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**Executive Board  
Third Regular Session**

**Rome, 22–26 October 2001**

# **FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 5**

***For approval***

# **E**

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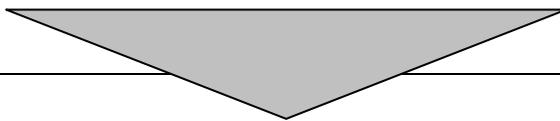
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## **APPOINTMENT OF THE EXTERNAL AUDITOR OF WFP FOR 2002–2005: FINAL REPORT OF THE EVALUATION PANEL**

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# Note to the Executive Board



**This document is submitted for approval to the Executive Board.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, who assisted the Evaluation Panel, preferably well in advance of the Board's meeting.

Director, Office of Internal Audit (OEDA): Mr D. Nelson      tel.: 066513-2045

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# Executive Summary

Since 1997, the Executive Board has worked on the preparatory process and procedures for the appointment of the External Auditor of WFP for 2002–2005. This paper presents the recommendation of the Evaluation Panel designated formally by the Board.

The Bureau of the Board initiated the tender process in July 2000, inviting proposals from eligible state auditors of State Members of the United Nations or the Food and Agriculture Organization (FAO). In October 2000, in accordance with the procedures approved by the Board, the Bureau constituted itself as an Evaluation Panel to perform the technical and financial evaluation of the proposals received. In May 2001, the shortlisted candidates made oral presentations to the Evaluation Panel in Rome.

The Evaluation Panel then analysed and reviewed the summary of scores it had awarded to the candidates. The total resulted in two candidates with very close highest scores. The United Kingdom Comptroller and Auditor General obtained the highest score, of 881.4 on a scale of 1,000, and the Comptroller and Auditor General of India came in second, with 880.5.

Adopting the rating system approved by the Board, the Evaluation Panel agreed to recommend the first candidate. They also agreed to disclose to the Board the second candidate because of the negligible score differential.



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## BACKGROUND

1. Since 1997, the Executive Board has worked on the preparatory process for the appointment of the External Auditor of WFP for 2002–2005. Over the last four years, the Board:
  - decided that the appointment of the External Auditor of WFP would be based on competitive selection from proposals of eligible external auditors, and that the Bureau of the Board would establish the procedures and oversee the selection process (decision 1997/EB.3/7);
  - approved procedures and criteria for the selection (decision 1998/EB.1/2);
  - approved the time frame and rating system for the evaluation of proposals (decision 2000/EB.A/7); and
  - designated formally an Evaluation Panel (consisting of the members of the Bureau of the Board elected in 2000, the year that the evaluation process was initiated), defining also its chair, quorum, mandate and reporting, for the evaluation and shortlisting of proposals (decision 2001/EB.1/5).
2. At the Board's Annual Session of 2001, the Evaluation Panel submitted an Information Note to indicate that the solicitation of comments from the FAO Finance Committee and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) would take place after the candidates had made oral presentations (WFP/EB.A/2001/INF/8).
3. This paper presents to the Board, for approval, the recommendation of the Evaluation Panel for the appointment of the External Auditor of WFP for 2002–2005.

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## THE TENDER PROCESS AND THE TECHNICAL AND FINANCIAL EVALUATION

4. The Bureau that was elected in 2000 invited 164 proposals from eligible state auditors of State Members of the United Nations or FAO. The invitations were issued on 7 July 2000, and the deadline for a reply was 29 September 2000, at 16.00 hours, Rome time.
5. In accordance with the procedures approved by the Board, the Bureau constituted itself as an Evaluation Panel, and met on 13 October 2000 to open the proposals received. Though nine were submitted, the Evaluation Panel invalidated two that were received after the deadline. The Panel then unsealed and validated the seven remaining technical proposals.
6. After reviewing the technical proposals, the Evaluation Panel met on 11 December 2000 to discuss each proposal and award technical scores to the candidates. On this same date, the Panel unsealed and validated the seven candidates' financial proposals.



7. On 19 December 2000, the Evaluation Panel met to discuss the financial proposals and awarded scores to the candidates.
8. The Evaluation Panel met again on 19 March 2001 to review the total technical and financial scores they had awarded to the seven candidates, applying the rating system approved by the Board. The Panel concluded that the four candidates with the highest scores had the greatest potential of being selected. Those four were then shortlisted and invited to Rome to make oral presentations.

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## THE ORAL PRESENTATION EVALUATION

9. In preparation for the oral presentations, the members of the Evaluation Panel reviewed issues and areas that they felt required further clarification and information from the candidates. The Panel met on 7 May 2001 to review and discuss the questions they had prepared, and to finalize the structure of the oral presentations.
10. The four shortlisted candidates made their oral presentations individually to the Evaluation Panel on 8 May 2001. The Panel asked further questions, as necessary, to seek clarification on the presentations and the replies provided.
11. On 9 May 2001, the Evaluation Panel met and awarded scores on the oral presentations.

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## THE FINAL OVERALL RATING

12. The Evaluation Panel met on 24 May 2001 to determine the final overall rating. On a scale of 1,000, the United Kingdom Comptroller and Auditor General (UK) obtained the highest score, of 881.4, and the Comptroller and Auditor General of India (India) came in second, with 880.5. The Evaluation Panel reviewed at length the overall summary, and noted that the scores between these two candidates were very close.
13. The Evaluation Panel met again on 6 July 2001 to finalize its recommendation. Adopting the rating system approved by the Board, the Panel agreed that it would recommend the first candidate. However, since the Panel felt that the score differential was negligible, they also agreed to disclose to the Board the second candidate.

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## RECOMMENDATION

14. The Evaluation Panel recommends that the Board appoint the United Kingdom Comptroller and Auditor General as the External Auditor of WFP for 2002–2005 on the basis that this candidate achieved the highest overall score.

