

WIPO General Assembly

Thirty-Ninth (20th Extraordinary) Session Geneva, September 20 to 29, 2010

FINANCIAL SUPERVISION AUDIT OF SURFACE AND INFRASTRUCTURE MANAGEMENT

prepared by the Secretariat

1. The present document contains the Financial Supervision Audit of Surface and Infrastructure Management (document WO/PBC/15/11), which is being submitted to the fifteenth session of the WIPO Program and Budget Committee (PBC) to be held from September 1 to 3, 2010.
2. The recommendation of the PBC in respect of this document will be included in the “Summary of Recommendations Made by the Program and Budget Committee at its Fifteenth Session Held from September 1 to 3, 2010” (document A/48/24).
3. *The General Assembly is invited to take note of the contents of document WO/PBC/15/11 and of any recommendation, as recorded in document A/48/24.*

[Attachment follows]



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Program and Budget Committee

Fifteenth Session

Geneva, September 1 to 3, 2010

FINANCIAL SUPERVISION AUDIT OF SURFACE AND INFRASTRUCTURE MANAGEMENT

Prepared by the Secretariat

1. In accordance with Article 11(10) of the Convention Establishing the World Intellectual Property Organization (WIPO), the designated external auditors, the Swiss Federal Audit Office, have established between October 2009 and March 2010 a "Financial Supervision Audit of Surface and Infrastructure Management", dated March 22, 2010, which is enclosed in the Appendix.
2. The observations from the Secretariat in respect of the Recommendations made by the External Auditors are set out below, in the order in which they appear in the Audit Report.

Recommendation 1

3. *"In my view, WIPO should define a clear strategy as regards premises and infrastructure allocation management, namely with respect to sustainable development and energy savings. Furthermore, I invite the Organization to formally establish rules applicable to surface and infrastructure management, to validate them and to publish them on the WIPO Intranet."*
4. Observations by the Secretariat: The drafting of a strategy as regards premises and infrastructure allocation management is being integrated in the framework of the expansion of the WIPO-owned buildings, to coincide with moves of staff (currently in

rented premises) to the new building. Moves are expected to be completed within the first half of 2011 and rented premises vacated in the second half of 2011. Furthermore, the sustainable development and energy savings aspects of the premises will be formally reflected in future in a comprehensive manner in respect of premises that the Organization owns and in which it will have full autonomy in setting technical utilization and specific targets.

Recommendation 2

5. *"In my view, job descriptions should be brought up to date, validated, dated and signed, and should clearly indicate reporting and replacement principles."*
6. Observations by the Secretariat: The updating of job descriptions and their full validation through all necessary internal channels is an exercise applying to a number of WIPO Sectors, not only the current Buildings Division. As a consequence, the updating and validation will be fully integrated in the Organization-wide review of job descriptions.

Recommendation 3

7. *"In the context of economic and efficient infrastructure management, I believe that WIPO should carry out an analysis of the situation as regards car parking rental rates which includes updating the rates used. Furthermore, if WIPO decides to continue its preferential rate policy, in my view, the minimum rate should at least correspond to the "cost price estimate" of a parking space. I also believe that this issue could easily be analyzed in the context of the Carbon Neutrality Project."*
8. Observations by the Secretariat: In the context of the move to the new building, the Secretariat has started to undertake a review of parking availability for staff members. In addition, a number of alternatives to use of individual cars (for commuting from home to work) are being studied and will be promoted in the context of the Carbon Neutrality Project.

Recommendation 4

9. *"I recommend that WIPO describe and formalize operational work processes with a view to enhancing work efficiency and knowledge transfer, guaranteeing temporary replacements and proper work management and supervision, as well as eliminating potential overlaps in certain types of work or tasks."*
10. Observations by the Secretariat: The Administration and Management Sector, which includes the Building Division, is currently being re-organized. The work processes will be reviewed in the context of the implementation of the next phase of the Enterprise Resource Planning System with a view to enhancing work efficiency, formalizing roles and responsibilities and improving monitoring and reporting.

Recommendation 5

11. *"I suggest that WIPO consider systematically seeking advice from specialized staff members (technicians) when calling for bids for specialized work on installations or the acquisition thereof."*
12. Observations by the Secretariat: This recommendation will be implemented in future tender cases and/or assessment of needs for upgrading and renovating the various technical installations and equipments in all WIPO-owned buildings, irrespective of the particular administrative unit responsible for the installation or acquisition.

13. *The Program and Budget Committee is invited to take note of this document and of its Appendix.*

[Appendix follows]

[English translation prepared by WIPO]

EXTERNAL AUDITOR'S REPORT

SWISS FEDERAL AUDIT OFFICE

**WORLD INTELLECTUAL PROPERTY
ORGANIZATION**
Financial supervision audit
of surface and infrastructure management

March 22, 2010

SWISS FEDERAL AUDIT OFFICE

External Auditor's Report

**WORLD INTELLECTUAL PROPERTY
ORGANIZATION
(WIPO-OMPI)**

Financial supervision audit
of surface and infrastructure management

The mandate of external auditor of the World Intellectual Property Organization (WIPO) must be carried out by a member of the highest authority of public financial auditing of the selected country and it is assigned on an individual basis. On the strength of this provision and further to the WIPO General Assembly and the Assemblies of the Paris, Berne, Madrid, Hague, Nice, Lisbon, Locarno, IPC, PCT and Vienna Unions, the mandate of the Swiss Government as auditor of the accounts of WIPO and the Unions administered by WIPO, as well as the accounts of technical assistance projects carried out by the Organization, has been renewed up to and including 2011. The Government of the Swiss Confederation entrusted me, as Director of the Swiss Federal Audit Office ("my Office"), with the auditing of the accounts of WIPO.

My terms of reference are specified in Article 6.2 of the WIPO Financial Regulations and further defined in the Terms of Reference Governing Audit annexed to those Regulations. I carry out my duties autonomously and independently, with the help of colleagues from my Office.

My Office carries out external audits of the accounts of WIPO in a completely independent manner from its role as the supreme organ of financial supervision of the Swiss Confederation. My Office employs a highly qualified team of professionals with broad experience of audits in international organizations.

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"Employee satisfaction"

Berne, March 22, 2010

Reg. No. 1.9381.944.00333.02
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AUDIT SUMMARY

A financial supervision audit of surface and infrastructure management was carried out in three international organizations (IOs) for which I have been mandated as external auditor. As regards WIPO, the audits undertaken by my staff show that there is no formal surface and infrastructure management strategy. However, a Carbon Neutrality Project was discussed and outlined at the beginning of 2009. An amount of CHF 225,000 has now been entered in the budget for 2010 and 2011 in this regard.

Furthermore, I note in my report some points which I believe it useful to develop in more detail. There was room for improvement with regard to work efficiency and knowledge transfer, as well as staff replacements. With a view to remedying this type of situation as best possible, I propose that WIPO describe and formalize the operational work processes. To achieve economical and efficient infrastructure management, I believe that WIPO should analyze the situation as regards car park space rental which includes updating the rates charged in line with market trends. I note that there is significant potential for supplementary income of some hundreds of thousands of francs annually according to the market rate which could be envisaged.

The diversity and disparity of missions and premises between the three IOs makes a seamless comparison of their respective surface and infrastructure management difficult. However, I believe it useful to present various indicators and to compare values which lead to new ideas on any possible lessons to be learnt from other IOs.

REGULATIONS AND STANDARDS

Financial regulations and subject of Audit

1. In addition to the relevant provisions of the various Conventions, the 2008–2009 biennium was governed by the provisions of WIPO Financial Regulations and Rules which came into force on January 1, 2008. The budget approved at the above mentioned General Assembly and the revised budget adopted at the session of the Assemblies of Member States of December 10 and 11, 2008, in Geneva as well as the applicable accounting standards of the United Nations Common System have served as a framework of reference for this audit.
2. The inspections undertaken in the field of surface and infrastructure management, the subject of this report, consisted of a financial supervision audit analogous to International Organization of Supreme Audit Institutions (INTOSAI) auditing standards. These auditing standards specify that public finance auditing includes regularity auditing and performance

auditing and that performance auditing encompasses inspecting aspects of economy, profitability/efficiency and effectiveness, which apply in particular to the following fields:

- Control environment auditing (existence of strategies, of a concept of internal control, guidelines and internal regulations);
 - Auditing of the savings achieved in accordance with sound administrative principles and practices, and proper management policies (is the cost of the resources used (human and material) being kept at a minimum while ensuring performance quality?);
 - Auditing of the efficiency of the use of human, financial and other resources, including inspecting information systems, performance measures and monitoring arrangements, and procedures followed by audited entities to remedy identified deficiencies (is the cost/resources used ratio acceptable? Or the input/output ratio?);
 - Auditing of performance effectiveness as regards the objectives sought and auditing of the actual impact of activities compared with the intended impact (are the resources used commensurate to the results achieved?).
3. Issues of minor importance which have been clarified and discussed with those in charge during the work have not been noted in this report.
4. During the audit, in October 2009, my staff mainly met with Ms. Isabelle Boutillon: Director-Advisor and Secretary of the Construction Committee; Mr. Sacha Gačić: Head, Premises Management Section; Mr. Yves Cochard: Technical Officer, Premises Management Section; Mrs. Denise Delaune: Assistant Officer, Buildings Division; Mrs. Isabelle Arnaud: Administrative Assistant, Buildings Division; Mr. Michel Ferrero: Technician/Work Coordinator, Buildings Division; Mr. Alain Guioton: Unit Leader, Technical Group A – Electricity/Cooling; Mr. Dominique Franchi: Electrical Technician, Technical Group A – Electricity/Cooling; and Mr. Fethi Ben Brahim: Technician (Locksmith), Technical Group B – Air-conditioning/Locksmith. My assistants also carried out a satisfaction survey of several randomly selected WIPO staff members.

Acknowledgements

5. I would like to thank all staff members and other WIPO non-staff members for their helpfulness in providing information and documents. The audit results were discussed on March 5, 2010, with Mr. Philippe Favatier: Director Chief Financial Officer (Controller); Mrs. Janice Cook Robbins: Head, Finance Services; Ms. Isabelle Boutillon: Director-Advisor and Secretary of the Construction Committee; Mr. Sacha Gačić: Head, Premises Management Section; and Mr. Tuncay Efendioglu: Senior Internal Auditor.

AUDITS AND FINDINGS

Work environment

6. The inspections carried out in the context of this audit were also undertaken in two other IOs of which I was in charge of auditing, that is, the International Telecommunication Union (ITU) and the Universal Postal Union (UPU). The purpose was to compare the different results obtained.

7. To be able to carry out this comparison and given the new construction underway at WIPO, it was decided not to include rented infrastructure which will be vacated once the new building is ready. Staff costs as well as other costs regarding premises management, namely related possible income, have not been taken into account for the purposes of comparing figures (see Annex 1).
8. In the following chapters, my staff analyzed the surface and infrastructure management of WIPO in relation to the above INTOSAI criteria. My colleagues then undertook a specific comparative indicator analysis of the three IOs concerned by this audit. The ratios and other calculated values are based on accounting data and statistics obtained directly from the relevant departments.

Control environment (organization and processes) and regularity

The existence of a strategy, namely, are the guidelines regulating surface and infrastructure management of high quality, that is, appropriate, complete and up to date?

9. My colleagues noted that WIPO has not formalized a strategy regarding premises and infrastructure allocation management, nor as regards sustainable development/energy policy, although a Carbon Neutrality Project has been implemented under the leadership of Ms. I. Boutillon, Director-Advisor. The group mandated for this project comprises several sub-groups. My colleagues are of the opinion, however, that there is no concept on this. The outline of the project is defined in the "Internal memorandum of the DG of February 27, 2009". In the WIPO budget for the 2010-2011 biennium, a total amount of CHF 225'000 has been set aside under Item 24.6 for specific expenses relating to the Carbon Neutrality Project.
10. Technical regulations exist regarding electricity and heating, for instance. They have been issued by bodies external to WIPO. Within the Organization, my colleagues reported to me that there are very few Office Instructions or Information Circulars regarding premises and infrastructure management. There are some internal memoranda that define occasional rules to apply, such as that of April 24, 2007, which proposed a way of managing WIPO's premises allocation. Another internal memorandum, entitled "Contracts Review Committee (CRC), of the 54th session of February 16, 2007", specifies that some contracts relating to buildings are "perpetually" renewed with the "standard" suppliers. Formally, there are no regulations or guidelines issued by WIPO. The CRC is composed of various WIPO senior managers.

Recommendation 1

In my view, WIPO should define a clear strategy as regards premises and infrastructure allocation management, namely with respect to sustainable development and energy savings. Furthermore, I invite the Organization to formally establish rules applicable to surface and infrastructure management, to validate them and to publish them on the WIPO Intranet.

Does the visibility of the buildings and installations services grant them recognition and esteem?

11. The organizational structure of 2009 showed a gap as regards buildings administration since the position of Director had been vacant for several months already and had still not been filled. This management role referred to a higher body replaced temporarily by Ms. Boutillon. Ms. Boutillon plays a very important role in the new construction. This temporary situation may result in tasks carried out by various Buildings Division Units not gaining the recognition from senior management, as activities tend to be carried out in the shade of those normally assigned to WIPO. The WIPO and Buildings Division organization charts were not up to date when we came to Geneva.

Do staff job descriptions correspond to their activities and do they specify reporting and replacement relationships?

12. The job descriptions received often represent the assignments of staff established contractually at the time of their appointment with WIPO, which may have occurred many years ago. It may be, in some cases, that new job descriptions (or job specifications) in draft are set out according to the real assignments of incumbent staff. Moreover, reporting and replacement relationships sometimes are missing in such out-of-date descriptions. Succinct past activity reports of Buildings Division staff are attached to their job descriptions.

Recommendation 2

In my view, job descriptions should be brought up to date, validated, dated and signed, and should clearly indicate reporting and replacement principles.

Is the management of know-how and knowledge transfer ensured?

13. Current staff management strategy does not provide for any job overlap at WIPO, even temporary. This situation may lead to an absence of a replacement for key posts, no knowledge transfer during staff replacements, a loss of know-how following a retirement as well as a lack of efficiency in performing outsourced tasks. In the light of the above, my colleagues noted the importance of internal knowledge and know-how transfer for the efficient and optimum management of the many buildings and installations WIPO has at its disposal. The current situation gives rise to gaps in updating technical documentation which does not always keep pace with the changes made to installations. The Head of the Premises Management Section is aware of the undesirable consequences this may have. To this end and bearing in mind the forthcoming retirement of three staff members, as well as the uncertain renewal of an outsourced position, the Section Head has asked those concerned to document clearly any changes to installations. This work had not been finalized during the audit in October 2009.

Cost benefits and savings

Do car parking rental rates correspond to local market rates?

14. For many years, staff members have been charged a CHF 35 monthly rental rate for a parking space for a car and CHF 15 for a motorcycle. WIPO currently has more than 1,000 car parking spaces in its own buildings (AB and PCT Buildings) and in its rented premises (P&G, CAM, "Parking des Nations" and Motta Parking, for instance). The basic principles governing parking are contained in Office Instruction OI/3/2007 of January 12, 2007. The rental rate applied is quite clearly lower than those applied in current market conditions, which vary from CHF 150 to CHF 220 per month. The entry in the accounts of staff car parking rental transits via the account entitled "66120 Rental parking space". An approximate monthly income of CHF 35,000 are entered into this account. I note that there is significant potential for supplementary income of several hundreds of thousands of francs per year according to the market rate to be considered (approximately CHF 2 million per year for a monthly rate of CHF 200).
15. This situation also shows that WIPO is indirectly subsidizing staff parking in the same proportions. Moreover, the lack of parking spaces may penalize many staff members. In the light of the above, the current situation shows different treatment between a staff member who rents a parking space compared with a staff member who does not. The (sub)tenant of a parking space receives services in kind from WIPO and the other does not.

Recommendation 3

In the context of economic and efficient infrastructure management, I believe that WIPO should carry out an analysis of the situation as regards car parking rental rates which includes updating the rates used. Furthermore, if WIPO decides to continue its preferential rate policy, in my view, the minimum rate should at least correspond to the "cost price estimate" of a parking space. I also believe that this issue could easily be analyzed in the context of the Carbon Neutrality Project.

Do the cleaning and maintenance contracts concluded by the Premises Management Section with external suppliers correspond to the needs ?

16. The cleaning and maintenance of buildings and gardens are regularly the subject of bids by companies in the Geneva region. Requests for proposals are analyzed by a group of WIPO staff which draws up an assessment report on the proposals submitted by bidding companies according to the criteria established in the published terms and conditions. My colleagues have noted that the principle of "conventional" cleaning is currently used at WIPO. In this regard, they took the opportunity provided by meetings with staff of the Premises Management Section to discuss the principle of custom cleaning (according to the different action levels) similarly to what UPU introduced in February 2009. To take the example of UPU, their building cleaning costs have dropped by some 25 per cent.
17. There are several cleaning and maintenance contracts placed with external companies. Contracts are normally negotiated on a regular basis. It should, however, be noted that some maintenance contracts regarding specific installations are signed with installation suppliers without seeking bids from other maintenance companies. This situation can be

explained for example by the specific nature of the installations and guarantee requirements by which they are generally bound. Maintenance contracts may be tacitly renewed each year (standard procedure according to the case), and/or may be reviewed every three or five years on the contract expiry date. The staff of the Premises Management Section have confirmed the importance of retaining all the maintenance and cleaning contracts to ensure the quality of the installations.

Energy cost saving measures allow reductions in consumption.

18. The modernization of the technical management of buildings (improvements to the regulation) had led to a significant drop in electricity and gas consumption in 2001 compared with 2000. Annual cost savings of tens of thousands of francs have since then been achieved sustainably. The difference between these two years is as follows:

- Cost savings of some CHF 43,000, which represents a reduction in electricity consumption of more than 365,000 kilowatt-hours; and
- Expenditure reduction of more than CHF 51,000 leading to a fall in gas consumption of more than 980,000 kilowatt-hours.

This improvement in the regulation of the installations came before other measures which in the meanwhile have been or will be taken depending on the existing buildings. By way of example, a start was made on replacing the lighting, but the process has not yet been completed in each building. Other measures are planned, such as automatically switching off the lights in the buildings at the end of the day and reducing the lighting in collective car parks where WIPO is the sole owner, as well as installing motion detectors in some premises.

Access restrictions make it difficult to assign office space to employees

19. The colleagues responsible for this mission paid special attention to the allocation of office space. It should be noted that the fact that available space is located in several buildings and at two different sites (WIPO Headquarters and CAM) makes it difficult to assign office space to employees. Owing to this situation, a certain amount of surface area must be kept free and is therefore not available for occupation by staff (PCT building with its security perimeter/CAM premises). In light of the above, additional costs are generated by vacant work stations, which cannot be sub-let either. As of October 2009, the number of available places was some forty units, with some 15 in the PCT building and around 10 in the CAM. However, my colleagues took note that certain services, such as IAOD and IT, could easily be moved to the PCT building, which has a high security access level. Moreover, given that the surface area of "GB 2" is also included in the PCT security perimeter, it might be appropriate to rethink the access restrictions.

Effectiveness

Do work processes promote the transfer of know-how and knowledge designed to enhance operational effectiveness?

20. My colleagues noted that work processes are not described. Each service carries out its activities as it sees fit and to the best of its knowledge. A vacant post is likely to lead to considerable loss of knowledge, which can hinder the effectiveness of work done. Moreover, I wish to point out that the introduction of IPSAS virtually implicitly requires the formalization of work processes as well as the establishment of an internal auditing system. The documents received, e.g. "Administration procedures", "Allocation of tasks" and "Buildings Division filing system", describe certain operational elements with regard to the administrative duties of the services responsible for such duties within the "Buildings" organizational structure. From a formal point of view and in addition to the descriptions of the processes as such, these succinct documents should contain various mandatory elements, such as the name of the person in charge, the date of validity and of validation of the document by a supervisor, the number of the version according to a pre-defined numbering system (for example, a draft version "Xnn.nn" and a final version "Vnn.nn").

Recommendation 4

I recommend that WIPO describe and formalize operational work processes with a view to enhancing work efficiency and knowledge transfer, guaranteeing replacements and proper work management and supervision, as well as eliminating potential overlaps in certain types of work or tasks.

21. Using and fitting out the premises lead to a substantial amount of work within WIPO, as the many removals result in much manual labor (moving of walls, furniture, computers, telephones, etc.). The statistics for employees who moved are as follows for 2006 to 2008: 429 staff members moved in 2006, 536 in 2007 and 470 in 2008. For 2009, it is estimated that some 600 work places had to be relocated in the first nine months of the year.
22. My colleagues told me that the decision to purchase technical installations and/or equipment was sometimes taken by WIPO staff who did not always have the requisite technical skills to make such a choice. In this respect, I consider that the advice of the technical staff concerned by the introduction of the technical installation/equipment should be sought each time, even if this means that the allocation process may last a bit longer upstream. Seeking advice from a specialist will ensure subsequently that the installations/equipment acquired in full knowledge of the facts are put into service rapidly and smoothly.

Recommendation 5

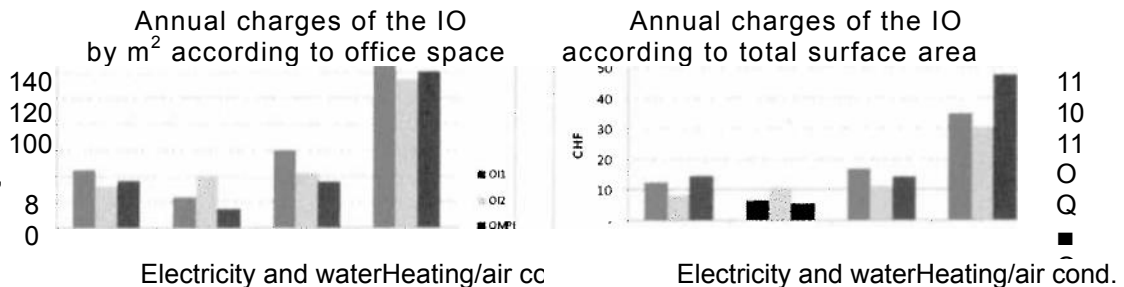
I suggest that WIPO consider systematically seeking advice from specialized staff members (technicians) when calling for bids for specialized work on installations or the acquisition thereof.

23. After visiting the premises, my colleagues were very pleased to note that the mechanical equipment rooms were very clean. The floors are painted and these rooms are cleaned four times a year, which is not necessarily the case elsewhere.

Performance indicators

Profitability ratios – comparison between the three organizations

24. In order to allow a comparison with ITU and UPU, it was decided to calculate various indicators relating to surface and infrastructure management. My colleagues noted that it was very difficult to compare these values between the three organizations for different reasons, above all building structure, the wide range of technical installations, different levels of maintenance for buildings and installations, and organization-specific goals, for example with regard to image. The various ratios calculated are based on statistical and accounting data for 2007–2008.
25. The following graphs show comparative annual service and maintenance charges for the organizations, calculated proportionally by square meter based on office space and total surface area.

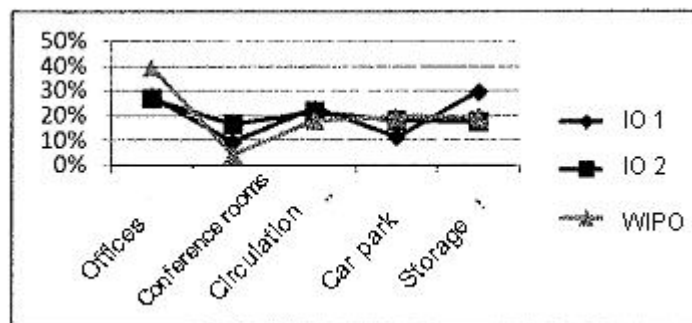


Graph 1 : charges according to office space

Graph 2 : charges according to total surface area

26. Electricity and water costs recorded at WIPO come to almost CHF 36.50 per year and per m², a figure between those for the other two IOs. The first energy-saving measures have begun to reduce electricity costs, with other planned steps due for implementation (see paragraph 18). Nevertheless, electricity consumption per employee remains very high at WIPO compared to the other IOs – some 50 per cent higher than at IO 1 and as much as 80 per cent higher than at IO 2.
27. Water consumption calculated as m³ per employee was 97.15m³ per year at WIPO. Consumption is significantly lower at the other two IOs: 15.41 m³ at one and 31.17 m³ at the other, that is, 1/6 and 1/3, respectively, of actual consumption at WIPO. One of the main reasons justifying such a difference in water consumption is the fact that WIPO has an outside water fountain that operates on an open circuit. Given these specific circumstances, I feel that WIPO should reduce the frequency of use as far as the fountain is concerned and reduce the flow of water feeding into it. I also wish to point out, without however making a specific recommendation, that one of the organizations has replaced its ordinary urinals (equipped with flushes) with a system of waterless urinals (dry urinals). In the case at hand, this involves innovative technology that helps protect the environment. Eliminating water through the introduction of this type of system (about eight liters per flush) offers the following advantages:
- Lower operating costs due to significant water saving;
 - Elimination of formation of hard calcium crystals, thereby avoiding stopped-up discharge pipes;
 - An end to scaling on the enameled urinal walls, hence no more yellow spots;
 - Reduced urinal upkeep using a system-friendly and environmentally-friendly cleaning product.

28. Heating and air conditioning costs at WIPO per m² are lower than at the other IOs; expenditure works out to CHF 5.60/m². Costs at IO 2 are more than 90 per cent higher. The comparison between these two IOs is significant, because WIPO has relatively new facilities and better thermal insulation. Air conditioning systems at WIPO are also more efficient. It should, however, be noted that IO 2 has planned major repairs aimed at reducing this type of expense.
29. Maintenance and upkeep costs calculated per employee are also higher at WIPO than at the other IOs. The comparison between graphs 1 and 2 clearly shows a significant difference in charges according to total surface area. However, when broken down by m² of office space, charges at WIPO are on a par with the other two IOs (see also paragraph 31 below). It should be noted that WIPO is doing its utmost to ensure a high level of quality on its premises, which may explain the relatively high maintenance and upkeep costs.
30. Overall costs per employees (electricity, water, heating, air conditioning, maintenance and upkeep) are by and large the most favorable at IO 1. Whereas WIPO has low costs per employee for ratios of electricity/water and heating, ventilation, air conditioning and plumbing, its maintenance/upkeep costs are higher. This can be explained by its strategy which consists of regular investment to keep its equipment and infrastructures in good working order. It has budgeted funds to apply its strategy. As a result, the ratio of net total average costs of surfaces and infrastructures per employee is also high.
31. Average office space per employee at WIPO is more than 25 m², higher than at the other organizations, which work out to around 14 m² at IO 1 and around 23 m² at IO 2. However, as is only logical, the proportion of office space as a percentage of total surface area of premises is greater at WIPO (39 per cent) than at the other two IOs (28 per cent and 27 per cent). In the light of the results obtained, restructuring individual office space at WIPO might increase the number of meeting rooms which are lacking *a priori*.
32. Graph 3 shows the breakdown for surface area depending on use as "office space", "conference rooms and cafeterias", "circulation/toilets", "car park" and "storage".



Graph 3: Proportion of building surface area depending on use

A look at this graph shows that WIPO has less than 4.2 per cent of the total surface area in the form of conference rooms. The corresponding figures for IO 1 and IO 2 are 9.0 per cent and 15.5 per cent, respectively. I would, however, like to point out that the WIPO General Assembly has just approved a project for a new conference room seating 900. As a result, the above-mentioned surface area indicator will soon be outdated.

33. As for the other comparative ratios or values, I shall leave it up to the reader to refer to the comparative table in Annex 1 of this report. Moreover, I shall refrain from making any recommendations in this respect, because various energy-saving measures are still to come out of the "Carbon Neutrality Project" or have already been taken up under previous paragraphs.

Satisfaction survey

Are users satisfied?

34. In the absence of any available relevant documents and in order to determine the impact of surface and infrastructure management, my colleagues carried out a satisfaction survey. The point should be made right away that this was not conducted in a scientific manner. As a result, the findings cannot be considered representative from a strictly statistical point of view. The purpose was merely to analyze, on the basis of a small sample, whether the resources used for surface and infrastructure management matched the results obtained, that is, whether the end users of the goods in question were satisfied.
35. Accordingly, my colleagues forwarded the questions contained in Annex 2 below to a random sample of WIPO employees situated in different buildings. The satisfaction rate in relation to the number of replies received appears opposite the question. Just over 50 per cent of the employees requested to do so took part in this satisfaction survey. Here, I wish to point out that participation was optional for the staff members.
36. The various comments and proposals for improvement made in the questionnaires were submitted bilaterally to the Head of the Buildings Section by my colleagues when this audit was conducted. Nevertheless, I deem it useful to present in a condensed form a few annotations which I felt were the most important or which were mentioned several times:
- It is difficult to adjust the temperature setting in the offices, as a result of which the air is too dry;
 - Offices are sometimes not properly cleaned, especially the carpeting, a fact that was not appreciated at all;
 - As far as toilets were concerned, there were some comments concerning the lack of manners of certain persons, and shortages of toilet paper, soap and disinfectant. The fact that there are too many paper towels in the container leads to a great deal of waste, because it is difficult to pull out a single one at a time;
 - Some 20 per cent of the respondents were in favor of toilet inspection sheets.

CONCLUSION

37. This financial supervision audit represents an approach that is being applied for the second time at WIPO. I felt that the analysis of a fully identical theme in the three international organizations whose accounts I audit could provide a certain added value for the member countries. As this work is not part of the usual framework for auditing the WIPO accounts, I decided to draw up a separate report. Naturally, this report does not contain any audit opinion, as this is only issued following the final audit of the financial statements.
38. As noted in the introduction, it is not easy to compare the three international organizations. This audit may provide an opportunity to exchange experiences, take note of best practices and identify opportunities for rationalization.
39. An analysis of the table contained in Annex 1 of this report makes it possible to draw some conclusions as to potential improvements in surface and infrastructure management at WIPO. Moreover, I note that the Organization has not yet exhausted all of its possibilities for reducing energy consumption and that it is taking action along these lines. The creation of the "Carbon Neutrality Project" working group should lead WIPO to find appropriate solutions for the future.
40. Furthermore, I wish to point out, with regard to the IPSAS project, that a certain amount of work remains to be done to make the processes adequate in terms of best practices, in order to guarantee the internal auditing system and to improve management economics, profitability and effectiveness. This being so, I urge WIPO to take the necessary steps.

(signed)

K. Grüter

Director of the
SWISS FEDERAL AUDIT OFFICE
(External Auditor)

Annexes:

- (1) Summary table of indicators calculated for the three international organizations
- (2) Satisfaction survey with quantitative assessment

Annex 1 to 1.9381.944.00333.02

Recapitulative indicative values for the three organizations (IOs)				
	Ø / yr IO 1	Ø / yr IO 2	Ø / yr WIPO	Unit
Electricity and water costs per m ² (office space)	44.52	31.65	36.47	CHF/m ² /yr
Electricity and water costs per m ² (total surface area)	12.35	8.42	14.37	CHF/m ² /yr
Heating and air conditioning costs per m ² (office space)	23.42	40.49	14.22	CHF/m ² /yr
Heating and air conditioning costs per m ² (total surface area)	6.50	10.77	5.60	CHF/m ² /yr
Average (office) space (m ²) per employee	14.22	23.42	25.01	m ² /employee
Average (total) surface area (m ²) per employee	51.26	88.02	63.48	m ² /employee
Cleaning costs per m ² of office space	59.94	41.87	35.57	CHF/m ² /yr
Cleaning costs per m ² of total surface area	16.63	11.14	14.01	CHF/m ² /yr
Maintenance/upkeep costs per m ² of office space	125.89	114.49	120.30	CHF/m ² /yr
Maintenance/upkeep costs per m ² of total surface area	34.93	30.46	47.39	CHF/m ² /yr
Electricity consumption per employee	5,249.53	4,351.61	7,813.19	kWh/employee/yr
Water consumption per employee	15.41	31.17	97.15	liters/m ³ /yr
Heating as kWh per employee	2,970.89	8,924.95	5,006.59	kWh/employee/yr
Average electricity and water costs per employee	633.30	741.20	911.95	CHF/employee/yr
Average heating and air conditioning costs per employee	333.11	948.25	355.68	CHF/employee/yr
Average maintenance/upkeep costs per employee	1,790.58	2,681.53	3,008.16	CHF/employee/yr
Net average total surface area + infrastr. costs per employee	4,811.04	6,794.95	7,669.56	CHF/employee/yr
Total costs per total m ²	93.85	77.19	120.82	CHF/m ² /yr
Average electricity costs for 1000 kWh for 2007/2008	120.64	Value	116.72	CHF/1000kWh/yr
Average water costs for 1000 liters for 2007/2008	3.24	not calc.	2.87	CHF/m ³ /yr
Office space as a % of total surface area	28%	27%	39%	%
Electricity consumption per m ² (total surface area)	102.40	49.44	123.08	kWh/m ² /yr
Heating as kWh per m ² (total surface area)	57.95	101.39	78.87	kWh/m ² /yr
Personnel costs per m ² of total surface area	19.33	18.08	31.62	CHF/m ² /yr
Office space	14,508	5,750	21,555	m ²
Conference rooms	4,719	3,550	2,269	m ²
Circulation	11,879	4,650	9,785	m ²
Parking garage	5,884	3,900	10,522	m ²
Storage	15,451	3,760	10,589	m ²
Total surface area	52,290	21,610	54,720	m ²

Annex 2 to 1.9381.944.00333.02

Evaluations of the three organizations: “employee satisfaction”

Question	IO 1	IO 2	WIPO
In general, are you satisfied with the premises and infrastructures provided?	83%	89%	96%
Does the temperature in the offices suit you (the distinction between the three subsidiary questions “in summer”, “in between seasons”, “in winter” does not appear clearly)	50%	42%	78%
Are the premises and offices sufficiently clean?	83%	59%	70%
Are the premises kept up sufficiently regularly (for example, cleaning, emptying of waste bins)	92%	78%	95%
Does the window-cleaning suit your needs?	75%	72%	90%
Are the toilets kept up/cleaned regularly enough (cleanliness / availability of toilet paper / paper towels)	83%	56%	81%
<i>Do you think that the cleaning staff should fill out inspection sheets?</i>	42%		23%
Are you satisfied with the lighting on the premises (intensity, work stations/hallway)?	75%	100%	82%
Are problems taken care of fast enough (replacement of a light bulb, defective blind)?	92%	69%	81%
<i>Are you aware of internal regulations and guidelines with regard to premises and infrastructure management?</i>	8%	32%	33% *)
Does your office space suit your needs?	75%	84%	82%
What kind of potential for improvement do you see?			cf. paragraph 36

*) The answer is not surprising when one considers that there are very few guidelines in existence. Employees who answered “yes” note that regulations may be found on the Intranet, which is correct.

[End of Appendix and of document]

[End of Attachment and of document]