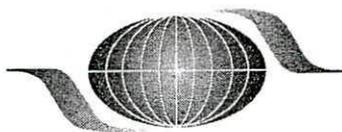


WORLD TOURISM ORGANIZATION

**GENERAL  
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ELECTION OF THE AUDITORS FOR THE PERIOD 2008-2009

Note by the Secretary-General

In this document the Secretary-General conveys to the General Assembly, in accordance with Article 26 of the Statutes, information concerning the election of the Auditors for the period 2008-2009.

### ELECTION OF THE AUDITORS FOR THE PERIOD 2008-2009

1. It should be recalled that, pursuant to Article 26 of the Statutes, Financial Regulation 15 provides the following:

- “1. The Assembly shall elect from among its Full Members, on the recommendation of the Council, two Auditors to audit the accounts of the Organization.
2. The Auditors shall be elected for a two-year term of office. Their term of office shall be renewable.”

2. In accordance with the procedure established in Detailed Financial Provision 7.01, once elected by the General Assembly, each of the two Member States entrusted with the audit of the Organization's accounts will be required to propose for this function a person who is a national of the Member State and who performs the function of controlling public accounts in his home country.

3. At its sixteenth session the General Assembly elected in its resolution [A/RES/510(XVI)] India and Spain for the posts of Auditor for the period 2006-2007.

4. It is recalled that Spain, the host country of the Organization, has in practice occupied one of the two posts of Auditor of the UNWTO in recent years, as a convenient solution owing to the proximity and accessibility of the Auditor. It also represents a saving for the Organization, since in this case there is no cost involved. The other post of Auditor, also by election of the General Assembly, has been filled successively by Egypt, the Netherlands, Kenya, Romania, Guinea, Bangladesh, Sri Lanka, Chile, Poland and India. This second auditor has traditionally been responsible for the inspection of the expenditures decided by the UNWTO in its capacity as an executing agency of the United Nations Development Programme (UNDP).

5. For the period 2008-2009, the Secretariat has received expressions of interest from three countries, France, India and Spain. It appears possible to accommodate all three candidatures while respecting the stipulations of the Statutes, which provide for two Auditors, for the reasons explained below:

6. Indeed, the complexity of the accounts has increased markedly in recent years due both to the significant increase in UNWTO's membership and to the Organization's success in attracting voluntary contributions, notably through the ST-EP initiative. Various bodies within its sphere of influence have been created: the Support Office for Asia-Pacific in Osaka, Japan, the Themis Foundation in Andorra, the ST-EP Foundation in Seoul, the Centre of Excellence for Destinations in Montreal. While it is true that, with certain exceptions, these do not administer resources coming out of the UNWTO budget, the contributions that they collect are solicited in the name of the Organization, which justifies that the latter should not fail to take an interest in them.

7. These voluntary contributions (be they grants or funds-in-trust) are in addition to the technical cooperation funds received from UNDP and managed by UNWTO pursuant to the "*Agreement between the United Nations Development Programme and the World Tourism Organization*" of 31 May 1977.

8. Strictly speaking, the financial records of UNDP projects are not part of the "*accounts of the Organization*" (Article 26 of the Statutes) since they relate exclusively to UNDP technical cooperation funds managed by UNWTO. The external and temporal nature of these funds is underlined by the fact that UNWTO is actually required, when executing technical cooperation activities, to return unspent balances to UNDP. Furthermore since the adoption of the Euro as the Organization's accounting and budgetary currency in 2002 UNDP project budgets - which are denominated in US dollars - have been kept separate from UNWTO's regular budgetary accounts.

9. In this regard, it is recalled that Article XI (3) of the above-mentioned "*Agreement between the United Nations Development Programme and the World Tourism Organization*" provides that: "*The Executing Agency shall cause its External Auditor to examine and report on its (that is UNWTO's) accounts and records relating to technical cooperation activities, and shall make its External Auditor's reports available to the UNDP*".

10. It is worthwhile to mention that, like UNDP, the donors who make voluntary contributions to UNWTO and to the organs placed within its sphere of influence, also expect to receive regular audited accounts showing how their funds were and are being applied. In this regard, very recently, it was decided in agreement with the Government of Andorra to conduct an audit of the Themis Foundation, which was carried out by a member of the Court of Accounts of France. This evidently adds considerably both to the work-load of UNWTO's Finance and Budget Section and to that of the Auditors.

11. In the circumstances, the Secretary-General believes that the figure of a third Auditor, responsible exclusively for the UNDP accounts, would not be inconsistent with the Organization's Statutes, would facilitate the tasks of all concerned and would furthermore respect the desire expressed by the United Nations Chief Executives Board for Coordination (CEB) to enhance internal budgetary oversight and disclosure throughout the United Nations System.

12. The Secretary-General recalls that the cost implications of such a decision would be limited, since the Organization's Auditors who, in conformity with Provision 7.01 of the Organization's Detailed Financial Provisions: "*are nationals of member States who perform the function of controlling public accounts in their home countries*" do not charge for their services. Accordingly, the only cost to the Organization's budget would be the travel and subsistence of those Auditors coming from outside Spain. The period of the audit is at present approximately 14 days.

13. In this light, the Secretary-General believes that the joint efforts of three member States with extensive experience of public sector accounts could only be beneficial to the Organization.

14. Tentatively, the task of external audit could be divided into three areas: a) UNWTO regular budget, b) UNWTO voluntary contributions and the administration of the abovementioned bodies placed within its sphere of influence, in accordance with the terms to be defined with the countries concerned, c) UNDP funds managed by UNWTO.

15. The General Assembly is invited to take a decision on this subject, taking into account both the recommendation of the 81<sup>st</sup> session of the Executive Council and the Secretary-General's observations set out in the preceding paragraphs.