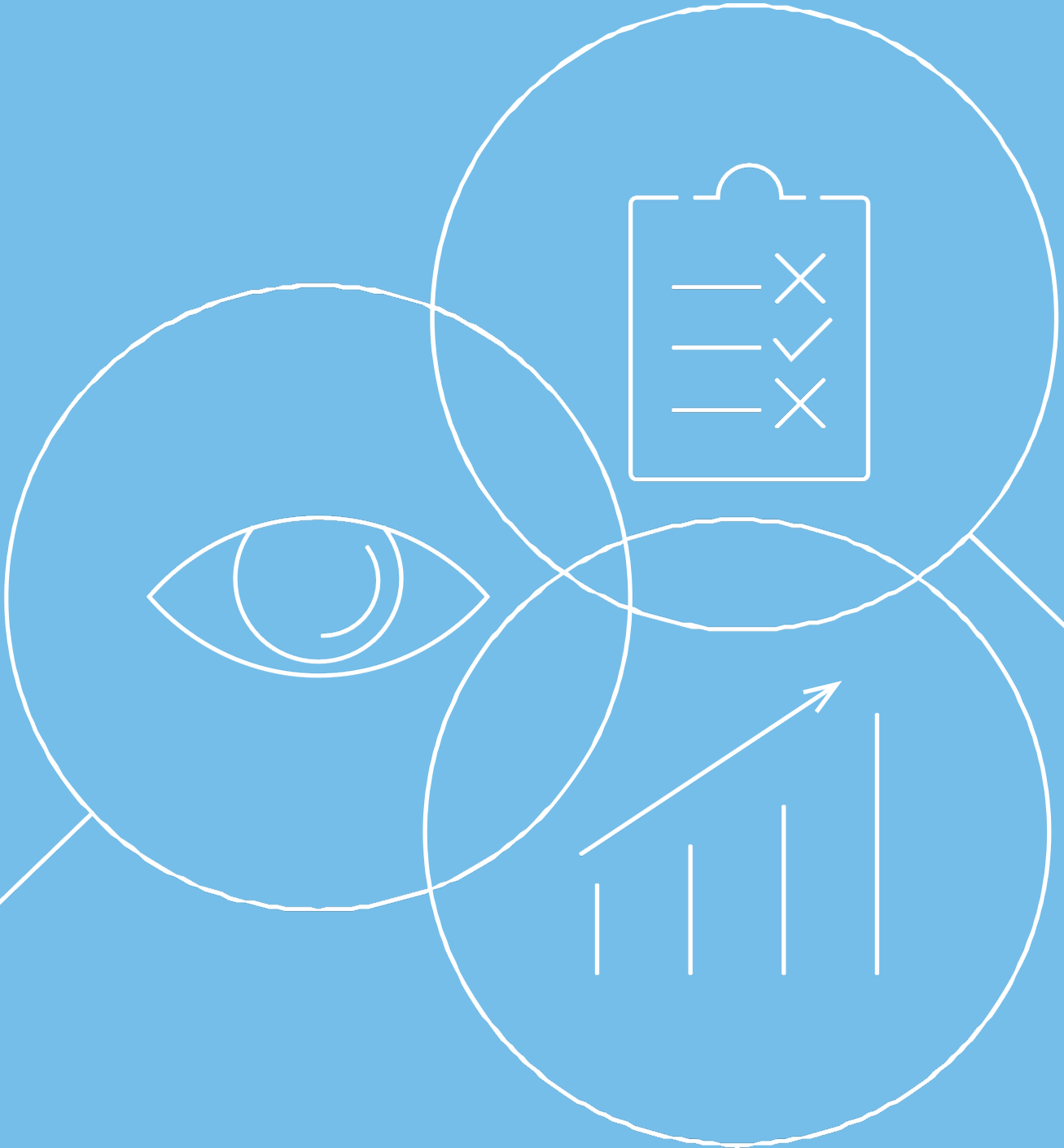


# Audit of Individual Contractor Services and Temporary Employment Agencies

Internal Oversight Reports



IOD Ref. No. IA 2022-01  
July 19, 2022  
IOD Audit Engagement

## CONTENTS

<b>LIST OF ACRONYMS</b> .....	<b>2</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<b>1. BACKGROUND</b> .....	<b>5</b>
<b>2. AUDIT OBJECTIVES</b> .....	<b>8</b>
<b>3. AUDIT SCOPE AND METHODS</b> .....	<b>8</b>
<b>4. OUTCOMES</b> .....	<b>9</b>
<b>5. POSITIVE DEVELOPMENTS</b> .....	<b>10</b>
<b>6. OBSERVATIONS AND RECOMMENDATIONS</b> .....	<b>10</b>
(A) GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS .....	10
(i) Review of Guidelines – Contractor Remuneration Scale .....	11
(ii) Overarching Policy framework for Agency Workers .....	11
(iii) Alignment of Procurement Strategy with Human Resources Strategy .....	12
(iv) Provision of Various Equipment to Individual Contractors.....	13
(v) Risk Management – Review of Non Staff Resourcing and Inherent Risks.....	14
(vi) Internship, Fellowship Programs and Individual Contractor Services .....	16
(vii) Individual Contractor Services and Staff Contracts .....	17
(viii) Agency Workers Transitioning to Other Contract Types .....	19
(ix) Hiring of Government Officials and Employees on ICS contracts .....	20
(B) COMPLIANCE .....	22
(i) Duration of Contracts for Individual Contractors.....	22
(ii) Thresholds for Individual Contractor Services.....	23
(iii) Payments and Confirmation of Satisfactory Performance .....	26
(iv) Performance Evaluation of Individual Contractors .....	26
(v) Mandatory Training Courses .....	27
(vi) Quarterly Reviews of Requisitions for Individual Contractor Services.....	29
(C) TOOLS AND SYSTEMS .....	30
(i) Moving from Paper-based Forms to Automated Digital Workflows .....	31
(ii) Measuring the Efficiency of the ICS Work flow .....	31
(iii) Enhancing the Tracking of Contract Durations.....	32
(D) INDIVIDUAL CONTRACTOR SERVICES DEMOGRAPHICS .....	33
(i) Geographical Distribution of Individual Contractors .....	33
(ii) Geographical Distribution of Payments for Individual Contractor Services .....	34
(iv) Gender Balance and Age Distribution of Individual Contractors .....	35
(E) SURVEY .....	38
<b>TABLE OF RECOMMENDATIONS</b> .....	<b>40</b>
<b>ANNEXES</b> .....	<b>45</b>

## LIST OF ACRONYMS

<b>AFMS</b>	Administration, Finance and Management Sector
<b>AIMS</b>	Administrative Integrated Management System
<b>ARE</b>	Advertise-Response-Evaluation
<b>COVID-19</b>	Coronavirus Disease 2019
<b>FRR</b>	Financial Regulations and Rules
<b>HR</b>	Human Resources
<b>HRMD</b>	Human Resources Management Department
<b>ICS</b>	Individual Contractor Services
<b>IA</b>	International Advertisement
<b>IIA</b>	Institute of Internal Auditors
<b>ICT</b>	Information and Communication Technology
<b>ICTD</b>	Information and Communication Technology Department
<b>IOD</b>	Internal Oversight Division
<b>M365</b>	Microsoft 365 cloud platform
<b>OI</b>	Office Instruction
<b>PO</b>	Purchase Order
<b>PTD</b>	Procurement and Travel Division
<b>RfO</b>	Request for Offer
<b>SIAD</b>	Security and Information Assurance Division
<b>ToR</b>	Terms of Reference
<b>UN</b>	United Nations
<b>WIPO</b>	World Intellectual Property Organization

## EXECUTIVE SUMMARY

1. Persons engaged on Individual Contractor Services (ICS) contracts and those hired through Temporary employment agencies are critical non-staff<sup>1</sup> resources who support the achievement of the Organization's area of strategic focus and expected results. The Procurement and Travel Division (PTD) provides support to business areas in requisitioning and hiring Individual Contractors and agency workers. The Finance Division, Human Resources Management Department (HRMD), and Office of the Controller provide the relevant support to PTD and other internal stakeholders involved in the hiring of individual contractors and/or agency workers. Overall, the expenditure on ICS increased from 13.8 million Swiss francs (2019) to 17.8 million Swiss francs in 2021. A similar trend was observed in the expenditure on agency workers, which increased from 8.3 million Swiss francs (2019) to 10.6 million Swiss francs (2021).
2. The Internal Oversight Division (IOD) noted some positive developments in managing ICS workflows. Based on test results, the audit noted a high level of compliance with the Policy on ICS including the related processes and procedures for acquiring and managing Individual Contractors. The Office Instruction (OI) on ICS has been revised twice since 2019, demonstrating agility in responding to the Organization's needs, while ensuring compliance with the spirit of the ICS contractual modality. Further, PTD maintains a dedicated page on the WIPO Intranet that provides relevant information, guidance, templates, and related documents on ICS processes and the use of agency workers.
3. As part of this engagement, IOD administered a survey to Sector Leads, Directors, Heads of business areas and staff members who are involved in planning, requisitioning, contracting and utilizing the services of ICS and Temporary employment agencies. Overall, the survey respondents were satisfied with the work of ICS and agency workers in their respective business areas. Specifically, 62 per cent (ICS) and 60 per cent (agency workers) of the respondents expressed a satisfaction level of 85 - 100 per cent. The survey participants also highlighted a number of opportunities to further enhance the management of ICS and agency workers.
4. Governance, risk management, and internal controls over the use of ICS and agency workers can be further enhanced by reviewing and revising elements of the current frameworks. For example, updating the Contractor Remuneration Scale, aligning the General Conditions of Contract for the provision of ICS with the current information security policies and practice on IT equipment allocation, and incorporating the vetting process for hiring former staff on ICS contracts within the standard operating procedures. Further, the current ICS framework does not have provisions, which address the use of Government officials or employees, who are civil servants of WIPO Member States, as Individual Contractors.
5. As the Organization moves towards a more agile workforce, supported by non-staff resources, the policy and related procedures need to be fit-for purpose and aligned with this agile approach. There are benefits to be derived from PTD proactively identifying and engaging business areas that anticipate an increase in using non-staff resources, particularly ICS contracts and agency workers, in order to better align procurement strategy with the Human Resources Strategy, which forecasts an increased use of non-staff in the workforce dynamics for the coming years.
6. Between January 2015 and December 2021, 80 agency workers served in the Organization for two years or more (some served in the same business area, while others changed business areas). Specifically, 30 served for two years while 50 served for over two

---

<sup>1</sup> Non-staff resources include personnel of External providers, Agency workers, Individual Contractors, as well as Interns, Fellows, and Junior Professional Officers.

years, going up to six years. They were mostly engaged to perform administration and generic tasks, while some performed tasks similar to those of staff members. For this reason, it is unclear as to whether using agency workers for relatively long periods can still be construed as using them for “temporary staffing” needs. Therefore, it would be useful to develop an overarching policy framework for agency workers to among others, clarify existing conditions, and consolidate the current guidelines.

7. Further, some survey participants indicated that in some cases, agency workers perform generic roles that are similar to those of staff members albeit under different contract types/remuneration levels. This suggests, among others, that agency worker may possess the requisite experience and skills that are transferable and applicable to staff roles and other non-staff contracts e.g. ICS. IOD notes that between January 2018 and June 2022, there were 52 agency workers subsequently recruited as staff members, non-staff employee (fellow) or hired as non-staff personnel (ICS contract).

8. IOD notes that 31 individuals who were initially hired on ICS contracts were subsequently recruited to fill vacant temporary or fixed term posts, when their contracts ended. While the Organization does not prohibit the movement of an individual from a non-staff contract type to a staff contract and *vice-versa*, it should however be noted that the current framework does not permit the use of ICS as short-term probation for an individual who may be subsequently recruited for an upcoming staff post. In addition, there is a risk that this approach can be perceived as lacking in transparency and fairness.

9. Evaluating the performance of Individual Contractors is an integral part of assessing value for money, fostering accountability and tracking quality of deliverables and performance of contractors. IOD reviewed a random sample of 50 ICS case files, and found 22 files in which the performance evaluation form was missing, not completed or received after more than two weeks following the end of the contract. The lack of compliance and delays in completing the performance evaluation form and the constant reminders, tracking and follow-ups by PTD to ensure that the form is completed within the stipulated time, shows a lack of impetus by some Contract managers to comply with this requirement. Going forward, the Organization should consider linking the timely completion of performance evaluations to the future use of ICS contracts, and consider including these compliance aspects within the performance evaluations of Contract managers who regularly hire ICS.

10. The planned move to Microsoft 365 cloud platform (M365) as the future enterprise content management and collaboration platform provides an opportunity for PTD to enhance its digital capabilities and develop a common standard for electronic filing of ICS documents. Automating standard templates/paper-based forms and manual workflows, where relevant and practical, would enhance the ICS workflows and further support compliance with the relevant OIs. Finally, the current ICS workflow can be enhanced by establishing an internal Service Level Agreement that, among others, measures the efficiency of processing actionable/complaint files and the issuing of ICS contracts.

11. IOD makes 10 recommendations covering governance, strategy alignment, compliance and internal control processes, training, and systems. The respective business owners have committed to address the recommendations by the end of 2022 and 2023.