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SUMMARY ANNUAL REPORT OF THE DIRECTOR OF THE INTERNAL AUDIT AND
OVERSIGHT DIVISION

prepared by the Secretariat

1. This document presents the Summary Annual Report of the Director of Internal Audit and Oversight Division.

2. The WIPO General Assembly is invited to take note of the Summary Annual Report of the Director of Internal Audit and Oversight Division.

[Annex follows]

ANNEX

SUMMARY ANNUAL REPORT OF THE DIRECTOR OF INTERNAL AUDIT AND OVERSIGHT DIVISION

July 1, 2008 to June 30, 2009

I. BACKGROUND

1. The WIPO Internal Audit Charter (IAC)¹ requires the “Internal Auditor”² to present a Summary Annual Report to the Director General, with a copy to the External Auditor and the Audit Committee (AC), of activities undertaken, including orientation and scope of such activities, and the progress on the implementation of recommendations. This Summary Report is also presented to the General Assembly. The Internal Audit and Oversight Division (IAOD) also make short informational internal reports on a quarterly basis to keep the Director General and the AC informed of oversight activities carried out. IAOD are also requested to make a presentation on their activities (IAC, paragraph 22) to formal sessions of the Program and Budget Committee. It also enables our major stakeholders to be fully informed of IAOD activities and the challenges faced by it in fulfilling its mandate.

2. The function of IAOD is to ensure effective independent internal oversight at WIPO. Its mission is to independently examine and evaluate WIPO’s control and business systems and processes and to recommend improvement, thus providing factual and fair findings and information, assurance and assistance to management and other stakeholders on the effective discharge of their responsibilities and the achievement of the WIPO mission and goals. IAOD were established in May 2000. Its original mandate included both internal audit and evaluation functions. IAOD also informally acted as a focal point for investigation and inspection. With the approval of the WIPO IAC by the General Assembly in September 2005 (revised in September 2007), investigation and inspection were specifically incorporated into the IAOD mandate. The status and activities of the evaluation function were further elaborated in the Evaluation Policy approved by the Director General in 2007.

II. INTERNAL OVERSIGHT ACTIVITIES SUMMARY

3. The main internal oversight activities in the period are summarized below:

(a) Internal Audit

(i) Audit reports on the following topics were issued in the period:

¹ The WIPO IAC as revised in September 2007, WO/GA/34/15 refers.

² This is the Director of the Internal Audit and Oversight Division

– Risk Registers and Tender Process for the General Contractor for the New Construction Project (September, 2008)³;

- Significant Procurement Cases;
- Information Security and Operations;
- IT Access Controls;
- Travel and Mission Support;
- Risk Registers for the New Construction Project (March, 2009).

(ii) Audit fieldwork has been completed and draft reports have been prepared for comment by the auditees for the following audits:

- Risk Registers for the New Construction Project;
- PCT Revenue Generation Processes;
- Payroll System in WIPO⁴.

(iii) A plan and a work program have been drawn up for an audit of the Madrid and The Hague Systems Revenue Generation Processes.

(iv) Internal Audit Planning documentation (strategy, risk assessment, needs analysis, 2009 work plan) was developed and included comments from the Director General and the AC. The detailed 2009 audit work plan identified audit needs for high- risk business areas and topics of 820 audit-days' work. IAOD are currently able to only provide some 260 audit-days in 2009 to these tasks (of which 100 days are planned to come from outsourcing to audit experts)⁵. The shortfall in audit of high-risk business areas and systems is of significant concern. Insufficient coverage of high risks as identified via the risk assessment and audit needs analysis means that IAOD are unable to give the assurance that key internal controls are working appropriately. Management have accordingly agreed a very high degree of risk acceptance. This has been formally communicated to management and to the AC during discussions of the annual Internal Audit Planning.

³ IAOD conduct an audit of Risk Registers for the NCP on a bi-annual basis in line with the audit strategy developed for this purpose and in agreement with a request from the AC.

⁴ Following a limited international tender, KPMG was selected to undertake this audit assignment under the supervision of IAOD.

⁵ The total man days currently required to provide full internal audit coverage for all high risk areas identified by the Audit Needs Assessment (ANA) is 820 (this is some 5 plannable audit work years). This compares reasonably with benchmarks set by the UN Joint Inspection Unit (JIU) of between four and eight professional auditors for a body of WIPO's size and complexity (JIU/REP/2006/2 Annex 1 refers). It therefore needs to be noted that due to the current lack of audit staff, not all identified areas of high risk and no audit of medium or low risk will be undertaken in 2009. The amount of extra man years for a full coverage of the high risk auditable areas identified by the ANA exercise is currently over 3 man years.

(v) Internal Audit follows the Professional Standards and Code of Ethics of the Institute of Internal Auditors and the related practice advisories and guidance. Work to develop internal audit manual, standard routines and audit templates has continued. Progress on this was reported to the AC.

(vi) A brief commentary on the major issues and challenges identified in the audit reports prepared by Internal Audit in the period is set out in Appendix A. It is noted that internal audit reports are available to individual Member States and may also be read in the office of the Director, IAOD. Executive Summaries of the reports are also made available on the IAOD web page.

(b) Investigation

– Twenty nine new cases were received or initiated in the reporting period (as compared with 11 cases received in the previous period). Investigative activity related to new cases and the 12 cases pending as at the beginning of the period required substantial commitments of human and financial resources. Thirteen cases were investigated and closed in the period. Two of these and a third case still under active investigation, required extensive investigation resources and significant in-depth forensic IT expertise and analysis. Three cases involving allegations of harassment were fully investigated⁶. Significant investigative resources were also required to close cases involving a withdrawal of complaints during the investigation process, a determination that IAOD lacked evidence to fully investigate, that after due consideration (and legal advice) the issues involved lay outside the mandate of IAOD, and where recommendations were for closure by administrative non disciplinary resolution to the issues.

– The Investigation Section were an important resource for the Human Resources and Management Department (HRMD) and Office of Legal Counsel (OLC) in their handling of cases before the Joint Advisory Committee or on appeal after full investigations by IAOD. In 11 cases investigated in this and the previous reporting period, IAOD subsequently supported HRMD and OLC to develop the factual case record through preparation of statements and by commenting on draft pleadings.

– Twenty eight cases are currently being processed by the Investigation Section.

Investigations in the reporting period

Active cases on July 1, 2008	New cases registered in reporting period	Investigation actions completed in reporting period	Active cases as at June 30, 2009
12	29	13	28

⁶ In relation to lessons learnt from these cases IAOD made recommendations relating to the definition of harassment, harassment training and practices for managing instances of harassment based on good practices from the UN.

– Two large, urgent and serious investigations were carried out by external experts for the urgent request of the Director General. IAOD have been informed of the results of the investigation and will support the taking forward of appropriate actions arising from the investigation findings.

– A detailed work plan for the Investigation Section was prepared and sent to the Director General, and comments were received thereon. The detailed work plan was also considered by the AC at its 11th Meeting in December, 2008.

– Refinements were made to the draft Investigation Policy prepared in the previous reporting period, and commentary developed to guide the deliberative process leading to its adoption and, later, implementation.

– Work continues on the preparation of an Investigation Manual that will be based on best practices for investigation within the UN and other international organizations.

(c) Inspection

– A review of WIPO Integrity and Ethics Systems was completed by IAOD. The review made some detailed practical proposals for strengthening WIPO systems and procedures in line with UN and other internationally accepted good practices, including support for the creation of an Ethics Officer at WIPO.

(d) Evaluation

– The evaluation function within WIPO aims to enhance the generation and use of value-added evaluative information for (i) decision-making processes concerning the improvement of present and future activities; (ii) policy formulation and review by Member States; and, (iii) management oversight by the Director General. The evaluation function has a focus on learning and accountability, and this applies as well to self and other evaluations conducted throughout the Organization. The Evaluation Section was re-established in the period as required by the Evaluation Policy⁷ and two evaluation staff were recruited. The Evaluation Section delivered the following main outputs during the reporting period:

(a) Detailed Evaluation Work Plans for 2008 and 2009 were prepared and approved by the Director General. Both plans were provided to the AC;

(b) Summary Program Performance Report and Individual Program Performance Report for 2006/07;

(c) Review of the Program Performance Process;

(d) A report on matters arising from two workshops designed to enhance the self-evaluation capacity of the Organization;

⁷

The Evaluation Policy was approved by the Director General in 2007.

- WIPO;
- (e) An assessment report of the evaluation priorities for 2009 within
 - (f) Draft “WIPO Self-Evaluation Guidelines” were developed;
 - (g) Validation of the 2008 Program Performance Report and summary of full reports on the Validation of the 2008 Program Performance Report;
 - (h) An annual Report on the activities of the Evaluation Section for 2008 was provided to the Director General as required by the Evaluation Policy and copied to the AC.

– Further details of the results of these outputs are set out in Appendix B below. It is noted that evaluation reports available to individual Member States are available on the WIPO intranet, and may also be read in the office of the Director, IAOD.

4. In addition to the above delivered outputs, the Evaluation Section provided various programs with evaluation advice and support services directed to improve current monitoring and evaluation practices. In particular, advice, support and guidance have been provided to the Development Agenda Coordination Division, the Traditional Knowledge Division; and the new Program and Performance Management Section. The Evaluation Section has continued its active participation in the United Nations Evaluation Group (UNEG) and assisted in the setting up of a less formal network of evaluators in Geneva based international organizations.

III. OTHER OVERSIGHT WORK

Audit and Control Advice

5. In line with the mandate provided by the IAC, IAOD provided advice to management on various issues concerning risk management, results-based management and strategic planning, internal control procedures, and cost-effectiveness and compliance with the relevant regulations and rules of the Organization. As much as scarce resources will allow, IAOD will also keep performing audit/advisory work on important developments in WIPO systems such as:

– The introduction and implementation of the new Financial Regulations and Rules (FRR) including more efficient, effective and modern internal control and accountability arrangements;

– The introduction of an integrated Enterprise Resource Planning (ERP) System: IAOD are an observer to the project team with a view to ensuring that the new Peoplesoft based system will have sufficient, effective internal controls embedded in the process;

– The further development of risk management processes, particularly at the enterprise level;

– The introduction of the International Public Sector Accounting Standard (IPSAS) and, in particular, the need for a specific statement of controls assurance from management.

6. Before the end of 2009, it is planned to carry out a gap assessment of internal control processes and systems in WIPO, using the Committee of Sponsoring Organizations (COSO) model as a reference framework. The assessment will make suggestions for gap filling and also conduct “walk through” tests of controls in place at the program level thereby following on the recent implementation of the new Financial Regulations and Rules.

The Audit Committee (AC)

7. The WIPO General Assemblies approved, in September, 2005, the establishment of the WIPO Audit Committee⁸. The 10th, 11th, 12th and 13th meetings of the AC took place in the period covered by this report, as did various meetings for the AC to oversee the desk-to-desk assessment and report by PricewaterhouseCoopers and the construction of the New Building Project. AC members have also attended the Program and Budget Committee and the Assemblies of the Member States of WIPO. IAOD have been invited regularly by the AC to attend its quarterly sessions to answer detailed questions concerning the work and functioning of the Division. IAOD have also provided comments to the self assessment exercise currently being undertaken by the AC with a view to strengthening and improving its role, processes and effectiveness. The UN Representatives of Internal Audit Services position paper on AC Principles and Good Practices was also shared with the AC.

The External Auditors

8. The excellent professional and working cooperation and coordination established with the External Auditor has continued. The External Auditor will carry out a review of the functioning of the Internal Audit section in later 2009. This is very welcome indeed and will supplement IAOD’s efforts in self assessment as part of implementing the quality assurance policy set out in the Internal Audit Strategy.

The Ombudsman

9. IAOD and the Ombudsman have continued, as required by the IAC, to meet regularly to ensure good liaison and avoid any unnecessary duplication of activities. The exchange of views and discussions have been helpful and useful indeed in ensuring that the separate and independent mandates of the Internal Auditor and the Ombudsman are carried out effectively. In particular the comments and advice provided by the Ombudsman relating to the review of Integrity and Ethics were very useful. The review noted the need for the WIPO Ombudsman to have terms of reference more clearly aligned to those developed for the UN; and to have a longer fixed term of office (say 3 years) to help establish independence for the function.

Follow-up and Implementation of Internal and External Oversight Recommendations

10. The implementation of all oversight recommendations by WIPO managers is subject to regular “follow-up” by IAOD, in order to ensure that action has been taken effectively by management or that senior management have accepted the risk of not taking action. This is done by IAOD in three ways:

⁸ Document A/41/10 on “Proposal on the Establishment of a WIPO AC”. This was revised by the General Assemblies in 2007.

- At the start of each new audit, a review of the implementation of related earlier recommendations is undertaken;
- Through the regular review and updating, with information from the responsible managers, of the listing of “Implementation of Oversight Recommendations” spreadsheet and its submission to the AC for review;
- As a specific annual exercise to keep the Director General informed on the progress of implementation activities by WIPO managers. In respect of this the Director General has requested the Senior Management Team to take even more effort to implement accepted oversight recommendations as quickly and expediently as practical.

11. The listing of all outstanding WIPO oversight recommendations has been regularly updated and reviewed throughout the period. The AC examines the listings at every other of their regular meetings. During the period the relevant Program Managers have been requested to add extra information to the listing concerning implementing activities and the timetables for those actions for which they are responsible. The WIPO managers responsible to the Director General for implementing oversight recommendations have also been more specifically identified and held accountable through the listing. As requested by the AC, their recommendations have been added to the list. Due to the fact that the list became difficult to manage, IAOD, in close cooperation with IT Division, have started a project to develop a Microsoft Access Database for WIPO Oversight Recommendations, with a view to being able to focus on high risks and generate more useful and flexible management reports.

12. At the end of this reporting period the full implementation of 259 recommendations (including those of the AC) remain outstanding. During the reporting period, 266 new recommendations were added to the list and 163 recommendations were fully implemented. The number of implemented recommendations has improved in relation to previous years due to the strong commitment of the Director General to ensure appropriate and more timely remedial actions by his managers.

13. The recommendations of the External Auditor have continued to be progressively implemented during the period, but some remain partially outstanding⁹. As required by the IAC, paragraph 21, a report was provided to the Director General regarding the implementation of recommendations made by the External Auditor and this has been copied to the External Auditor and the AC.

⁹ 31 recommendations remain partially outstanding. 12 of these recommendations were made two or more years ago.

Oversight Recommendations Implementation progress July 1, 2008 to June 30, 2009

Recommendations from	July 1, 2008	Additions in the period	Implemented in the period	June 30, 2009
	Initial Number			Not yet fully implemented
External audit	25	29	23	31
JIU¹⁰ Reports	9	---	5	4
IAOD	34	160	42	152
Ernst & Young	1	---	---	1
Audit Committee	87	77	93	71
Totals	156	266	163	259

14. A draft Office Instruction proposing to the Director General a policy, reporting procedures, roles and responsibilities of WIPO Program Managers and IOAD on the Implementation of WIPO Oversight Recommendations was prepared and, following consultations with Program Managers, has been submitted to the Director General for approval. The AC was formally informed of the content of the draft Office Instruction and the proposed policy.

UN Networking

15. The IAC makes specific provision for the need for participation in the various formal networks of the UN for oversight functions. During the period under review, IAOD continued its active collaboration and networking with other UN organizations and entities. In particular IAOD were:

- A participant at the 39th Representatives of Internal Audit Services (RIAS) of the UN meeting hosted by the World Bank in September, 2008, in Washington;
- A member of working groups preparing technical papers for RIAS on the Disclosure of UN Internal Audit Reports to Member States and on UN AC Principles and Good Practices. Both papers have been presented to the UN HLCM;
- A continuing participant in the UNEG, an inter-agency forum for evaluation professionals in the UN system. The Chief Evaluator and the Senior Evaluator attended the UNEG annual meeting in March, 2009;
- The Evaluation Section organized, in collaboration with other UN agencies, a session on self-evaluation practices within the UN system. The session took place at WIPO

¹⁰ United Nations Joint Inspection Unit (JIU)

headquarters and contributed towards the development of the draft “WIPO Self-Evaluation Guidelines” prepared by the Evaluation Section;

– IAOD and the UN Office of Internal Oversight Services (OIOS) jointly organized a workshop on performance audit for other Geneva based UN and international organizations;

– IAOD have hosted informal meetings of the Geneva UN Heads of Oversight Services. This group has organized training events relating to Construction Project audits, risk management and quality assessment. IAOD have attended these events.

IV. OVERSIGHT RESOURCES AND PLANNING

16. IAOD have continued to carry out, as much as possible, its mandate, with limited human resources. The need for full implementation of the IAC; carrying out a much more reasonable number of audits; attending and providing information to the AC; an increasingly heavy and difficult workload in respect of investigations; and the significant amount of work needed from IAOD in the preparation of the Program Performance Report for 2006-2007 are all key tasks in the period. The need to be able to carry out a full program of internal audits and evaluations based on a thorough assessment of risk; and to have much more timely responses for investigation cases remain urgent priorities.

Staffing Table and Information

IAOD Management Unit	Post: Actual as at end July 2009	Staffing Headcount as at end July 2009	Comments
Director and the Support Section	1	2	D1 in post; and an administrative assistant on a six-month short term contract.
Internal Audit Section	2	1	Senior Auditor (P4) in post. A Head of the Internal Audit Section (P5) post is being recruited.
Investigation Section	1	2	Senior Investigator (P4) has been in post since March 2008. An Investigator from UNOG is temporarily on loan (February-December 2009). Some other investigation experts have been contracted on a short term basis as needed and as approved by the Director General.
Evaluation Section	2	0	Senior Evaluator (P4) joined WIPO in May, 2008. A Chief Evaluator (P5) was recruited in December, 2008. The Chief Evaluator resigned and left WIPO in May, 2009. The Senior Evaluator was transferred to the Program Management and Performance Section in March, 2009, and will return to IAOD in October, 2009. Currently the Evaluation Section is not operational.

17. Staffing issues that have challenged the introduction of internal oversight at WIPO for a considerable period of time have become more serious in 2009. The original Program and Budget for 2008-2009 provided seven posts for IAOD (revised in 2009 to 6 posts). The draft Program and Budget for 2010-2011 provides 6 posts for IAOD. WIPO are well below JIU benchmarks for the number of internal auditors expected to be in place for a UN organization of similar size and complexity – the JIU¹¹ suggest there should be at least four internal audit staff at WIPO as against the single internal auditor we currently have in post. IAOD's current priority staffing issues are to obtain further posts for internal audit, investigation, and for some administrative and support staff. This will move IAOD closer to accepted UN norms for internal audit activity. The detailed investigation work plan for 2009 and the large number of current investigations clearly indicate the need for more human resources for the current heavy investigation case work. It is urgent to re-staff the Evaluation Section.

18. The staff movements in the period were:

- The Senior Evaluator (P4) was transferred in March 2009 to the Program Management and Performance Section for the period comprising March to September, 2009;
- The Chief Evaluator was appointed in December 2009. However he resigned and left WIPO in May, 2009;
- An investigator from UNOG is on loan to WIPO from February to December, 2009.

19. The IAC (paragraph 23) specifically requires the Internal Auditor to comment on the adequacy of resources allocated to internal oversight within the Organization. IAOD still do not have adequate staff to ensure the effective functioning of any of the internal oversight functions and to enable IAOD to satisfactorily achieve the objectives of its mandate.

2008-2009 IAOD Budget¹²

Expenditure and Commitment	Approved Budget	Balance
3,075	4,457	1,382

20. Against the approved post total of 72 man-months budgeted for the period of this report, some 65 months' of staff and temporary staff time was achieved.

¹¹ Annex I to the JIU report on *Oversight Lacunae* (JIU/REP/2006/2).

¹² Data collected on July 31, 2009. In CHF thousands. Staff commitments are allocated annually. This is the Budget as currently approved by the Director General.

21. During the period, use was made of contracted experts for various oversight activities. This was particularly valuable for work related to the IT audits and IT related investigations. It is planned to continue to make use of contracted experts and contractors in the next years in order for IAOD to be able to compensate the lack of staffing resources and carry out its mandate effectively by adding value in the areas of risk management, control and governance.

V. LOOKING FORWARD

22. Set out below are some of the main objectives and challenges for the next reporting period. The attainment of these goals is very much dependent on solving more quickly the resource and staffing issues already mentioned.

Internal Audit

23. The most urgent internal audit need is to strengthen the internal audit staff and carry out more audits to ensure that reasonable assurance is provided to the Director General and Member States of the adequacy and effectiveness of the system of internal controls at WIPO. Follow up audits are planned for 2010 on the IT Security and Operations and IT Access Controls; new audits are planned to be completed on entity wide and business level internal controls, revenues controls and operations. The Internal Audit Strategy, risk and needs assessment will continue to be revised in line with the changing needs and strategic goals and risk profile of the organization. Internal Audit will focus further on risk management and governance issues with a view to promoting the establishment of an effective enterprise risk management (ERM) in WIPO.

24. In parallel to carrying out audits it is also important to continue the professional development of internal audit in accordance with the international internal auditing standards, and IOAD will continue to further develop its audit practice guidelines and manual. Audit quality issues will be progressed with the continued development of the quality self assessment project and an external quality assessment by the External Auditors.

Investigation

25. The conduct of professional and timely investigation activity remains the top priority in this area of oversight. The backlog of investigations needs extra resources to reduce case load significantly. Large numbers of cases and demand for specialized and highly technical investigation have delayed further efforts in the previous reporting period to finalize the draft Investigation Policy and Investigation Manual. Finalization of these foundation documents in the current reporting period is essential to the proper conduct of investigation within WIPO and, consequently, to the ability of the Investigation Section to satisfy its top priority. The advantage of a first year of intense investigation experience in WIPO, and the added perspective that experience offers to IAOD and other stakeholders in the Organization, will greatly benefit the process leading to the finalization of the Policy and Manual. The finalization of the Policy and Manual will require extensive consultations within WIPO and with Member States.

Evaluation

26. The return of staff to the Evaluation Section and the recruitment of a new Head for the Section will allow a return to the urgent and effective implementation of the new WIPO Evaluation Policy. This will allow the delivery of independent evaluations at WIPO again.

27. The preparation of the 2010 evaluation work plan will again follow after consultation with key stakeholders and assessment of evaluation priorities within the Organization. The Evaluation Section will have a strategy of carrying out specific evaluations, contributing towards:

- Strongly supporting the further institutionalization of an evaluation culture and appreciation of the benefits of evaluation;
- Continuing to help develop and strengthen program monitoring and evaluation systems;
- Increasing the results-based monitoring and evaluation capacity by providing training and specialized monitoring and evaluation advisory support to program implementers since it will assist the Organization to manage the shift from reporting on activities to more results-based reporting;
- Enhancing the learning culture and accountability structures within the Organization in order to encourage program implementers to report on the challenges and constraints they encountered during implementation and then find possible solutions.

VI. CONCLUSIONS

28. The development and institution building of IAOD have not progressed sufficiently in the period under review. Additional human resources for a strong and independent oversight department have not become a reality. The strengthening of WIPO internal controls and improving business processes is therefore hindered. The delivery of high-quality services and activities which provide good value for money, and helps ensure proper performance, accountability and stewardship of all WIPO activities and resources can not be assured by IAOD with current levels of staff.

29. There is an adequate procedural base for carrying out internal audits, investigations and evaluations but work in this area will continue as resources allow. Issues concerning lack of IAOD staffing, and therefore impairment of operational independence, need to be overcome.

APPENDIX A

Internal Audit Work Summary

In line with the requirement of the IAC (paragraph 23) a brief description of some of the main matters identified in the reporting period by Internal Audit are:

1. Internal controls over information security and integrity of live (production) environment in WIPO were assessed to have been weak and deficient. Major problems were found in controls relating to logical access controls, change and configuration management, incident management, information risk management, vulnerability management business continuity and disaster recovery and asset management.
2. As regards the IT access controls, the existing controls have not been effective. Lack of proper monitoring of privileged accounts combined with password policy violations and absence of proper segregation of duties were indentified.
3. Lack of effective internal controls coupled with gaps in the existing procedures regarding the official travel system have created a weak control environment and resulted in inefficiencies and additional cost for the organization. Mission reporting was not complete and justification for much travel was poorly documented. Similarly, control weaknesses in the FlexiTime system and lack of proper supervisory controls led to very poor justification with regard to real business needs for overtime.
4. Although some improvements have been made after the adoption of Office Instruction 21/2006 Rev. Procurement processes need improvements and further streamlining including Key Performance Indicators and Vendor Performance. Training of Contracts Review Committee (CRC), Procurement and Contracts Division (PCD) and other WIPO staff involved in procurement activities are also of crucial importance to improve the overall efficiency and effectiveness of the procurement activities in WIPO.
5. Reconciliation of revenues generated by PCT operations has been a control weakness due to incapability of existing legacy systems (CASPIA and CASPRO) and the different format of information sent by other major PCT Offices.
6. The Risk Registers for the New Construction Project (NCP) have been steadily improved. The major risk faced by the organization is the weaknesses in decision making and coordination of efforts among many and various actors involved throughout the project. The existing management decision-making process needs to be strengthened with streamlining the process and promoting an efficiency and effectiveness culture.
7. In order to have an effective control environment, any measures with a view to improving the existing system of internal controls need to be coupled with proper management actions envisaging setting the right tone at the top and enhancing overall accountability and responsibility culture that is an indispensable component of a sound governance structure for an organization.

APPENDIX B

Evaluation Work Summary

This provides more information on the main outputs of the Evaluation Section.

1. Summary Program Performance Report (PPR) and Individual Program Performance Report for 2006/07

– Both reports were accepted by both senior management and General Assembly and a new approach for assessing program performance was introduced. The new reporting framework is being implemented in the current PPR 2008.

– During 2008, the Evaluation Section made recommendations concerning improving medium term strategic and financial planning; program and project planning; developing monitoring and evaluation systems; and having better links between results and resources.

2. Review on Program Performance Process

– Six main recommendations emerged from the “Review on Program Performance Report Process”. Three out of six recommendations are currently being implemented and further dialogue will take place with the relevant offices in order to agree the way forward for the remaining three recommendations. The recommendations covered issues relating to strategic planning project and program management; results based management; improving management information, and risk management (ERM).

3. Two workshops designed to enhance the self-evaluation capacity of the Organization

– The two workshops were designed to improve self-evaluation practices and performance indicators. After the workshops the Organization recognized the value of such activities and has now more ownership on the development of their program performance framework. The Program Management and Performance Section are now interested in introducing new ways of building the capacity of the programs on the area of program management.

4. An assessment report of the evaluation priorities for 2009 within WIPO

– Results of the survey have been used for internal planning purposes. The consultation process has contributed to some extent to increase awareness about the evaluation function.

– The evaluation section is implementing a more participative approach to evaluation with the aim of enhancing accountability and learning within the Organization.

5. Draft “WIPO Self-Evaluation Guidelines”

– Further work on the guidelines will continue once the Evaluation Section is operational; when final, it will replace the advice provide in 2001 by IAOD in the then WIPO

(including UPOV) Evaluation Strategy and in the 2004 WIPO Guidelines for Preparing and Conducting Evaluations.

– According to the 2007 Evaluation Policy, the Evaluation Section is to give guidance on self-evaluation to program managers. (Para 17: “Self-evaluations of WIPO programs and projects will be conducted by program and project managers in accordance with WIPO evaluation methodologies, guidelines and procedures.”). The draft guidelines reply to this requirement. The Guidelines are ambitious in the sense that they set out in detail the steps required to implement high quality self-evaluations, and that their implementation would require some form of training for self-evaluation managers, in order for them to produce focused value-added for management, the primary target group of such exercises.

6. Validation of the 2008 Program Performance Report

– The aim of the validation exercise was to provide some independent verification of the reliability and authenticity of information contained in the 2008 PPR, and to help continue improving the quality of reported Performance Indicator Data (PID). The Evaluation Section carried out the validation exercise with the support of an external expert during March and April, 2009.

– The major strengths of the current practice of reporting PID relate to the criteria of accuracy, comparability, timeliness and accessibility of data. The main limitations relate to the clarity, relevance and sufficiency of the data presented in the Performance Indicator Data (PID) section of the PPR. There was found to be a general tendency to provide more information than required and, in several programs, there was too much emphasis placed on the reporting of activities, events and outputs, rather than outcomes and results that lead to change and impact. With some notable exceptions, PID are little used for routine or regular monitoring to measure progress and communicate success, either at a program level or by supervising managers.

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