Internal Oversight Division

Internal Audit Manual
TABLE OF CONTENTS

1. PURPOSE ...................................................................................................................................................................................... 2
2. INTERNAL AUDIT FUNCTION ................................................................................................................................................................ 3
3. ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES ....................................................................................................... 4
   3.1 THE DIRECTOR OF IOD ............................................................................................................................................................................. 4
4. INTERNAL AUDIT FUNCTION IN WIPO ........................................................................................................................................... 5
   4.1 ATTRIBUTES OF INTERNAL AUDIT STAFF ........................................................................................................................................... 5
5. KEY AUDIT PROCEDURES ....................................................................................................................................................................... 6
   5.1 GENERAL INFORMATION ............................................................................................................................................................................. 6
   5.2 TOOLS AND SYSTEMS ............................................................................................................................................................................. 6
   5.3 AUDIT PLANNING AND RISK ASSESSMENT PROCESS ....................................................................................................................... 7
   5.4 AUDIT RESOURCES PLANNING AND BUDGETING ................................................................................................................................. 8
      5.4.1 Use of External specialist ............................................................................................................................................................................. 8
      5.4.2 Cooperation with External Auditors ...................................................................................................................................................... 8
      5.4.3 Criteria for Calculation of Audit Days ................................................................................................................................................. 9
   5.5 CONDUCTING AUDITS .......................................................................................................................................................................... 9
      5.5.1 Audit Fieldwork ..................................................................................................................................................................................... 12
      5.5.2 Reporting of Audit Results ................................................................................................................................................................. 13
         5.5.2.1 Reporting on Internal Audit and other Oversight Activities .................................................................................................................. 13
         5.5.2.2 Access to IOD Oversight Reports and Working Papers ..................................................................................................................... 15
         5.5.2.3 Follow up of Internal Audit Recommendations .......................................................................................................................... 15
      5.5.3 Acceptance of Risk by Senior Management ................................................................................................................................... 15
      5.5.4 Types of Audits ................................................................................................................................................................................... 16
6. QUALITY ASSURANCE ....................................................................................................................................................................... 16
7. COORDINATION WITH OTHER OVERSIGHT BODIES ..................................................................................................................... 16

ANNEX I: IOD MANUALS POLICIES AND GUIDELINES ..................................................................................................................... 18
   ANNEX 1.1: TEAMMATE PRINCIPLES AND GUIDELINES: ....................................................................................................................... 18
   ANNEX 1.2: TEAMMATE BASIC GUIDE FOR IOD STAFF: ......................................................................................................................... 18
   ANNEX 1.3: TEAMRISK GUIDELINES: ....................................................................................................................................................... 18
   ANNEX 1.4: QUALITY ASSURANCE AND IMPROVEMENT PROGRAM: ................................................................................................. 18
   ANNEX 1.5: VERTICAL AND HORIZONTAL ASSESSMENT OF COMPLETED AUDITS: ........................................................................... 18
   ANNEX 1.6: TRAINING POLICY: ................................................................................................................................................................. 18
   ANNEX 1.7: DOCUMENT RETENTION POLICY: ........................................................................................................................................ 18
   ANNEX 1.8: CONTINUOUS AUDITING GUIDELINES VERSION 1 ........................................................................................................... 18

ANNEX II: INTERNATIONAL STANDARDS .................................................................................................................................................. 19

ANNEX III: IOD INTERNAL AUDIT SECTION TEMPLATES .................................................................................................................... 21
1. PURPOSE

This WIPO Internal Audit Manual is established in accordance with the provisions of the WIPO Internal Oversight Charter (2014). The preparation of this Manual reflects the International Standards for the Professional Practice of Internal Auditing (Standards) of the Institute of Internal Auditors (IIA) and takes into account good practice applied by other United Nations system organizations and promulgated by the UN Representatives of Internal Audit Services (UN RIAS). The Manual includes information on internal audit techniques, methods and procedures followed by internal auditors of WIPO’s Internal Oversight Division (IOD). It will help ensure the delivery of internal audit work reports of a consistently high standard and assured quality.

The Internal Audit Manual (the Manual) establishes the key operating policies and procedures that govern the internal audit activity within IOD, in compliance with the Internal Oversight Charter (IOC); the Organization’s policies and procedures, and other international standards for the professional practice of internal auditing.

This Manual is primarily designed to establish a level of uniformity and consistency within the Internal Audit Section with a view to further strengthening professionalism of internal audit staff, and serving as a guidance document for all World Intellectual Property Organization (the WIPO or the Organization) staff and other WIPO stakeholders (Member States, Independent Advisory Oversight Committee (IAOC), External Auditors, etc.) on the “modus operandi” of the Internal Audit Section.
The key policies and procedures that govern the work of Internal Audit in WIPO are:
3. ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

The Internal Oversight Division (IOD) was established in May 2000. With the approval of the WIPO Internal Oversight Charter by the General Assembly (GA) in September 2005 (revised four times in 2007, 2010, 2012 and 2014), IOD’s structure evolved to include the following sections:

3.1 THE DIRECTOR OF IOD

The Director, IOD shall:

- **Be Independent**
  - The Director, IOD enjoys functional and operational independence in the conduct of his/her duties

- **Have the Authority**
  - The Director, IOD shall have unrestricted, unlimited, direct and prompt access to: (1) all WIPO records, officials or personnel, holding any WIPO contractual status; (2) all WIPO premises; (3) the Chairs of the GA, the Coordination Committee (CoCo), the Program and Budget Committee (PBC) and the IAOC.

- **Be Aware of Conflict of Interest**
  - Perceived or actual conflicts of interest should be avoided. The Director, IOD shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC.

In addition, and in accordance with the IOC (Section H) 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 the Charter. Details of duties and modalities of work of the oversight function are outlined in Section F of the IOC.
4. INTERNAL AUDIT FUNCTION IN WIPO

The Internal Audit Function is part of IOD, and consists of a Head, and sufficient internal audit staff based in Geneva. Changes in audit needs in line with the organizational structure and risk appetite are taken into account in determining the sufficiency of audit staff in IOD. The mission of the Internal Audit Function is to provide the Management with systematic assurance, analysis, appraisals, recommendations, advice and information, with a view to assisting WIPO Management and other stakeholders on the effective discharge of their responsibilities and the achievement of WIPO mission and goals. In line with its mission, the objectives of the Internal Audit Function include assessing the cost-effectiveness of controls, and making recommendations for effectiveness, efficiency, economy of WIPO’s policies and procedures and use of resources, as well as assessing compliance with WIPO’s Financial Regulations and Rules, Staff Regulations and Rules, relevant General Assembly decisions, the applicable accounting standards and the Standards of Conduct for the International Civil Service, as well as best practices.

4.1 ATTRIBUTES OF INTERNAL AUDIT STAFF

The following attributes are expected of all Internal Audit staff members:

<table>
<thead>
<tr>
<th>Professional Proficiency</th>
<th>Due Professional Care</th>
<th>Continuing Professional Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Possess adequate knowledge, technical skills and competencies to be able to: (1) carry out their professional responsibilities; (2) apply and comply with the provisions of the IOC, international standards for professional practice of internal auditing; and (3) implement procedures covered in this Manual; and</td>
<td><strong>Internal auditors must exercise due professional care by considering:</strong></td>
<td>• Internal Audit staff members are responsible for continuing their education in order to maintain their proficiency.</td>
</tr>
<tr>
<td>• Demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor (CIA) designation and other designations offered by The Institute of Internal Auditors and other internationally recognized professional organizations.</td>
<td>• The extent of work needed to achieve the assignment’s objectives;</td>
<td>• Continuing education may be obtained through membership and participation in professional societies, attendance at meetings, seminars, college courses, in-house training programs, on-line or correspondence courses and participation in research projects. However, these activities should be kept at a reasonable level and not impinge on the internal audit staff’s availability.</td>
</tr>
<tr>
<td></td>
<td>• The relative complexity, materiality, or significance of matters to which assurance procedures are applied;</td>
<td>• IOD has adopted a learning policy that sets out the framework of training activities for IOD staff, to ensure that staff possesses the necessary technical knowledge, skills and competencies to be able to carry out duties and responsibilities they are assigned to.</td>
</tr>
<tr>
<td></td>
<td>• The adequacy and effectiveness of governance, risk management, and control processes;</td>
<td></td>
</tr>
</tbody>
</table>
5. KEY AUDIT PROCEDURES

5.1 GENERAL INFORMATION

Internal audit work is conducted in line with the provisions of the IOC, WIPO Financial Regulations and Rules (FRR), Staff Regulations and Rules (SRR) and the IPPF issued by the IIA.

In accordance with the existing framework, IOD adopted an Internal Audit Strategy that sets out the context for internal audit activities in WIPO. The Strategy aims to provide the Director General, Member States and the Independent Advisory Oversight Committee (IAOC) with an independent and objective assessment of the WIPO’s business processes and systems, risk management, control and governance processes. The Internal Audit Strategy is revised regularly to reflect the changes the Organization has undergone since the inception of the first Strategy in 2007 thereon and to align with the strategic objectives of the Organization.

5.2 TOOLS AND SYSTEMS

Internal audit work is performed using standard and specialized tools and systems. IOD staff members use Microsoft (MS) Office Suit which comprises of: MS Word, MS Excel, MS PowerPoint, MS Outlook, MS Project, and MS Visio.

In addition to these standard tools, IOD has purchased TeamMate©, an application used to manage oversight assignments (with the exception of Investigations). The system allows users to amongst others: develop risk based work plans; manage the audit process by organizing and linking electronic working papers, and supporting documentation; raise issues and recommendations; and manage and monitor implementation of recommendations.

IOD utilizes the following modules of the TeamMate© Suit:

- EWP©: Electronic Working Papers module to manage the audit assignment; and
- TeamCentral©: Recommendation management module
- TeamRisk©: Oversight Risk Assessment and Planning module
- TeamSchedule©: Time Management module

IOD has developed a Basic Manual and Guidelines for the use of TeamMate© (see annex 1.1 and 1.2).

IOD also uses the Audit Command Language (ACL), which is special audit software to enable analysis of large data from source. This tool will also help IOD with its continuous auditing efforts. A continuous auditing guideline has been developed in that regard (see annex 1.8). Finally, IOD also has access to WIPO ERP system, such as modules of the PeopleSoft© Suite including: Finance/Procurement (PeopleSoft FSCM); Human Resources (PeopleSoft HCM); Enterprise Performance Management (EPM); and Dashboard - Business Intelligence (OBIEE). IOD can also access any other system required to effectively conduct its assignments.
5.3 AUDIT PLANNING AND RISK ASSESSMENT PROCESS

WIPO is currently working towards establishing an organization-wide Enterprise Risk Management (ERM) framework which Internal Audit Function could consider when developing annual work plans. In line with the Institute of Internal Auditors’ (IIA) standards and good practice, IOD currently carries out its own risk assessments with a view to identifying an Audit Needs Assessment (ANA), to maximize the effective and efficient use of limited audit resources, by focusing on operational areas of high risk. IOD utilizes TeamRisk©, a component of the TeamMate© audit management application. The TeamRisk© module of TeamMate© permits the development of a risk universe and the identification of auditable risk areas. It is worth underlining that in planning the time schedule for audits, the priority will be set in accordance with the ranking of each area whereby the area of high concern being the top priority. The risk assessment model is revised, as and when necessary, to strengthen common understanding and facilitate audit planning discussion with WIPO Management and the IAOC.

Preparing the IOD Work Plan

1. Finalize and share work plan with DG, SMT, IAOC, and MS
2. Review of last year’s risk assessment
3. Discuss with stakeholders (DG, IAOC, MS) on areas of concern/interest for oversight activities
4. Prepare the Oversight Universe
5. Assess and rank business areas in Oversight Universe by Risk and other criteria
6. Implement Work Plan
7. Finalize and share work plan with DG, SMT, IAOC and MS
5.4 AUDIT RESOURCES PLANNING AND BUDGETING

The Director, IOD establishes and maintains a bi-annual resource allocation plan so as to help ensure the adequate audit coverage of the identified high risk areas of the Organization. A long term resource allocation plan based on a thorough needs assessment for the same period, allows for an effective and reliable assessment of the number of permanent audit staff necessary to deliver adequate audit coverage. Consequently, the Director, IOD develops medium to long term resource needs assessment including staffing, training and development (see annex 1.6I) aspects and submit them to the IAOC and the Director General for their review and approval as necessary. The following should be considered:

5.4.1 Use of External specialist

The Director, in consultation with the Head of Internal Audit Function, may decide for the provision of services from external specialists where internal audit’s own resources do not suffice to provide effective and efficient audit coverage in the specific high risk areas. Areas where it is likely that outsourcing for recourses will be used are:

- Information Systems (IS) Audits;
- Audit areas of high risk where in-house resources are insufficient; and
- Specialist advice for systems under development.

5.4.2 Cooperation with External Auditors

The strategy for cooperating with the External Auditors will be based on the IIA Standards and Practice Advisory relating to internal audit work, on which the external auditors may rely. The cooperation aims to:

- Contribute to the effective coverage of Internal Oversight Plan
- Be more economic by avoiding duplicate audits
- Share audit results and recommendations (TeamCentral©)

Furthermore, external auditors can follow-up on their own open recommendations in the TeamCentral©.
5.4.3 **Criteria for Calculation of Audit Days**

In estimating the days required to deliver an oversight assignment, audit included, as well as effectively allocate available work days in a year, the following factors are taken into account:

- **Management and Administrative Time**
  - Allow sufficient time for support to the WIPO governing bodies, including the IAOC

- **Contingency Time**
  - A certain period of time should be allocated for any unexpected needs which may arise during the course of the year.

- **Supervision Time**
  - All audit work is subject to appropriate management review and supervision to ensure quality control.

- **Follow-up Time**
  - Allocated time for follow-up on timely implementation of open recommendations in TeamCentral©

- **Training Time**
  - Adequate time for training ensuring that staff maintain and are equipped with requisite professional and technical skills

Time is tracked during the year and results of this time-tracking are used for planning the next cycle.

5.5 **CONDUCTING AUDITS**

The WIPO IOC refers to the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) in performing audit assignments (see paragraph 4). Those standards were also adopted at the 33rd meeting of Representatives of the Internal Audit Services of the United Nations Organizations and multilateral financial institutions (RIAS). Internal audit staff shall also abide by the Code of Ethics established by the IIA and by the Standards of Conduct for the International Civil Service, established by the International Civil Service Commission.
The audit workflow for undertaking assignments is as follows:

Planning
- Audit Plan in TeamMate (TM)
- Preliminary Risk Assessment in TM
- Audit Program in TM
- Audit Notification
- Opening Meeting memo

Field Work
- Implement Audit work program using TM
- Attach supporting document in TM
- Raise Issues in TM and sign off work paper
- Perform Residual Risk Assessment
- Address review notes in TM

Communicate Audit Results
- Prepare Summary of Audit Observations and draft Recommendations (SAODR)
- Address review notes on SAODR
- Send SAODR to auditee and request closing meeting
- Close meeting memo

Audit Closure
- Prepare Draft Report
- Send draft report to auditee (minimum 10 working days to respond)
- Prepare and issue Final Report following receipt of auditee action plan
- Finalize and track recommendations in TeamCentral (see TM manual)

Follow Up
- Update issues and recommendations in TM
- Send customer satisfaction survey
- Ensure all assignment hours are correctly tracked in MS Project (TEC beginning 2015)
- After 1 year - Send out 1 Yr. after Client Satisfaction Survey

The audit assignments are conducted within the TeamMate application for which a User Guideline and Basic Manual have been developed. The IIA standards delineate basic principles that represent the practice of internal auditing and provide a framework for performing value added internal auditing. In line with the IIA Standards, each individual audit assignment consists of planning, fieldwork and reporting of audit results. Also a follow up audit needs to be undertaken to assess whether management have taken proper action on agreed recommendations after a reasonable period of time has passed.
Planning audit assignments takes place in TeamMate®, the audit management application.

- WIPO Internal Auditors must develop an audit plan and program for each individual audit assignment, including the assignment’s objectives, scope, timing, resource allocation and any relevant information such as possibility of fraud, significant error and non-compliance and other exposures.

- A preliminary risk assessment is also included in the assignment plan.

- Assignment work programs should include procedures for identifying, analyzing, evaluating and documenting information during the assignment.

- The level of detail in audit plans and programs and documentation required are decided by the Director, IOD based on criteria that may include, inter alia, experience and expertise of the internal audit staff in the subject matter to be audited, complexity and scope, providers etc. The audit plans and programs are reviewed and approved by the Director, IOD prior to implementation.

- Planning should consider:
  - The objectives of the activity being reviewed;
  - The activity’s controls mechanisms;
  - Risk Management within the activity;
  - Operational management; and
  - The opportunities for making significant improvements to the activity’s risk management and control processes.

- Management should be given reasonable advance notification of an audit unless the work involves cash counts or other similar audits, where surprise is essential to accomplish the audit objectives.

- The advance notification, which may be in either electronic or written form, should include the purpose and scope of the audit and the time period during which the audit is to be performed.
5.5.1 **Audit Fieldwork**

Approved audit work programs, prepared based on a risk assessment, are executed in the conduct of audit fieldwork. Internal auditors identify, analyze, evaluate and document sufficient information to satisfy the procedures set out in the work program which may be modified during the conduct of the audit fieldwork. Information gathered for the audit purposes need to be sufficient, reliable, relevant and useful *(Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives of the engagement. Useful information helps the organization meet its goals)*.

Documentation of the audit filed work takes place in TeamMate©. Working papers document the information obtained, the analysis made, and the support for the conclusions and assignment results. Internal auditors communicate regularly with the management and staff of the Unit under audit, with a view to gaining a better understanding and providing feedback on the preliminary audit observations and recommendations, and issues that need immediate management action.

The TeamMate© Basic Manual and Principles and Guidelines (see annex 1.1 and 1.2) provide procedures for effective documentation of the work. The application includes an automated indexing system that maintains the integrity of the paper trail, and enables multi-level reviews of working papers.
5.5.2 Reporting of Audit Results

Audit results are communicated to the management of audited area in a closing meeting following the completion of audit fieldwork. This meeting is intended to clarify any issues which may need further explanation and help avoid any misperception or inaccurate conclusion which could be reflected in the draft report. Audit reports are developed and stored in TeamMate. The following documents are developed following an audit and shared with the management of audited business area:

5.5.2.1 Reporting on Internal Audit and other Oversight Activities

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.
The Director, IOD will also make regular progress reporting and/or presentations to the Director General, the IAOC and the PBC, on the scope of IOD activities including internal audit, investigation and evaluation, and the adequacy of resources for the purpose intended.

When applicable, the annual report shall include the following:

- 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.
- A description of all recommendations which were not accepted by the Director General, together with his explanations for not doing so.
- An identification of high priority recommendations in previous reports on which corrective action has not been completed.
- A description, including the financial impacts, if any, of those investigative cases found to be substantiated and their disposition, such as disciplinary measures, referral to national law enforcement authorities, and other sanctions taken.
- A description of all high priority internal oversight recommendations made by the Director, IOD during the reporting period.
- Confirmation of 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.
- Information concerning any significant management decision which in the view of the Director, IOD constitutes a serious risk for the Organization.
- A summary of any instance where IOD’s access to records, personnel and premises was restricted.
- A summary of the report submitted by the Director, IOD to the Director General regarding the status of implementation of external audit recommendations.

The Director, IOD may also issue communications concerning oversight matters to any concerned WIPO manager for matters of a minor or routine nature, which do not necessitate formal reporting.
5.5.2.2 Access to IOD Oversight Reports and Working Papers

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. The Director, IOD shall publish internal audit and evaluation reports, as well as Management Implication Reports resulting from investigations, on the WIPO website within 30 days of their issuance. If required to protect security, safety or privacy, the Director, IOD may, at his/her discretion, withhold a report in its entirety or redact parts of it.

Audit working papers should be safeguarded in line with IOD’s Document Retention Policy (see annex 1.7) and WIPO’s Record Management and Archiving Policy (Office Instruction 15/2013).

5.5.2.3 Follow up of Internal Audit Recommendations

IOD follows up on all outstanding recommendations contained in internal audit, evaluation and management implication reports on a regular basis. Further, and as per the provisions of the IOC, IOD also follows up on the implementation status of recommendations made by the External Auditor and, at the request of the IAOC, IOD follows up all open recommendations of the IAOC. Follow-up is performed within the TeamCentral© module of TeamMate©. The TeamMate Basic Manual and the Principles and Guidelines include the procedures for following-up on open recommendations (see annex I.1 and 1.2).

5.5.3 Acceptance of Risk by Senior Management

The Director, IOD holds meetings regularly with the Director General on audit and other oversight issues and informs him about the level of risk taken by the Organization. In line with the IIA standard 2600, the Director, IOD also reports to the General Assembly on a yearly basis on the activities of IOD including, where appropriate, whether WIPO Senior Management has accepted a level of residual risk that may be unacceptable to the Organization.
5.5.4 **Types of Audits**

The audit assignments which shall be undertaken by the Internal Audit Function include, but are not limited, to:

- Performance (Value for Money) Audit;
- IT Audits;
- Financial Audits;
- Compliance Audits;
- Governance Audits;
- Operational Audits; and
- Continuous Audits.

Additionally, IOD will proactively perform reviews and give reasonable professional advice on controls and risks pertaining to the development of recently introduced systems and processes, to ensure that effective systems of internal controls exist and they operate as intended with full audit trails.

6. **QUALITY ASSURANCE**

Quality assurance is undertaken in accordance with the IIA standards for quality self-assessment, as well as the Internal Audit Capability Model for the public sector organizations (IA-CM), developed by the IIA. A Quality Assurance and Improvement Program (QAIP) including vertical and horizontal assessments of completed audits, has been developed to ensure that quality of audits assignments meet the standards set by the IIA (see annex 1.4). IOD follows the procedures for Quality Assurance set out by the IIA and an independent external is assessment is planned on five years intervals in accordance with paragraph 24(f) of the IOC.

7. **COORDINATION WITH OTHER OVERSIGHT BODIES**

IOD interacts with following oversight bodies:

**Joint Inspection Unit (JIU):** By its resolution 31/192 of 22 December 1976, the UN General Assembly decided to establish the Joint Inspection Unit which is mandated to provide an independent view through inspection and evaluation, aimed at improving management and methods and at achieving greater coordination between organizations. IOD meet with the Inspectors of the JIU when needed and provide feedback/comments on JIU reports.
**IAOC:** In September 2005, the WIPO General Assembly approved the proposal of the Program and Budget Committee on the establishment of a WIPO Independent Advisory Oversight Committee (IAOC). It aims to assist Member States in their role of oversight and for better exercise of their governance responsibilities with respect to the various operations of WIPO. IOD participate in IAOC meetings on a quarterly basis, to discuss and inform on oversight related issues including issued audit reports, evaluation activities, and providing information on investigation activities.

**External Auditor:** The External Auditor, who shall be the Auditor General (or officer holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly. The External Auditor shall conduct his work in conformity with generally accepted common international auditing standards. The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system and internal financial controls, and on the administration and management of the organization. The General Assembly may ask the External Auditor to perform certain specific examinations and issue separate reports on the results (for further information see Terms of Reference Governing External Audit). IOD have developed excellent working relationship with the External Auditor. This includes, but is not limited to, regular exchange of view on risk and control issues, audit reports, bi-annual and annual audit plans, etc.

From January 1, 2012 to December 31, 2017, the Comptroller and Auditor General of India (CAGI) is WIPO’s External Auditor.

---

1 the International Standards on Auditing (ISA) issued by the IFAC
## ANNEX I: IOD MANUALS POLICIES AND GUIDELINES

<table>
<thead>
<tr>
<th>Annex 1.1:</th>
<th>TeamMate Principles and Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annex 1.2:</td>
<td>TeamMate Basic guide for IOD Staff</td>
</tr>
<tr>
<td>Annex 1.3:</td>
<td>TeamRisk Guidelines</td>
</tr>
<tr>
<td>Annex 1.4:</td>
<td>Quality Assurance and Improvement Program</td>
</tr>
<tr>
<td>Annex 1.5:</td>
<td>Vertical and Horizontal Assessment of Completed Audits</td>
</tr>
<tr>
<td>Annex 1.6:</td>
<td>Training Policy</td>
</tr>
<tr>
<td>Annex 1.7:</td>
<td>Document Retention Policy</td>
</tr>
<tr>
<td>Annex 1.8:</td>
<td>Continuous Auditing Guidelines version 1</td>
</tr>
</tbody>
</table>
ANNEX II: INTERNATIONAL STANDARDS

The Internal Oversight Charter (see paragraph 4) indicates 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). Below are the details of the International Professional Practices Framework which contain Standards, Definitions, Code of Ethics and other guide papers and practice advice issued by the IIA.

International Professional Practices Framework

A trustworthy, global guidance-setting body, The IIA provides for internal audit professionals all around the world authoritative guidance organized in the International Professional Practices Framework as mandatory and strongly recommended guidance.

International Standards

Detailed information on the International Professional Practice Framework including IIA Standards and Practice Advisory can be found at: http://www.theiia.org/bookstore/product/international-professional-practice-framework-2011-1533.cfm
## Mandatory Guidance

Conformance with the principles set forth in mandatory guidance is required and essential for the professional practice of internal auditing. Mandatory guidance is developed following an established due diligence process, which includes a period of public exposure for stakeholder input. The three mandatory elements of the IPPF are the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards).

<table>
<thead>
<tr>
<th>Element</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>The Definition of Internal Auditing states the fundamental purpose, nature, and scope of internal auditing.</td>
</tr>
<tr>
<td><strong>Code of Ethics</strong></td>
<td>The Code of Ethics states the principles and expectations governing behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct, and behavioral expectations rather than specific activities.</td>
</tr>
<tr>
<td><strong>International Standards</strong></td>
<td>The Standards are principle-focused and provide a framework for performing and promoting internal auditing. The Standards are mandatory requirements consisting of:</td>
</tr>
<tr>
<td></td>
<td>Statements of basic requirements for the professional practice of internal auditing and for evaluating the effectiveness of its performance. The requirements are internationally applicable at organizational and individual levels. Interpreitations, which clarify terms or concepts within the statements.</td>
</tr>
<tr>
<td></td>
<td>It is necessary to consider both the statements and their interpretations to understand and apply the Standards correctly. The Standards employ terms that have been given specific meanings that are included in the Glossary.</td>
</tr>
</tbody>
</table>

## Strongly Recommended Guidance

Strongly recommended guidance is endorsed by The IIA through a formal approval processes. It describes practices for effective implementation of The IIA's Definition of Internal Auditing, Code of Ethics, and Standards. The three strongly recommended elements of the IPPF are Position Papers, Practice Advisories, and Practice Guides.

<table>
<thead>
<tr>
<th>Element</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position Papers</strong></td>
<td>Position Papers assist a wide range of interested parties; including those not in the internal audit profession, in understanding significant governance, risk, or control issues and delineating related roles and responsibilities of internal auditing.</td>
</tr>
<tr>
<td><strong>Practice Advisories</strong></td>
<td>Practice Advisories assist internal auditors in applying the Definition of Internal Auditing, the Code of Ethics, and the Standards and promoting good practices. Practice Advisories address internal auditing's approach, methodologies, and consideration, but not detail processes or procedures. They include practices relating to: international, country, or industry-specific issues; specific types of engagements; and legal or regulatory issues.</td>
</tr>
<tr>
<td><strong>Practice Guides</strong></td>
<td>Practice Guides provide detailed guidance for conducting internal audit activities. They include detailed processes and procedures, such as tools and techniques, programs, and step-by-step approaches, as well as examples of deliverables.</td>
</tr>
</tbody>
</table>
ANNEX III: IOD INTERNAL AUDIT SECTION TEMPLATES

- Audit Working Papers
- Audit Process Walkthrough
- Initial Risk Assessment
- Residual Risk Assessment
- Audit Notification Letter
- Audit Plan
- Audit Program
- Summary of Audit Observations and Draft Recommendations
- Draft Audit Report
- Draft Report Transmittal Memo
- Final Audit Report
- Final Report Memo
- Table of Recommendations