INTELLECTUAL PROPERTY ORGANIZATION  
GENEVA

## ANNEX I

### PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR

*(contained in document WO/PBC/14/5 amended and approved by  
the General Assembly of WIPO on October 1, 2009)*

1. The principle of rotation of the External Auditor was discussed during the forty-third series of meetings of the Assemblies of the WIPO Member States held from September 24 to October 3, 2007. Several delegations supported the idea of putting a mechanism in place to select and replace the External Auditor at the end of the current mandate (2011). According to the Financial Regulations and Rules, adopted by the 2007 session of the Assemblies of WIPO Member States and which came into effect on 1 January 2008, Regulation 8.1 states that “the External Auditor, who shall be the Auditor General (or officer holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly”. Regulation 8.2 addresses the question of tenure of office and states that “the External Auditor shall be appointed for a term of office of six years non renewable consecutively”.
2. There is not yet an agreed uniform policy within the UN system concerning the terms of appointment and the process for reappointment of external auditors, although practice amongst the agencies and the UN secretariat reveals certain similarities (see Appendix I).
3. The Food and Agriculture Organization (FAO), World Health Organization (WHO) and International Labour Organization (ILO) were all required to select new external auditors for the four years beginning 2008. The agencies followed a procedure, conducted in accordance with standard procurement practice, which was similar in many respects. The proposed procedure outlined below is based upon those followed by the three agencies.

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR  
Annex I, page 4

---

Initial Stage

4. Invitations to be sent to all Member States, requesting nominations for the appointment as external auditor. These should include the terms of reference of the External Auditor, an extract from the Financial Regulations covering the appointment and the format of the required audit opinion.
5. A Selection Panel to be appointed. At the ILO the panel was composed of Employer and Worker members, together with regionally representative Government members, of the Governing Body whilst at FAO the panel was drawn from the Finance Committee on a regional basis.
6. It is proposed that the Coordinators of each of the seven Groups of Countries of WIPO Member States be asked to act as members of the Selection Panel. If a proposal is received from the same country as that of a Coordinator, that member should absent herself/himself from the evaluation of such a bid and be replaced by another representative of the same Group of countries.

Invitation

7. Following the receipt of nominations, detailed requests for a proposal to be issued to all nominees together with documentation on WIPO relevant to the appointment. The request from WIPO should include the following:
  - (a) a clear statement of the tender procedures and conditions;
  - (b) a description of the documents enclosed with the invitation (including copies of all accounts on which an opinion is required, copy of the Program and Budget and other relevant information etc.);
  - (c) clear instructions for the completion of those documents to be submitted as part of the proposal (including detailed curriculum vitae of all staff to be assigned to the audit, membership of relevant professional and other accounting/auditing bodies, details of existing professional education program, proposed audit approach etc.) and detailed description of the nature of information to be included in each;
  - (d) clear statement of the requirement that in order to be considered, the proposals submitted must be complete;
  - (e) submission terms and closing date; and
  - (f) instructions regarding communications with the Secretariat and identified contact point for further information.

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR  
Annex I, page 5

---

8. All nominees to be subsequently invited to a meeting where representatives of the Director General can respond to questions or requests for additional information.

Content of proposals

9. Proposals should provide information on the following:
- (a) the independence of the Auditor General from the influence of governments;
  - (b) the number and general qualifications of staff employed by the Auditor General's office;
  - (c) the accounting and/or auditing qualifications of the staff included in the audit proposal;
  - (d) the professional experience of the proposed team and the arrangements for their continuing education;
  - (e) the experience of the proposed team with regard to auditing UN organizations or specialized agencies;
  - (f) the experience, knowledge and training of the proposed team with regard to auditing financial statements under International Public Sector Accounting Standards (IPSAS);
  - (g) the experience of the proposed team in the audit of computerized accounting systems;
  - (h) the language skills of the proposed staff members;
  - (i) proposed work plan, together with an estimate of the overall number of auditor-work months to be devoted to carrying out the audit for the financial periods in question;
  - (j) the candidate's fee, including travel and other supplementary costs.

Please refer to Appendix II for further details. This appendix shows the complete list of factors for which information was requested by FAO from all potential bidders.

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR  
Annex I, page 6

---

Evaluation of proposals

10. In order to carry out the technical evaluation of proposals received by WIPO, it is suggested that IAOD and Finance Services, together with the Audit Committee, prepare a list of selection criteria with appropriate weightings. This will then be submitted to the Selection Panel for approval. Once approved, IAOD and Finance Services would carry out the preliminary technical evaluation, which would be reviewed by the Audit Committee, and the results of which would be communicated to the Selection Panel.
11. Once the closing date for receipt of formal proposals has passed, the proposals should be opened according to standard procurement procedure and receive a preliminary technical evaluation.
12. At the ILO this was carried out by IAOD on the basis that it had the necessary technical skills and knowledge to evaluate proposals from a technical perspective, in an objective manner.
13. The ILO's IAOD carried out its technical evaluation based on a matrix score card, a draft of which had previously been reviewed by the Selection Panel. The matrix took into account such factors as the range and depth of skills possessed by the candidate's organization, adoption of best professional practice concerning audit methodologies, ethics and training; capacity to undertake a large and complex audit; independence from the influence of governments; previous experience of auditing UN organizations or specialized agencies; and breadth of language skills available.
14. At the FAO, the Finance Division similarly prepared a comparative analysis of proposals based upon the application of weighted evaluation criteria. Please refer again to Appendix II for details of the factors included within the evaluation.
15. The Panel should then agree on a shortlist of candidates to be invited to make an oral presentation. These presentations would be intended to enable Panel members to have a better appreciation of the proposals and to provide an opportunity to seek additional information and clarification in order to facilitate the selection process.
16. Oral presentations to be followed by a question-and-answer session.
17. Such oral presentations were made to the Selection Panel at ILO and to the Finance Committee at FAO.

Time Frame



PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR  
Annex I, page 7

---

18. The process for selection should commence during the first year of the biennium preceding the first biennium to which the appointment relates.

19. At FAO the deadline for submission of proposals was the end of the first year of the biennium preceding the biennium to which the appointment related (for a recommendation in the following May), at ILO the deadline was 30 June of the first year (for a recommendation in the following March).

20. In order to have a new team of external auditors in place for the 2012-2013 biennium, the Selection Panel should aim to present its recommendation to the Assemblies of the Member States of WIPO and of the Unions administered by WIPO for their consideration at their sessions in September 2011. A selection panel should therefore be chosen by the Member States by March 2010 with the request for formal offers to be issued shortly thereafter. A suggested timetable is shown in Appendix III.

[Appendices follow]

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR

APPENDIX I

	<b>Who can apply</b>	<b>Appointment Period</b>	<b>Presented to/decided by</b>
International Atomic Energy Agency (IAEA)	Auditor General of a Member State	2 years – can be extended for further periods of 2 years (in theory forever)	Board of Governors who make a recommendation for appointment to General Conference
World Food Program (WFP)	National audit agencies from all Member States	6 years (non-renewable).	Executive Board of WFP
World Health Organization (WHO)	Auditor General of a Member State	4 years	Assembly, ‘in the manner decided by the Assembly’
Food and Agriculture Organization (FAO)	Auditor General (or similar) of a Member State (Have considered use of private sector audit firms but have not yet reached any consensus on this).	4 years (possible extension for 2 years)	Regionally representative working group of Finance Committee members drew up a short list which was submitted to the Finance Committee. Finance Committee then made recommendation to the Council for decision.
International Labour Organization (ILO)	Auditor General of a Member State	4 years	Governing Body appointed Selection Panel to evaluate applications. Panel then made recommendation to Governing Body. Members of Panel: Governments/Employers/Workers.
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Auditor General of a Member State	3 ‘financial periods’	General conference by secret ballot.

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR, Appendix I, page 2

	<b>Who can apply</b>	<b>Appointment Period</b>	<b>Presented to/decided by</b>
World Meteorological Organization (WMO)	Auditor General of a Member State	Determined by Executive Committee.	Executive Council.
United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR)	UN Board of Auditors (appointed by UN General Assembly) consists of 3 members, each of whom shall be the Auditor General (or officer holding equivalent title) of a Member State. Each member is appointed for a non-renewable term of 6 years. A candidate can be appointed again after a break of one term (6 years)		No selection procedure is followed as such by individual agencies

[Appendix II follows]

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR

---

APPENDIX II

EXTERNAL AUDITOR

Information requested  
by FAO from all potential bidders

TECHNICAL

General Information

- Provide the official title and describe the role and functions of the Auditor-General's office submitting this proposal.
- Identify the office or organization responsible for appointing and/or removing the Auditor-General. Indicate the length of the term of office.
- Identify the office or organization to which the Auditor-General reports and describe the reporting process.
- Describe, in detail, the process by which the Auditor-General's budget and work program are established.
- Describe, in detail, the standards governing the Auditor-General's auditing work.

Qualification of officers and staff

- Indicate the number and general qualifications of staff employed by the Auditor-General's office.
- Confirm that all staff included in the audit proposal has professional accounting and/or auditing qualifications. If not, please provide details.
- Identify the accounting and/or auditing bodies in which staff are members.
- Indicate the languages in which the audit staff proposed for FAO is fluent.

Training and experience

- Describe arrangements for continuing professional education for proposed staff.
- Summarize the accounting experience of the proposed team.

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR  
Appendix II, page 2

---

- FAO’s transaction processing and accounting requirements are supported by extensive use of computerized accounting systems. In particular, FAO uses a combination of Oracle Financials and customized systems. Summarize the experience of the staff proposed for the audit of FAO in the audit of computerized accounting systems and use of computer aided audit techniques.

Audit approach and strategy

- Describe the main steps to be performed in planning and performing the work regarding the audit of FAO.
- Indicate the proposed staffing breakdown (in man days) to cover the following areas:
  - financial statement audit
  - value for money audit
- Describe, in detail, the collaboration envisaged with any other national audit offices in performing the audit of FAO?
- What collaboration is envisaged with FAO’s internal audit function to optimize the use of limited audit resources?

Audit Report

- Describe the proposed structure and format of reports and management letters by which the results of audit work will be communicated to management.

Costs

- Indicate the estimated cost of the audit.
- Indicate the composition of the total fees estimated above.

[Appendix III follows]

PROCESS FOR THE SELECTION OF EXTERNAL AUDITOR

---

APPENDIX III

TIMETABLE FOR SELECTION OF EXTERNAL AUDITOR

	<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

[Annex II follows]

## ANNEX II

### TERMS OF REFERENCE GOVERNING THE EXTERNAL AUDIT OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION

15. The External Auditor shall perform such audit of the accounts of the World Intellectual Property Organization (WIPO) including all funds-in-trust and special accounts, as deemed necessary in order to satisfy himself/herself:

- (a) that the financial statements are in accord with the books and records of the Organization;
- (b) that the financial transactions reflected in the statements have been made in accordance with the Financial Regulations and Rules, the budgetary provisions, and other applicable directives;
- (c) that any securities and monies on deposit and on hand have been verified by the certificates received direct from the Organization's depositories or by actual count;
- (d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;
- (e) that procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.

16. The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/she/ chooses of all financial records.

17. The External Auditor and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Assemblies of the Member States of WIPO to any denial of information classified as privileged which, in his/her opinion, was required for the purpose of the audit.

Annex II, page 14

18. The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Director General for appropriate action any transaction that creates doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.

19. The External Auditor shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:

- (a) identification of the financial statements audited;
- (b) a reference to the responsibility of the entity's management and responsibility of the External Auditor;
- (c) a reference to the audit standards followed;
- (d) a description of the work performed;
- (e) an expression of opinion on the financial statements as to whether:
  - (i) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
  - (ii) the financial statements were prepared in accordance with the stated accounting policies;
  - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period;
- (f) an expression of opinion on the compliance of transactions with the Financial Regulations and Rules and legislative authority;
- (g) the date of the opinion;
- (h) the External Auditor's name and position;
- (i) the place where the report has been signed;
- (j) should it be necessary, a reference to the report of the External Auditor on the financial statements.



Annex II, page 15

20. The report of the External Auditor to the Assemblies of the Member States of WIPO on the financial operations of the period should mention:

- (a) the type and scope of examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:
  - (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts that ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;
  - (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
- (c) other matters that should be brought to the notice of the Assemblies of the Member States of WIPO, such as:
  - (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements of assets and liabilities;
  - (v) expenditure not in accordance with the intention of the Assemblies of the Member States of WIPO, after making allowance for duly authorized transfers within the budget;

Annex II, page 16

- (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
- (vii) expenditure not in conformity with the authority that governs it.

In addition, the report may contain reference to:

(d) transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the Assemblies of the Member States of WIPO should have early knowledge.

21. The External Auditor may make such observations with respect to his/her/ findings resulting from the audit and such comments on the financial report as he/she deems appropriate to the Assemblies of the Member States of WIPO or to the Director-General.

22. Whenever the External Auditor's scope of audit is restricted, or insufficient evidence is available, the External Auditor's opinion shall refer to this matter, making clear in the report the reasons for the comments and the effect on the financial position and the financial transactions as recorded.

23. In no case shall the External Auditor include criticism in any report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.

24. The External Auditor is not required to mention any matter referred to in the foregoing which is considered immaterial.

[Annex III follows]

## CHAPTER 8

(Extract from the WIPO Financial Regulations and Rules,  
Chapter 8: External Auditor)

Chapter 8 of the WIPO Financial Regulations and Rules reads as follows:

### “Appointment of the External Auditor Regulation 8.1

The External Auditor, who shall be the Auditor General (or officer holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly.

### 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.

### Regulation 8.3

If the External Auditor ceases to hold office as Auditor-General (or equivalent title) in his or her own country, his or her tenure of office shall thereupon be terminated and he or she shall be succeeded as External Auditor by his or her successor as Auditor-General. The External Auditor may not otherwise be removed during his or her tenure of office except by the General Assembly.

### Audit standards, scope and operations Regulation 8.4

The audit shall be conducted in conformity with generally accepted common international auditing standards and, subject to any special directions of the General Assembly, in accordance with the terms of reference set out in the annex to the present Regulations (Annex II).

### Regulation 8.5

The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

## Annex II, page 18

### Regulation 8.6

The External Auditor shall be completely independent and solely responsible for the conduct of the audit.

### Regulation 8.7

The General Assembly may request the External Auditor to perform certain specific examinations and issue separate reports on the results.

Facilities

### Regulation 8.8

The Director General shall provide the External Auditor with the facilities they may require in the performance of the audit.

Special examination

### Regulation 8.9

For the purpose of making a local or special examination or of effecting economies in the audit cost, the External Auditor may engage the services of any national Auditor-General (or officer holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the External Auditor, is technically qualified.

Reporting

### Regulation 8.10

The External Auditor shall issue a report on the audit of the financial statements relating to the accounts for the financial period, which shall include such information as the External Auditor deems necessary with regard to matters referred to in Regulation 8.5 and in the annex to the present Regulations referred to in Regulation 8.4.

### Regulation 8.11

The reports of the External Auditor shall be transmitted to the General Assembly through the Program and Budget Committee, together with the audited financial statements, in accordance with any directions given by the General Assembly. The Program and Budget Committee shall examine the financial statements and the audit reports and shall forward them to the General Assembly with such comments and recommendations as it deems appropriate.”

[End of Annex III]

[Annex B follows]

ANNEX B

**CALL FOR PROPOSALS  
FOR THE APPOINTMENT OF  
THE EXTERNAL AUDITOR OF WIPO**

- ./.
- According to Circular No. 3063, dated December 15, 2009, (copy attached) the
- ./.
- World Intellectual Property Organization (WIPO) invited its Member States to nominate a candidate fulfilling the conditions provided under Regulation 8.1 of WIPO's Financial Regulations and Rules, for the appointment of the External Auditor of the Organization, for the financial periods between 2012 to 2017. Following that invitation, WIPO is hereby requesting the nominated candidates to submit a proposal for the provision of external auditing services as outlined in the attached Terms of Reference (Annex I). The External Auditor will be appointed for a period of six years, to begin in January 2012.
- ./.
- To enable the submission of a proposal, the following documentation is attached:
- a) Annex I: Terms of Reference (TOR) containing a description of WIPO requirements for which these services are being sought;
  - b) Annex II: Specific clauses of the WIPO General Conditions for the provision of goods and services, to be applicable to the services provided by the External Auditor;
  - c) Annex III: Information Security Agreement;
  - d) Annex IV: Non-disclosure Agreement for Non-Treaty Data Access by Member States and External Users;
  - e) Copies of the WIPO Financial Management Report for 2006-2007 and the financial situation of the International Union for the Protection of New Varieties of Plants (UPOV) for 2006-2007;
  - f) Copies of the Program and Budget for 2010-2011 for WIPO and for UPOV.

A. Introduction

At the meeting of the Assemblies of the WIPO Member States held in September 2007, it was decided to put a mechanism in place to select and replace the External Auditor at the end of the current mandate (2011). In accordance with that decision, WIPO is inviting nominated candidates to submit technical and financial proposals for the appointment as External Auditor. The Assemblies of WIPO Member States shall decide on the appointment; their decision shall be final.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 2

---

External auditing services are required for WIPO and UPOV (the external audit of UPOV can only be carried out by a candidate from a UPOV Member State).

B. Proposed schedule

1.	Issue invitation for proposals	March 31, 2010
2.	Requests for clarification	May 1, 2010 (the latest)
3.	Answers from WIPO	May 17, 2010
4.	Further requests for clarification	June 1, 2010(the latest)
5.	Answers from WIPO	June 10, 2010
6.	Closing date for receipt of formal proposals from nominated candidates	June 30, 2010
7.	Preliminary technical evaluation	July-August 2010
8.	Selection Panel consultations on proposals received and results of the technical evaluation	September 30, 2010
9.	Oral presentations to the Selection Panel	November , 2010
10.	Selection Panel adopts its recommendation	December , 2010
11.	Decision on the recommendation of the Selection Panel by the WIPO Assemblies	September ,2011
12.	Tenure of new External Auditor to begin	January 1, 2012

C. Submission of Proposals

- 1) Proposals should be submitted in English and duly signed by the head of the auditing institution. The proposal should be prepared in duplicate with one marked 'Original' and the other marked 'Copy'. In the event of any discrepancy between both sets of documents, the 'Original' shall prevail;
- 2) The Original and the Copy set of documents may be put together in one envelope. The proposal should then be placed in a sealed outer envelope. The outer envelope should be addressed as follows:

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 3

Reference: Selection of External Auditor

Confidential – not to be opened

Mrs. Janice Cook Robbins  
Head of Finance Services  
World Intellectual Property Organization  
34, Chemin des Colombettes  
1211 Geneva 20

If the envelope is not sealed and marked as instructed, WIPO will assume no responsibility for the misplacement or premature opening of the proposals submitted.

- 3) Proposals must be received by WIPO at the above address on or before the date shown in the proposal schedule (section B). Any proposals received after the deadline will not be considered. WIPO may, at its discretion, extend the deadline for the submission of proposals, by notifying all nominated candidates in writing. The extension of the deadline may accompany a modification of the solicitation documents prepared by WIPO at its own initiative, or in response to a clarification requested by a nominated candidate.
- 4) Facsimile proposals, E-mail proposals or unsigned proposals are not acceptable and will not be considered;
- 5) The cost of preparing a proposal and attendance at an oral presentation shall be borne by the nominated candidates, regardless of the conduct or outcome of the solicitation process. Proposals must offer services for the total requirement; proposals offering only part of the services will be rejected;
- 6) Nominated candidates may submit requests for clarification, on the technical, legal and commercial aspects of this Call for Proposals, by sending an email to Mrs. Janice Cook Robbins, Head of Finance Services, at the following address: [janice.cookrobbins@wipo.int](mailto:janice.cookrobbins@wipo.int). Please indicate as 'subject' of the email: 'Selection of External Auditor.'

Queries must be received by WIPO at the above address on or before May 1, 2010. A consolidated ***and anonymous*** list of the queries received, together with the answers, will then be forwarded by email to all candidates on May 17, 2010.

Any further queries should be received by WIPO on or before June 1, 2010. Again, a consolidated ***and anonymous*** list of the queries received, together with the answers, will be forwarded by email to all candidates on **June 10, 2010.**

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 4

---

D. Content of the proposal

The proposal should be concisely presented and structured in the following order to include the following information:

I. TECHNICAL PROPOSAL

1. NOMINATED CANDIDATE

(a) Overall

(i) General information

- Provide the official title and give a brief history of the role and functions of the Auditor-General's office submitting the proposal.<sup>1</sup>
- Identify the authority and/or office or organization responsible for appointing and/or removing the Auditor-General. Indicate the length of the term of office.
- Identify the authority and/or office or organization to which the Auditor-General reports and describe the reporting process.
- Describe, in detail, the process by which the Auditor-General's budget and work program are established.

(ii) Quality assurance and control

- Describe, in detail, the standards governing the Auditor-General's auditing work.
- Explain how the Auditor-General's office is organized in order to ensure that audits are conducted in accordance with professional standards. Please include the organization chart as well as the number of people working for each organizational unit.
- Describe the commitment of the Auditor-General's office to International Standards on Accounting, Financial Reporting and Auditing.
- Explain how the Auditor-General's office deals with potential conflict of interest situations.

---

<sup>1</sup> For the purposes of this Call for Proposals for the Appointment of the External Auditor of WIPO, the use of the expression "Auditor-General" includes any nominated candidate being an office holding equivalent title or otherwise qualified of a Member State, as provided under Regulation 8.1 of the WIPO's Financial Regulations and Rules.



CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 5

---

(b) Experience

(i) Experience with UN agencies

– Describe, in detail, for which UN agencies audit services have been provided over the last ten years. Please indicate the duration of the mandates in each case.

(ii) Experience in providing audit services to other national or international and non-governmental public sector organizations

– Describe, in detail, for which national or international public sector and non-governmental organizations the Auditor-General's office has provided audit services over the last five years. Explain whether any of these organizations report under the International Financial Reporting Standards (IFRS) or the International Public Sector Accounting Standards (IPSAS) and whether they practice multicurrency accounting.

(iii) Experience with national or multilateral intellectual property related organizations

– Explain, in detail, for which such organizations audit services have been provided over the last five years. Please indicate, in each case, whether the organization reports according to IFRS or IPSAS.

2. AUDIT TEAM

(a) Team staffing

(i) Team composition

– Indicate the number, general qualifications and years of experience of the staff employed by the Auditor-General's office. Please provide detailed *curricula vitae* of all staff to be assigned to the audit of WIPO.

– Confirm that all staff included in the audit proposal have professional accounting and/or auditing qualifications. If not, please provide details.

– Identify the accounting and/or auditing bodies of which staff are members.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 6

---

(b) Team experience

(i) Accounting and auditing experience of the team that is going to provide the audit service to WIPO.

- Describe team members' experience acquired with audits of UN agencies, international public sector and non-governmental organizations and national intellectual property organizations. Such experience should be indicated within the curriculum vitae of each team member.
- Provide details of experience with IFRS and IPSAS.

(ii) Governance

- Explain the understanding of the Auditor-General's office regarding global best practices in public sector organizations relating to the role and structure of the Senior Management Team and its Audit Committee<sup>2</sup>, the management of reporting relationships with Internal Audit and the Audit Committee and the interface with External Audit.

(iii) Information Systems audit experience

- WIPO's transaction processing and accounting requirements are supported by the extensive use of an Enterprise Resource Planning system (ERP) built in PeopleSoft. Summarize the experience of the staff proposed for the audit of WIPO in the audit of ERP environments and use of computer aided audit techniques.

(iv) Language capability

- Please indicate the languages in which the audit staff proposed for WIPO is fluent. Fluent use of either English or French is mandatory.

---

<sup>2</sup> The Senior Management Team at WIPO is composed of the Director General and the Chief of Staff, together with four Deputy Directors General and three Assistant Directors General each of whom are responsible for one of WIPO's divisions.

The Audit Committee is an independent, expert advisory and external oversight body. It aims to assist Member States in their role of oversight and for better exercise of their governance responsibilities with respect to the various operations of WIPO. There are currently nine members who serve in their personal capacity and are independent of the Member States that elect them.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 7

---

(v) Internal Controls

- Explain team members' technical skills, knowledge of and practical experience in using the internal controls framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for Information and related Technology (COBIT) in undertaking audit assignments.
- Describe knowledge of and experience in enterprise risk management (ERM).

(vi) Continuing professional development

- Describe arrangements for the continuing professional training and/or education of the proposed staff.

3. APPROACH

(a) Audit/Attestation approach

(i) Audit planning

- Explain the audit methodology of the Auditor-General and how it will be tailored to the audit of WIPO.
- Describe the structure of the proposed audit plan ensuring identification and coverage of key areas considering the inherent audit risk associated with those areas.
- Explain the proposed scheduling of the audit plan activities and allocation of resources to meet deadlines. This should include an estimate of the overall number of auditor-work months to be devoted to carrying out the audit for the financial periods in question.
- Describe, in detail, any collaboration envisaged with other national or foreigner audit offices in performing the audit of WIPO.
- Explain what collaboration is envisaged with WIPO's internal audit function, including the WIPO Audit Committee, in order to optimize the use of limited audit resources.

(ii) Audit report

- Describe the proposed structure and format of reports and management letters by which the results of audit work will be communicated to management and to WIPO's competent bodies.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 8

---

II FINANCIAL PROPOSAL

A complete and detailed financial proposal should be submitted, to include all fixed and variable costs that WIPO will pay for the provision of the audit services, ensuring that this encompasses all related expenses.

Financial proposals will be evaluated following completion of the technical evaluation. Proposals should be made in Swiss francs and should not contain any clause linking the price to any future fluctuation of the exchange rate between the Swiss franc and another currency.

The results of the technical evaluation and the financial proposal will be considered together when assessing each nominated candidate.

E. Selection criteria, Preliminary Evaluation and shortlist of nominated candidates

Once the closing date for receipt of formal proposals has passed, the proposals will be opened according to standard procurement procedure and receive a preliminary technical evaluation.

The Internal Audit and Oversight Division (IAOD) and Finance Services of WIPO, together with WIPO's Audit Committee, will prepare a list of selection criteria with appropriate weightings. This will then be submitted to the Selection Panel for approval. Once approved, representatives of IAOD and Finance Services will carry out the preliminary technical evaluation which will be reviewed by the Audit Committee and the results will then be communicated to the Selection Panel.

The proposed selection criteria are as follows:

- Independence: demonstrated autonomy from other institutions or bodies of the government; integrity; objectivity in the discharge of duties and responsibilities; and ability to self-determine scope of audit.
- Qualifications of Officials and Staff: conformity to the auditing standards of the United Nations Panel of External Auditors and ethics governing their work; professional qualifications, skills, and size of work force; membership in internationally recognized accounting or auditing bodies such as the International Organization of the Supreme Audit Institutions (INTOSAI), the International Federation of Accountants (IFAC), etc.; proficiency in English and at least one other official UN language; and knowledge of IPSAS.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 9

---

- Training and experience: existence of a program for continuing professional education for staff; experience in the audit of United Nations organizations or other national or international public sector or non-governmental organizations; staff adequately trained in modern trends of auditing and with extensive audit experience; and experience in auditing ERP systems.
- Audit Approach and Strategy: comprehensive work plans to ensure adequate audit coverage of all WIPO resources; performance of financial and compliance audits as well as economy, efficiency and value-for-money audits; and collaboration with WIPO's IAOD to optimize the use of limited audit resources.
- Audit Reports: timely communication of audit results presented to management and WIPO bodies through comprehensive management letters and audit reports. The audit reports should be accurate, complete, balanced, fair and constructive.
- Cost: the most competitive fees.

The above criteria are provided for information purposes only and are not ranked by importance.

The Selection Panel will then agree on a shortlist of candidates.

F. Oral presentations

All shortlisted candidates will be required to make an oral presentation to WIPO's Selection Panel followed by questions from the Panel and answers from the shortlisted candidates. Information from the oral presentation will also be used as part of the technical evaluation process. WIPO further reserves the right to incorporate elements from oral presentations in the Contract.

Other shortlisted candidates will not be permitted to be present during the oral presentation.

The purpose of the oral presentation and question and answer session is to enable Panel members to have a better appreciation of the proposals and to provide an opportunity to seek additional information and clarification in order to facilitate the selection process.

- Each shortlisted candidate will be allowed 120 minutes to make an oral presentation, which should be divided into: a) 40 minutes for presentation; and b) 80 minutes for questions and answers.
- The presentations are scheduled to take place as specified in Section B, Proposed Schedule. WIPO will determine with each shortlisted candidate the date and time of the oral presentation. Shortlisted candidates must confirm their availability in writing for the scheduled date.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 10

---

- The presentation must be made by one or more of the personnel whom the shortlisted candidate will employ to manage or supervise the audit. The proposed Senior member of the Auditor-General's office must be present and must, at a minimum, answer questions directed to him/her during the question and answer session. Shortlisted candidates may not use other employees or consultants to make the oral presentation and should be prepared to answer detailed technical questions from the Selection Panel.
- The Selection Panel reserves the right to adjust the technical score upward or downward based upon evaluation of the oral presentation conducted by the shortlisted candidates.
- On the basis of the preliminary evaluation and the evaluation of the oral presentation, the Selection Panel will decide upon its recommendation which will be presented to the Assemblies of the Member States of WIPO and of the Unions administered by WIPO.

G. Award

- The award will be made to the highest evaluated candidate following negotiation of an acceptable contract. Annexes II, III and IV attached to this Call for Proposal for the Appointment of the External Auditor of WIPO shall be an integral part of the contract. Upon completion of negotiations, WIPO will promptly notify the unsuccessful candidates.
- The selected candidate is expected to commence providing services as of the date and time stipulated in Section B, Proposed Schedule.
- At the same time as WIPO notifies the successful candidate that his/her proposal has been accepted, WIPO will invite the candidate to sign the contract, incorporating the abovementioned annexes and all agreements reached by the parties during the negotiation process, if there was any.

[Annexes follow]

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 11

---

1. The External Auditor shall perform such audit of the accounts of the World Intellectual Property Organization (WIPO) including all funds-in-trust and special accounts, as deemed necessary in order to satisfy himself/herself:

(a) that the financial statements are in accord with the books and records of the Organization;

(b) that the financial transactions reflected in the statements have been made in accordance with the Financial Regulations and Rules, the budgetary provisions, and other applicable directives;

(c) that any securities and monies on deposit and on hand have been verified by the certificates received direct from the Organization's depositories or by actual count;

(d) that the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereon;

(e) that procedures satisfactory to the External Auditor have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretariat and may proceed to such detailed examination and verification as he/she chooses of all financial records.

3. The External Auditor and staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the External Auditor, necessary for the performance of the audit. Information classified as privileged and which the Secretariat agrees is required by the External Auditor for the purposes of the audit, and information classified as confidential, shall be made available on application. The External Auditor and staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Assemblies of the Member States of WIPO to any denial of information classified as privileged which, in his/her opinion, was required for the purpose of the audit.

4. The External Auditor shall have no power to disallow items in the accounts but shall draw to the attention of the Director General for appropriate action any transaction that creates doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be immediately communicated to the Director-General.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 12

---

5. The External Auditor shall express and sign an opinion on the financial statements of the Organization. This opinion will be in accordance with that agreed upon by the Panel of External Auditors. The opinion (as it is currently formulated) shall include the following basic elements:

- (a) identification of the financial statements audited;
- (b) a reference to the responsibility of the entity's management and responsibility of the External Auditor;
- (c) a reference to the audit standards followed;
- (d) a description of the work performed;
- (e) an expression of opinion on the financial statements as to whether:
  - (i) the financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
  - (ii) the financial statements were prepared in accordance with the stated accounting policies;
  - (iii) the accounting policies were applied on a basis consistent with that of the preceding financial period;
- (f) an expression of opinion on the compliance of transactions with the Financial Regulations and Rules and legislative authority;
- (g) the date of the opinion;
- (h) the External Auditor's name and position;
- (i) the place where the report has been signed;
- (j) should it be necessary, a reference to the report of the External Auditor on the financial statements.

5. The report of the External Auditor to the Assemblies of the Member States of WIPO on the financial operations of the period should mention:

- (a) the type and scope of examination;
- (b) matters affecting the completeness or accuracy of the accounts, including where appropriate:



CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex I, page 13

---

- (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts that ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;
  - (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from a consistent application of generally accepted accounting principles, these should be disclosed;
- (c) other matters that should be brought to the notice of the Assemblies of the Member States of WIPO, such as:
- (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements of assets and liabilities;
  - (v) expenditure not in accordance with the intention of the Assemblies of the Member States of WIPO, after making allowance for duly authorized transfers within the budget;
  - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
  - (vii) expenditure not in conformity with the authority that governs it.

In addition, the report may contain reference to:

- (d) transactions accounted for in a previous financial period, concerning which further information has been obtained, or transactions in a later financial period concerning which it seems desirable that the Assemblies of the Member States of WIPO should have early knowledge.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex I, page 14

- 
6. The External Auditor may make such observations with respect to his/her findings resulting from the audit and such comments on the financial report as he/she deems appropriate to the Assemblies of the Member States of WIPO or to the Director-General.
  7. Whenever the External Auditor's scope of audit is restricted, or insufficient evidence is available, the External Auditor's opinion shall refer to this matter, making clear in the report the reasons for the comments and the effect on the financial position and the financial transactions as recorded.
  8. In no case shall the External Auditor include criticism in any report without first affording the Director-General an adequate opportunity of explanation on the matter under observation.
  9. The External Auditor is not required to mention any matter referred to in the foregoing which is considered immaterial.

[Annex II follows]

[

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 15

---

I. MANDATORY CLAUSES

Article 1 – Confidential Nature of Documents

(1) All written or machine readable material, including but not limited to maps, drawings, photographs, mosaics, plans, manuscripts, records, reports, recommendations, estimates, documents and all other information or data (referred to hereinafter in this Article as “documents”) compiled by or received by the Contractor or its agents, employees, subcontractors or independent Contractors in connection with the contract shall be the property of WIPO, shall be treated as confidential and shall be delivered only to duly authorized WIPO officials on completion of the work or services under the contract or on termination of the contract, or as may otherwise be required by WIPO.

(2) In no event shall the contents of such documents or any information known or made known to the Contractor by reason of its association with WIPO be made known by the Contractor or its agents, employees, subcontractors or independent contractors to any unauthorized person without the written approval of WIPO.

(3) Subject to the provisions of this Article, the Contractor may retain a copy of documents produced by the Contractor.

(4) The Contractor shall take all reasonable measures to ensure that its agents, employees, subcontractors and independent contractors comply with the provisions of this Article.

(5) The obligations in this Article shall not lapse upon termination of the contract.

Article 2 – Tax Exemption

(1) Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the United Nations including its specialized agencies, such as WIPO, are exempt from all direct taxes and from customs duties in respect of articles imported or exported for its official use. Accordingly, the Contractor authorizes WIPO to deduct from the Contractor’s invoice any amount representing such taxes or duties. Payment of such corrected invoiced amount shall constitute full payment by WIPO. In the event that any tax authority refuses to recognize WIPO’s exemption from such taxes, the Contractor shall immediately consult WIPO to determine a mutually acceptable procedure.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

page 16

---

(2) This Article shall be understood without prejudice of any additional benefit on this matter granted to WIPO by any other bilateral or multilateral agreement or domestic legislation.

Article 3 – Privileges and Immunities

Nothing in or relating to the contract shall be deemed a waiver of any of the privileges and immunities of WIPO in conformity with the Convention on the Privileges and Immunities of the Specialized Agencies approved by the General Assembly of the United Nations on November 21, 1947 and with the provisions of the Agreement between the Swiss Federal Council and WIPO to determine the organization's juridical status in Switzerland of December 9, 1970, and of the Implementation Arrangement of the same date related thereto.

Article 4 – Settlement of Disputes

(1) WIPO and the Contractor shall designate one or more representatives duly entitled to discuss and solve, in full cooperation with each other, all problems, whether of an administrative or financial nature, which may occur during the performance of the contract.

(2) WIPO and the Contractor shall use their best efforts to settle amicably any dispute, controversy or claim arising out of the contract or the breach, termination or invalidity thereof. Where WIPO and the Contractor wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the United Nations Commission of International Trade Law, UNCITRAL (<http://www.uncitral.org>) Conciliation Rules then obtaining, or according to such other procedure as may be agreed between WIPO and the Contractor.

(3) Any dispute, controversy or claim arising out of or relating to the contract, or the breach, termination or invalidity thereof, shall, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The number of arbitrators shall be one. The place of arbitration shall be Geneva, Switzerland. The language to be used in the arbitral proceedings shall be English. The Parties agree to be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such disputes, controversy or claim.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 17

---

II. GENERAL CONDITIONS FOR GOODS AND SERVICES

Article 5 – Use of Name, Emblem or Official Seal of WIPO and the United Nations

The Contractor, its agents, employees, subcontractors and independent contractors shall not advertise or otherwise make public the fact that it is performing, or has performed, work or services for WIPO or the United Nations, or use the name, emblem or official seal of WIPO or the United Nations or any abbreviation of the name or acronym of WIPO or the United Nations in connection with its business for advertising purposes or for any other purposes. The Contractor shall take all reasonable measures to ensure compliance with this provision by its agents, employees, subcontractors and independent contractors. This obligation shall not lapse upon termination of the contract.

[Annex III follows]

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO  
page 18

---

INFORMATION SECURITY AGREEMENT

For Wipo Member State Office Or Authorized Third Party Using  
Wipo Information Systems

Between World Intellectual Property Organization,  
an international intergovernmental organization  
having its headquarters at 34 Chemin de Colombettes  
1211 Geneva 20, Switzerland (hereafter “WIPO”)  
And

**XXX**

(hereafter “Contractor, Assignees and Designated Users”)

1. Definitions

“Information Security” is the protection of data, applications, systems, and network resources from accidental or deliberate misuse through unauthorized disclosure, alteration, or destruction;

“Information Resources” are information resources for which the Contractor, Assignees and Designated Users have existing authorization to access, and include:

- (a) Printed or written communications and documentation, such as reports, letters, and memos;
- (b) Online screen transactions;
- (c) Software applications;
- (d) Data set files and databases residing on any media, such as tape, disk, diskettes, microfilm, and microfiche;
- (e) Processing systems including, but not limited to servers, PCs, workstations, laptops and printers;
- (f) Network resources.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 19

---

2. Warranty of Prior Authorization

The Contractor, Assignees and Designated Users represent and warrant to WIPO that they are authorised to access the Information Resources either by virtue of their status as an intellectual industrial property office of a Member State of WIPO, or by separate authorization as identified above.

3. Acknowledgement

The Contractor, Assignees and Designated Users acknowledge that:

- (a) WIPO stores, processes, and disseminates large amounts of information;
- (b) Loss, damage, or disclosure of information, applications, systems, or network resources could result in a significant operational or financial loss to WIPO;
- (c) It is imperative for WIPO, and thus the Contractor, Assignees and Designated User, to ensure the integrity, accuracy, availability, and confidentiality of these resources through the use of effective security controls.

4. WIPO account name and password

When satisfied that the Contractor, Assignees and Designated Users have appropriate authorization to access the Information Resources, WIPO shall grant access authority to WIPO's Information Resources through a WIPO account name and password.

5. Obligations of Contractor, Assignees and Designated Users

The Contractor, Assignees and Designated Users shall:

- (a) safeguard the confidentiality, integrity and availability of Information Resources to which he or she or they have access;
- (b) take precautions to prevent the introduction into their PCs of software viruses, malicious or any other code that might compromise the information security or normal operations.
- (c) be responsible for the confidentiality of the password provided and shall not loan the user ID and password or share it with others, except as authorized in writing by WIPO;

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 20

---

- (d) be personally accountable for all actions that occur under the user ID provided to the Contractor, Assignees and Designated Users;
- (e) select an alphanumeric password that would not be easily “guessed”, do not use repeating characters, do not use obvious words such as name of the individual, or individual’s spouse, children, or pet, days of the week, names of the months, the Contractor, Assignees and Designated Users’ login ID, birthday or phone number;
- (f) ensure that the password is a minimum of six characters in length and that it is changed every 90 days at least;
- (g) log out or lock the terminal when leaving it, even for a short period of time;
- (h) keep WIPO documents, diskettes, and copies of files containing sensitive data in a secure cabinet, desk, or room, and dispose of them properly when they are no longer needed;
- (i) immediately change the password in the event the Contractor, Assignees and Designated Users believes his or her or their user ID and password have been compromised in any way;
- (j) not be allowed to use the user ID provided by WIPO for private use or any other purposes other than those specifically allowed by WIPO;
- (k) not be allowed to test or attempt to compromise WIPO security controls without the specific advance approval in writing from WIPO.

6. Non-Disclosure Agreement

In the event the Information Resources are not accessible to the Contractor, Assignees and Designated Users by virtue of a relevant Treaty, or Decision of the Member States of WIPO, the Contractor, Assignees and Designated Users undertake to execute a Non-Disclosure Agreement for external users in a form approved by WIPO, as a pre-condition to being assigned a WIPO account name and password.



CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 21

---

SECURITY POLICY ACKNOWLEDGEMENT

1. By signing this Agreement, the Contractor, Assignees and Designated Users acknowledge responsibility to guard against unauthorized use or disclosure of WIPO's information resources, and agrees to comply with all of the security rules listed in this information security agreement.
2. WIPO reserves the right to monitor the processing of system activity, transactions, and files to prevent abuse, misuse, or for any other legitimate business reason.
3. WIPO reserves the right to terminate the access to its Information Resources at any time on thirty days' notice, or immediately in the event of a breach of this Agreement.

Signed at Geneva by the proper officers of WIPO and the Contractor, Assignees and Designated Users, duly authorized in that regard.

For the Contractor, Assignees and Designated  
Users

For WIPO

Signature	.....	Signature	.....
Date	.....	Date	.....
Name	.....	Name	Jaime Sevilla
Title	.....	Title	Director, Procurement and Contracts Division
Organization	.....		

[Annex IV follows]

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO  
page 22

---

The World Intellectual Property Organization, an international intergovernmental organization, having its headquarters at 34 chemin des Colombettes, 1211 Geneva 20, Switzerland (hereinafter WIPO) and (Insert name of CONTRACTOR, ASSIGNEES AND DESIGNATED USERS) agree as follows:

1. This Non-Disclosure Agreement does not apply to information or data which is accessible to the Contractor, Assignees and Designated Users under the provisions of an applicable Treaty or decision of the Member States of WIPO.
2. WIPO may disclose to the Contractor, Assignees and Designated Users, or the Contractor, Assignees and Designated Users may otherwise obtain access to, specifications, drawings, photographs, data, computer programs, estimates, recommendations, documentation, correspondence, applications, other technical or business information, diskettes and compact discs (CDs) containing data related to the Patent Co-operation Treaty ("PCT") and other documents or items, whether owned by WIPO or held in confidence for others by WIPO, which WIPO considers confidential (hereinafter Information) in connection with any services the Contractor, Assignees and Designated Users may perform (hereafter "Services".)
3. With respect to Information provided under this Agreement, the Contractor, Assignees and Designated Users shall:
  - (a) hold the Information in confidence;
  - (b) restrict disclosure of the Information solely to those individuals who have a need to know and who are either employees of WIPO or other Contractor, Assignees and Designated Users who have undertaken non-disclosure agreements with WIPO similar to the present Agreement and who have been advised of the Contractor, Assignees and Designated Users' obligations with respect to the Information;
  - (c) use the Information only in connection with the performance of the Services, except as may otherwise be authorized by WIPO in writing.
4. The Contractor, Assignees and Designated Users shall have no obligation to preserve the confidential nature of any Information that:
  - (a) was previously known to the Contractor, Assignees and Designated Users free of any obligation to keep it confidential and free of any restriction on use and disclosure; or
  - (b) is or becomes publicly available by authorized disclosure by WIPO and without any restrictions on use and disclosure; or
  - (c) is approved for release by written authorization of WIPO.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 23

---

5. The Information shall be deemed the property of WIPO and the Contractor, Assignees and Designated Users agree that it shall not be reproduced or copied and that upon request, all such Information in whatever form will be returned to WIPO.
6. Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Information disclosed to the Contractor, Assignees and Designated Users or in any confidential rights related thereto.
7. Nothing herein shall obligate or otherwise commit WIPO or the Contractor, Assignees and Designated Users to license or purchase any product or service.
8. This Agreement shall not be assignable or transferable by the Contractor, Assignees and Designated Users without the written consent of WIPO. Any such purported assignment or transfer shall be void without such written consent.
9. The Contractor, Assignees and Designated Users acknowledge that any commodities and/or technical data provided by WIPO under this Agreement may be subject to applicable export laws. Any export or re-export thereof must be in compliance with applicable laws. The Contractor, Assignees and Designated Users agree that it/they shall not export or re-export, directly or indirectly, either during the term of this Agreement or after its expiration, any commodities and/or technical data (or direct products thereof) provided by WIPO under this Agreement in any form to destinations that are controlled or embargoed under applicable laws.
10. WIPO makes no representations or warranties with respect to any Information furnished hereunder but shall furnish such in good faith to the best of its knowledge and ability. Without restricting the generality of the foregoing, WIPO makes no representations or warranties, whether written or oral, statutory, express or implied with respect to the Information or any technical assistance which may be provided hereunder, including without limitation, any warranty of merchantability or of fitness for a particular purpose.
11. In the event of a breach or a threatened breach or intended breach of this Agreement, WIPO, in addition to any other rights and remedies available to it under applicable law or in equity (except as otherwise limited by this Agreement), shall reserve the right to seek injunctive relief, both preliminary and final, enjoining and restraining such breach or threatened or intended breach.
12. This Agreement shall be effective upon the later date of signing and shall continue in effect for as long as such Information is deemed by WIPO to be confidential. The obligations contained in this Agreement, including (without limitation) those contained in article 2, shall survive and continue until such Information is deemed by WIPO to be nonconfidential, even after the termination of the contractual relationship with the Contractor, Assignees and Designated Users.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 24

---

13. For the purposes of this Agreement, a reference to the Contractor, Assignees and Designated Users shall include a reference to the employees, officials and agents of the Contractor, Assignees and Designated Users. In the case of an external user, the Contractor, Assignees and Designated Users undertake and agree to cause each of its employees, officials or agents to sign a Non-Disclosure Agreement substantially similar to the present Agreement, as approved by WIPO, and provide it to WIPO as a pre-condition to giving access to such employee, official or agent to the information. In the case of an individual Contractor, Assignee and/or Designated User (including employees, official or agents of an external user), by signing this Non-Disclosure Agreement, such employee, official or agent of the external user agrees to be fully bound by its provisions.

14. In the event of a breach of this Agreement by the Contractor, Assignees and Designated Users, its/their employees, officials or agents, in addition to and not in substitution for any other remedy available to WIPO, the Contractor, Assignees and Designated Users agree to indemnify and save harmless WIPO from any loss, damage or claim made by third parties (including, without limitation, PCT applicants) arising as a result of such breach.

15. No overlooking by WIPO of any provision of this Agreement, or failure by WIPO to require the performance of such provision on an earlier occasion shall preclude WIPO from subsequently enforcing the Agreement or requiring compliance with its terms (including, without limitation, by way of paragraph 10 of this Agreement).

16. Nothing in or relating to this Agreement shall be deemed a waiver of any of the privileges and immunities of WIPO in conformity with the Convention on the Privileges and Immunities of the Specialized Agencies approved by the General Assembly of the United Nations on November 21, 1947 and with the provisions of the Agreement between the Swiss Federal Council and WIPO to determine the organization's juridical status in Switzerland of December 9, 1970, and of the Implementation Arrangement of the same date related thereto.

CALL FOR PROPOSALS FOR THE APPOINTMENT OF THE  
EXTERNAL AUDITOR OF WIPO

Annex II, page 25

---

Signed in duplicate by WIPO by its duly authorized representative and the Contractor, Assignees and Designated Users, in person or by its duly authorized representative (as the case may be).

For the World Intellectual Property  
Organization  
(WIPO)

The Contractor, Assignees and Designated  
Users

Signature .....

Signature .....

Jaime Sevilla  
Director,  
Procurement and Contracts Division

.....  
.....  
.....

(Name, Title)  
(*printed*)

Date .....

Date .....

Place .....

Place .....

[End of Annexes]

[Annex C follows]

ANNEX C

**SELECTION OF EXTERNAL AUDITOR  
CALL FOR PROPOSALS  
QUESTIONS FROM CANDIDATES**

1) Why has UPOV been included in the Call for Proposals document which concerns the selection of the External Auditor for WIPO? What would be the technical and legal consequences for the successful candidate if he/she were not from a Member State of UPOV?

Secretariat response

*These questions are addressed in a Note Verbale which will be distributed shortly to all candidates. The Note Verbale reads as follows:*

*"The International Bureau of the World Intellectual Property Organization (WIPO) presents its compliments to the Permanent Mission of (candidate Member State) to the United Nations Office at Geneva and other International Organizations in Switzerland. Further to its Note of March 30, 2010, transmitting the Call for Proposals to Member States candidates for the selection of an External Auditor, the International Bureau has the honor to indicate the grounds on which the International Union for the Protection of New Varieties of Plants (UPOV) has been included in the said Call for Proposals.*

*It has been the practice in the past for UPOV to select the same External Auditor as WIPO to undertake its audit if the selected entity was from a UPOV Member State. The inclusion of UPOV was made so that this same practice could be followed if the said condition was met. According to the Agreement between WIPO and UPOV, dated November 26, 1982 and approved by their respective governing bodies, WIPO must satisfy the requirements of UPOV as regards the financial administration of UPOV. To facilitate the implementation of this Agreement, once an External Auditor has been selected by WIPO, should the Auditor be from a Member State of UPOV, the Secretary-General of UPOV will propose to the Council of UPOV the possibility of appointing the candidate selected by WIPO to be the External Auditor of 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 a separate nomination and selection procedure following its own rules."*

2) Section E of the Call for Proposals regarding "Selection criteria, preliminary evaluation and shortlist of nominated candidates" states that the Internal Audit and Oversight Division (IAOD) and Finance Services of WIPO, together with WIPO's Audit Committee, will prepare a list of selection criteria with appropriate weightings. This will then be submitted to the Selection Panel for approval. We presume that in the interests of transparency and fairness, the selection criteria with appropriate weightings will be frozen before the opening of proposals."

Secretariat response

*Yes, the selection criteria with appropriate weightings will be agreed upon ('frozen') before proposals are opened.*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

- 3) Will the approved criteria be shared with the prospective bidders to provide greater clarity in preparation of proposals ?

Secretariat response

*The sharing of the criteria (weightings) is subject to the decision of the Selection Panel. However, please note that the deliberations of the Panel during the short-listing and selection process shall be confidential and so we do not believe that the Panel will be in a position to make this information available either.*

- 4) In Section I of the Technical Proposal, subsection.I a (ii) 'Quality assurance and control', candidates are asked to "explain how the Auditor-General's office deals with potential conflict of interest situations." Could you clarify what sort of situations are envisaged that might create a potential conflict of interest?

Secretariat response

*A conflict of interest may be defined as a situation arising in a business relationship where the capacity of a person to make an independent decision or judgment may be influenced or prejudiced by considerations of a personal nature, or considerations emanating from a third party, resulting in the interests of WIPO being inappropriately affected.*

- 5) Is a contract going to be signed or will the designation of the Supreme Audit Institution (SAI) by the appropriate governing body of the Organization and its subsequent acceptance be sufficient? If there is a contract to be signed, could we have a draft copy of its clauses, indicating which are negotiable and which are not?

Secretariat response

*Paragraph G of the Call for Proposals states that an acceptable contract shall be negotiated after the award. The contract will therefore be drafted after the award to reflect the documentation already distributed to candidates and the agreed offer of the selected candidate.*

- 6) Does the External Auditor have to sign the security policy acknowledgement?

Secretariat response

*This document is part of the documentation applicable to all WIPO service providers. As the document was distributed as part of the Call for Proposals, the Secretariat response is therefore yes.*

- 7) Specific Clauses included within the Call for Proposals document (Article 1 of Annex II) state that copies of documents may be retained by the Contractor. In external audit, the general rule is that copies of the documents obtained by the external auditors are part of their audit files and their return to the auditee is the exception, particularly when external auditors are not private companies but SAIs. Is this clause to be interpreted in this sense i.e. the exception, or the opposite?

Secretariat response

*The clause is to be interpreted in the exceptional sense, that is to say that WIPO will only request the return of copies of documents provided to the External Auditor in the course of his/her audit in exceptional circumstances.*

- 8) Article 5 of Annex II states that the Contractor "shall not advertise or otherwise make public the fact that it is performing or has performed work or services for WIPO or the United Nations (...) in connection with its business for advertising or for any other purposes (...). This obligation shall not lapse upon termination of the contract."

SAIs are usually asked by International Public Organizations and/or Programs to list the International Organizations they have previously audited when offering their services as external auditors. WIPO is asking for this information in its Call for Proposals, but a literal interpretation of this clause may prohibit including the mention of WIPO in further candidatures and/or exclude any such reference on our web page (whose purpose is no other than informing the public about the Institution, its functions, its activities as a public entity contemplated within the Constitution and its results, among others).

Could you, please, explain the exact interpretation which the Organization is giving to this clause with relation to SAIs as External Auditors?

Secretariat response

*Use of the WIPO name may be made under authorization from WIPO, upon request. WIPO has normally given such authorization to service providers, upon request.*

- 9) Is it possible to know the number of man-days per year that the current External Auditors spend on the WIPO audit, indicating those spent at headquarters Office?

Secretariat response

*The WIPO audit takes approximately 120 days per biennium. All of these days are spent at WIPO headquarters.*

- 10) Could you, please, provide details of the amount budgeted for the current biennium to cover the External Auditors' fees.

Secretariat response

*WIPO is not currently charged an audit fee by the External Auditors. WIPO does however pay for the travel expenses and the daily subsistence allowance of each member of the audit team.*





ANNEX D

The International Bureau of the World Intellectual Property Organization (WIPO) presents its compliments to the Permanent Mission of India to the United Nations Office at Geneva and other International Organizations in Switzerland. Further to its Note of March 30, 2010, transmitting the Call for Proposals to Member States candidates for the selection of an External Auditor, the International Bureau has the honor to indicate the grounds on which the International Union for the Protection of New Varieties of Plants (UPOV) has been included in the said Call for Proposals.

It has been the practice in the past for UPOV to select the same External Auditor as WIPO to undertake its audit if the selected entity was from a UPOV Member State. The inclusion of UPOV was made so that this same practice could be followed if the said condition was met. According to the Agreement between WIPO and UPOV, dated November 26, 1982 and approved by their respective governing bodies, WIPO must satisfy the requirements of UPOV as regards the financial administration of UPOV. To facilitate the implementation of this Agreement, once an External Auditor has been selected by WIPO, should the Auditor be from a Member State of UPOV, the Secretary-General of UPOV will propose to the Council of UPOV the possibility of appointing the candidate selected by WIPO to be the External Auditor of 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 a separate nomination and selection procedure following its own rules.

The Secretariat of the International Bureau remains at the disposal of the Permanent Mission of India should further explanation or information regarding this matter be required.

May 18, 2010

*Pr*

34, chemin des Colombettes  
1211 Geneva 20, Switzerland  
T +41 22 338 91 11 F +41 22 733 54 26

[Annex E follows]

ANNEX E

**SELECTION OF EXTERNAL AUDITOR  
CALL FOR PROPOSALS  
QUESTIONS FROM CANDIDATES**

- 1) Will the non-membership of the International Union for the protection of New Varieties of Plants (UPOV) of a bidder weigh against them in the evaluation process vis-à-vis a candidate who is a Member State of UPOV?

Secretariat response

*No, non-membership of UPOV by a candidate country will not weigh against such a candidate in the evaluation process.*

- 2) Are there any field/regional offices in WIPO? If yes, could you provide details of the structure, functions and financial outlays of such field offices?

Secretariat response

*WIPO has offices in New York, Singapore, Rio de Janeiro and Tokyo. Expenditure incurred by WIPO in 2008-09 is shown in the table below (in thousands of Swiss francs):*

	<b>New York</b>	<b>Singapore</b>	<b>Rio de Janeiro</b>	<b>Tokyo *</b>
<i>Personnel</i>	1,340	781	461	672
<i>Non-personnel</i>	769	137	71	23
<b>Total expenditure</b>	<b>2,109</b>	<b>918</b>	<b>532</b>	<b>695</b>

*\* In addition to the expenditure shown for Tokyo, an additional estimated expenditure of 207,000 Swiss francs was incurred and charged to the Fund in Trust established by Japan at WIPO.*

*The New York Office serves as a liaison office to the United Nations (UN). Current staffing is one professional and two general staff members.*

*The Singapore Office, established in 2005, is charged with strengthening WIPO's cooperation with the Asia-Pacific Region and/or such other countries as WIPO may designate, primarily through representation, coordination, liaison and outreach work. The core mandate has been redefined for 2010 to include promotion and advisory work in relation to WIPO's main activities, together with development related work. The office is staffed by one director, two professionals, two consultants and one general staff member. In addition, the government of Singapore provides WIPO with suitable premises for use as the WIPO Office in Singapore and pays for the rental cost of such premises, as well as the utility charges, maintenance costs and security arrangements.*

*The Rio de Janeiro Office was set up in 2009 and its core mandate, as defined for 2010, is the same as that of the Singapore Office. The office is currently staffed by one director, two professionals and one general staff member (this last is financed by the Brazilian government).*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

*The Tokyo Office, established in 2006, originally had the task of coordinating joint research with the the UN University on development issues related to Intellectual Property. Its current responsibilities have been redefined to include support, research, development, outreach and capacity building activities primarily in accordance with the workplan financed by the Fund in Trust. Staffing includes one professional member of staff and three short-term members (one clerical and two writer/researchers).*

- 3) What would be the respective weightage of the Technical and Financial Proposals in the selection of External Auditor process of WIPO?

Secretariat response

*Please refer to the answer given to question 3 in the first round of questions. The weighting to be given to the Technical and Financial proposals is subject to the decision of the Selection Panel.*

- 4) As per WIPO's Financial Regulations and Rules, the External Auditor will be appointed by the General Assembly and the reports of the External Auditor shall be transmitted to the General Assembly through the Programme and Budget Committee. However, we notice that in the year 2007 the External Auditor presented the Information Technology (IT) Audit Report to the 'Assemblies of the Member States of WIPO'. Could you please clarify this?

Secretariat response

*The Financial Regulations and Rules which were in force prior to January 2008 did not contain any provisions concerning the submission of External Auditor reports. The Information Technology (IT) Audit Report to which you refer was submitted to the Assemblies as an information document only. The new Financial Regulations and Rules which came into effect January 1, 2008 stipulate that External Auditor reports will be submitted to the General Assembly through the Program and Budget Committee.*

- 5) The mandate of the present External Auditor ends on December 31, 2011 and the new External Auditor is expected to start his term from January 1, 2012. In this scenario, will the financial statements of the financial year 2011 be audited by the incoming auditor? (In most UN agencies, the changeover of the external auditor takes place on July 1, which enables them to complete all audit work pertaining to the financial statements of the immediately preceding accounting year.)

Secretariat response

*The present External Auditor will complete the final audit of WIPO for the year ended December 31, 2011, by the end of June 2012, if not slightly earlier and will be responsible for reports presented to the PBC and the Assemblies in 2012. The new External Auditor will assume his/her responsibilities from January 1, 2012, giving him the possibility to meet with the former Auditor during a six-month period if he wishes to do so.*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

6) According to information received on the occasion of the selection process for the appointment of the new External Auditor of WIPO the tenure of the new External Auditor will begin January 1, 2012. Assuming that the tenure date reflects the start of the audit of the Financial year 2012 and also that the outgoing External Auditor (Switzerland) will not present his audit report on the Financial year ended December 31, 2011 until June/July 2012, when will it be realistic for handover arrangements to take place and for the new External Auditor to assume his/her audit tasks on the 2012 accounts?

Secretariat response

*Please see answer to question 5.*

7) If we have understood correctly, WIPO has changed, from January 2010, its financial reporting and at the same time taken on the IPSAS standards as its reporting standards. Without any knowledge of the organization's preparations for and risk assessments of the implementation of such a tremendous change, are there any indications at this initial stage of the implementation phase on how the transition to IPSAS as an accounting framework has been managed?

Secretariat response

*Finance Services, with the assistance of an IPSAS consultant, are responsible for the implementation of IPSAS as WIPO's reporting standards. The opening balances of 2010 are currently being adjusted in order to be IPSAS compliant and these adjustments will be audited by the present External Auditor. Monitoring of IPSAS related revenue and expense transactions will take place during 2010 and transactions will be recorded in an IPSAS adjustment ledger (created within WIPO's financial system) as required.*

*Preparation of WIPO's first IPSAS compliant financial statements based upon actual revenue and expense for 2010 and the position of assets, liabilities and net assets as at December 31, 2010 is planned for the first quarter of 2011 with a completion date of March 31, 2011. These statements will be audited by the present External Auditor.*

8) As a result of the introduction and implementation of IPSAS, will the reporting period from this year 2010 onwards, be on an annual basis only, i.e. financial statements will be published yearly for the financial year ended 31 December and not for the biennium as we understand has been the case up until the year ended 31 December 2009?

Secretariat response

*From 2010 onwards, annual financial statements will be produced. However, in accordance with IPSAS 24, WIPO will produce a comparison of budget and actual amounts as a separate additional financial statement. As WIPO's budget is prepared for a two-year period, this statement will be prepared biennially and will be subject to audit.*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

9) On your financial reporting framework: according to the UN Systems task force on accounting standards IPSAS adoption progress report (CEB/2010/HLCM/7 of 9 February 2010), WIPO is implementing IPSAS in 2010. Can you confirm that your IPSAS implementation is on track and that IPSAS will be the WIPO and UPOV reporting framework for 2012?

Secretariat response

*IPSAS implementation is 'on track' for WIPO (please see answer 7 for further details). However, UPOV will continue to report according to UNSAS for the foreseeable future. UPOV's plans to become IPSAS compliant are in their early stages.*

10) The report of the auditor to the Assembly of Member States for the 2006-07 biennium was primarily driven by the financial statements, including those aspects that were reported as performance audit. Is there any expectation that the External Auditor would go further in the performance reporting (VFM) aspects to the governing body?

Secretariat response

*Please see the answer to Question 13.*

11) Can you provide clarification on the number of Audit Committee meetings per year, the expected annual programme (i.e. dates) of those meetings and the expected duration of each meeting?

Secretariat response

*The Audit Committee meets four times per year, once per quarter. The actual dates vary between years according to the availability of Committee Members and the work programme of the Committee. Meetings generally last for five days (days 1-4 are spent with WIPO officials and day 5 with meeting WIPO Member States and on report drafting).*

12) Can you confirm the governing body's arrangements for examining the External Auditor's report – in particular the timing of the relevant governing body session?

Secretariat response

*The External Auditor's report on the financial statements is submitted to the Program and Budget Committee (PBC) at its first meeting following the issue of the report (usually September of the year following the period covered by the financial statements). The financial statements, with such comments and recommendations as it deems appropriate, and the audit report are then forwarded by the PBC to the WIPO General Assembly (usually later during September of the same year).*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

13) Other than the defined External Audit requirements for WIPO and UPOV are there any other additional audit assignments expected, for example, individual project audits?

Secretariat response

*As part of his current mandate, the External Auditor conducts audits on Funds-in-Trusts special accounts (currently 27) and on UNDP projects (currently none) undertaken by WIPO. The present External Auditor has conducted audits on various subjects. During the last three years these have included inventory, information technology, buildings and the internal audit function . A yearly audit of the new construction has also been carried out. These audits were in addition to the audit of the financial statements. The reports have been submitted to either the Assemblies or to the General Assembly through the PBC (depending on the FRR version in force at the time the reports were issued).*

14) Excluding the New York coordination office, can you confirm whether there is any significant WIPO presence outside Geneva?

Secretariat response

*Please see the answer to Question 2.*

15) We understand that WIPO has been engaged in significant construction activity in the recent past. In the period covered by this appointment is there likely to be any major construction activity?

Secretariat response

*Yes, WIPO anticipates constructing a new conference hall. Work is due to begin early in 2011 and more details can be found in document A/47/12 (available through the WIPO website).*

16) We have not received any communication concerning the other candidates for the External Auditor post. Could you please transmit those names as soon as possible?

Secretariat response

*This information will be provided in a document to be submitted to the Program and Budget Committee in September 2010.*

Selection of External Auditor, Call for Proposals, Questions from Candidates

---

17) We wish to seek your clarification on the rate of daily subsistence allowances. Should Supreme Audit Institutions use their own rates of daily subsistence allowance?

Secretariat response

*Amounts to be paid for daily subsistence allowances (DSAs) should be included within the overall financial proposal submitted and the rates of DSA to be used should be determined by the candidates.*

18) We should like to know the number of auditors for whom WIPO will pay daily subsistence allowances?

Secretariat response

*WIPO expects candidates to determine the size of their audit team based upon their judgement of the amount of work involved in carrying out the audit.*

[End of Annex E and of document]