Internal Oversight Division

Internal Audit Strategy 2015-2017

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# LIST OF ACRONYMS

<table>
<thead>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>IAOC</td>
<td>Independent Advisory Oversight Committee</td>
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<td>IOC</td>
<td>Internal Oversight Charter</td>
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<td>IOD</td>
<td>Internal Oversight Division</td>
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<td>WIPO</td>
<td>World Intellectual Property Organization</td>
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1. **BACKGROUND**

1. In 2007, the Internal Oversight Division (IOD, but then Internal Audit and Oversight Division) developed a strategy document to set out the framework for internal audit activities at the World Intellectual Property Organization (WIPO). This strategy document has been revised a few times in 2008, 2010 and 2012. The present version of the Internal Audit Strategy has been prepared in line with a recommendation made in the External Quality Assessment Report issued in April 2014\(^1\) and will cover the Strategy for 2015 – 2017.

2. **PURPOSE**

2. The purpose of the Internal Audit Strategy is to enable the internal audit function to effectively allocate its financial and human resources to meet the expectations of its key stakeholders including the Director General, the Independent Advisory Oversight Committee (IAOC) and WIPO Member States to achieve its objectives by providing an independent and objective assessment of the Organization’s governance, risk management and control processes.

3. The key elements considered when developing this strategy document, are depicted in the above diagram.

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\(^1\) *Internal Audit Quality Assessment* page 13: In relation to Standard 2000, consider updating the 2012-2015 Strategic Plan for IOD that supports the dynamic nature of WIPO and that guides activities of Internal Audit in a proactive, thoughtful, systematic, and practical manner. Ensure strategies in the multi-year plan support (1) the robust risk assessment and annual planning process to focus on emerging high risk areas to WIPO including coverage of technology, strategic, and business risks; (2) alignment and coordination between Internal Audit as a third line of defense and other assurance activities associated with the second line of defense including ERM; (3) alignment of Internal Audit resources with the annual plan requirements from an organizational, staffing and on-boarding, and professional development perspective; and (4) the deployment of technology within Internal Audit to support the expanded use of data analytics for engagement planning and execution, and the implementation of continuous auditing protocols. Strategy statements should be supported by specific actions to execute the defined strategy. The IIA Practice Guide “Developing the Internal Audit Strategic Plan” (July 2012) might be considered as a resource when developing this plan.
3. VISION STATEMENT

4. The ultimate goal of the internal audit function is to remain relevant and to independently serve the Organization and its key stakeholders in the best possible way by contributing to the achievement of the Organization’s strategic goals and objectives in a changing business environment.

4. MISSION STATEMENT

5. The mission of the internal audit function is “to examine and evaluate, in an independent manner, WIPO’s internal control system, the management of risks and governance processes, and to provide recommendations for improvement, thus providing assurance and assistance to management and staff in the achievement of WIPO’s mission, vision, objectives, outcomes and goals”.

6. Internal Audit Function strives to provide independent assessments and appraisals of activities working to promote a control conscious, proactive risk management environment.

5. CRITICAL SUCCESS FACTORS

7. In achieving its mission, the following factors are of critical importance to the internal audit function.

   (A) STRATEGIC POSITIONING AND THE REPORTING LINE OF IOD WITHIN WIPO

8. As part of IOD, the internal audit function reports administratively to the Director General but is not part of WIPO’s operational management. Internal Audit enjoys functional and operational independence from Management in the conduct of its work. In the exercise of each stage of its work, Internal Audit takes advice from the Director General, Senior Management, the IAOC, Member States and the External Auditor.
9. Policy procedures and processes are prepared and approved in accordance with paragraph 24 of the Internal Oversight Charter (IOC). Such policies and procedures cover inter alia work plans, manuals, follow-up systems and publication practices. They support Internal Audit in the effective discharge of its duties.

10. In accordance with the IOC\(^2\), 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 audit functions. The Director, IOD shall also promote continuing professional development to meet the requirements of the IOC.

6. STRATEGIC OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

11. The internal audit function strives to increase the value added to the Organization’s structures, systems and processes and improve operational effectiveness and efficiency by:

(a) Establishing robust risks assessment and annual planning process to focus on existing and emerging high risk areas such as strategic, technology and business risks;

(b) Aligning the audit work plans and other oversight activities with WIPO’s strategic goals, objectives and plans;

(c) Cooperating closely with the external oversight bodies, i.e. the External Auditor, the IAOC to better coordinate oversight activities with a view to providing effective audit coverage and minimizing any overlaps;

(d) Coordinating oversight activities between Internal Audit as a third line of defense and other assurance activities within WIPO associated with the second line of defense including Enterprise Risk Management, compliance and information security functions;

(e) Expanding the use of technology and data analytics tools for engagement planning, execution and reporting as well as continuous auditing approach adopted by IOD;

(f) Communicating effectively with the Director General, Senior Management, IAOC, and Member States to receive the feedback on the preparation and reporting on the implementation of audit work plans;

(g) Regularly reviewing and improving the quality of audit reports by increasing the use of available information technology tools to gather, analyze and present factual data to further enhance the accuracy, completeness and timeliness of audit reports;

\(^2\) Paragraph 41 of the Internal Oversight Charter refers
(h) Assess and enhance the impact of internal audits on WIPO’s operations, systems and business processes by receiving constant feedback from WIPO staff on areas for improvement.

(i) Attract and retain Internal Audit Staff with the right balance of education, experience and professional skills and competencies;

12. The Internal Audit Manual provides further details on the risk assessment process and the quality assurance and improvement program.

7. **REVISION**

13. The Internal Audit Strategy will be reviewed on a regular basis, preferably at least every three years from the date of its issuance.

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