

WIPO General Assembly

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

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

[Annex follows]

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

July 1, 2009 to June 30, 2010

I. BACKGROUND

1. The purpose of WIPO's Internal Audit and Oversight Division (IAOD) is to ensure effective internal oversight at WIPO. Its stated general mission is to independently examine and evaluate WIPO's control and business systems and processes and to recommend improvement, thereby providing fair findings, good recommendations, assurance and assistance, to management and other stakeholders, on the effective and better discharge of the achievement of the mission and goals of WIPO.
2. IAOD was originally established in May 2000. Its mandate initially 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 Internal Audit Charter¹ (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 and the creation of the Evaluation and Inspection Section in 2008.
3. The WIPO IAC, paragraph 23 refers, requires the Director of IAOD to present a Summary Annual Report to the Director General, with a copy to the External Auditor and the Audit Committee, 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. IAOD also make short informational internal progress reports on a quarterly basis to keep the Director General and the Audit Committee informed of oversight activities carried out. IAOD also make a presentation on their activities (IAC, paragraph 22) to formal sessions of the Program and Budget Committee. This Summary Report also enables our major stakeholders and WIPO staff generally to be informed of IAOD activities and reports and the challenges faced by IAOD in fulfilling its mandate.

II. INTERNAL OVERSIGHT ACTIVITIES SUMMARY

4. 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 on the:
 - Payroll System in WIPO²;
 - PCT Revenue Control and Generation Processes;
 - Madrid and The Hague Systems Revenue Control and Generation Processes;

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

² Following a limited international tender, KPMG was selected to undertake this audit assignment under the supervision of IAOD

- New Construction Project (NCP) (as at September 2009)³;
 - Follow up on the 2008 audits of Information Security and Operations and IT Access Controls;
 - Internal Control Gap Assessment.
- (ii) Audit fieldwork has been completed and draft reports have been prepared for comment by the auditees for the following audits:
- The New Construction Project (as at June 2010);
 - The Arbitration and Mediation Center Revenue Control and Generation Process;
 - Locally Engaged Consultants.
- (iii) Internal Audit Planning documentation (strategy, risk assessment, needs analysis, 2010/11 biennium work plan and program) was updated and further developed and included helpful comments from the Director General and the Audit Committee. The detailed 2010/11 biennium audit work plan identified audit needs for high- risk business areas and topics of 1,200 audit-days' work⁴. IAOD is currently able to only provide some 440 audit-days in 2010/11 to these tasks (of which 120 days are planned to come from outsourcing to audit experts). The shortfall in audit of high-risk audits business areas and systems is of significant concern. Insufficient coverage of high risk as identified via the risk assessment and audit needs analysis means that IAOD is unable to give the assurance that key internal controls are working appropriately. Management have accordingly agreed a high degree of risk acceptance. This has been formally communicated to management and to the Audit Committee during discussions on Internal Audit Planning.
- (iv) 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 an internal audit manual, standard routines and audit templates has continued in the period as was additionally supported by quality assurance self-assessment.
- (v) Revisions have been proposed to the IAC. They include a provision to encompass all oversight activities within the mandate of the Director, IAOD in the Charter, which will now be called the Internal Audit and Oversight Charter. This is in line with recommendations made by the External Auditor. References to investigation matters have also been strengthened and made more clear.
- (vi) Internal audit reports are available to individual Member States and may be read in the office of the Director, IAOD. Executive Summaries of the

³ IAOD conducts an audit of Risk Registers for the NCP (and now also the New Conference Hall) on a bi-annual basis in line with the audit strategy developed for this purpose and in agreement with a request from the AC. This approach complements the audit work done by the External Auditors on the NCP and the regular reviews undertaken by the Audit Committee on the topic

⁴ 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 is currently undertaken. The amount of extra man years for a full coverage of the high risk auditable areas identified by the risk assessment is currently over three man years

internal audit reports have also been made available on the IAOD intranet page.

(b) Investigation

- (i) The caseload of the Investigation Section increased significantly through 2008 and 2009 due to a backlog of cases from earlier periods and by an increase in demand for investigations. The occurrence of a number of large scale and complex investigations mostly related to reported Information Security incidents also exacerbated workloads. With a view to clearing the backlog of investigations in 2009 the Director General provided IAOD with another investigator who came on loan to WIPO from the United Nations Office at Geneva, and other expert consultant investigators.
- (ii) Nine new cases were received or initiated in the reporting period (as compared with 29 cases received in the previous period). Investigative activity related to new cases and the 20 cases pending as at the beginning of the period required substantial commitments of human and financial resources. 11 cases were able to be closed in the period. 26 cases are currently being processed by the Investigation Section.

Investigations in the reporting period

Active cases on July 1, 2009	New cases registered in reporting period	Investigation actions completed in reporting period	Active cases as at June 30, 2010
28	9	11	26

- (iii) A detailed work plan for the Investigation Section was prepared and sent to the Director General and the Audit Committee. The detailed work plan was considered by the Audit Committee at its 16th Meeting in April 2010.
- (iv) The Investigation Section was an important resource for the Human Resources and Management Department (HRMD) and the Office of Legal Counsel (OLC) in their handling of cases before the Joint Advisory Committee (JAC) or on appeal to the WIPO Appeals Board or the International Labor Organization (ILO) Administrative Tribunal following investigation by IAOD. In 9 cases investigated in this and the previous reporting period, IAOD provided advice and comment to HRMD and OLC to develop the factual case record through preparation of statements and by commenting on draft pleadings.
- (v) The draft Investigation Manual was finalized following extensive internal consultations and was sent to the Audit Committee for final comments before publication. The Manual accommodates many helpful suggestions from OLC, HRMD, Staff Council and selected staff comments, as well as IAOD revisions. An Investigation Policy was finalized and provided to the Director General for comments. The Policy will now be provided to the Audit Committee for review and comments before Member States are consulted (IAC paragraph 13(b) refers). The Policy covers some of the same ground as the Uniform Guidelines for Investigation and the Manual, but it is a useful statement of principles governing investigation in WIPO.

- (vi) The Investigation Section prepared for the first time an Annual Activity Report which was issued in January 2010. This reported on the Section's key achievements and challenges met in the previous year. The report concluded that the investigations undertaken during that period had led to some satisfactory outcomes and also some general lessons to be learnt. It noted that although a number of significant investigations remained, it was likely that the outcome of these would have a positive impact upon a number of areas where abuse appeared to be prevalent.
- (vii) During this period, IAOD has paid special attention to drawing out lessons learnt and making recommendations in particular areas of the Organization. A summary of these lessons learnt can be found in Appendix I. More detailed Investigation information and statistics may be found in Appendix II.
- (viii) The Investigation Section Intranet site now includes links to the Internal Audit Charter, Uniform Guidelines for Investigations (in Arabic, English, French and Spanish) and other useful links to sites such as the International Civil Service Commission (ICSC) Standards of Conduct and the UN Office of Internal Oversight Services (OIOS) website. The Section's Internet site provides definitions of audits, evaluations and investigations, and also provides links to previous IAOD Annual Summary Reports and Audit Committee Recommendations.
- (c) Inspection
- (i) An Ethics Office was created in WIPO following an IAOD inspection review in an earlier reporting period of the integrity and ethics systems in WIPO. This initiative is very much supported by IAOD and is a significant step forward to establishing desired organizational values and culture. The Investigation Section has already coordinated with the Chief Ethics Officer in establishing a work plan for implementation of a Whistleblowing policy and procedures (IAC paragraph 8 refers) and will establish a confidential reporting process, including a "hot line". Complementary protection against retaliation (IAC paragraph 9 refers) will be guaranteed by the Director General through the Ethics Office.
- (d) Evaluation
- (i) 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 delivered the following main outputs during the reporting period:
- Detailed Evaluation Work Plans and an Evaluation Strategy for 2010/11 were prepared. Both plans were provided to the Director General and to the Audit Committee for comments;
 - An assessment report of the evaluation priorities for 2010 within WIPO;
 - "Independent Evaluation Guidelines" were developed for the Evaluation Section;

- The Validation of the 2009-09 Program Performance Report was completed;
 - An annual Report on the activities of the Evaluation Section for 2009 was provided to the Director General, as required by the Evaluation Policy, and copied to the Audit Committee;
 - The Evaluation Policy ⁵ was revised and submitted to the Director General and the Audit Committee for comments.
- (ii) Evaluation reports are available to individual Member States and are also available on the WIPO Internet and intranet.
- (iii) In addition to the above delivered outputs, the Evaluation Section provided various programs with evaluation advice and informal support directed to improve current monitoring and evaluation practices. In particular, advice, support and guidance were 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. IAOD has provided advice to management on various issues concerning risk management, results-based management and strategic planning, internal control procedures and compliance with the relevant regulations and rules of the Organization. IAOD will also keep performing audit/advisory work on important developments in WIPO systems such as:
- The further development of risk management processes, particularly at the enterprise level;
 - The introduction and implementation of more efficient, effective and modern internal control and accountability arrangements;
 - The introduction of the International Public Sector Accounting Standard (IPSAS) and an integrated Enterprise Resource Planning (ERP) System; IAOD is an observer to the project team with a view to ensuring that the new PeopleSoft-based system will have sufficient and effective internal controls embedded in the process.

The Audit Committee

6. The WIPO General Assembly approved, in September 2005, the establishment of the WIPO Audit Committee⁶. The 14th, 15th and 16th meetings of the Audit Committee took place in the period covered by this report. IAOD has been regularly invited by the Audit

⁵ The Evaluation Policy was approved by the Director General in 2007

⁶ Document A/41/10 on "Proposal on the Establishment of a WIPO Audit Committee". This was revised by the General Assemblies in 2007

Committee to attend its quarterly sessions to answer detailed questions concerning the work and functioning of the Division.

The External Auditors

7. The excellent professional and working cooperation and coordination established with the External Auditor has continued. The External Auditor carried out a robust and professional review of the functioning of the Internal Audit section in 2009. This external and independent quality assurance was very welcome and helpful and will supplement IAOD's efforts in self assessment as part of implementing the quality assurance policy set out in the Internal Audit Strategy (IAC paragraph 13(g) also refers). The Report, together with IAOD comments and actions proposed in relation to the recommendations made, has been provided to the Program and Budget Committee (document WO/PBC/15/12).

The Ombudsman

8. During 2009, the Director, 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 in ensuring that the separate and independent mandates of the Internal Auditor and the Ombudsman are carried out effectively.

Follow-up and Implementation of Internal and External Oversight Recommendations

9. The implementation of all oversight recommendations by WIPO managers is subject to regular follow-up by managers and 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:
 - 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 Audit Committee 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 more effort to implement accepted oversight recommendations as quickly and expediently as practical.
10. The Audit Committee 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, and a "traffic light" risk indicator has been added to the listing. The WIPO managers responsible to the Director General for implementing oversight recommendations have also been more specifically identified and held accountable through the listing.
11. At the end of this reporting period it is recorded that the full implementation of 213 recommendations (including those of the Audit Committee) remains outstanding. During the reporting period, 87 new recommendations were added to the list and 133 recommendations were fully implemented. The number of implemented recommendations remained relatively consistent in relation to last year due to the strong commitment of the Director General to ensure appropriate and more timely remedial actions by his managers.

Oversight Recommendations Implementation progress July 1, 2009, to June 30, 2010

Recommendations from:	July 1, 2009			June 30, 2010
	Initial Number	Additions in the period	Recorded as Implemented in the period	Not yet fully implemented
External audit	31	20	22	29
Joint Inspection Unit Reports	4	---	---	4
IAOD Reports	152	47	83	116
Ernst & Young	1	---	---	1
Audit Committee	71	20	28	63
Totals	259	87	133	213

12. The recommendations of the External Auditor have continued to be progressively implemented during the period, but a few remain partially outstanding⁷. 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 Audit Committee.
13. 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 by IAOD. Following consultations with Program Managers, it has been approved by the Director General. The Audit Committee was informed of the content of the Office Instruction.

UN Networking

14. The IAC (paragraph 13(f)) 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 and useful collaboration and networking with other UN organizations and entities. In particular IAOD was:
 - A participant at the 40th Representatives of Internal Audit Services (RIAS) of the UN meeting hosted by the UNDP in September 2009, in Kuala Lumpur, Malaysia;
 - A participant in the 11th Conference of International Investigators hosted by the OIOS in Nairobi, Kenya, in June 2010;
 - For 2009, Chair of the RIAS working group on UN Audit Committee Principles and Good Practices and, as such, made a presentation and participated in discussions with the International Telecommunication Union (ITU) and their Member States on setting up an Audit Committee for ITU;
 - A member of the UNEG, the inter-agency forum for evaluation professionals in the UN system, and the Geneva Group of UN Evaluators.

⁷ Of the 29 recommendations not yet fully implemented, 3 were made in 2007 and concern IT matters

IV. OVERSIGHT RESOURCES AND PLANNING

15. IAOD have continued to carry out its mandate as much as possible, given the resources provided. 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 are priorities.

Staffing Table and Information

IAOD Management Unit	Current Posts	Staffing / Headcount as at June 30, 2010	Comments
Director and the Support Section	1	2	The Director, IAOD (D1) in post. A short term contracted administrative assistant is on a six month contract until September 2010.
Internal Audit Section	2	1	Senior Auditor (P4) in post. Vacant post for the Head of Section (P5) being re-advertised in September 2010. A consultant internal auditor will be contracted for 12 months from August 1 2010.
Investigation Section	1	3	Senior Investigator (P4) in post. A consultant investigator is on contract until the end 2010. A short term contracted administrative assistant is on a four month contract until October, 2010.
Evaluation Section	2	1	Recruitment for the Head of Evaluation Section (P5) is currently ongoing. The Senior Evaluator (P4) is currently on maternity and special leave until the end of 2010.

16. Staffing issues have challenged the proper and effective introduction of internal oversight at WIPO for a considerable period of time. The Director General has taken some welcome positive steps to provide more oversight staff during the period. IAOD now has six posts (of which four are filled) and will soon have four short term staff providing for a headcount of eight persons as at August 2010. IAOD's current priority staffing issues are to fill longstanding vacant posts expeditiously and obtain further posts for internal audit, investigation, and for some administrative and support staff. This will move IAOD closer to UN norms for internal oversight activities. It remains very urgent to complete the lengthy recruitment process for the very important posts of Head of the Internal Audit Section and Head of the Evaluation Section.
17. The staff movements in the period were:
- The Senior Evaluator (P4) returned to IAOD in October 2009 from her temporary transfer to the Program Management and Performance Section and is currently on maternity and special unpaid leave from April until December 2010.
 - An investigator from UNOG was on loan to WIPO for most of the period.
 - A short term Investigation and Oversight Assistant joined the IAOD in April 2010.
18. The IAC (paragraph 23) specifically requires the Internal Auditor to comment on the adequacy of resources allocated to internal oversight within the Organization. IAOD does not currently 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.

2010/11 IAOD Budget⁸

Expenditure and Commitment as at June 30,	Approved Budget for 2010/11	Balance
911	3,705	2,794

2008/09 IAOD Budget⁹

Approved Budget			Expenditure	Expenditure and Commitment			Balance		
Personnel Resources	Non-Personnel Resources	Total	Personnel Resources	Non-Personnel Resources	Total	Personnel Resources	Non-Personnel Resources	Total	
2,709	1,748	4,457	2,250	1,670	3,920	459 ¹⁰	78	537	

19. During the reporting 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 investigations¹¹. 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, internal control and governance.

V. LOOKING FORWARD

20. Set out below are some of the main objectives and challenges for the next reporting period.

Internal Audit

21. The most urgent internal audit need is to continue to carry out more audits of high risk areas to ensure that reasonable assurance is provided, over a wider area, to the Director General and Member States, of the adequacy and effectiveness of the system of internal controls at WIPO. The internal audit strategy, risk and needs assessment will continue to be revised in line with the changing needs, strategic goals and risk profile of the organization. Internal Audit will focus further on risk management and governance issues with a view to supporting the Director General's incentive to establish an effective enterprise risk management (ERM) in WIPO. The recruitment of a Head of the Internal Audit Section remains essential for this to be delivered effectively.

⁸ As at June 30, 2010. In thousands of Swiss francs. Staff commitments are allocated annually. This is the Budget as currently approved by the Director General

⁹ As at December 31, 2009. In thousands of Swiss francs; including funds approved to be transferred from unallocated by special approval of the Director General

¹⁰ Representing savings from vacant posts

¹¹ In 2009, 1,055,039 Swiss francs was provided by the Director General in addition to the existing non-pay budget to meet very urgent requirements for extra investigations resources from specialist experts

22. 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 continue with the further development of the quality self-assessment project and implementation of the recommendations of the external quality assessment by the External Auditors.

Investigation

23. The conduct of professional and timely investigation case activity remains the top priority in this area of oversight. Investigation needs extra permanent staff resources to continue to significantly reduce case load and continue to ensure the quality and timeliness of this work. External Investigation experts have recommended that the Investigation Section have a minimum of three staff members.
24. During the reporting period, it was hoped that the backlog of investigations would be significantly cleared; early 2009, however, saw a steady stream of requests for new investigations at a very similar level to that of 2008. Information Security-related investigations have taken up a much greater length of time and resources than originally anticipated, effectively fully occupying one investigator during most of 2008, the whole of 2009 and into the first half of 2010. It is not yet possible to reliably forecast that the demand for investigations similar to that in 2008 and 2009 will diminish very significantly in the following reporting periods.

Evaluation

25. The return of staff to the Evaluation Section and the finalization of the recruitment of a new Head for the Section in early 2011 will allow a return to the implementation of the new WIPO Evaluation Policy. This will enable IAOD to begin to deliver an adequate number of independent evaluations at WIPO and start again the institutionalization of independent evaluation in WIPO.
26. The preparation of the 2011 evaluation work plan will again follow consultation with key stakeholders and the assessment of evaluation priorities and risks within WIPO. The Evaluation Section will further develop their strategy of carrying out specific evaluations, contributing towards:
- Supporting the further institutionalization of an evaluation culture and appreciation of the benefits of evaluation;
 - Helping develop and strengthen program monitoring and evaluation systems;
 - Increasing the outcomes and results-based orientation of WIPO work and the need for much improved monitoring capacity;
 - Enhancing the learning culture and accountability structures within the Organization in order to encourage program managers and staff to report on the challenges and constraints they encounter and the development of practical solutions to make things better.

VI. CONCLUSIONS

27. The procedural base for carrying out internal audits, investigations and evaluations was developed further during the reporting period and will continue as resources allow. The full implementation of the proposed new Internal Audit and Oversight Charter will be important. However, it remains IAOD policy to focus first on all urgent and high risk internal audits, investigations and evaluations as a top priority.

28. Issues concerning IAOD staffing, and therefore impairment of operational independence, are being more effectively addressed and overcome. The overall development and institution building of IAOD have continued in the period under review. Additional human resources for a strong and independent oversight department have been made available by the Director General in the period and further important and long-standing recruitments are underway. The strengthening of WIPO internal controls and improving business and governance processes remain a key focus for IAOD. Risk acceptance by senior management, for fewer high risk audits than are considered necessary by IAOD, is not yet at acceptable levels.
29. The delivery by WIPO of high-quality services and activities which provide good value for money cannot yet be fully assured by IAOD with current levels of staff. The proper performance, control, accountability and stewardship of WIPO is improving, but the full role of internal oversight in helping management to ensure this is not yet fully in place.

[Appendices follow]

INVESTIGATION LESSONS LEARNT AND RECOMMENDATIONS

Lessons learnt through investigations carried out in the reporting period have led to recommendations for improving internal controls, business systems and processes. Recommendations have been made to the Director General and other responsible managers concerning:

Direct cost recovery

- Recover costs of private mobile communications made by staff on WIPO-issued mobile devices through automated direct billing to staff.

Working-time abuse

- Reduce personnel costs associated with abuse of Flexitime and Interflex systems through a review of system controls.
- Improve the quality of evidence in investigations involving working-time abuse by considering upgrades to closed circuit television system to permit data recording for longer increments.
- Reduce investigation time and costs by extending the retention period for closed circuit television data from 28 days to two years and storing data in a non-proprietary format.

Integrity

- Promote ethical compliance by educating staff about their reporting obligations under Staff Regulation 1.6, Activities and Interests Outside the International Bureau.
- Generate support for ethics compliance with an offer of amnesty for staff filing first-time reports of outside activities and interests.

Efficiency

- Streamline harassment procedures by aligning the definition of harassment to that of the United Nations.
- Better orient job descriptions to competencies.

Recruitment

- Improve WIPO's ability to recruit staff meeting the highest standards of efficiency, competence and integrity by:
 - Aligning HRMD recruitment procedures with fair, transparent, UN and international best practice.
 - Exercising due diligence during recruitment background checks.
 - Extending protection against discrimination on such bases as age by amending Staff Regulation 4.7 (Race, Sex and Religion).
 - Establishing conflict-of-interest guidelines for members of recruitment panels.
 - Sponsoring mandatory training for recruitment panel nominees with an emphasis on competency-based interviewing techniques.

[Appendix II follows]

INVESTIGATION STATISTICS

As at the end of the reporting period and from March 2008 (when the Investigation Section was established) to date, IAOB have registered a total of 52 investigation cases on the Investigation Section Case Register. Some of the cases registered in 2008 relate to complaints from earlier years. During these earlier years several large and complicated cases were successfully carried out.

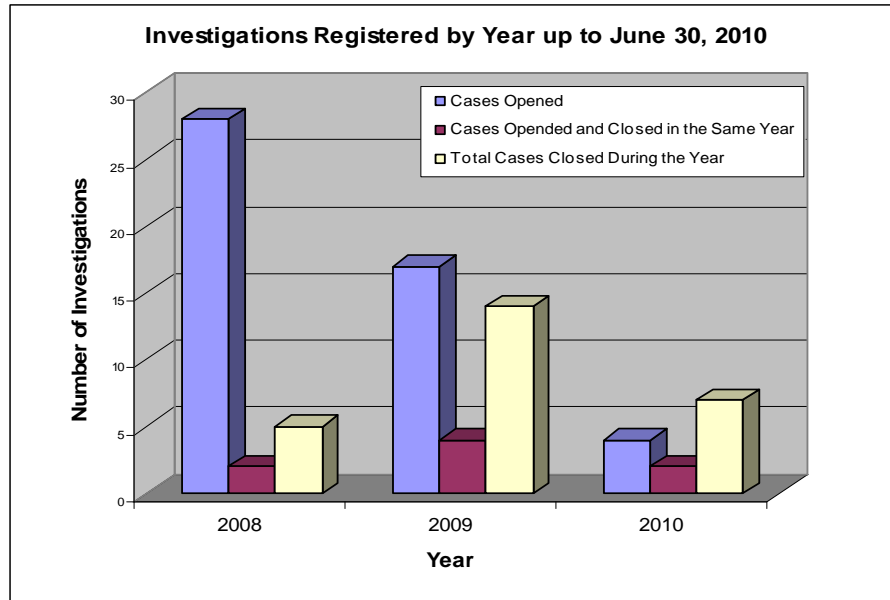


Figure 1: Investigations registered by year

As at June 30, 2010, the Investigation Section had six active investigations underway. Closure is pending on a further 20 cases.

The nature of complaints investigated since March 2008, to date, have been categorized as follows in Figure 2 below:

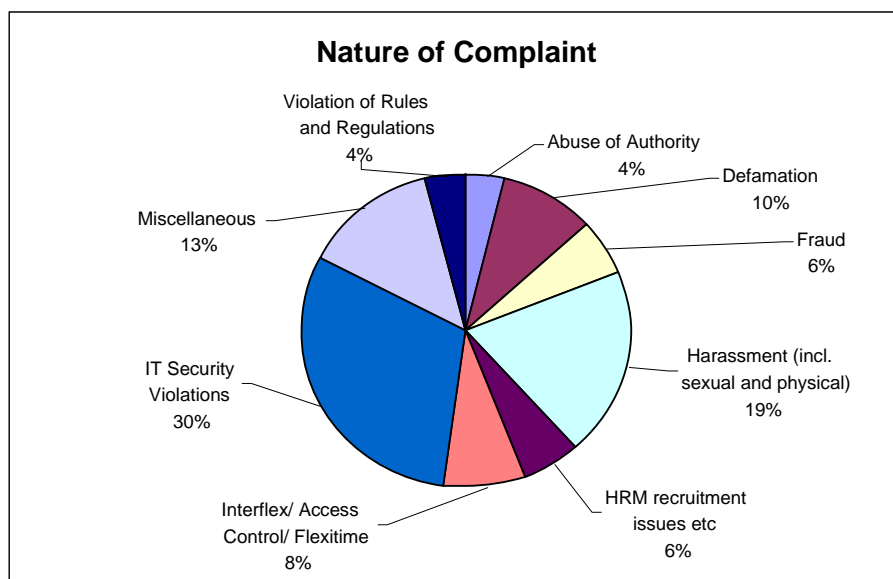


Figure 2: Nature of Complaint

As can be seen below, the largest group to initiate investigations dealt with by IAOD is WIPO staff members.

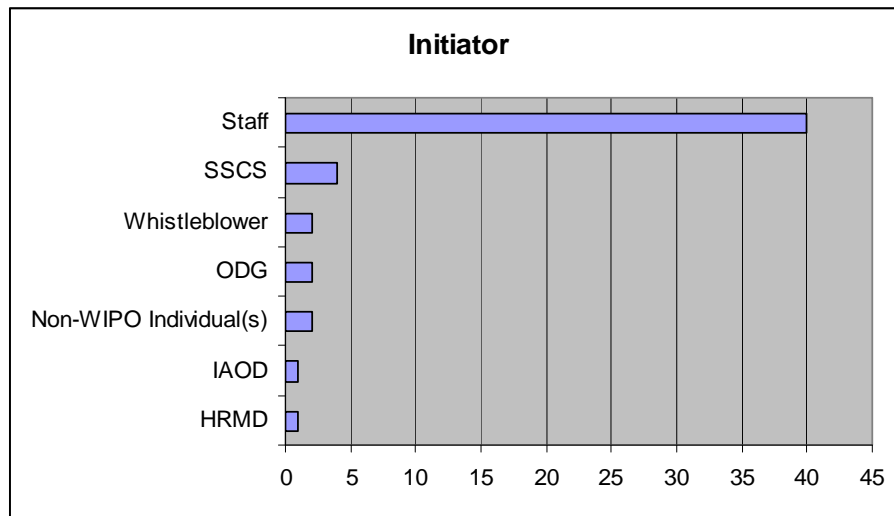


Figure 3: Initiator of Investigation

To support complaints by staff the Investigation Section, as a priority, are strengthening and formalizing Whistleblowing procedures (the IAC paragraph 8 refers) and will establish a confidential reporting process, including a “hot line”.

The average elapsed time for completion of an investigation case from recording to reporting is currently eight months. However, the stated target is to decrease this figure to below six months in the next two years.

[End of Appendix II and of document]