

F. No. 5/1/2015-FB. I
Ministry of Finance
Department of Economic Affairs
(Multilateral Institutions Division)

North Block, New Delhi
Dated: February 25, 2015

Office Memorandum


Subject: Selection of an External Audit Committee Member.

The undersigned is directed to say that the Executive Director (ED) representing the constituencies of Bangladesh, Bhutan, India and Sri Lanka in IMF has informed that in terms of the By-Laws, the IMF has set up a three member External Audit Committee (EAC) consisting nationals of different members. The term of a member of EAC is three years. At least one of the members should be a national of one of the six members having the largest quota, currently represented by the USA. The term of one of the remaining two members is to expire after the conclusion of the Financial Year 2015 (financial year of the IMF is from May 1st – April 30th). New members to the EAC are appointed on regional rotation basis. The next region to represent EAC is Asia (including Australia and New Zealand). Therefore, qualified candidates in our constituent countries (Bangladesh, Bhutan, India and Sri Lanka) are eligible to apply for this position.

2. It has been also informed that the Chairperson of the Ad-hoc Selection Committee (ASC), which has been set up to select a new EAC candidate has requested ED (India) to assist her in identifying suitable candidates from our constituency. She has also made similar requests to other constituencies in the region. Copies of the ASC Memo and its Annexes (I. Member History by Region; II. Suggested Candidates Qualifications and Workload; and III. Professional Background of EAC Members FY 2007 – FY 2014) are attached for further details. It has been indicated by ED that Mr. Kashi Memani, Chairman, E&Y from India has served in the EAC in the financial year 1999, 2000.

3. The Ministry of Corporate Affairs is requested to kindly make necessary arrangements to identify and let qualified candidates in India to apply to serve in the IMF EAC on urgent basis by sending their Resumes to the address given below:

*Executive Director, OEDIN for Bangladesh, Bhutan, India & Sri Lanka
Room HQ1-13-502, International Monetary Fund
700, 19th Street, Washington DC, 20431, USA
Phone: (office)+1-202-623-7436, Fax:+1-202-623-4961
Email: rsundararajan@imf.org*


(Urmila)
Deputy Director

Shri Amardeep Singh Bhatia
Joint Secretary
Ministry of Corporate Affairs



Office Memorandum

To: Mr. Mohan

February 4, 2015

From: Chileshe Mpundu Kapwepwe *cmkapwepwe*

Subject: **Selection of an External Audit Committee Member**

An ad hoc Audit Selection Committee (ASC) has been appointed by the Managing Director to select a new External Audit Committee (EAC) candidate. By way of background, Section 20(c) of the By-Laws requires that EAC members be nationals of different members of the Fund at the time of their appointment, and that at least one of the members of the EAC be a national of one of the six members having the largest quotas. This requirement is currently met by Ms. Barth (United States) for the FY 2015 – FY 2017 term. The other members of the EAC are Mr. Loeto (Botswana) and Mr. Ramos (Spain), whose term will expire shortly after the conclusion of the FY 2015 audit. Following the principle of regional rotation agreed by previous ASCs, the next region to be represented is Asia/Other,¹ which was last represented in 2009.²

The ASC would appreciate your assistance in identifying suitable candidates with the requisite experience and qualifications for participation in the EAC from the following countries in your constituency: Bangladesh, Bhutan, India, and Sri Lanka. I am sending a similar request to Messrs. Beblawi, Santoso, and Sterland to identify additional candidates from the Asia/Other region. A brief summary of the EAC's suggested candidate qualifications and an abstract of the professional background of current and former EAC members are included in Attachments II and III, respectively.

The appointment of the selected candidate will become effective November 1, 2015, and it is intended to continue the practice of selecting the new member early to allow for enhanced on-boarding to occur during the interim. I would be grateful if you could make available to me any résumés of qualified candidates by **March 4, 2015**. The ASC will meet thereafter to shortlist a few candidates for interviews based on the strength of their qualifications. Please contact Ms. Maria Manno (ext. 38175, mmanno@imf.org) if you have any questions regarding candidate qualifications or the selection process.

Attachments (3)

¹ Includes Australia and New Zealand.

² See Attachment I for a history of EAC representation by region.

cc: Messrs. Beblawi, Santoso, and Sterland.

**Attachment I. External Audit Committee
Member History by Region**

FY	Africa	Western Hemisphere	Asia/Other ¹	Europe	Middle East/ Central Asia	Southeast Asia	Six largest quotas	Year	Chair
2016	Botswana		TBD				US	2016	Botswana
2015	Botswana			Spain			US	2015	Spain
2014	Botswana			Spain			China	2014	China
2013				Spain	Lebanon		China	2013	Lebanon
2012					Lebanon	Philippines	China	2012	Philippines
2011					Lebanon	Philippines	Germany	2011	Germany
2010		Canada				Philippines	Germany	2010	Canada
2009		Canada	New Zealand				Germany	2009	New Zealand
2008		Canada	New Zealand				Japan	2008	Japan
2007	South Africa		New Zealand				Japan	2007	South Africa
2006	South Africa			Finland			Japan	2006	Finland
2005	South Africa			Finland			France	2005	France
2004				Finland	Egypt		France	2004	Egypt
2003					Egypt	Singapore	France	2003	Singapore
2002					Egypt	Singapore	Italy	2002	Italy
2001		Chile				Singapore	Italy	2001	Chile
2000		Chile	India				Italy	2000	India
1999		Argentina	India				UK	1999	Argentina
1998	Cote d'Ivoire	Argentina					UK	1998	Cote d'Ivoire
1997	Cote d'Ivoire			Israel			US	1997	US
1996			Fiji	Czech Republic			US	1996	Fiji
1995	Botswana		Fiji				Germany	1995	Germany
1994					Syria	Thailand	Germany	1994	Syrian Arab Rep.
1993		Bolivia			Syria		Japan	1993	Syrian Arab Rep.
1992	Mauritius	Bolivia					France	1992	France
1991		Trinidad & Tob	Australia				France	1991	France
1990	Senegal		Australia				Saudi Arabia	1990	Saudi Arabia
1989			Myanmar	Belgium			Saudi Arabia	1989	Myanmar
1988		Chile	Myanmar				UK	1988	UK
1987	Malawi	Honduras					UK	1987	Malawi
1986	Malawi				Jordan		US	1986	US
1985			Bangladesh	Greece			US	1985	Bangladesh
1984			Bangladesh		Morocco		Germany	1984	Germany
1983	Kenya	Mexico					Germany	1983	Mexico
1982		Mexico	New Zealand				Japan	1982	New Zealand
1981			New Zealand		Saudi Arabia		France	1981	France
1980		Paraguay	Sri Lanka				France	1980	France
1979			Sri Lanka	Iceland			Canada	1979	Canada
1978		Panama			Tunisia		Canada	1978	Tunisia
1977		Uruguay			Tunisia		UK	1977	UK
1976		Ecuador				Indonesia	UK	1976	Ecuador
1975		Ecuador		Luxembourg			US	1975	US
1974	Ghana		Korea				US	1974	Ghana
1973	Ghana					Singapore	Germany	1973	Germany
1972		Nicaragua					Germany / Canada	1972	Canada
1971	Sierra Leone			Ireland			Japan	1971	Sierra Leone
1970	Sierra Leone					Malaysia	France	1970	France
1969	Ethiopia	Costa Rica					France	1969	Ethiopia
1968	Ethiopia			Spain			Canada	1968	Canada
1967		Venezuela				Philippines	Canada	1967	Philippines
1966	Nigeria					Philippines	UK	1966	UK
1965		El Salvador				Thailand	UK	1965	El Salvador
1964		El Salvador		Sweden			India	1964	India
1963		Argentina		Austria			India	1963	Argentina
1962		Argentina		Finland			US	1962	US
1961			Japan	Italy			US	1961	Japan
1960		Peru	Japan				Germany	1960	Germany
1959		Guatemala / Canada					Germany	1959	Canada
1958		Canada			Iran		China	1958	China
1957		Colombia		Denmark			China	1957	Colombia
1956		Colombia	Australia				France	1956	Australia
1955			Australia		Turkey		Germany	1955	Turkey
1954		Chile			Turkey		UK	1954	UK
1953		Cuba		Norway			UK	1953	Cuba
1952		Cuba	Pakistan				France	1952	France
1951		Brazil		Belgium			India	1951	India
1950				Netherlands			India/UK	1950	UK
1949					Egypt		US/UK	1949	US
1948	South Africa	Mexico					US	1948	Mexico
1947	South Africa						Canada/France/UK	1947	Canada

¹ Includes Australia and New Zealand

² The list of countries included in the group of members with the six largest quotas has changed over time.

**Attachment II - External Audit Committee
Suggested Candidate Qualifications and Workload**

1. **Professional Qualifications.** A candidate for the IMF External Audit Committee (EAC) should:

- **Have experience in the oversight of an external audit firm carrying out an audit of a large institution.** Individuals with this experience would have served on the audit committees or similar governance committees of other large institutions or would have served in senior financial management positions in such institutions; and/or
-
- **Be familiar with International Financial Reporting Standards** (the accounting standards applied by the Fund). Expertise is also required in external audit, internal audit, risk management, internal controls, governance issues, and the audit of information technology systems. The individual could be an academic or in public/private practice.
 - **Not be affiliated with an institution that could present a conflict of interest in the EAC's oversight role.** It will be at the discretion of the ASC to review all the facts and circumstances involved in a particular case to determine if a conflict of interest exists. Examples of such cases include:
 - candidates currently employed by the Fund's external audit firm, PricewaterhouseCoopers (PwC);
 - candidates currently employed as the auditor of a central bank of a debtor country subject to the Fund's safeguards policy;
 - candidates currently employed as a central banker of a debtor country subject to the Fund's safeguards policy; and
 - candidates previously employed by PwC and maintaining a financial relationship with the firm (e.g., pensioners).

2. **Workload**

- The EAC comprises three members, one of whom serves as EAC Chair. Appointments to the EAC are made for three-year terms on a staggered basis (one new member each year). The EAC meets in Washington, D.C. A preliminary visit (about 5 days) takes place in January/February to review and discuss the audit plan with the external audit firm, Fund staff and Executive Directors. A second visit (5 days) is made in June when the annual financial statement audit has been substantially completed by the external audit firm. The EAC typically returns for a third visit in July where the EAC Chair briefs the Executive Board on the outcome of the external audit and the EAC's work for the financial year. In addition, the EAC maintains regular contacts with Fund staff and the external audit firm, via teleconferences, throughout the year to discuss financial reporting, risk management, and control and audit-related developments in the Fund.

- The new EAC member spends several additional days at IMF headquarters for on boarding where the selected member receives background information on the IMF external audit process, the Fund financial structure and its internal audit and risk management. For FY2016, this on boarding is expected to take place during July 2015.
 - The Fund pays standard travel and accommodation expenses/allowances for the EAC's visits to Washington, D.C. Each member of the EAC also receives an annual honorarium of \$25,000.
-

**Attachment III - Professional Background of EAC Members
FY2007 – FY2014**

FY	EAC Member (country) and Professional Certification	Relevant Experience	Audit Committee	Senior Financial Position	Internal / External Audit or Academia	Related Experience
2015	Mary Barth (USA), Certified Public Accountant	About 40 years	None Stated	Former audit partner at Arthur Andersen	External Audit, Audit Oversight, Academia	Current professor of Accounting at Stanford University, Graduate School of Business, President of the American Accounting Association, former academic advisor and member of the International Accounting Standards Board.
2014	Daniel Loeto (Botswana)	Over 20 years	None Stated	Chief Accountant of the Bank of Botswana, the central bank of Botswana	External Audit oversight	Board member of the Botswana Accountancy Oversight Authority. Former Board member of Botswana's Unified Revenue Service, and a council member of the Botswana Institute of Bankers.
2013	Gonzalo Ramos (Spain)	Over 20 years	Vice Chairman of the Audit Committee of the European Bank for Reconstruction and Development	Secretary General of the Public Interest Oversight Board (PIOB) of the International Federation of Accountants.	External Audit oversight	Executive Director for Spain and Mexico at the European Bank for Reconstruction and Development (EBRD) and a Director General for International Finance at the Ministry of Economy and Finance
2012	Jesse Wang (China) Certified Public	Over 25 years	None Stated	Executive Vice President and Chief Risk Officer of China Investment Corporation (CIC).	External Audit and Academia.	Assistant Chairman of the China Securities Regulatory Commission. Non Executive Chair in charge of governance issues for two Chinese companies.
2011	Arfan Ayass (Lebanon) Certified Public Accountant	Over 30 years	Chairman, First National Bank S.A.L.; Member, Al Ahli Intl Bank S.A.L.	Retired Managing Partner of Ernst & Young, Saudi Arabia, where he was in charge of auditing all commercial banks.	Internal and External Audit and Academia.	Auditing Advisor of Saudi Arabian Monetary Agency.

FY	EAC Member (country) and Professional Certification	Relevant Experience	Audit Committee	Senior Financial Position	Internal / External Audit or Academia	Other Relevant Experience
2010	Amelia Cabal (Philippines), Certified Public Accountant	Over 40 years	Member, Metropolitan Bank and Trust Company	Retired Senior Partner of SGV&Co., a member practice of Ernst & Young Global. ¹	External Audit.	Consultant to companies converting to Philippine adaptation of International Financial Reporting Standards, and on internal control systems and corporate governance.
2009	Ulrich Graf (Germany)	Over 20 years	None Stated	Audit Director of Supreme Audit Institution.	Internal Audit.	Audit Director of the audit unit in charge of federal debt and financial policy.
2008	Thomas O'Neill (Canada), Chartered Accountant	Over 40 years	None Stated	Former Chairman and Chief Executive Officer of Pricewaterhouse Coopers (PwC). ¹	Internal and External Audit and Academia.	Vice-Chair of the Board of Governors of Queen's University. Committee involvement in the Canadian and Ontario Institutes of Chartered Accountants.
2007	Steve Anderson (New Zealand), Chartered Accountant	Over 40 years	None Stated	Head of Risk Assessment and Assurance for the Reserve Bank of New Zealand.	Internal Audit and Academia.	Former Chief Manager of the Reserve Bank of New Zealand's Accounting Services Department and Former Director of Audit at the office of Contoller and Audit General.