1. The General Conference, in its decision GC.10/Dec.16, decided to extend the appointment of the Auditor-General of South Africa as the External Auditor of UNIDO for a period of two years, from 1 July 2004 to 30 June 2006, under the terms of reference specified in the Financial Regulations of UNIDO.

2. General Conference decision GC.6/Dec.18 requests the Director-General to invite proposals from Member States for the appointment of an External Auditor and to submit such proposals to the Programme and Budget Committee for consideration. In compliance with that decision, a note verbale dated 18 January 2005 was sent to Member States in which they were invited to inform the Director-General by 21 February 2005 of their interest in providing the services of an External Auditor, with a view to submitting such proposals to the Programme and Budget Committee at its twenty-first session, to be held from 10 to 12 May 2005.

3. As of 21 February 2005, the following candidatures had been received for the appointment of an External Auditor:

   - Mr. Guillermo N. Carague, Chairman of the Philippine Commission of Audit
   - Mr. Shauket Fakie, Auditor-General of the Republic of South Africa
   - Mr. Ubaldo Nieto de Alba, President of the Court of Audit of Spain
   - Ms. Eva Lindström, Auditor General of Sweden

4. All candidates completed the standardized form “Proposal for appointment of External Auditor”. The compilation of replies received will be brought to the attention of the Committee for its consideration in a conference room paper to be distributed prior to the session, thus facilitating the decision-making process.

5. An information note dated 22 February 2005 was circulated to Permanent Missions, together with copies of the relevant communications concerning the
candidatures, which are also reproduced in the annex to the present document.

**ACTION REQUIRED OF THE COMMITTEE**

6. The Committee may wish to propose to the Industrial Development Board that it recommend to the General Conference the appointment of one of the candidates as External Auditor for UNIDO for a period of two years beginning 1 July 2006. The appointment would fall under the terms of reference specified in article XI (and annex) of the Financial Regulations of UNIDO. The travel and other costs related to the work of the External Auditor are to be borne by the UNIDO regular budget, for which a fixed fee, as approved in the programme and budgets, is foreseen.
Annex
COMMUNICATIONS CONCERNING CANDIDATURES FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR BY 21 FEBRUARY 2005

A. Communication concerning the candidature of Mr. Guillermo N. Carague, Chairman of the Philippine Commission of Audit

No. VN-PH-63-2005

The Permanent Mission of the Republic of the Philippines presents its compliments to the United Nations Industrial Development Organization and with reference to note No. CU 2005/3 dated 18 January 2005, has the honour to inform that the Philippine Government has nominated the Philippine Commission of Audit (COA) headed by Chairman Guillermo N. Carague for the post of External Auditor of UNIDO for a period of two years beginning on 1 July 2006. This nomination has been endorsed by H.E. Alberto G. Romulo, Secretary of the Department of Foreign Affairs, copy of the endorsement letter is attached. The proposal for appointment of External Auditor, and his curriculum vitae, are likewise enclosed.

The Permanent Mission of the Republic of the Philippines requests that the aforesaid nomination and endorsement of Chairman Carague’s candidature be transmitted to all Member States of UNIDO for their information.

Vienna, 21 February 2005

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[Stamp of the Permanent Mission of the Philippines, Vienna, Austria]

Department of Foreign Affairs

17 February 2005

Dear Mr. Director-General,

The Department of Foreign Affairs, on behalf of the Republic of the Philippines, wishes to endorse the nomination of Mr. Guillermo N. Carague for appointment to the position of External Auditor of the United Nations Industrial Development Organization (UNIDO).

Mr. Carague, as Chairman of the Commission of Audit—the supreme audit institution of the Philippines—possesses the highest level of professional competence, having also served as Secretary of Budget and Management during the term of the former President, Corazon C. Aquino. Mr. Carague also has substantial experience in auditing international organizations as he currently chairs the United Nations Board of Auditors and is the first to be elected to the Board for a term of six years. His impressive credentials in the international audit arena were further recognized when he was elected in October 2003 as Chairman of the Asian Organization of Supreme Audit Institutions.

Given his impressive credentials, the Philippines has the utmost confidence that Mr. Carague can provide the Organization with the highest standards of professional service. There is no doubt that his wealth of experience in the audit arena will certainly enhance the Organization’s respected stature.

Accept, Excellency, the assurances of my highest consideration.

[Signed]
Alberto G. Romulo
Secretary of Foreign Affairs

Hon. Carlos Magariños
Director-General
United Nations Industrial Development Organization
Vienna International Centre
A-1400 Vienna, Austria

2330 Roxas Blvd., Pasay City, Philippines, Tel. No. 834-4000

B. Communication concerning the candidature of Mr. Shauket Fakie, Auditor-General of the Republic of South Africa

South African Permanent Mission to the United Nations and International Organizations
Vienna
Sandgasse 33, 1190 Vienna
Tel.: 320 64 93
Fax: 320 64 93 51
e-mail: saembvie@aon.at
Website: www.southafrican-embassy.at

Ref.: ML/1/UNIDO/3
SVM/ems

The Permanent Mission of South Africa presents its compliments to the Director-General of the United Nations Industrial Development Organization and,

18 February 2005
with reference to the Director-General’s note (Ref. CU 2005/3) dated 18 January 2005, has the honour to submit the proposal for the reappointment of the Auditor-General of the Republic of South Africa, Mr. Shauket Fakie, as the External Auditor of UNIDO for a two-year period commencing 1 July 2006.

This nomination bears the fullest support of the Ministry of Foreign Affairs and our Government, as it is trusted that Mr. Fakie has the proven ability to provide UNIDO with an excellent, independent external audit. It is further believed that a reappointment for a third term of office will best serve the organization through the benefits gained from carrying through some of the initiatives being pursued in the current appointment.

Therefore, this nomination together with the required proposal document, is respectfully submitted for consideration by the Programme and Budget Committee at its twenty-first session in May 2005.

The Permanent Mission of South Africa avails itself of this opportunity to renew to the Director-General of the United Nations Industrial Development Organization the assurances of its highest consideration.

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[Stamp of the South African Embassy, Vienna]

The Director-General
UNIDO
P.O. Box 300
1400 Vienna

C. Communication concerning the candidature of Mr. Ubaldo Nieto de Alba, President of the Court of Audit of Spain

Permanent Mission of Spain to the International Organizations in Vienna

ONUDI/7/2005

The Permanent Mission of Spain to the International Organizations in Vienna presents its compliments to the United Nations Industrial Development Organization (UNIDO) and, with reference to its note No. CU 2005/3 of 18 January 2005, has the honour to submit the candidature of the President of the Court of Audit of Spain, Mr. Ubaldo Nieto de Alba, for the post of External Auditor of UNIDO for a two-year period starting from 1 July 2006. The required documentation is attached to this note verbale.

The candidate, as President of the Court of Audit of Spain—the supreme institution in its field, recognized in the Spanish Constitution, which guarantees its independence—has the highest level of professional competence and, in addition, substantial experience of auditing international organizations. Under the Presidency of Mr. Ubaldo Nieto, the Court has had experience with, inter alia, the European Fighter Aircraft (EFA) programme (North Atlantic Treaty Organization EFA Development Production and Logistics Management Agency—NEFMA), the European Molecular Biology Laboratory and the European Molecular Biology Conference, the Western European Union (WEU) and, since 1997, the European Organization for Nuclear Research (CERN).

The activities undertaken have earned the President of the Court of Audit a high level of prestige in Spain and well-deserved international recognition. He currently occupies the post of Secretary General of the European Organization of Supreme Audit Institutions (EUROSAI), whose permanent Secretariat is based at the Court of Audit. The Court is closely involved in cooperation among national supreme audit institutions and is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS).

The Court plays an important role in cooperation to strengthen national audit systems in developing countries and countries with economies in transition, in Ibero-America and central and eastern European countries.

The President of the Court of Audit would bring to UNIDO expertise specifically suited to the Organization’s needs, since the Court’s audit system is fully consistent with international rules and accepted auditing principles and makes full use of best practices. In particular, he would bring suitable experience for constructive dialogue within the institution being audited, in accordance with UNIDO requirements, because the procedure followed in UNIDO is the same as that used by the Court of Audit in conformity with Spanish law.

The activities undertaken by Mr. Ubaldo Nieto as President of the Court of Audit would bring to UNIDO a perspective that is particularly well placed to strengthen the confidence of the Organization in its technical and financial systems. The expertise of Mr. Nieto would bring to the UNIDO audit system a high level of technical and professional quality. In order to perform his functions, he would draw on the expertise of a top-level team that specializes in international organizations and is highly cost-effective.

The President of the Court of Audit would bring to UNIDO expertise specifically suited to the Organization’s needs, since the Court’s audit system is fully consistent with international rules and accepted auditing principles and makes full use of best practices. In particular, he would bring suitable experience for constructive dialogue within the institution being audited, in accordance with UNIDO requirements, because the procedure followed in UNIDO is the same as that used by the Court of Audit in conformity with Spanish law.
The Permanent Mission of Spain avails itself of this opportunity to renew to the United Nations Industrial Development Organization the assurances of its highest consideration.

[Initialled]
[Stamp of the Permanent Mission of Spain to the International Organizations in Vienna]

Vienna, 21 February 2005

United Nations Industrial Development Organization
Vienna

D. Communication concerning the candidature of
Ms. Eva Lindström, Auditor General of Sweden

Fax Riksrevisionen
The Swedish National Audit Office
February 21, 2005  9 pages (including this page)

UNIDO Fax: +43 1 26026-6874
Ms. Jeannine Orlowski

INT Magnus Gimdal Phone: +46 8 5171 4193

Proposal for appointment of External Auditor
(Ref. CU 2005/3)

With reference to UNIDO’s invitation regarding the proposal for appointment of an External Auditor for the period July 2006/June 2008, the Swedish National Audit Office (SNAO) is pleased to inform the Director-General of its interest in the post.

Please find enclosed the form provided by UNIDO and filled out by SNAO, as well as the curriculum vitae of the candidate, Auditor General Ms. Eva Lindström. In order to comply with UNIDO’s request not to attach additional documents to this proposal, SNAO will separately submit reference documents via regular mail, to be accessible for any further deliberations by UNIDO. Curricula vitae of the proposed audit team will also be submitted separately.

Yours sincerely,

[Signed]

Magnus Gimdal

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[Nybrogatan 55]
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