

ORGIP/IM/GE/08/2: Annex V

The Secretariat's Response to the Audit Committee's Report on the Desk-To-Desk Review (WO/AC/7/2 paragraphs 21 to 31)

1. The Audit Committee's comments and recommendations with respect to the draft OIP are set out in their report WO/AC/7/2 Paragraphs 21 to 31. The Secretariat has no comments on paragraphs 21, 22 and 23.
2. With respect to paragraph 24, the Secretariat was expecting to receive orientation and advice by the Audit Committee on the comprehensive OIP proposal, composed of 40 slides, including a tentative road map, which had been presented to, and discussed at length with, the Audit Committee. The road map presented was based on an initial prioritization of projects and a realistic approach focusing on the initial period of 12-18 months, taking into account the imminent change of leadership. This presentation was precisely aimed at eliciting early input on the program content from the Audit Committee. In this context, the Secretariat wishes to record its surprise at the statement by the Audit Committee that the OIP proposal did not meet their recommendations.
3. With respect to the comment of the Audit Committee in paragraph 25, the Secretariat considers the change of Director General as a major event which cannot be ignored. However, there has been no failure in making realistic progress in the preparation of an integrated OIP. In the short period since the decision on this matter was taken by Member States, during the 2007 session of the General Assembly, the Director General has appointed a Committee, the OIPC, with clear terms of reference to plan and oversee the OIP. Furthermore, the Committee appointed by the Director General has prepared a comprehensive draft program and presented it to the Audit Committee for review and comments. Following the review by the Audit Committee the OIPC has continued to work on refining the program and obtaining inputs from the Senior Management of the Organization. This intensive exercise has resulted in undeniable progress towards establishing a comprehensive draft OIP. Furthermore, with respect to specific initiatives and projects of the OIP, the implementation of the FRR and the planning and implementation of the PAS, have already been initiated and made progress.
4. The Secretariat has the following comments on paragraph 26:
 - (i) With respect to 26(a) the Secretariat has already started involving both the Program Managers and the staff in the preparation of the OIP. However, the development of a vision or alternate scenarios in regard to the objectives is outside the scope of the program.
 - (ii) With respect to 26(b) the Secretariat agrees on the importance of the charting of the Organization's processes and the mapping of staff functions. According to the proposed road map, the Organization's administrative and management processes will be charted during the initial stages of the ERP project which will focus on re-engineering of the key processes prior to the deployment of the ERP system.
 - (iii) With respect to 26(c), the Leadership and Management related recommendations of the Desk-to-Desk Assessment as explained in Paragraph 24 are being addressed under the Management and Corporate Strategies cluster of projects. These recommendations will be fully addressed in the course of the implementation of the HR Strategy.

(iv) With respect to 26(d), the Secretariat is aware of the need for appropriate level of resources to successfully execute a program that is so complex. The resources would, most importantly, need to be identified and assigned in relation to the constituent projects of the program. These resources would be a judicious mix of internal and external resources depending on the type of project/initiative. The estimate of resource requirements for some of the initiatives, such as the ERP and the Corporate Management Training Program, have already been submitted to Member States for approval. A more detailed planning effort and a more complete assessment of resource requirements, is being undertaken for the other high priority projects.

(v) The linkage referred to in paragraph 26(e) between results based management and performance appraisal system will be achieved in a phased manner as described in paragraph 51 below.

(vi) With respect to paragraph 26(f), ICT systems are enablers for several initiatives/projects within the OIP. In the first instance, the FRR implementation which necessitates changes to roles and responsibilities and delegation of authority will rely substantially on modifications to system functionality and usage. The deployment of an ERP based IT system will be the vehicle for implementing the integrated resource management strategy, IPSAS requirements and several components of the HR strategy.

5. With respect to paragraph 27, as described in the previous section, the initial prioritization of the projects has been based on the logical sequence and prerequisites for the various initiatives planned. Resource estimates have been submitted to Member States for some of the priority initiatives, and following the Audit Committee meeting in December 2007, the Secretariat is currently in the process of estimating at a greater level of detail the resources required for other high priority projects.

6. With respect to Paragraph 28, a meeting of Member States will be convened on February 15, 2008, and the present document will be provided to Member States for their consideration at this meeting.

7. With respect to Paragraph 29, the Secretariat believes that it has followed up on the decision of the General Assembly by preparing a comprehensive draft program for organizational improvement. The OIPC has been delegated authority and assigned the responsibility by the Director General to plan and oversee the program. The Secretariat recognizes the strong need for suitable resourcing of the constituent projects and is currently in the process of estimating the detailed resource requirements for the high priority projects. The Program Organization and Structure described in Section II of the main document provides details of how the OIPC will address the points raised in paragraph 29(c).

8. In regard to the specific recommendations made by the Audit Committee in paragraph 30(a) of this Report, the Secretariat wishes to point out that in determining options pertaining to the Organization Structure a number of important considerations would need to be taken into account, including:

- (i) The strategic goals and business vision
- (ii) The corporate governance model
- (iii) The optimum range or number of direct reports to the Director General

(iv) The conception of the new Director General with respect to the functions that would be managed under his direct supervision i.e., the functions performed within the Office of the Director General

(v) The consolidation of administrative and management functions with a view to improved and more effective and coherent decision making

(vi) The optimal structure for effective and quality service provision to the private sector customers

(vii) The optimal structure for the sectors engaged in norm-setting activities

(viii) The optimal structure for effectively supporting Member States through technical cooperation and capacity building

(ix) The opportunity to eliminate or minimize overlaps and exploit synergies

(x) Best practices in Organizational design in the international sector.

9. A review of organization structures of various Organizations within the UN system, as well as the World Bank, IMF and the WTO, is currently being carried out to enable comparison with the structure of WIPO, especially the administrative structure. A preliminary review reveals that, in general, the most accepted administrative structure in the UN system is to consolidate the administrative and management functions in a single sector led by a Senior Manager.

10. However, while the OIPC will undertake the ground work required to develop options for a new structure, the proposal of detailed options for WIPO would be an exercise which would go beyond strictly managerial considerations, and would need explicit input from both Member States and the new leadership.

11. With respect to paragraph 30(b), a proposal has been formulated to complete the alignment of the organization structure with the program and budget structure. It is part of the new Financial Regulations and Rules implementation and shall be shared with the Audit Committee at its next session in February 2008. With respect to the functions, responsibilities and accountability of each unit, a comprehensive exercise was carried out during the Desk-to-Desk Assessment to document the mission, strategies and functions of the various organizational units. A review of this documentation will be undertaken as part of a significant re-organization. An organigram is currently maintained by the human resource management department. The staffing table of the organization is a budget management tool and is centrally maintained by the Office of the Controller (Budget Section). Continuous efforts are being made to provide more and more information on budget (personnel and non-personnel) to program managers.

12. With respect to paragraph 30(c), the current method of employee performance assessment will be enhanced by the phased implementation of a performance appraisal system (PAS). This will achieve closer alignment of human resources with the strategic goals of WIPO; systematic and proactive knowledge acquisition and skills development; continuous dialogue and feedback between managers and the employees; and linkage of individual performance with administrative consequences. The phased approach to the PAS implementation reflects the dependency of this system on the deliverables of the other key initiatives of the OIP, such as the ERP Project and the Corporate Management Training Program. In 2009, performance-related objectives would be identified for each staff member based on work plans of the organizational units, cascaded from the strategic goals of WIPO and the related programs. In addition, development plans, including training needs, shall be determined for individuals to ensure that the staff has the necessary skills to achieve the

expected results. In the next phase (12 months later), the performance and the development would be assessed against the established objectives. The last phase, an electronic Performance Management and Development System (PMDS), would only start after the successful implementation of the ERP system.

13. With respect to the recommendation 30(d)(i) and (ii), it would be important to note that the approach for the implementation of FRR pending the ERP system deployment would be to have minimum development or modification of the existing ICT systems (for instance e-travel authorization) and to focus more on improving controls and checks and balances through enhanced monitoring and reporting. This monitoring role is performed by the Office of the Controller and is being strengthened with improved reporting from the existing financial systems. The delegation of financial authorities to program managers will be balanced by enhanced centralized monitoring and centralized procedures for key aspects such as the introduction of new roles or profiles in the system and the granting of access rights to users. The staffing table is maintained by the Office of the Controller. However, the charting of the organizations operations and mapping to all staff functions cannot be handled by the current IT system. This system is also very limited in its capabilities and it would therefore be very expensive to build more functionality into it pending the ERP deployment.

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