

## **WIPO Independent Advisory Oversight Committee**

**Thirty-Third Session**  
**Geneva, May 19 to 22, 2014**

REPORT

*adopted by the WIPO Independent Advisory Oversight Committee*

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## INTRODUCTION

1. The 33<sup>rd</sup> session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from May 19 to 22, 2014. Present were Mr. Fernando Nikitin (Chair), Ms. Mary Ncube (Vice Chair), Messrs. Gábor Ámon, Anol Chatterji, Egbert Kaltenbach, Nikolay Lozinskiy and Zhang Guangliang.
2. The purpose of this quarterly session report and a corresponding Information Session for Member States (see paragraph 28) is to keep Member States informed of the IAOC's work in line with the IAOC's terms of reference.

## AGENDA ITEM 1: ADOPTION OF THE AGENDA

3. The Committee adopted its Agenda, attached to this report as Annex I. A list of participants is attached as Annex II and a list of session documents is attached as Annex III.

## AGENDA ITEM 2: MEETING WITH THE DIRECTOR GENERAL

4. The IAOC met with the Director General and discussed, *inter alia*, business continuity and risk management, as well as the recent establishment of a WIPO Risk Management Group.

## AGENDA ITEM 3: WIPO INTERNAL OVERSIGHT CHARTER

5. The IAOC, in consultation with the Director, Internal Audit and Oversight Division (IAOD), completed its review of the WIPO Internal Oversight Charter and proposes a number of revisions thereto. The proposal also addresses recommendations made by the recent external quality assessment of the internal audit function. The proposed revised Charter, which has been shared with Management for comments, is attached to this report as Annex IV.
6. The principal revisions are:
  - Change name of "Internal Audit and Oversight Division (IAOD)" to "Internal Oversight Division (IOD)" (as internal audit is an integral element of internal oversight and there is no reason to single-out audit among oversight functions);
  - Clarify the mandatory nature of the applicable standards for internal audit, evaluation and investigation;
  - Strengthen the IAOC's involvement in the preparation of the IAOD work plan ("review and advice");
  - Insert a new section on "Conflict of Interest", which addresses various situations of potential conflicts of interest, in particular with regard to investigations;
  - Extend the possibility for complaints of alleged misconduct to "any other internal or external party";
  - Grant public access to IAOD audit and evaluation reports with a provision for exceptionally redacting or withholding reports on specific grounds;
  - Highlight the need for interaction between IAOD and other assurance providers as well as the Ethics Office and the Ombudsperson;

- Clarify the provision for dismissal of the Director, IAOD (“on specific grounds”); and,
- Extend, for future incumbents, the non-renewable term of office of the Director, IAOD to six years (same term limit as for External Auditor (EA)).

**7. The IAOC recommends that the IAOC’s proposed revisions to the Internal Oversight Charter be submitted to Member States for approval at the 22<sup>nd</sup> session of the Program and Budget Committee.**

#### AGENDA ITEM 4: INTERNAL OVERSIGHT

8. The Director, IAOD updated the IAOC on the implementation of IAOD’s 2014 work plan and on the status of the ongoing recruitment of a Head, Investigation Section. The IAOC was pleased to note that the work plan implementation was on time and on track.

##### *External Assessment of the Internal Audit Function*

9. The IAOC reviewed the report of an external assessment of the internal audit function carried out by the Institute of Internal Auditors (IIA). The IAOC discussed with the leader of the IIA quality assessment team the conclusions and recommendations of the report, in particular those relating to provisions in the WIPO Internal Oversight Charter.

10. IAOD received a rating “generally conforms”, which is the highest possible rating and means that relevant structures, policies, procedures and processes comply with the IIA International Standards, the Code of Ethics and the definition of internal audit. The report also highlighted several good practices identified in IAOD. The IAOC commended the Director, IAOD on the very positive assessment results and notes that Management, the EA and Member States can place reliance on the work of WIPO’s internal audit function.

11. An external assessment of the evaluation section is currently underway and an external assessment of the investigation function is expected to follow at a later stage.

##### *Internal Audit*

12. The IAOC discussed jointly with Management officials as report recipients and IAOD three internal audit reports on, respectively: data migration to the new human resources management system; results-based management; and, management of staff separation from service. It was satisfied that recommendations are being addressed and was pleased to observe from the content of the reports an ongoing IAOD-Management dialogue as well as implementation of some recommendations during the audit fieldwork stage.

##### *Evaluation*

13. Due to scheduling conflicts, discussions were postponed on two evaluation reports.

##### *Investigation*

14. The IAOD briefed the Committee on its current caseload. In accordance with paragraph 5 of the IOC, the Director of IAOD sought the IAOC’s advice on a possible case of conflict of interest.

#### AGENDA ITEM 5: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS

15. As of May 2014, 151 oversight recommendations were open, of which 104 were ranked as being of high risk and three of very high risk.

16. Management reported that the closure of the three very high risk recommendations is expected by the end of June. The Director, IAOD further advised that nine recommendations dating back to 2012 had been closed and that work was in progress to close other old recommendations.

17. The IAOC requested more details on 15 recommendations dating back to 2011 or earlier. Discussions followed on addressing a recommendation issued in a context that subsequently changed. **The IAOC advises the establishment of a review mechanism for recommendations over three years old, with the possibility of reframing and/or restating such recommendations as appropriate.**

18. The IAOC will review all open oversight recommendations, including those issued by the Joint Inspection Unit (JIU), at its next session.

#### AGENDA ITEM 6: NEW CONSTRUCTION PROJECTS

19. The IAOC was briefed orally and in writing on progress on the New Construction Projects (NCPs).

20. Following a request at its last session, it received a revised "Status by Components" report with accumulative expenditure including amounts already paid by former general contractor for the New Conference Hall.

21. Members were informed that adequate funds were retained to cover the cost of defects and replacements in the New Construction Project discovered and identified by July 2012 when the General Contractor's contract was terminated, whilst the cost of remedial work and repair of defects discovered after July 2012 would be covered by WIPO drawing on the two year bank guarantees established by the former Contractor. In view of the validity of the bank guarantees expiring at the end of July 2014 the Committee suggested that Management draws down on the guarantees earlier than later.

22. Management advised that the EA had completed its audit of the NCPs and would be issuing its report in due course. The IAOC will review the EA's report when it becomes available.

#### AGENDA ITEM 7: FINANCIAL REPORTING

23. The WIPO IPSAS expert gave a presentation on IPSAS aspects of WIPO's 2013 Financial Statements, which the IAOC found very clear and informative. **The IAOC recommends that a similar IPSAS presentation be made available to Member States.**

24. The IAOC received WIPO's unaudited 2013 Financial Statements and a subsequent version of the same Statements with changes reflecting the EA's comments. The IAOC sought clarifications on a number of points including the change in accounting policy adopted for recognition of PCT revenue and treasury management. Overall, the IAOC was pleased with the improved information value of the Financial Statements. It will carry out a second review of the Statements following issuance of the EA's audit report, at its next session.

25. The IAOC will meet the EA prior to the PBC meeting this year to discuss the EA's report to Member States.

26. The IAOC reviewed an outline proposal for streamlining of financial and performance reporting prepared on Management's initiative. The Committee welcomed the effort to improve Secretariat reporting and agreed with Management that such a proposal should be developed.

#### AGENDA ITEM 8: MEETING WITH THE JOINT INSPECTION UNIT (JIU)

27. The IAOC met with the Inspectors who undertook the recently completed Review of Management and Administration in WIPO (JIU/REP/2014/2); the Executive Secretary also attended the meeting. The JIU team gave an overview of the report's contents. An exchange of views followed, focusing on governance, oversight matters, and the recommendations contained in the report.

#### AGENDA ITEM 9: PATENT COOPERATION TREATY (PCT) SYSTEM OPERATIONS

28. The IAOC benefited from an informative presentation on PCT system operations and guided visit of the PCT system operations area.

#### AGENDA ITEM 10: INFORMATION SESSION FOR MEMBER STATES

29. An Information Session for Member States was held. The IAOC briefed the representatives of Member States on its deliberations during the present session, including the advice given to the Director, IAOD on the process to be applied in a high-profile investigation case.

#### Next Session

30. The IAOC's next session will take place from August 18 to 22, 2014.

[Annex I follows]



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WO/IAOC/33/1  
ORIGINAL: ENGLISH  
DATE: MAY 19, 2014

## **WIPO Independent Advisory Oversight Committee**

**Thirty-Third Session**  
**Geneva, May 19 to 21, 2014**

### DRAFT AGENDA

*prepared by the WIPO Independent Advisory Oversight Committee*

1. Adoption of the Agenda
2. Meeting with the Director General
3. WIPO Internal Oversight Charter
4. Internal Audit and Oversight
5. Follow-up on Oversight Recommendations
6. New Construction Projects
7. Financial Reporting
8. Meeting with the Joint Inspection Unit
9. Presentation on the Patent Cooperation Treaty System Operations
10. Information Session for Member States
11. Other Matters

[Annex II follows]

## List of Participants

- Item 2 Director General
- Item 3 Director, IAOD
- Item 4 IAOD: Director, IAOD; Head, Audit Section  
Management:  
*Data Migration to the New Human Resources Management System;  
Results-based Management:*  
Assistant Director General, Administration and Management Sector;  
Director, Program Planning and Finance (Controller); Assistant Controller;  
Director, Finance Division; Acting Director and Head, Program  
Management and Performance, Program Performance and Budget  
Division; Acting Head EPMO and Business Solution Architect, Enterprise  
Resource Planning Section (ERP) Project Management Office.  
*Management of Staff Separation from Service:*  
Director, Human Resources Management Department;  
Assistant Controller.
- Item 5 IAOD: Director, IAOD; Head, Audit Section  
Management: Assistant Director General, Administration and Management  
Sector; Director, Program Planning and Finance (Controller); Assistant  
Controller; Director, Finance Division; Acting Director and Head, Program  
Management and Performance, Program Performance and Budget Division
- Item 6 Assistant Director General, Administration and Management Sector; Director,  
Program Planning and Finance (Controller); Director, Premises Infrastructure  
Division
- Item 7 Assistant Director General, Administration and Management Sector; Director,  
Program Planning and Finance (Controller); Assistant Controller; Director,  
Finance Division; Acting Director and Head, Program Management and  
Performance, Program Performance and Budget Division; Financial Accountant  
(IPSAS Specialist), Finance Division
- Item 8 JIU: Inspectors Gennedy Tarasov and Jorge Flores Callejas;  
Executive Secretary; Senior Research and Quality Control Assistant
- Item 9 PCT Operations Division: Acting Director; Head, Processing Service; Head,  
PCT Translation Service

[Annex III follows]

## List of Documents

- Item 3 IAOC proposed revisions to the Internal Oversight Charter, dated May 8, 2014
- Item 4 IAOD 2014 Work Plan Status of Work - May 2014  
External Quality Assessment Report of Internal Audit Function  
Status of Investigations May 2014  
Management Implication Report – Final Information security controls  
IAOD-INV-2013-08  
*Internal audit reports:*  
IA 2013/03: Management of Staff Separation from Service  
IA 2013/04: Audit of Data Migration to the New Human Resources  
Management System  
IA 2013/05: Audit of Results Based Management  
*Evaluation reports:*  
EVAL 2013-05: Country Portfolio Evaluation. Thailand  
EVAL 2013-06: Support Services to the Intergovernmental Committee on  
Intellectual Property and Genetic Resources, Traditional Knowledge and  
Folklore (IGC)
- Item 5 Memorandum “Open oversight recommendations – May 2014”, from  
Director, IAOD, dated May 16, 2014  
Status of implementation of JIU recommendations, as at February 24, 2014  
WO/PBC/21/16 Report on the Implementation of the Joint Inspection Unit  
Recommendations for the review of WIPO Legislative Bodies
- Item 6 Quarterly Progress report prepared for IAOC/33  
Monthly report to Member States – April 2014
- Item 7 IPSAS presentation slides  
WIPO Financial Statements for the year ending December 31, 2013,  
with revisions following External Auditor’s comments
- Item 8 JIU Report 2014/2 Review of Administration and Management in WIPO
- Item 9 PCT System operations presentation slides

[Annex IV follows]

PROPOSED REVISIONS TO  
THE WIPO INTERNAL OVERSIGHT CHARTER

prepared by the WIPO Independent Advisory Oversight Committee

May 22, 2014

**A. INTRODUCTION**

1. This Charter constitutes the framework for the Internal Oversight Division (IOD) of the World Intellectual Property Organization (WIPO) and establishes its mission: to examine and evaluate, in an independent manner, WIPO's control and business systems and processes in order to identify good practices and to provide recommendations for improvement. IOD thus provides assurance as well as assistance to Management in the effective discharge of their responsibilities and the achievement of WIPO's mission, goals and objectives. The purpose of this Charter is also to help strengthen accountability, value for money, stewardship, internal control and corporate governance in WIPO.

2. The internal oversight function in WIPO comprises internal audit, evaluation and investigation.

**B. INTERNAL OVERSIGHT DEFINITIONS AND STANDARDS**

3. In accordance with the definition adopted by the Institute of Internal Auditors (IIA), internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

4. The internal audit function in WIPO shall be carried out in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics promulgated by IIA and adopted by the Representatives of Internal Audit Services of the United Nations Organizations, Multilateral Financial Institutions and Associated Intergovernmental Organizations (RIAS).

5. An evaluation is a systematic, objective and impartial assessment of an on-going or completed project, program or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, its efficiency, effectiveness, impact and sustainability. An evaluation should contribute to learning and accountability and provide credible, evidence-based information, enabling the incorporation of findings and recommendations into the decision-making processes of WIPO.

6. Evaluations in WIPO shall be carried out in accordance with the standards developed and adopted by the United Nations Evaluation Group (UNEG).

7. An investigation is a formal fact-finding inquiry to examine allegations of misconduct and other wrongdoing in order to determine whether they have occurred and if so, the person or persons responsible.

8. Investigations in WIPO shall be carried out in accordance with the Uniform Principles and Guidelines for Investigations adopted by the Conference of International Investigators and with WIPO's regulations and rules.

### **C. MANDATE**

9. The internal oversight function provides the Management of WIPO with independent, objective assurance, analyses, appraisals, recommendations, lessons learned, advice and information, through the undertaking of internal audits, evaluations and investigations. Its objectives include:

- (a) Identifying means for improving WIPO's relevance, effectiveness, efficiency, and economy of the internal procedures and use of resources,
- (b) Assessing whether cost-effective controls are in place, and
- (c) Assessing compliance with WIPO's Financial Regulations and Rules, Staff Regulations and Rules, relevant General Assembly decisions, the applicable accounting standards, the Standards of Conduct for the International Civil Service, as well as good practice.

### **D. AUTHORITY AND RESPONSIBILITY**

10. The Director, IOD reports administratively to the Director General but is not part of operational management. The Director, IOD enjoys functional and operational independence from Management in the conduct of his/her duties. In the exercise of his/her functions, he/she takes advice from the WIPO Independent Advisory Oversight Committee (IAOC). He/she has the authority to initiate, carry out and report on any action, which he/she considers necessary to fulfil his/her mandate.

11. The Director, IOD and oversight staff shall be independent of all WIPO programs, operations and activities, to ensure impartiality and credibility of the work undertaken.

12. The Director, IOD and oversight staff shall conduct oversight work in a professional, impartial and unbiased manner and in accordance with good practice, standards and norms generally accepted and applied by the United Nations system organizations, as detailed in Section B above.

13. For the performance of his/her duties, the Director, IOD shall have unrestricted, unlimited, direct and prompt access to all WIPO records, officials or personnel, holding any WIPO contractual status, and to all the premises of WIPO. The Director, IOD shall have access to the Chairs of the General Assembly, the Coordination Committee, the Program and Budget Committee and the IAOC.

14. The Director, IOD shall maintain facilities for the submission of complaints by individual staff members as well as any other internal or external parties, concerning alleged misconduct, wrongdoing or irregularities including but not limited to: fraud and corruption, waste, abuse of privileges and immunities, abuse of authority, and violation of WIPO regulations and rules. Notwithstanding the foregoing, the mandate of the Director, IOD normally does not extend to those areas for which separate provision has been made for review, including workplace-related conflicts and grievances, personnel grievances arising from administrative decisions affecting a staff member's terms of appointment, and performance issues and performance-related disagreements. It rests with the Director, IOD to determine whether such matters may involve wrongdoing and should be handled by IOD or whether they should be referred to other internal bodies.

15. The right of all staff and personnel to communicate confidentially with, and provide information to the Director, IOD, without fear of reprisal, shall be guaranteed by the Director General. This is without prejudice to measures that may be taken under WIPO Staff

Regulations and Rules regarding claims which are intentionally and knowingly false or misleading or made with reckless disregard for accuracy of the information.

16. The Director, IOD shall respect the confidential nature of, and protect from unauthorized disclosure, any information gathered or received in the course of an internal audit, evaluation, or investigation, and shall use such information only in so far as it is necessary for the performance of his/her duties.

17. The Director, IOD shall liaise regularly with all other internal and external providers of assurance services to ensure the proper coordination of activities (External Auditor, Risk Officer, Compliance Officer). The Director, IOD shall also periodically liaise with the Chief Ethics Officer and with the Ombudsperson.

#### **E. CONFLICT OF INTEREST**

18. In the performance of their oversight work, the Director, IOD and oversight staff shall avoid perceived or actual conflicts of interest. The Director, IOD shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC.

19. Notwithstanding the foregoing, where allegations of misconduct concern the staff of IOD, the Director, IOD shall inform and seek the advice of the IAOC on how to proceed.

20. Allegations of misconduct against the Director, IOD shall be reported to the Director General, who shall inform the Chairs of the Coordination Committee and IAOC and may, in consultation with them, decide to refer the matter to an alternative external investigative authority.

21. Allegations of misconduct against the Director General shall be reported by the Director, IOD to the Chair of the General Assembly with a copy to the Chairs of the Coordination Committee and the IAOC. The Director, IOD shall seek the advice of the IAOC on how to proceed further. Final investigation reports concerning the Director General, regardless of who conducts the investigation, shall be submitted to the Chair of the General Assembly, for any action deemed appropriate, and copied to the Chairs of the Coordination Committee and the IAOC, to the Director, IOD and to the External Auditor.

#### **F. DUTIES AND MODALITIES OF WORK**

22. The internal oversight function contributes to the efficient management of the Organization and the accountability of the Director General to the Member States.

23. To carry out his/her mandate, the Director, IOD shall conduct audits, evaluations, and investigations.

24. To effectively implement WIPO's internal oversight functions, the Director, IOD shall:

- (a) Establish long and short term internal oversight work plans in coordination with the External Auditor. The annual work plan shall be based, where relevant, on a risk assessment to be carried out at least annually, on which basis work would be prioritized. In preparing the annual work plan, the Director, IOD shall take into account any suggestions received from Management, the IAOC or from Member States. Prior to finalizing the internal oversight plan, the Director, IOD shall submit the draft plan to the IAOC for its review and advice.

- (b) In consultation with Member States, establish policies for all oversight functions, i.e., internal audit, evaluation, and investigation. The policies shall provide rules and procedures on the access to reports while ensuring rights to due process and the preservation of confidentiality.
  - (c) Prepare, for review by the IAOC, and issue an internal audit manual, an evaluation manual, and an investigation manual. Such manuals shall include the terms of reference of the individual oversight functions and a compilation of applicable procedures. They shall be reviewed every three years or earlier.
  - (d) Establish and maintain follow-up systems to determine whether effective action has been taken in response to oversight recommendations, within a reasonable time. The Director, IOD shall periodically report in writing to Member States, the IAOC and the Director General on situations where adequate, timely corrective action has not been implemented.
  - (e) Liaise and coordinate with the External Auditor and monitor the follow-up of their recommendations.
  - (f) Develop and maintain a quality assurance/ improvement program covering all aspects of internal audit, evaluation and investigation, including periodic internal and external reviews and ongoing self-assessments in accordance with the applicable standards.
  - (g) Liaise and cooperate with the internal oversight or similar services of other organizations of the United Nations system and of Multilateral Financial Institutions, and represent WIPO in relevant inter-agency meetings.
25. In particular, the Director, IOD shall assist WIPO by assessing:
- (a) The reliability, effectiveness and integrity of WIPO's internal control mechanisms.
  - (b) The adequacy of organizational structures, systems and processes to ensure that the results are consistent with the objectives established.
  - (c) The effectiveness of WIPO in meeting its objectives and achieving results and, as required, recommending better ways of achieving such results, taking into account good practices and lessons learned.
  - (d) Systems aimed at ensuring compliance with WIPO's regulations, rules, policies and procedures.
  - (e) The effective, efficient and economical use, and the safeguarding of human, financial and material resources of WIPO.
  - (f) Significant exposure of WIPO to risk and contributing to the improvement of risk management.
26. The Director, IOD shall also assist WIPO by undertaking investigations into allegations of misconduct and other wrongdoing.

## G. REPORTING

27. At the completion of each audit, evaluation or investigation, the Director, IOD shall issue a report, which shall present the objectives, scope, methodology, findings, conclusions, remedial action or recommendations of the specific activity concerned and include, if applicable, recommendations for improvements and lessons learned from the activity. The Director, IOD shall ensure completeness, timeliness, fairness, objectivity and accuracy in the reporting of internal audits, evaluations and investigations.
28. Draft internal audit and evaluation reports shall be presented to the program manager and other relevant officials directly responsible for the program or activity that has been the object of the internal audit or evaluation, who shall be given the opportunity to respond within the term provided therein.
29. Final internal audit and evaluation reports shall reflect any relevant comments from the managers concerned and, if applicable, the related management action plans and timetables. Should the Director, IOD and the program manager be unable to agree on the findings of a draft audit and evaluation report, the final report shall contain the opinion of both the Director, IOD and of the managers concerned.
30. The Director, IOD shall submit final internal audit and evaluation reports to the Director General with a copy to the IAOC and the External Auditor. Upon request, the External Auditor shall be provided with any supporting documentation of internal audit and evaluation reports.
31. The Director, IOD shall publish internal audit and evaluation reports on the WIPO website within 30 days of their issuance. In exceptional cases, if required to protect security, safety or privacy, the Director, IOD may, at his/her discretion, redact or withhold a report in its entirety.
32. The Director, IOD shall submit final investigation reports to the Director General. For final investigation reports involving WIPO personnel at the Deputy Director General and Assistant Director General levels, the Director, IOD shall provide a copy of the report to the Chair of the General Assembly, to the Chair of the IAOC and to the External Auditor.
33. All final investigation reports, including findings, conclusions, recommendations, and exhibits attached to the report, are confidential, unless disclosure is required for disciplinary proceedings or for referral to law enforcement authorities. Notwithstanding the foregoing, the External Auditor and the IAOC shall have access to final investigation reports.
34. All other investigation materials, including draft reports, preliminary reports, and material not attached to the final investigation report, are strictly confidential and disclosure may only be authorized by the Director, IOD. Notwithstanding the foregoing, the External Auditor and the IAOC shall have access to all investigation materials, in accordance with their terms of reference.
35. For oversight matters of a minor or routine nature, which do not require formal reporting, the Director, IOD may issue communications to any concerned WIPO manager.
36. The Director General is responsible for ensuring that all recommendations made by the Director, IOD are responded to promptly, indicating actions taken by Management regarding specific report findings and recommendations.
37. The Director, IOD shall submit, on an annual basis, a report to the Director General, with a copy to the IAOC, regarding the implementation of recommendations made by the External Auditor.

38. The Director, IOD shall submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (Annual Report). The Director General and the IAOC shall be provided with a draft version of the Annual Report for their comments, if any. The Annual Report shall give an overview on the internal oversight activities conducted during the reporting period, including the scope and objectives of such activities, the schedule of work undertaken and progress on the implementation of internal oversight recommendations. The Director General may submit comments on the final Annual Report in a separate report as deemed appropriate.

39. The Annual Report shall include the following, inter alia:

- (a) A description of significant issues and deficiencies relating to WIPO's activities in general, or a program or operation in particular, disclosed during the period.
- (b) A description of all high priority internal oversight recommendations made by the Director, IOD during the reporting period.
- (c) A description of all recommendations which were not accepted by the Director General, together with his/her reasons for not doing so.
- (d) An identification of high priority recommendations in previous reports on which corrective action has not been completed.
- (e) Information concerning any significant management decision which in the view of the Director, IOD constitutes a serious risk for the Organization.
- (f) A summary of any instance where IOD's access to records, personnel and premises was restricted.
- (g) A summary of the report submitted by the Director, IOD to the Director General regarding the status of implementation of external audit recommendations.
- (h) In addition, the Director, IOD shall confirm, in the Annual Report, the operational independence of the internal oversight function and shall comment on the scope of his/her activities and the adequacy of resources for the purposes intended.

## **H. RESOURCES**

40. In presenting Program and Budget proposals to the Member States, the Director General shall take into account the need to ensure the operational independence of the internal oversight function and shall provide the necessary resources to enable the Director, IOD to achieve the objectives of his/her mandate. The allocation of financial and human resources including in-sourcing, outsourcing or co-sourcing of services shall be clearly identified in the Program and Budget proposal, which will take into account the advice of the IAOC.

41. The Director, IOD shall ensure that IOD comprises staff, appointed in accordance with WIPO Staff Regulations and Rules, which collectively possess the knowledge, skills and other competencies needed to perform the internal oversight functions. He/she shall promote continuing professional development to meet the requirements of this Charter.

## **I. APPOINTMENT, PERFORMANCE APPRAISAL AND DISMISSAL OF THE DIRECTOR, IOD**

42. The Director, IOD shall be a person with high qualifications and competence in oversight functions. The recruitment of the Director, IOD shall be based on an open, transparent international selection process to be provided by the Director General in consultation with the IAOC.

43. The Director, IOD shall be appointed by the Director General after consultation with the IAOC and endorsement by the Coordination Committee. The Director, IOD shall have a non-renewable fixed term of office of six years. On completion of the fixed term of office he/she shall not be eligible for any further employment in WIPO.

44. The Director, IOD may only be dismissed on specific grounds and after consultation with the IAOC and endorsement by the Coordination Committee.

45. The performance appraisal of the Director, IOD shall be made by the Director General after receiving input from and in consultation with the IAOC.

## **J. REVISION CLAUSE**

46. This Charter shall be reviewed by the Director, IOD and the IAOC, every three years or earlier, if necessary. Any proposed amendments to the Charter shall be reviewed by the IAOC and the Director General and shall be submitted to the Program and Budget Committee for approval.

[End of Annex IV and of document]