

WIPO



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ASSEMBLIES OF THE MEMBER STATES OF WIPO

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AMENDMENT TO THE ANNEX TO THE WIPO FINANCIAL REGULATIONS ENTITLED "TERMS OF REFERENCE GOVERNING AUDIT"

Memorandum of the Director General

1. The WIPO Financial Regulations contain an Annex entitled "Terms of Reference Governing Audit".

2. The current wording of paragraph 5 of this Annex is as follows:

"The Auditor shall issue and sign a certificate on the financial statements in the following terms: 'I have examined the financial statements of WIPO and of the Unions administered by WIPO for the financial period ended December 31, 19... My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.'

and which states, as appropriate:

- (a) the financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended;

- (b) the financial statements were prepared in accordance with the stated accounting principles;
- (c) the accounting principles were applied on a basis consistent with that of the preceding financial period;
- (d) transactions were in accordance with the Financial Regulations and legislative authority.”

3. The Panel of External Auditors of the United Nations, Specialized Agencies and the International Atomic Energy Agency has recommended a revised text of the Audit Opinion, intended to reflect the requirements of the International Federation of Accountants (IFAC), International Standard on Auditing No. 13, which covers the auditor’s report on financial statements, to be adopted by each external auditor in the United Nations system. The Panel suggested that the precise and detailed wording of the audit opinion should rest with the external auditors but that the main elements of the audit opinion would be prescribed in the Additional Terms of Reference Governing External Audit annexed to each Organization’s Financial Regulations.

4. After consultations with the Organizations concerned, the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) of the Administrative Committee on Co-ordination has recommended that the revised text as proposed by the Panel of External Auditors be introduced within each Organization of the United Nations system.

5. In the case of WIPO that would imply replacing the present text of paragraph 5 of the Annex to the WIPO Financial Regulations entitled “Terms of Reference Governing Audit” with a new text, which would read as follows:

“The Auditor shall express and sign an opinion on the financial statements of WIPO. The opinion shall include the following basic elements:

- (a) the identification of the financial statements audited;
- (b) a reference to the responsibility of WIPO’s management and the responsibility of the 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; and

- (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 legislative authority;
- (g) the date of the opinion;
- (h) the Auditor's name and position; and
- (i) should it be necessary, a reference to the report of the Auditor on the financial statements."

6. Associated with this new text is a consequential change of a cross-reference in paragraph 8 of the said Annex which reads as follows:

"Whenever the scope of audit of the Auditor is restricted, or whenever the Auditor is unable to obtain sufficient evidence, he shall refer to the matter in his certificate and report, making clear the reasons for his comments and the effect on the financial position and the financial transactions as recorded."

The consequential change is that the word "certificate" is replaced by the word "opinion".

7. The WIPO Coordination Committee is invited to give its advice on the proposed new text of paragraph 5 of the Annex to the WIPO Financial Regulations entitled "Terms of Reference Governing Audit", and the General Assembly of WIPO and the Assemblies of the Paris, Berne, IPC, Nice, Locarno, Vienna, PCT, Madrid, Hague and Lisbon Unions are invited to adopt the said new text.

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