
Review of Procurement Phase 2 - 20,000 CHF to 150,000 CHF

DATE

31 August 2026

This report has been redacted in line with Internal Oversight Division's Report Publication Policy.

1. Executive Summary



EXECUTIVE SUMMARY

Overall Assessment

✓ Report Rating

Satisfactory

Satisfactory, some improvement needed

Partially satisfactory, major improvement needed

Unsatisfactory

Observations raised

0 HIGH

4 MEDIUM

0 LOW

How we worked: We planned the audit around a risk and control matrix agreed with the Internal Oversight Division (IOD). We then built our understanding of how the process actually operates through interviews and walkthroughs with the Procurement division. We tested a sample of 15 Requests for Quotation (RFQs) in the 20,000–75,000 CHF range and 10 Limited Tenders in the 75,000–150,000 CHF range against the expected controls. We validated our findings with management before reporting.

What works well: Procurement processes are well-structured with documented planning and approval gates; solicitation documents are generally complete with clear evaluation criteria; contract execution includes essential terms and follows delegation of authority; and confidentiality of bids is maintained throughout evaluation. These controls demonstrate WIPO's commitment to sound procurement practices at the transactional level, with clear governance frameworks and documented authorization procedures in place across the procurement lifecycle.

Where the gap lies: Despite these strengths, the audit highlights gaps. The minimum target of three responsive suppliers was not achieved in a material portion of procurement activities: 47% of RFQs (7 out of 15) and 20% of Limited Tenders (2 out of 15). In these instances, no documented justification was provided for the shortfall. Budget ranges have been informally communicated to certain suppliers, as observed in the ██████████ case, which can influence competitive dynamics. Submission deadlines are not applied consistently, with late offers being accepted in some instances, such as the ██████████ case.

Why this matters: These gaps have direct implications for WIPO's procurement outcomes and risk profile. Reduced competitive pressure can lead to higher costs and less favorable commercial terms for the Organization. The absence of a consolidated supplier view and inconsistent sourcing practices increases the risk of supplier concentration and dependency, which may affect resilience and bargaining power. Unequal treatment of suppliers, whether perceived or actual, can create reputational risk and undermine confidence in the fairness of procurement processes.

Rating: The Procurement Phase 2 audit received an overall rating of Satisfactory, some improvement needed. Four medium-priority observations were identified, indicating that transactional controls are generally effective and that core procurement processes are operating as designed.

EXECUTIVE SUMMARY

Key observations and high-level recommendations

High priority

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Medium priority

A. Procurement processes do not consistently achieve the minimum requirement of three responsive suppliers.

The decision to proceed with fewer suppliers is not consistently documented or justified against procurement standards and risk criteria

B. Solicitation processes is not systematically fair and transparent in the treatment of suppliers.

Informal budget communication and inconsistent deadline application undermine fair competition

C. Formal negotiations are not consistently conducted with shortlisted suppliers to optimize value for money.

Supplier selection is based on evaluation scores and pricing, but negotiation discipline is not documented or guided by common criteria at that point. Where negotiations occur, they are conducted informally and at divisional discretion, and across procurements there is no defined negotiation requirement.

D. Limited Tender procurements also fail to consistently achieve three responsive suppliers.

Insufficient supplier responses and missing exception documentation reduce competition

Low priority

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2. Introduction



INTRODUCTION

Background

Following the successful completion of Phase 1 (██████████), WIPO’s Internal Oversight Division (IOD) engaged Deloitte to conduct Phase 2: a risk-based review of mid-value procurement (20’000–150’000 CHF). This engagement assessed to strengthen procurement controls, ensure compliance with WIPO’s Financial Regulations and policies, and deliver actionable recommendations to enhance transparency and operational efficiency across procurement processes.

Audit Mandate

The mandate specifically targeted three risk areas: compliance with procurement procedures, identification of patterns and red flags, and effectiveness of oversight and follow-up mechanisms.

Scope and focus areas

The audit covered three primary areas:

1.

Compliance with procurement procedures: verified adherence to competitive bidding, approvals, documentation, and ethical standards for mid-value purchases.
2.

Patterns and red flags: identified inappropriate practices such as frequent non-competitive procedures, last-minute justifications, requisition splitting, or structuring to avoid higher-level reviews (if any).
3.

Effectiveness of oversight: evaluated controls, monitoring mechanisms, supplier performance management, and post-procurement issue resolution.

Audit approach

1. Plan

Defined the risk-based audit scope, control matrix, and methodology in line with the WIPO’s Financial Regulations and Rules and Procurement policies.

2. Understand

Gained comprehensive knowledge of WIPO’s procurement governance framework. Reviewed procurement policies, delegation of authority, and existing controls to validate oversight mechanisms.

3. Assess

Evaluated the adequacy and effectiveness of internal controls over mid-value procurement. Performed sample testing of transactions, analysed procurement data for patterns, and assessed compliance with procurement procedures and ethical standards.

4. Report

Delivered a comprehensive, actionable audit report to strengthen WIPO’s procurement governance and contract management. Included findings, root cause analysis, and tangible, achievable recommendations.

INTRODUCTION

Audit and Risk areas

RISK AREAS	DESCRIPTION	LINKED OBSERVATIONS
1. Compliance with procurement procedures	Purchases between CHF 20,000–150,000 may not comply with WIPO's Financial Regulations and Procurement rules, leading to unauthorised or inappropriate procurement activities.	A, C, D
2. Patterns and red flags	Risk of inappropriate practices such as frequent non-competitive procedures, last-minute justifications, requisition splitting, or structuring to avoid higher-level reviews or competitive tendering.	B
3. Effectiveness of oversight	Controls and oversight mechanisms may be insufficient to detect or address recurring procurement issues, resulting in persistent weaknesses and increased procurement risk.	

3. Risk areas assessment and observations



RISK AREA 1 · GOOD PRACTICES

RFQ – Request for Quotation – 20,000 to 75,000 CHF

What WIPO already does well in procurement processes for contracts valued 20,000 to 75,000 CHF

✓ **Planning & needs identification is documented and approved**

- Procurement needs are systematically documented with clear specifications, Terms of Reference, or Statements of Work before solicitation.
- Approval gates are in place at the planning stage, with documented evidence of authorization before proceeding to sourcing.

✓ **Solicitation documents are generally complete and include required elements**

- Solicitation documents include Terms of Reference, draft contracts with general conditions, and clear instructions to bidders.

✓ **Approval and authorization follow delegation of authority**

- Procurement actions are approved by appropriate authorities in accordance with Delegation of Authority.

✓ **Estimated value determination drives appropriate procurement method**

- Estimated values are correctly calculated and documented, determining the appropriate procurement method (RFQ vs. Limited Tender).
- The value threshold is consistently applied to select the right procurement approach.

✓ **Offer evaluation is conducted against predefined criteria**

- Solicitation documents include Terms of Reference, draft contracts with general conditions, and clear instructions to bidders.
- Confidentiality of bids is maintained throughout the evaluation process.

✓ **Contract execution includes essential terms**

- Contracts are executed by authorized personnel with all essential terms clearly documented.

OBSERVATIONS IN THIS AREA

A Procurement processes do not consistently achieve the minimum requirement of three responsive suppliers if the market permits. →

B Solicitation processes occasionally lack fairness and transparency in the treatment of suppliers. →

C Formal negotiations are not consistently conducted with shortlisted suppliers to optimize value for money. →

OBSERVATION A REQUEST FOR QUOTATION

MEDIUM

Procurement processes do not consistently achieve the minimum requirement of three responsive suppliers if the market permits

The decision to proceed with fewer suppliers is not consistently documented or justified against procurement standards and risk criteria.

CURRENT PROCESS

Supplier identification is systematic: Potential suppliers are identified through market research, existing incumbent suppliers, UNGM, and general inquiries within procurement networks.

Pre-qualification process is applied: Mandatory requirements are established and applied to filter suppliers before the solicitation phase.

Competitive sourcing is the stated objective: The Procurement Manual requires competitive processes with at least three responsive suppliers targeted.

OBSERVATION

The three-responsive-supplier requirement is not systematically met: Seven RFQ procurements (47% of the 15 RFQs sampled) did not achieve the minimum target of three responsive suppliers meeting all technical and commercial requirements.

Failures occur despite broad identification efforts: Even when three or more suppliers are invited and pre-qualified, the number of responsive suppliers ultimately falls short of the minimum target.

Examples include:

- [REDACTED] Only two responsive suppliers [REDACTED] was rejected due to a time zone requirement.
- [REDACTED] : For Lot 1, only two responsive suppliers; for Lot 2, only one responsive supplier.
- [REDACTED] : Insufficient evidence to demonstrate that three responsive suppliers were obtained.
- [REDACTED] : Only one responsive offer for publications and six offers for transport services.
- [REDACTED] : Only two responsive suppliers ([REDACTED]).

No documented justification when the requirement is not met: Where fewer than three responsive offers are received, there is no evidence of a documented note or justification explaining the outcome, as required under WIPO Procurement Manual Section 7.2.1(c).

IMPLICATIONS FOR WIPO

Reduced competitive pressure: With fewer than three responsive suppliers, WIPO may not achieve optimal pricing and terms, as competitive tension is diminished.

Concentration risk: Reliance on a single or two suppliers for a given procurement increases dependency and continuity risk.

Inconsistent application of procurement standards: The requirement is stated in the Procurement Manual but not consistently enforced or documented when not achieved.

Audit trail gaps: Without documented justification, WIPO cannot demonstrate that the shortfall was recognized and consciously accepted.

RISK

Insufficient competition & concentration exposure - Risk that failure to achieve three responsive suppliers may lead to reduced competitive pressure, higher costs, and increased supplier concentration risk.

RECOMMENDATIONS

Strengthen supplier identification and engagement: Expand the pool of potential suppliers early in the process, with documented outreach to ensure at least 3 responsive suppliers are targeted.

Document outcomes and exceptions: When fewer than three responsive offers are received, document the reasons (e.g., supplier withdrawal, non-compliance with mandatory requirements)

Review pre-qualification criteria: Assess whether mandatory requirements are proportionate to the procurement need; overly restrictive criteria may inadvertently reduce the responsive supplier pool.

Management Response

Observation A	Action	Responsible person	Due dates
CSD acknowledges that there is a need to seek at least three responsive suppliers, where the market permits, which may require prior market research to identify a sufficient pool of potential suppliers and increase the likelihood of receiving three responsive bids; WIPO management response is that where fewer than three responsive offers are received, (i) as part of the certification process the Procurement Official should document the efforts taken to obtain at least three responsive offers, including, where relevant, an assessment of whether the Mandatory Requirements may have been too restrictive; and. (ii) the Procurement Official’s supervisor shall review and approve the process. Closure criteria will be amendment of the Procurement Manual to add a new requirement where fewer than 3 responsive offers are received a documented review and approval by the Procurement Official’s supervisor as to whether the competitive process was broad enough in the circumstances will be logged in the file.			30.09.2026

OBSERVATION B REQUEST FOR QUOTATION

MEDIUM

Solicitation processes is not systematically fair and transparent in the treatment of suppliers

Informal budget communication and inconsistent deadline application undermine fair competition.

CURRENT PROCESS

Solicitation documents are issued with clear instructions: Terms of Reference, evaluation methodology, and bidding instructions are communicated to all suppliers.

Evaluation methodology is predefined: Evaluation criteria and scoring are established before bids are received.

Confidentiality of bids is maintained: Bid information is kept confidential during evaluation.

OBSERVATION

Budget constraints are sometimes communicated informally: In at least one case (██████████), the budget range (20,000–45,000 CHF) was communicated separately to bidders, not clearly documented in the main Terms of Reference, raising questions about transparency. We understood, following discussions with the Procurement Section, that the issues in the ██████████ case had been identified by Procurement at the time and were subsequently used as lessons learned with the Requestor.

Unequal treatment of suppliers occurs: In the ██████████ procurement, ██████████ submitted its offer on 24 May 2023, two days after the 22 May deadline. Our review found no evidence of formal revalidation of the late submission or of a deadline extension granted to all suppliers. This represents a deviation from equal treatment principles.

Budget disclosure influences competitive bidding: Disclosure of budget ranges creates a risk that bidders will anchor their offers to the upper limit rather than submit their best commercial terms. This pattern was observed in the ██████████, where ██████████ submitted CHF 44,990 and ██████████ submitted CHF 45,000—both at or near the stated ceiling.

Confidentiality concerns: In one case, Terms of Reference were shared with partners not directly involved in the procurement, raising concerns about the impartiality of the process.

IMPLICATIONS FOR WIPO

Reduced market competition: Disclosing budget ranges limits true market competition and the ability to obtain the most competitive price.

Unequal supplier treatment: Inconsistent application of deadlines and submission rules undermines the fairness principle and may expose WIPO to supplier disputes.

Reputational risk: Perceived unfairness in procurement processes can damage WIPO's reputation and supplier relationships.

RISK

Compromised procurement integrity - Risk that lack of fairness and transparency in solicitation processes may lead to unequal supplier treatment, reduced competition, and deviation from procurement standards.

RECOMMENDATIONS

Enforce budget confidentiality: Ensure budget ranges are not disclosed to bidders before solicitation issuance, in line with WIPO Procurement Manual Section 1.6.2(a).

Enhance documentation of late offer acceptance in RFQs: While the Procurement Manual (§7.2.1(c)) permits acceptance of late offers in informal RFQ procedures, establishing documented criteria for such acceptances would enhance consistency and transparency in their application.

Strengthen solicitation document control: Ensure Terms of Reference and all solicitation documents are shared only with authorized bidders and are not distributed to external parties without documented justification.

Management Response

Observation B	Action	Responsible person	Due dates
	CSD acknowledges the importance of fairness and transparency in all procurement actions, including informal competitions, and the associated reputational risks if these principles are not maintained. WIPO’s mandate may require Terms of Reference or other solicitation documents to be shared with third parties other than bidders, such as implementing partners or Member States’ Intellectual Property Offices that are the ultimate beneficiaries of a project. In order to maintain this possibility, which is useful to WIPO’s mandate, and to address the recommendation, the Procurement Manual shall be updated to clarify that, where third parties are required for business reasons to have access to Terms of Reference or other confidential procurement information, the confidential tender documents may only be shared externally where a Declaration of No Conflict of Interest (DCNI) / Confidentiality Agreement is in place. Closure criteria will be update of the Procurement Manual to confirm that where third parties are required for business reasons to have access to Terms of Reference or other confidential procurement information, the confidential tender documents may only be shared externally where a DCNI/Confidentiality Agreement is in place.		30.09.2026

OBSERVATION C

REQUEST FOR QUOTATION

Formal negotiations are not consistently conducted with shortlisted suppliers to optimize value for money

Absence of formal negotiations with shortlisted suppliers limits value optimization opportunities.

CURRENT PROCESS

Supplier selection is based on evaluation scores and pricing: Evaluation reports identify the supplier offering the best technical and commercial proposal.

Best value for money is assessed at the evaluation stage: The evaluation process compares technical quality and price to determine the best overall value.

OBSERVATION

Selection decisions are sometimes made without formal commercial optimization: In the ██████ procurement, technical evaluation correctly identified ██████ as the best fit for WIPO's requirements based on objective criteria. However, the evaluation report contained no evidence that formal post-evaluation negotiations were conducted with shortlisted suppliers to optimize commercial terms, pricing, delivery, or service levels. Such negotiations represent a standard best practice to enhance value for money and should be conducted regardless of the technology selection.

Negotiation step is skipped: The procurement process moves directly from evaluation to selection without a documented negotiation phase to refine terms and pricing.

IMPLICATIONS FOR WIPO

Missed opportunity to optimize terms: Without formal negotiations, WIPO may not achieve the best possible pricing, delivery terms, or service levels from shortlisted suppliers.

Reduced leverage: Suppliers may not be incentivized to improve their offers if they know negotiations will not occur.

Inconsistent application of best value principle: While evaluation identifies the best offer, negotiations could further improve that offer, but this step is not consistently applied.

RISK

Suboptimal value for money - Risk that skipping formal negotiations may lead to missed opportunities to optimize pricing and terms with shortlisted suppliers.

RECOMMENDATIONS

- Introduce a negotiation phase:** For procurements above a defined threshold (e.g., CHF 50,000), include a formal negotiation phase with shortlisted suppliers after technical evaluation to refine terms, pricing, and service levels.
- Document negotiation outcomes:** Record all negotiation discussions, offers, and refinements to create an audit trail and demonstrate that best value was pursued.
- Define negotiation scope:** Clarify which elements (price, delivery, SLAs, payment terms) are negotiable and communicate this to suppliers at the solicitation stage.
- Apply proportionately:** For lower-value procurements, a lighter negotiation approach (e.g., a single clarification round) may be sufficient.

Management Response

Observation C	Action	Responsible person	Due dates
While CSD acknowledges the potential interest of negotiations to optimize value for money, a compulsory negotiation phase with shortlisted suppliers would not be consistent with WIPO’s procurement framework nor with the broader UN practice (see UN Practitioner's Handbook – “negotiations shall only take place with the winning bidder. i.e. bidder that submitted the best offer or where only one offer has been received” - page 109). WIPO’s Procurement Manual reflects this approach as a condition to ensure mutual recognition and to collaborate on procurement activities, as requested by Member States. CSD acknowledges however that best practices require that the file should reflect any such negotiations with winning bidder. Closure criteria will be the update of Procurement Manual to confirm that the file should reflect any negotiations.			30.09.2026

RISK AREA 2 · GOOD PRACTICES

Limited Tenders – 75,000 to 150,000 CHF

What WIPO already does well in procurement processes for contracts valued 75,000 to 150,000 CHF

- ✓ **Supplier identification and pre-qualification are systematic**
 - Potential suppliers are identified through market research, previous tenders, and procurement networks.
 - Pre-qualification stages are conducted with clear mandatory requirements.

- ✓ **Solicitation documents are complete and objective**
 - Solicitation documents include Terms of Reference, draft contracts, and clear evaluation methodology.

- ✓ **Offer evaluation is objective and documented**
 - Evaluation is performed against predefined criteria with documented evaluation reports.

- ✓ **Approval and authorization are applied**
 - Procurement actions are approved by appropriate authorities.

OBSERVATIONS IN THIS AREA

D Limited Tender procurements also fail to consistently achieve three responsive suppliers →

OBSERVATION D **LIMITED TENDER**

MEDIUM

Limited Tender procurements also fail to consistently achieve three responsive suppliers if the market permits

Insufficient supplier responses and missing exception documentation reduce competition

CURRENT PROCESS

Supplier identification is comprehensive: Multiple suppliers are identified and invited to bid [REDACTED]

Pre-qualification is conducted: Suppliers are assessed against mandatory requirements before the solicitation phase.

The objective is to receive at least three responsive offers: The WIPO Procurement Manual Section 7.3.2 establishes this requirement as good practice.

OBSERVATION

The three-responsive-supplier requirement is not systematically met: Of the 10 Limited Tender procurements sampled, 2 (20%) failed to achieve at least three responsive suppliers (Test 3: 20% Fail rate).

Failures occur despite broad identification efforts: Even when three or more suppliers are invited and pre-qualified, the number of responsive suppliers ultimately falls short of the minimum target.

Examples include:

- [REDACTED]: Only 1 responsive supplier across all three lots, despite inviting 6, 5, and 8 suppliers respectively.
- [REDACTED] Only 2 responsive suppliers ([REDACTED]); the third bidder ([REDACTED]) was rejected.

No documented justification when the requirement is not met: Where fewer than three responsive offers are received, there is no evidence of a documented note or justification explaining the outcome, as required under WIPO Procurement Manual Section 7.3.2.

IMPLICATIONS FOR WIPO

Reduced competitive pressure: Single or two-supplier outcomes eliminate competitive tension and may result in higher costs.

Concentration and continuity risk: Over-reliance on a single-supplier for a material contract increases operational and financial risk.

Inconsistent application of procurement standards: The requirement is stated but not consistently enforced or documented when not achieved.

RISK

Insufficient competition in Limited Tenders - Risk that failure to achieve three responsive suppliers in Limited Tender procurements may lead to single-supplier dependency and reduced competitive pressure.

RECOMMENDATIONS

Expand supplier identification: Broaden the pool of potential suppliers early in the process, with documented outreach to increase the likelihood of at least 3 responsive suppliers.

Analyse non-responsive reasons: Document why suppliers did not submit responsive offers (e.g., capacity constraints, technical misalignment, commercial terms) to inform future supplier engagement.

Document exceptions: When fewer than three responsive offers are received, document the reasons, in accordance with WIPO Procurement Manual Section 7.3.2.

Management Response

Observation D	Action	Responsible person	Due dates
CSD refers to Observation A and the associated Management Action.			30.09.2026

4. Appendices

APPENDIX 1

Documentation received by risk areas

AUDIT AREAS	DOCUMENTS
Governance, policy and procedures	
Planning, budgeting and procurement strategy	
Procurement transactions & data	
Data analytics enablement	
Compliance and monitoring	
Additional contextual information	

APPENDIX 2

List of interviews

NAME	JOB TITLE
[REDACTED]	Director Procurement and Travel
[REDACTED]	Head Procurement Section
[REDACTED]	Senior Legal Officer
[REDACTED]	Senior Functional Analyst
[REDACTED]	Associate Procurement Officer
[REDACTED]	Associate Procurement Officer

APPENDIX 3

Sample selection – Request for Quotations – 20,000 to 75,000 CHF

ACTIVE VENDORS	CONTRACT ID
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

APPENDIX 4

Sample selection – Limited Tenders – 75,000 CHF to 150,000 CHF

ACTIVE VENDORS	CONTRACT ID
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

APPENDIX 5

WIPO – IOD Rating methodology

Engagement Conclusion	Definition
Satisfactory	- The assessed governance arrangements, risk management, and controls were adequately established and functioning well. - Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
Satisfactory, Some improvement needed	- The assessed governance arrangements, risk management practices, and controls were generally established and functioning, but need some improvement. - Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
Partially satisfactory, Major improvement needed	- The assessed governance arrangements, risk management practices, and controls were established and functioning but need major improvement. - Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
Unsatisfactory	- The assessed governance arrangements, risk management practices and controls were not adequately established and not functioning well. - Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.
N/A	Not Applicable.

Engagement Finding Significance	Definition
Low Significance	Matters and/or findings considered to be of minor importance to the maintenance of internal control, compliance, good corporate governance, or good practice for processes. Findings raised may also relate to matters warranting consideration for improving the efficiency of existing processes subject to availability of specified resources or technology.
Medium Significance	Matters and / or findings considered to be of importance to maintenance of internal control, compliance, good corporate governance or good practice for processes. Findings raised may also relate to matters warranting consideration for improving the efficiency of existing processes subject to availability of specified resources or technology.
High Significance	Matters and / or findings considered to be fundamental to maintenance of internal control, compliance, good corporate governance, or good practice for processes. The matters and / or findings should be subject to agreed remedial action either immediately or within three (3) months from date of issue of final report to management.

Effectiveness of Controls and Residual Risk Rating:
The Residual Risk Ratings in the table below are driven by the combination of Inherent Risk (the level of risk before the effect of mitigating controls) and the Effectiveness of Controls.

		Inherent Risk			Residual Risk
		Low	Medium	High	
Control Effectiveness	Not Effective	Low	Medium	High	
	Partially Effective	Low	Medium	High	
	Effective	Low	Low	Medium	