



**ASSEMBLY — 36TH SESSION**

**ADMINISTRATIVE COMMISSION**

**Agenda Item 58: Appointment of External Auditor**

**APPOINTMENT OF THE EXTERNAL AUDITOR OF ICAO  
FOR THE FINANCIAL YEARS 2008, 2009 AND 2010**

(Presented by the Council of ICAO)

**EXECUTIVE SUMMARY**

This paper provides information on the results of the review, by the Working Group of the Council, of the nominations received from Contracting States for the position of External Auditor of ICAO.

This paper recalls the action taken by the 35th Session of the Assembly regarding the appointment of the External Auditor for the external audit of the Organization's accounts for the financial years 2005, 2006 and 2007. It reports on the action taken by the Council to appoint the External Auditor for the accounts of the financial years 2008, 2009 and 2010, for confirmation by the Assembly.

**Action:** The Assembly is invited to:

- a) confirm the appointment of Mr. Philippe Séguin, the First President of the Cour des comptes of France as ICAO's External Auditor for the accounts of the financial years 2008, 2009 and 2010; and
- b) consider and approve the attached draft Assembly Resolution.

<i>Strategic Objectives:</i>	This paper relates to Supporting Implementation Strategy 4. This paper does not relate to any Strategic Objective.
<i>Financial implications:</i>	The costs of the services of the External Auditor for the next triennium will be U.S.\$ 690 000 and has been provided for in the Budget for 2008-2009-2010.
<i>References:</i>	A33-WP/29, P/6 Doc 9790, <i>Assembly Resolutions in Force</i> (as of 5 October 2001) Doc 7515/12, <i>The ICAO Financial Regulations</i>

## **1. INTRODUCTION**

1.1 Article XIII of the revised Financial Regulations provides that the Council shall appoint an External Auditor, subject to confirmation by the Assembly.

## **2. BACKGROUND**

2.1 In Assembly Resolution A35-31, the Assembly confirmed the action taken by the Council to appoint Mrs. Sheila Fraser, the Auditor General of Canada, as the External Auditor for the accounts of the financial years 2005, 2006 and 2007 in accordance with Financial Regulation 13.1. The Auditor General of Canada has been ICAO's External Auditor since 1 January 1952. In many occasions, it was noted that the services of the External Auditor were entirely satisfactory and the Assembly has periodically expressed its gratitude to the Auditor General of Canada for the high quality of the work performed and for the effective and cooperative assistance to the officials and organs of ICAO. Nonetheless, in a letter dated 20 November 2006, Mrs. Sheila Fraser, Auditor General of Canada indicated that it was not her intention to stand for another term.

2.2 The Council, at its 4th meeting of the 176th Session, approved the recommendations of the Finance Committee concerning the term of appointment of the External Auditor and limitation thereto. Commencing from the 2008 to 2010 term, the External Auditor be selected on a competitive basis and be appointed for a fixed term of three years with the possibility of one extension, the term of appointment being limited to a maximum of six years and that every three years the Council review the appointment of the External Auditor against established criteria. At that meeting, the Council also requested the Secretary General to invite nominations from Contracting States for the audit of the annual accounts of the financial statements for the financial years 2008, 2009, 2010 and decided to use the same procedures for the evaluation and selection of the External Auditor as contained in C-WP/11972 and approved in C-DEC 168/4.

## **3. ACTION TAKEN**

3.1 In October 2006, a State letter was issued asking for nominations for the position of ICAO's External Auditor for the financial years 2008, 2009, and 2010. Nominations were received from four States. Three applications have been evaluated by a working group of the Council on the basis of the criteria approved by the Council. The fourth nomination has not been evaluated since it was dated and received after the closing date established in the State letter.

## **4. APPOINTMENT BY THE COUNCIL**

4.1 The Council reviewed the evaluation of the nominations at its 16th meeting of the 181st session. Taking into consideration the quality of services proposed by nominees and the cost of the audit services, the Council approved the appointment of Mr. Philippe Séguin, the First President of the Cour des comptes of France as the External Auditor of ICAO for the accounts of the financial years 2008, 2009, and 2010.

## **5. FINANCIAL IMPACT OF THE DECISION**

5.1 The cost of the services of the External Auditor for the next triennium will be U.S.\$ 690 000, and has been provided for in the Budget for 2008-2009-2010.

**APPENDIX**

**DRAFT RESOLUTION FOR ADOPTION BY THE 36TH SESSION OF THE ASSEMBLY**

Resolution 58/1

Appointment of the External Auditor

*The Assembly:*

1. *Notes that:*

- a) the Financial Regulations provide that, subject to confirmation by the Assembly, the Council shall appoint an External Auditor to the Organization; and
- b) the Council reviewed the nominations submitted by Contracting States in 2007 and approved the appointment of Mr. Philippe Séguin, the First President of the Cour des comptes of France, a member of the Panel of External Auditors of the United Nations and Specialized Agencies, as ICAO's External Auditor for the accounts of the financial years 2008, 2009 and 2010, in accordance with Financial Regulation 13.1.

2. *Expresses* its sincere appreciation to Mrs. Sheila Fraser, Auditor General of Canada, for her high quality of service to the Organization as its External Auditor and for her effective and cooperative assistance to the officials and organs of ICAO during her tenure of office and takes this opportunity to again express its sincere appreciation to her predecessors, also Auditors General of Canada; and

3. *Confirms:*

- a) the action taken by the Council in appointing Mr. Philippe Séguin, the First President of the Cour des comptes of France as ICAO's External Auditor for the accounts of the financial years 2008, 2009 and 2010.

- END -