

Council

C/59/18

Fifty-Ninth Ordinary Session
Geneva, October 24, 2025

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PROCEDURE ON THE APPOINTMENT OF THE EXTERNAL AUDITOR

Document prepared by the Office of the Union

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EXECUTIVE SUMMARY

1. UPOV and WIPO (World Intellectual Property Organization) have a long and close cooperation, under which WIPO provides administrative support to UPOV. Both organizations require an External Auditor to audit their financial accounts and ensure compliance with the financial regulations. To appoint the same External Auditor for both organizations ensures cost-efficiency and minimizes resource implications.
2. Under the UPOV Financial Regulations and Rules, the UPOV Council designates the External Auditor appointed by the General Assembly of WIPO, unless the WIPO External Auditor is not from a member State of UPOV.
3. The UPOV Council, on October 25, 2024, due to the extraordinary and exceptional circumstances that no External Auditor of UPOV member States, that were consulted, expressed an interest to audit the UPOV accounts, designated the Audit Board of Indonesia as the UPOV External Auditor to audit the UPOV accounts for the calendar years 2025-2029. The Audit Board of Indonesia had been appointed External Auditor for WIPO for the period 2024-2029. The Council also requested the preparation of a proposal to anticipate and efficiently address those situations in the future.
4. This document contains a proposal to amend the UPOV Financial Regulations and Rules for the Council to designate as UPOV External Auditor, the WIPO External Auditor, even if the WIPO External Auditor is not from a UPOV member State.

BACKGROUND

5. The Council, at its fifty-eighth ordinary session¹, agreed that (see document C/58/19 “Report”, paragraph 52):

“52. Due to the extraordinary and exceptional circumstances that, no Auditor General (or official holding the equivalent title) of UPOV member States that were consulted expressed an interest to audit the UPOV accounts starting calendar year 2025 until 2029, the Council agreed on the following way forward:

- “1. Subject to the agreement of the Audit Board of Indonesia, the Council designates the Audit Board of Indonesia as the UPOV External Auditor to audit the UPOV accounts for the calendar years 2025-2029.
- “2. The Council requests the Office of the Union to inform the Audit Board of Indonesia of the decision of the Council, in paragraph 1 above, and invite the Audit Board of Indonesia to consider the above designation.
- “3. If the Audit Board of Indonesia agrees to the designation, the Office of the Union to notify the Council accordingly.

¹ Held in Geneva, on October 25, 2024.

- “4. The process of designating the UPOV External Auditor is of an administrative nature and does not relate to the substantive provisions on plant breeders’ rights set out in the 1991 Act and the 1978 Act of the UPOV Convention. Therefore, the Council considers that designating the UPOV External Auditor from a State not a member of UPOV, but a State member of WIPO, is an exceptional ad hoc decision which will in no manner set a precedent for future decisions to be taken by the Council.
- “5. On the above basis, the Council requests that the Office of the Union proposes possible amendments to the provisions in the UPOV Financial Regulations and Rules (document UPOV/INF/4/6) relating to the appointment of the External Auditor for consideration of the Council in its session in October 2025.
- “6. This exceptional decision is taken to ensure the efficient functioning of UPOV (Article 26 (5)(x) of the 1991 Act and Article 21(h) of the 1978 Act of the Convention).”

6. Following the fifty-eighth ordinary session of the Council, the Office of the Union informed the Audit Board of Indonesia of the decision of the Council and invited the Audit Board of Indonesia to consider the designation. The Audit Board of Indonesia accepted the designation, and the Council was notified accordingly by Circular E-24/144 of December 10, 2024.

7. At its fifty-eighth ordinary session, the Council also requested that the Office of the Union proposes possible amendments to the provisions in the UPOV Financial Regulations and Rules (document [UPOV/INF/4/6](#)) relating to the appointment of the External Auditor, for consideration of the Council at its session in October 2025.

8. At its fifty-eighth ordinary session, the Council considered document C/58/14 “Appointment of the External Auditor”. The Council took into consideration the arguments presented in the document concerning the appointment of the external audit in cases where the external auditor of WIPO is not a UPOV member. The extract below reproduces paragraphs 15 to 20 of document C/58/14 with those considerations.

“15. One of the main reasons for designating the same External Auditor for the two organizations is that it is considered the most cost-efficient solution and addresses the important risk of not having an External Auditor willing to accept the mandate as illustrated by the consultations that have taken place in accordance with the request of the Council.

“16. Public funds must be used effectively and efficiently, and in a way that maximizes public benefit. To have the same External Auditor for the two organizations limits not only the spending of UPOV’s financial resources but also the UPOV and WIPO human resources needed to work with the External Auditor to audit the UPOV accounts.

“17. Following the ‘Agreement between the World Intellectual Property Organization and the International Union for the Protection of New Varieties of Plants (WIPO/UPOV Agreement)’ (see document UPOV/INF/8 at http://www.upov.int/information_documents/en/), signed on November 26, 1982, WIPO provides administrative support to UPOV. This support includes, but is not limited to, providing computerized accounting systems, financial administration, administrative transactions (salaries, benefits, pensions etc.), assistance in procurement, travel arrangements. The External Auditor audits these procedures as well as other services under the WIPO/UPOV Agreement. When the External Auditor is the same for both organizations, there are obvious synergies. With different External Auditors, the verifications and auditing of UPOV transactions would need to be done separately from the work of the External Auditor of WIPO. It would also mean that WIPO staff would need to assist both the WIPO External Auditor and the UPOV External Auditor in providing data, information and explanations on the applicable procedures. UPOV would need to reimburse WIPO for this extra work.

“18. Since the provision on the designation of an external auditor was adopted in the 1978 Act (confirmed in the 1991 Act), the developments on processing administrative transactions through computerized systems and relevant checks and balances incorporated in those IT systems have replaced the review of paper documents. The nature of the work of auditors have significantly evolved and additional skill sets are required.

“19. The computerised systems in place at WIPO processes the same type of transactions for UPOV. To have two different External Auditors, auditing the same processes, would entail double work, which is not cost-effective. Indeed, the UPOV External Auditor would need also to audit the procedures, services and accounting systems of WIPO considering the administrative support and services that WIPO provides to UPOV under the WIPO/UPOV Agreement. During the consultations, the risk of not having an External Auditor of a UPOV member State willing to accept the mandate just for UPOV was identified.

“20. The WIPO Process for Selection of External Auditor is complete and effective procedure including all WIPO member States, a Selection Panel, the WIPO Secretariat, the Oversight Division (IOD), the Independent Advisory and Oversight Committee (IAOC) and the WIPO General Assembly. It is noted that all the member States of UPOV are also WIPO member States. The selection process is put into place to safeguard that the selection of the External Auditor is fair and transparent and that the selected auditor is independent, has the adequate professional experience and follows the applicable international accounting principles and standards (i.e. IPSAS). The WIPO Process for Selection of External Auditor was established taking into account practices of other international organizations. “

PROPOSAL

9. Following the request made by the Council, at its fifty-eighth ordinary session, for the Office of the Union to propose amendments to the provisions in the UPOV Financial Regulations and Rules relating to the appointment of the External Auditor, the Council is invited to consider the following decision:

10. Decision of the Council

- (a) Whereas Article 29(6) of the 1991 Act and Article 25 of the 1978 Act of the UPOV Convention provide that the auditing of the accounts of UPOV shall be effected by a State member of UPOV, as provided in the administrative and financial regulations, and that the State shall be designated, with its agreement, by the Council;
- (b) Whereas the Council considers that there is an important risk of not finding an External Auditor willing to accept the role as External Auditor of UPOV, in cases where such External Auditor is not also designated as the External Auditor of the World Intellectual Property Organization (WIPO);
- (c) Whereas the Council considers it essential that the process for designating the UPOV External Auditor is transparent, inclusive, cost-efficient, and sustainable;
- (d) Whereas the Council recognizes that the process established by WIPO for the selection of its External Auditor fulfills the criteria under (c) above and reflects international best practices;
- (e) Whereas the Council considers that the designation of the UPOV External Auditor is an administrative function and does not relate to the substantive provisions on plant breeders' rights set out in the 1991 Act and the 1978 Act of the UPOV Convention;
- (f) Whereas the Council considers it appropriate to align the Financial Regulations and Rules of UPOV relating to the appointment of the External Auditor, with the equivalent WIPO process, to ensure transparency, foreseeability, and administrative coherence.

The Council, on October 25, 2025, decides to amend Regulation 8.1 of the “Financial Regulations and Rules of UPOV” (document [UPOV/INF/4/6](#)) as follows:

In Track Changes:

Appointment of the External Auditor

Regulation 8.1

“The **WIPO** External Auditor, who shall be the Auditor General (or official holding the equivalent title) of a Member State of WIPO, shall be appointed by the General Assembly of WIPO, in the manner decided by the WIPO Assembly. ~~Where the WIPO External Auditor is the Auditor General (or official holding the equivalent title) of a State member of UPOV, the~~ The Council shall designate as External Auditor, with its agreement, the WIPO External Auditor. ~~Where the WIPO External Auditor is the Auditor General (or official holding the equivalent title) of a Member State of WIPO that is not a State member of UPOV, the Council shall designate as External Auditor, with its agreement, the Auditor General (or official holding the equivalent title) of a State member of UPOV.”~~

Without Track Changes:

Appointment of the External Auditor

Regulation 8.1

“The WIPO External Auditor, who shall be the Auditor General (or official holding the equivalent title) of a Member State of WIPO, shall be appointed by the General Assembly of WIPO, in the manner decided by the WIPO Assembly. The Council shall designate as External Auditor, with its agreement, the WIPO External Auditor.

11. The Council is invited to amend Regulation 8.1 of the “Financial Regulations and Rules of UPOV” (document UPOV/INF/4/6), as set out in paragraph 10 above.

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