



**ОЗХО**

**Конференция государств-участников**

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**ЗАПИСКА ГЕНЕРАЛЬНОГО ДИРЕКТОРА**

**РЕЗЮМЕ КАНДИДАТУР  
НА ДОЛЖНОСТЬ ВНЕШНЕГО АУДИТОРА ОЗХО**

1. В своей записке S/506/2005/Rev.1 от 1 июля 2005 года Генеральный директор предложил государствам-участникам выдвинуть кандидатуры на должность Внешнего аудитора, который будет отвечать за проведение аудиторской проверки финансовых отчетов ОЗХО, ее финансовых операций и других вопросов, связанных с эффективным и действенным управлением ОЗХО, на срок от двух до шести лет начиная с финансового периода 2006 года.
2. На десятой сессии Конференции государств-участников (далее "Конференция") будет назначен новый Внешний аудитор, который заменит нынешнего аудитора, трехлетний срок службы которого истечет после завершения им аудиторской проверки за 2005 год.
3. К последнему сроку - 1 сентября 2005 года - в Технический секретариат (далее "Секретариат") кандидатуры на должность Внешнего аудитора поступили от четырех государств-участников: Бангладеш, Германии, Непала и Пакистана.
4. Как указано в вышеупомянутой записке Генерального директора, оценка кандидатур будет, в частности, основываться на следующих факторах:
  - a) степень соответствия предлагаемых услуг требованиям и критериям, изложенным в настоящей записке;
  - b) предшествующий опыт и показатели работы, связанной с аудиторской проверкой финансовых отчетов и административных операций национальных и международных организаций, аналогичных ОЗХО;
  - c) опыт и квалификация предлагаемой кандидатуры и сотрудников, которые будут участвовать в проведении аудиторских проверок ОЗХО; и
  - d) предполагаемая сумма денежного вознаграждения.



5. Согласно положению 13.1 Финансовых положений ОЗХО (документ C-I/DEC.3/Rev.1 от 2 декабря 2004 года) Внешний аудитор ОЗХО "должен быть Генеральным аудитором (или должностным лицом с равноценным званием) одного из государств-участников".
6. В приложении 1 к настоящей записке даются общие сведения о поступивших кандидатурах с учетом вышеупомянутых критериев оценки. В приложении 2 содержатся резюме каждой кандидатуры в следующей разбивке:
  - a) биография основного кандидата;
  - b) изложение концепции, которая будет применяться кандидатом при проведении аудиторской проверки ежегодных финансовых отчетов и административной деятельности ОЗХО; и
  - c) предполагаемая стоимость проведения аудиторской проверки и расчетное число дней ее проведения.
7. Генеральный директор настоящим представляет резюме кандидатур на рассмотрение десятой сессии Конференции.

Приложения (только на английском языке)

- Приложение 1: Overview of Nominations for External Auditor of the OPCW (Общие сведения о кандидатурах на должность Внешнего аудитора ОЗХО)
- Приложение 2: Summary of Nominations (Резюме кандидатур)

Annex 1

OVERVIEW OF NOMINATIONS FOR EXTERNAL AUDITOR OF THE OPCW

Details of Nominee, and Assessment Criteria	State Party			
	Bangladesh	Germany	Nepal	Pakistan
<b>Details of Nominee</b>				
<b>Name of institution</b>	Finance Division, Ministry of Finance (Supreme Audit Institution of Bangladesh)	<i>Bundesrechnungshof</i> (German Supreme Audit Institution)	Office of the Auditor-General of the Kingdom of Nepal	Auditor-General of Pakistan (supported by Pakistan Audit and Accounts Service)
<b>Title of principal nominee</b>	Comptroller and Auditor-General of Bangladesh	Vice-President of the <i>Bundesrechnungshof</i> <sup>1</sup>	Auditor-General of the Kingdom of Nepal	Auditor-General of Pakistan
<b>Location</b>	Dhaka, Bangladesh	Bonn, Germany	Kathmandu, Nepal	Islamabad, Pakistan
<b>Status of appointment</b>	Constitutional appointment	Federal authority independent of the federal executive and the legislature.	Constitutional appointment	Constitutional appointment
<b>National audit mandate</b>	Governments, agencies, and public accounts	Federal government and other national public bodies, and holdings in commercial enterprises	All offices of government, and state-owned commercial enterprises and corporations	National, provincial, and district governments, agencies, and corporate entities

<sup>1</sup> As noted above, unlike a Deputy Auditor-General in the Anglo-Saxon model of supreme audit institutions, the rank and function of the Vice-President of the *Bundesrechnungshof* are equal to those of the President as regards auditing matters.

Details of Nominee, and Assessment Criteria	State Party			
	Bangladesh	Germany	Nepal	Pakistan
<b>Details of Nominee, Continued</b>				
<b>Professional recognition</b>	Member of the Asian Organisation of Supreme Audit Institutions (ASOSAI)	Member of the International Organisation of Supreme Audit Institutions (INTOSAI) (President of the European regional working group)	Member of ASOSAI	Member of INTOSAI (member of the governing body of the Asian regional working group)
<b>Composition of primary audit team</b>	One team leader supported by three auditors	An audit manager and two senior auditors, overseen by an External Audit Director	Team of two auditors overseen by a team leader and an audit manager	One team leader supported by three auditors
<b>Proposed Audit Services</b>				
<b>Proposed scope of audits</b>	Examination of financial statements, management, value for money	Examination of financial statements, management, value for money	Examination of financial statements, management, value for money	Examination of financial statements, management, value for money
<b>Audit method</b>	Examination of financial statements; sampling of transactions; analytical review; performance testing; and system-based audit	Scrutiny of financial statements; examination of internal controls; sampling of transactions	Examination of financial statements through risk evaluation; compliance testing; substantive testing; sampling; programmatic reviews; analytical reviews; performance audit	Examination of financial statements; systems testing; compliance testing; substantive testing; risk-model analysis
<b>Nature of risk framework</b>	Substantive testing of predetermined statistical samples of classes of transactions; analytical review; systems testing	Analytical-audit procedures to identify strengths and weaknesses in controls; cooperation with the Office of Internal Oversight (OIO)	Analytical evaluation of risks associated with misstatements of accounts, and of internal controls	Testing of internal controls; substantive testing of transactions; review of OIO reports

Details of Nominee, and Assessment Criteria	State Party			
	Bangladesh	Germany	Nepal	Pakistan
<b>Proposed Audit Services, Continued</b>				
<b>Professional standards</b>	International Auditing Standards, INTOSAI Auditing Standards, and requirements of the Panel of External Auditors of the United Nations (UN)	Internationally recognised auditing standards, especially those of the Panel of External Auditors of the UN	INTOSAI Auditing Standards	INTOSAI Auditing Standards, and requirements of the Panel of External Auditors of the UN
<b>Reporting</b>	Audit report and opinion on important findings, observations, and recommendations	Audit opinion and long-form report on findings, observations, and recommendations	Preliminary and final audit reports, as well as long-form report on observations and recommendations (with management comments)	Audit report and opinion on observations and recommendations regarding financial management and controls as per OPCW Financial Regulations
<b>Recent Audit Performance and Achievements of the Audit Institution</b>				
<b>International organisations</b>	Has audited the accounts of the Organization of the Islamic Conference, the South Asian Association for Regional Cooperation, and the International Tourism Organisation; member of the UN Board of Auditors from 1978 to 1984	Member of the UN Board of Auditors from 1989 to 1992; extensive recent experience in auditing European multilateral organisations; External Auditor of the International Atomic Energy Agency (IAEA) since 2004, and of the United Nations Industrial Development Organization (UNIDO) from 1994 to 2002	External Auditor of INTOSAI, of the South Asian Association for Regional Cooperation, and of foreign-aid projects	External Auditor of the OPCW from 2003 to 2005, and of the Preparatory Commission for the OPCW from 1993 to 1997; External Auditor for numerous regional cooperative bodies; considerable exposure to the auditing of various international organisations

Details of Nominee, and Assessment Criteria	State Party			
	Bangladesh	Germany	Nepal	Pakistan
<b>Relevant Experience and Capabilities</b>				
<b>Experience of principal</b>	Comptroller and Auditor-General of Bangladesh since 2003; Controller of General Accounts from 1998 to 2000 and in 2002 and 2003; Additional Director-General for Finance, Bangladesh Railways; Director-General, Bangladesh Financial Management Academy, from 1992 to 1997 and again in 1997 and 1998	Vice-President of the German Supreme Audit Institution since 2002; from 1998 to 2002, member of the German Federal Parliament and of a number of committees, including the Public Accounts Committee; currently External Auditor of the IAEA; previously External Auditor of UNIDO	Auditor-General since 2003; 37 years' audit experience within the Nepalese Government; Financial Comptroller-General of Nepal from 1992 to 1994, and Member Secretary of the Irregularities Committee from 1996 to 2002	Auditor-General since July 2002; 36 years' public service as a professional auditor and senior administrator; Finance Secretary of Pakistan from 2000 to 2002; Vice-Chairman of the Export Promotion of Bureau of Pakistan from 1996 to 1998
<b>Qualifications and recent experience of audit leader</b>	Post-graduate qualifications; professionally recognised; Controller General, Defence Finance; Deputy Comptroller and Auditor-General	Degree-qualified; lead auditor for the external audit of the IAEA and UNIDO; audit of the UN Office at Vienna and of the UN Relief and Works Agency	Post-graduate qualifications; head of the Performance Auditing Division; 24 years' experience with the Office of the Auditor-General; chartered accountant	Post-graduate qualifications; Accountant-General in the office of the Auditor-General of Pakistan; experience in performance evaluation and performance audits
<b>Qualifications and recent experience of team members</b>	Post-graduate qualifications; professionally recognised; audits of national agencies and foreign-aid projects	Degree-qualified; senior auditors for the external audit of the IAEA and UNIDO; former staff member with UN Internal Audit	Post-graduate qualifications; professionally recognised; training specialists; audit of government agencies and foreign-aid projects	Post-graduate qualifications; professionally recognised; audits of the OPCW

Details of Nominee, and Assessment Criteria	State Party			
	Bangladesh	Germany	Nepal	Pakistan
<b>Estimated Cost to the OPCW (2006)</b>				
Estimated attendance (person days)	319	180	105	105
Proposed audit fee	-	60,700	60,000	-
<b>Estimated Cost to the OPCW (2006), Continued</b>				
Estimated travel	7,706	4,660	11,880	14,500
Estimated subsistence	89,236	49,640	30,004	49,500
<b>Total cost</b>	<u>96,942</u>	<u>115,000</u>	<u>101,884</u>	<u>64,000</u>
<b>Future increases</b>	No increase in audit fee for 2007	No increase in audit fee for 2007	No increase in audit fee for 2007	No increase in audit fee for 2007

## Annex 2

### SUMMARY OF NOMINATIONS

#### BANGLADESH

##### **Curriculum vitae of the principal nominee**

**Mr Asif Ali** was appointed Comptroller and Auditor-General of Bangladesh in January 2003. He obtained his Master's degree in Political Science from Dhaka University in 1967.

Mr Ali's prior experience includes work in all areas of the Accounts and Audit Department, namely Civil Accounts, Military Accounts, Railway Accounts, Audit Directorates, the Training Academy, and the Office of the Comptroller and Auditor-General. He held the post of Controller General of Accounts from 1998 to 2000 and from 2002 to December 2003. In this post he was responsible for maintaining and compiling the accounts of the Government of Bangladesh. From 2000 to 2002, Mr Ali was Additional Director-General (Finance) in charge of Railway Finance, where he handled the special assignments of clearing the railway suspense accounts and minimising the railway suspense budget.

Mr Ali was appointed the first Director-General of Bangladesh's Financial Management Academy in 1997. The Academy has a mandate to train all government officials in financial-management subjects.

##### **Details of the approach the nominee would take to auditing the OPCW's annual financial statements and administrative activities**

###### Proposed scope of audits

- a) The financial statements of the OPCW comprising the regular budget, special accounts, and trust funds, as well as the Provident Fund of the OPCW, will be audited.
- b) The audit will evaluate the appropriateness of the accounting policies used by the OPCW and the reasonableness of the accounting estimates and disclosures contained in the OPCW's financial statements.
- c) The OPCW's books of accounts and records, including the books and records of all trust and special funds, will be examined and checked.
- d) Annual audits of the OPCW's financial statements will be conducted in line with the auditing standards of the INTOSAI, the International Standard on Auditing, and the common auditing standards issued by the Panel of External Auditors of the UN, the specialised agencies, and the IAEA.



- e) The audit will include value-for-money examinations and the results of these will form part of the annual audit report.
- f) The audit report and opinion will be accompanied by important findings, observations, and recommendations.

#### Proposed audit approach and methods

- a) The audit examination of the financial statements will be carried out through a direct approach in which substantive testing will be conducted on a statistical sample of transactions from the important areas of accounts.
- b) An analytical review will be conducted of important areas of accounts.
- c) Performance testing will be carried out against predetermined indicators.
- d) A system-based audit will be conducted to test the strength and effectiveness of existing systems in delivering the predetermined objectives of the OPCW.

#### Professional standards to be applied to audits

The audit will be based on the auditing standards of INTOSAI.

#### **Proposed audit fees and estimated total number of audit days**

The following table maintains travel and subsistence costs at 2006 prices for ease of comparison.

<b>Year</b>	<b>Audit Days</b>	<b>Audit Fee</b>	<b>Travel and Subsistence Costs</b>	<b>Total Costs</b>
2006	319	-	96,942	96,942
2007	319	-	96,942	96,942
2008	319	-	96,942	96,942

## GERMANY

### Curriculum vitae of the principal nominee

**Mr Norbert Hauser** was appointed Vice-President<sup>2</sup> of the German Supreme Audit Institution (*Bundesrechnungshof*) in 2002. He obtained his university degree in Law from the University of Bonn in 1979. From 1979 to 1981, Mr Hauser was the Federal Managing Director of the Medium-Sized Businesses Association, and was a practising lawyer from 1981 to 2002. From 1998 to 2002, he was a member of the German Federal Parliament and served as a member of various government committees such as the Public Accounts Committee, the Education and Research Committee, and the Investigations Committee on Donations to Political Parties.

Mr Hauser was appointed External Auditor of the UNIDO, and his appointment ended on 30 June 2002. Subsequently, on 1 July 2004, he took over the mandate as External Auditor of the IAEA.

### Details of the approach the nominee would take to auditing the OPCW's annual financial statements and administrative activities

#### Proposed scope of audits

- a) The financial statements of the OPCW (comprising the regular budget, special accounts, and trust funds) and the Provident Fund of the OPCW will be audited in accordance with Article 13 of the OPCW's Financial Regulations and the terms of reference governing external audit.
- b) The audit will include an evaluation of the appropriateness of the accounting policies used by the OPCW and of the reasonableness of the accounting estimates and disclosures contained in its financial statements.
- c) The External Auditor's report and opinion will be accompanied by a long-form report setting out the findings, observations, and recommendations concerning any material weaknesses in the design and implementation of internal controls.
- d) Management and value-for-money examinations will be included in the annual audits of the OPCW's financial statements.

#### Proposed audit approach and methods

##### *Financial audit*

The primary aim of the financial audit will be to assess whether financial statements fairly present the position at the end of a financial period, and whether the statements have been

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<sup>2</sup> As noted above, unlike a Deputy Auditor-General in the Anglo- Saxon model of supreme audit institutions, the rank and function of the Vice-President of the Bundesrechnungshof are equal to those of the President as regards auditing matters.

prepared in accordance with the relevant accounting guidelines and policies, applied on a basis consistent with that of the preceding financial period.

The financial audit will be based on analytical audit procedures. This includes detailed scrutiny of the financial statements, an examination of the OPCW's system of internal controls, and sample testing of transactions and vouchers.

The financial audit is normally supported by commercial audit software called "WinIDEA", which generates financial statements from the general ledger. If the software produces the same results as the OPCW's finance system, savings will be made.

#### *Performance audit*

A performance audit covering management and value-for-money examinations will be conducted. Areas of high financial impact and high risk for the OPCW will be identified. Recommendations will be made on issues that affect the OPCW's performance, such as the accuracy of information, operational effectiveness and efficiency, and organisational management. The performance audit will cover the whole range of the OPCW's activities. To make the audit as efficient as possible, the support of Auditors-General of States Parties would be requested should special examinations in the fields of operations be necessary.

The overall ratio between performance and financial audit will be about half and half. Accordingly, half of the audit team has a financial, the other half an economics, background.

#### *Risk assessment*

The strengths and weaknesses of controls within the OPCW's financial systems would be assessed in order to determine the likelihood that material error would occur. The results of the assessment would help to determine the level of audit evidence needed to support the audit opinion, to concentrate efforts on high-risk areas, and to improve the cost-effectiveness of audit testing.

#### Professional standards to be applied to audits

The audit will be carried out in accordance with internationally accepted audit standards, especially those of the Panel of External Auditors of the UN, which were tailored to the special circumstances of UN organisations. Those are based on the INTOSAI standards, with reference to the standards of the International Federation of Accountants. For financial audit, the UN System Accounting Standards adopted by the Panel of External Auditors of the UN will be applied.

**Proposed audit fees and estimated total number of audit days**

The following table maintains travel and subsistence costs at prices for 2006 for ease of comparison.

<b>Year</b>	<b>Audit Days</b>	<b>Audit Fee</b>	<b>Travel and Subsistence Costs</b>	<b>Total Costs</b>
2006	180	60,700	54,300	115,000
2007	180	60,700	54,300	115,000

## NEPAL

### **Curriculum vitae of the principal nominee**

**Mr Gehendra Nath Adhikary** was appointed Auditor-General of Nepal on 22 August 2003. He has experience in the field of audit with the Government of Nepal starting in 1968, mostly with the Office of the Auditor-General.

Mr Adhikary retired from the Office of the Auditor-General where he had held the post of Assistant Auditor-General in 1992. He then worked as Financial Comptroller-General of Nepal from 1992 to 1994. From 1996 to 2002 he was a Member Secretary of the Irregularities Clearance Committee, which was chaired by a member of the Public Accounts Committee of the House of Representatives (Parliament).

### **Details of the approach the nominee would take to auditing the OPCW's annual financial statements and administrative activities**

#### Proposed scope of audits

The audit will aim to express an opinion on the financial statements of the OPCW and its special accounts, the Provident Fund, and trust funds, as to whether they are presented fairly in all material respects.

The audit will include an analysis of the appropriateness of the accounting policies used by the OPCW and the reasonableness of the accounting estimates and disclosures contained in its financial statements, and its performance of its major activities, based on performance audits. The audit observation will be issued based on a performance-based, long-form report on the processes and performance of the OPCW.

#### Proposed audit approach and methods

##### *Planning*

The planning of the audit activity will be done with a two-tier system. They are (a) strategic planning and (b) detailed planning.

At the *strategic planning* stage, an evaluation of the risks involved in various components of the financial statements of the OPCW will be conducted so that the business of the OPCW can be understood and so that a determination can be made about what specific areas are to be covered, and to what extent, at the time of the subsequent detailed planning. The risk evaluation will consist of three kinds of risk: inherent risk, control risk, and detection-audit risk.

Subsequently, the *detailed planning and preparation of the audit programme* involves a study of various activities of the OPCW, system testing, and sampling. During this stage, an analysis of the control environment and control procedures will be made. At the end of the

detailed-planning stage, an audit programme will outline step-by-step guidelines for field auditors to perform and conclude audit activities in relation to various components of the OPCW's financial statements.

#### *Field activity*

In line with the audit programme, various tests will be performed, such as compliance tests with respect to systems and procedures, internal-control mechanisms, and rules and policies of the OPCW, as well as substantive checks of transactions based on documents, books, and records. During checks of these kinds, a performance evaluation of the OPCW's activities will be conducted to ascertain whether they are performed in such a way as to achieve the preset indicators.

#### *Programmatic review*

The audit will include an assessment of the use of the OPCW's funds to perform activities, based on value-for-money audit procedures, including the physical verification of fixed assets, cash, and inventories, and actual observation of programme activities carried out by the OPCW.

#### *Reporting*

A draft report will be issued for comments by the OPCW's management. A meeting will be conducted to dispose of issues in the draft report on the basis of information made available and clarifications offered. The preliminary report will include observations and recommendations in respect of weakness in internal controls, of compliance with policies, rules, and regulations, and of the performance achievement of the OPCW.

The External Auditor's report and opinion on the financial statements will be accompanied by a long-form report with management comments.

#### Professional standards to be applied to audits

The audit will be based on INTOSAI auditing standards.

#### **Proposed audit fees and estimated total number of audit days**

The following table maintains travel and subsistence costs at prices for 2006 for ease of comparison.

<b>Year</b>	<b>Audit Days</b>	<b>Audit Fee</b>	<b>Travel and Subsistence Costs</b>	<b>Total Costs</b>
2006	105	60,000	41,884	101,884
2007	105	60,000	41,884	101,884
2008	105	60,000	41,884	101,884

## PAKISTAN

### **Curriculum vitae of the principal nominee**

**Mr Muhammad Yunis Khan** took his oath as the 15<sup>th</sup> Auditor-General of Pakistan for a five-year term on 20 July 2002. As the head of the Supreme Audit Institution of the country, he is constitutionally mandated to report to the legislature on the financial operations of the federal, provincial, and district governments.

Mr Khan has been an External Auditor of the UN, Finance Secretary to the Government of the North West Frontier Province, and Vice-Chairman of the Export Promotion Bureau of Pakistan. Immediately before his appointment as the Auditor-General of Pakistan, he was the Finance Secretary to the Government of Pakistan, and was part of the economic team that brought about macro-economic stability through comprehensive fiscal reforms in Pakistan. Mr Khan is currently External Auditor of the OPCW. His current three-year appointment will expire when he completes his audit of the OPCW's financial statements for 2005.

### **Details of the approach the nominee would take to auditing the OPCW's annual financial statements and administrative activities**

#### Proposed audit approach and methods

The audit approach will be determined by the following broad parameters:

*Statutory objectives*, which arise from the requirements of the Financial Regulations of the OPCW pertaining to External Audit (Article 13), and the additional terms of reference governing the external audit of the OPCW;

*Organisational environment*, which emerges from the full range of operations of the OPCW and the procedures, policies, and practices adopted by it; and

*Portfolio of audit interventions*, which will be selected so as to achieve an optimal balance among financial attest, regularity, and value-for-money audits considered most appropriate to meet statutory objectives.

The Auditor-General will determine the most suitable audit approach for the value-for-money audit. Generally, the approach will include:

- testing the validity of key controls, systems, and operations;
- collecting necessary data and documents, developing a preliminary survey report, and formulating tentative audit objectives;
- reviewing systems related to human resources, management information, procurement, contract, inventory, and assets;
- validating information and discussing it with target groups;
- applying suitable statistical, financial, and other quantitative techniques to the available data; and
- formulating tentative findings and discussing these with management.

Professional standards to be applied to audits

The Auditor-General will perform the audit of the OPCW's accounts in compliance with the OPCW's financial regulations and the additional terms of reference governing the audit of the OPCW and the UN System Accounting Standards.

For the audit of the OPCW, the Auditor-General will take into account:

- the Common Auditing Standards and Auditing Guidelines issued by the Panel of External Auditors of the UN and its specialised agencies;
- INTOSAI auditing standards;
- the Auditing Standards of the International Federation of Accountants; and
- International Accounting Standards.

**Proposed audit fees and estimated total number of audit days**

The following table maintains travel and subsistence costs at prices for 2006 for ease of comparison.

<b>Year</b>	<b>Audit Days</b>	<b>Audit Fee</b>	<b>Travel and Subsistence Costs</b>	<b>Total Costs</b>
2006	105	-	64,000	64,000
2007	105	-	64,000	64,000
2008	105	-	64,000	64,000