

**IUCN**  
**WORLD CONSERVATION CONGRESS**  
**5–14 October 2008, Barcelona, Spain**

## **Appointment of External Auditors**

**Action Requested:** The World Conservation Congress is requested to APPROVE the appointment of Deloitte Switzerland as external auditors for the 2009–2012 intersessional period.

### **Background**

1. Deloitte Switzerland, a member of Deloitte, Touche and Tohmatsu, were appointed external auditors during the Bangkok Congress of November 2004 for the period 2005 through 2008. They conducted their first audit of the accounts for the year 2000.
2. IUCN has performed an external audit of its financial reporting for the sake of transparency and responsibility towards its donors and members. From the 1<sup>st</sup> of January 2008, not-for-profit organizations in Switzerland are under obligation to be audited by external auditors if they fall within certain criteria, which IUCN does. In conjunction with this obligation to be audited, the scope of IUCN's audit has been extended to the Commissions and some other entities such as Ramsar. Given the implications of the financial relationship of these entities to IUCN, the 2008 consolidated financial statements will include them.

### **Recommendation**

3. Deloitte have been the IUCN external auditors for a relatively long period of time and have provided satisfactory services and an appreciated level of guidance in the presentation of accounts and implementation of accounting standards. They are also taking an active part this year in the implementation of an Internal Control System (ICS) by providing training and coaching to Headquarters and Regional staff, as well as "blueprints" of areas to cover in this ICS implementation. Taking into account their good understanding of the functioning of IUCN as an international organization, Deloitte's performance is efficient. The Director General's recommendation is to extend their contract for a further intersessional period. As 2008 is the first year in which an external audit is compulsory for IUCN, it is preferable to keep the present auditors for the transition rather than introduce new ones at this time.

## Appendix

### Work normally undertaken by external auditors

The main purpose of the external auditors is to examine the books of accounts and the accounting systems and express an opinion on the consolidated financial statements prepared by IUCN Management in accordance with Swiss law and the IUCN statutes. In addition to audit work performed at IUCN Headquarters in Gland, Switzerland, a few Regional and Country offices are audited on a selective basis each year to support the issuance of an audit opinion on the consolidated financial statements. Although this selection is done at the discretion of the external auditors, it is usually done in consultation with the Chief Financial Officer and the Internal Auditor.

External auditing services normally include:

- Examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by Management, as well as an evaluation of the overall financial statement presentation;
- Expression of an audit opinion on the fairness of the presentation of the consolidated financial statements prepared by IUCN Management in conformity with generally accepted accounting principles in Switzerland and in accordance with International Standards on Auditing;
- Preparation of an annual letter to Management detailing weaknesses found relating to the systems of internal control and the disclosures in the consolidated financial statements, and recommendations thereon;
- Periodic review of the internal audit department to ensure work undertaken is of adequate professional standard;
- Discussion on external audit work and findings with IUCN Management and the FAC.