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## **Industrial Development Board**

### **Forty-fifth session**

Vienna, 27-29 June 2017

Item 10 of the provisional agenda

### **UNIDO Independent Audit Advisory Committee**

## **UNIDO Independent Audit Advisory Committee**

### **Report by the Director General**

The present document provides information on the Independent Audit Advisory Committee in accordance with decision IDB.44/Dec.4.

## **I. Overview**

1. The Independent Audit Advisory Committee (the “Audit Committee”) is an advisory committee established pursuant to Rule 63 of the Rules of Procedure of the Industrial Development Board to advise the Board and the Director General on issues within the Audit Committee’s mandate.
2. Following the Board’s adoption of the terms of reference in decision IDB.44/Dec.4, the Secretariat drafted the procedure for selection of members to the Audit Committee as well as the call for nominations. In line with paragraph 6 of the terms of reference, the call for nominations for positions on the Audit Committee was issued to Permanent Missions on 13 February 2017. It was also posted on the UNIDO website and other relevant social media groups.
3. A briefing for Permanent Missions was held on 27 February 2017, at which the draft procedure (attached in the annex) was endorsed and the proposed timeline for the future milestones was agreed.
4. By the closing date for expressions of interests, 40 applications were received, including one nomination proposed by a Member State. During the initial screening, the candidates were evaluated against the following criteria: professional qualification in audit, accounting, finance and academic qualification; functional experience in audit, accounting, finance and risk management; organizational experience in international, United Nations, government and/or private sector organizations; and current or previous experience with and/or membership of audit committees. Following this, ten candidates, i.e. two top-ranked candidates from each of the regional groups, were identified for telephone interviews. Subsequent to

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discussions with the selection panel, the number of candidates for telephone interviews was increased to 15, i.e. the three top-ranked candidates from each of the regional groups.

5. As shown in the table below, the members of the selection panel included the President of the Industrial Development Board, a representative from each regional group and representatives of the Director General.

Ambassador Angara Collinson (Philippines)	Board President
Ambassador Faouzia Mebarki (Algeria)	Africa Group
Mr. Altamash Wazir Khan, Counsellor (Pakistan)	Asia-Pacific Group
Ambassador Pilar Saborio de Rocafort, Ambassador (Costa Rica)	GRULAC
Mr. Gregory V. Mikhno, Deputy Permanent Representative (Russian Federation)	States in List D
Mr. Servatius van Thiel, Minister Counsellor (European Union delegation)	WEOG
Mr. Sichun Wang, Chief of Cabinet	Director General representative
Ms. Fatou Haidara, Managing Director, Policy and Programme Support	Director General representative

6. In line with paragraphs 5 and 6 of the procedure for selection of members to the Audit Committee, the telephone interviews took place on 4 April 2017 and the shortlist of recommended candidates was presented to the Enlarged Bureau of the Board on 25 April 2017 for consideration.

7. Based on paragraph 6 of the terms of reference of the Audit Committee, and paragraph 7 of the procedure for selection of members to the Audit Committee, the final list of candidates is hereby submitted by the Enlarged Bureau to the Board for approval. The relevant summary curriculum vitae will be provided in a conference room paper.

Mr. Elmar Vinh-Thomas (South Africa)	Africa Group
Mr. S. Lakshman Athukorala (Sri Lanka)	Asia-Pacific Group
Mr. Fernando Nikitin (Uruguay)	GRULAC
Mr. Nikolay V. Chulkov (Russian Federation)	States in List D
Ms. Yuko Keicho (Japan)	WEOG

8. The following promising candidates who were not selected in the current process are retained in a roster to be considered for future vacancies.

Mr. Tijani C, Bouraoui (Tunisia)	Africa Group
Mr. Subhash K. Gupta (India)	Asia-Pacific Group
Mr. Michael N. Parker (Jamaica)	GRULAC
Mr. Gabor Amon (Hungary)	States in List D
Mr. Carsten Meyer (Germany)	WEOG

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## II. Action required of the Board

9. The Board may wish to consider adopting the following draft decision:

“The Industrial Development Board:

(a) Takes note of the report on the Independent Audit Advisory Committee (IDB.45/15);

(b) Appoints the five members listed in paragraph 7 of document IDB.45/15 to the Audit Committee to serve for a period of three years, in line with the provisions made in the terms of reference of the Audit Committee on the members’ term of office (decision IDB.44/Dec.4, para. 7);

(c) Recommends that, in line with the above-mentioned provisions, in order to maintain continuity in the Audit Committee, membership is staggered for the second three-year term by allowing two members to serve the entire second term and three members to serve only two years. The members who shall serve three or two years shall be determined by drawing lots among the five members, on the understanding that those members who leave the Audit Committee before the end of the second term would be replaced by a candidate from the same regional group, retained in the roster for future vacancies.”

## Annex

### **Procedure for selection of Members to the Independent Audit Advisory Committee**

1. The Independent Audit Advisory Committee was established by the Industrial Development Board in its decision IDB.44/Dec.4 as a subsidiary organ to the Board in line with rule 63 of the Rules of Procedures. In line with paragraph 6 of the terms of reference endorsed by the Board in the same decision, “the Director General will provide an open call for nominations to the Audit Committee, including but not limited to, Member States. Following consultations with Member States, the Enlarged Bureau shall submit to the Board a non-exhaustive list of possible candidates for membership in the Audit Committee.” The Board also invited the Director General to “consult with Member States on the procedure for selection of members to the Audit Committee, so as to prepare for the submission of candidates to the forty-fifth session of the Board.”
2. The Director General shall:
  - (a) Invite UNIDO Member States to nominate individuals who possess the required qualifications and experience as specified in the terms of reference;
  - (b) Place on the intranet, extranet, and website of UNIDO, as well as in social media, a call for expression of interest from suitably qualified and experienced individuals.
3. After the closing date, an initial screening will be conducted by representatives of the Department of Human Resources Management (HRM) and the Office of Independent Evaluation and Quality Monitoring (EVQ), with the Office of Internal Oversight (IOE) providing an advisory role, to reduce the number of candidates focusing primarily on relevant education, qualifications and senior level experience.
4. The representatives of HRM and EVQ, with IOE in an advisory role, shall evaluate the applications of the remaining candidates using the following criteria: financial, accounting and audit qualifications; oversight, risk management and managerial experience at a senior level; international, United Nations, public or private sector experience.
5. The identified candidates will be invited for a telephone conference by a selection panel comprising of the President of the Industrial Development Board, a representative nominated per regional group and two senior UNIDO officials as nominated by the Director General.
6. The short-listed candidates — minimum of three, shall be presented to the Enlarged Bureau of the Industrial Development Board for consideration.
7. The final list of proposed candidates, is submitted to the Board by the Enlarged Bureau for approval, including each candidate’s summary curriculum vitae, containing name, gender, nationality, region, qualifications and professional experience.
8. Qualified and promising candidates with the necessary skills who are not appointed in the process shall be retained in a roster for consideration in future vacancies.
9. During the entire selection process, due consideration is given to the principle of equitable geographical representation and gender balance among Audit Committee members, as well as ensuring a balanced and complementary mix of relevant skills between the members of the Audit Committee.

*Note:* In each step of the process appropriate documentation shall be prepared and retained by the Secretariat for review and/or audit by the External Auditor.