

WIPO General Assembly

Fortieth (20th Ordinary) Session
Geneva, September 26 to October 5, 2011

REVISION OF THE TERMS OF REFERENCE OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

Document prepared by the Secretariat

1. At its sixteenth session, which took place on January 12 and 13, 2011, the Program and Budget Committee (PBC) reviewed the revised Terms of Reference of the World Intellectual Property Organization (WIPO) Independent Advisory Oversight Committee (IAOC) (see document WO/PBC/16/3 Rev.) and recommended their approval by the General Assembly.

2. Subject to approval by the General Assembly of the Revised Terms of Reference of the IAOC contained in this document, the Financial Regulations and Rules (FRR) of the Organization will be amended accordingly.

3. *The General Assembly is invited to:*

(i) approve the revised Terms of Reference of the WIPO Independent Advisory Oversight Committee, as contained in the Annex to this document; and

(ii) take note that the relevant sections of the Financial Regulations and Rules will be amended accordingly.

[Annex follows]

REVISED TERMS OF REFERENCE
OF THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

A. PREAMBLE

1. In September 2005, the WIPO General Assembly approved the proposal of the Working Group of the Program and Budget Committee on the establishment of a WIPO Audit Committee in accordance with Annex II, A/41/10. In September 2010, the WIPO General Assembly approved proposals contained in document WO/GA/39/13 to change the title of the Committee into the Independent Advisory Oversight Committee and amend its composition and rotation procedures.

B. FUNCTIONS AND RESPONSIBILITIES

2. The Independent Advisory Oversight Committee of WIPO is an independent, expert advisory and external oversight body. It aims to assist Member States in their role of oversight and for better exercise of their governance responsibilities with respect to the various operations of WIPO. Its mandate is as follows:

(a) Promoting internal control by:

- (i) Systematic appraising of management's actions to maintain and operate appropriate and effective internal controls;
- (ii) Contributing, through its scrutiny function, to the maintenance of the highest possible standards of financial management and the handling of any irregularities;
- (iii) Reviewing the operation and effectiveness of the Financial Regulations;
- (iv) Reviewing management's assessment and approach to risk;
- (v) Reviewing arrangements for checks and balances in areas such as ethics, financial disclosure, fraud prevention and misconduct.

(b) Focusing assurance resources by:

- (i) Reviewing and monitoring the effectiveness of WIPO's internal audit function;
- (ii) Exchanging information and views with the external auditor, including his audit plan;
- (iii) Promoting effective coordination of activities between the internal and external audit function;
- (iv) Confirming audit and assurance arrangements have been conducted and delivered during the year to provide the necessary levels of assurance required by the General Assembly.

(c) Overseeing audit performance by:

- (i) Monitoring the timely, effective and appropriate responses from management with regard to audit recommendations;
- (ii) Monitoring the implementation of audit recommendations;

- (iii) Monitoring the delivery and content of financial statements in accordance with the requirements of the Financial Regulations.
- (d) The Program and Budget Committee may from time to time request the Independent Advisory Oversight Committee to review or oversee particular activities and projects, such as:
 - the New Construction Project,
 - the WIPO desk-to-desk assessment, and
 - any other major project.
- (e) The Independent Advisory Oversight Committee shall make recommendations to the Program and Budget Committee on issues within the terms of reference of the Independent Advisory Oversight Committee, as it considers appropriate.

C. MEMBERSHIP AND QUALIFICATIONS

3. As of February 2011, the Independent Advisory Oversight Committee will be composed of seven members, from each of the seven geographical regions of WIPO Member States. The seven members will be nominated by the Program and Budget Committee following a selection process carried out by a Selection Panel set up by the Committee for this purpose, to be assisted by the current WIPO Independent Advisory Oversight Committee. However, in case there is no candidate who meets the criteria established by the Selection Panel in accordance with the General Assembly decision (recorded in paragraph 30, document WO/GA/39/14) as contained in paragraphs 14, 15, 21, 22 and 26 of document WO/GA/39/13, available from any region, the position would be filled in by the highest ranking candidate in the Independent Advisory Oversight Committee's assessment irrespective of his or her regional representation. As per document WO/GA/39/13, the services of the two external experts of the existing Independent Advisory Oversight Committee will be retained until the end of 2011. The external experts will have no right to vote.

4. The rotation mechanism for the Independent Advisory Oversight Committee members will be as follows:

- (i) No member of the Independent Advisory Oversight Committee shall serve for more than six years in aggregate;
- (ii) Four members of the new Independent Advisory Oversight Committee, starting in February 2011, would serve a term of three years, renewable once and for a final term;
- (iii) Three members of the new Independent Advisory Oversight Committee would serve a term of three years, non-renewable;
- (iv) The term of the new members would be determined by drawing of lots at the first meeting of the Independent Advisory Oversight Committee in 2011;
- (v) After the first three-year period, all members of the Independent Advisory Oversight Committee would be nominated for a term of three years, renewable once, except as provided under paragraph 4(iii) above;
- (vi) Each member of the Independent Advisory Oversight Committee would be replaced by a candidate from the same geographical region that he or she belongs to. If the departing member belongs to a Group that already has another representative, he/she will be replaced by a member originating from the Group(s) not represented in the Committee.

However, in case there is no candidate who meets the criteria established by the Selection Panel in accordance with the General Assembly decision (recorded in paragraph 30, of document WO/GA/39/14) as contained in paragraphs 14, 15, 21, 22 and 26 of document WO/GA/39/13, available from any region, the position would be filled in by the highest ranking candidate in the Independent Advisory Oversight Committee's assessment irrespective of his or her regional representation;

(vii) The selection process used for selection of new Committee members effective January 2011 as described in paragraph 28 of document WO/GA/39/13 will also be applied in the case of selection of new members of the Independent Advisory Oversight Committee, except as provided for in paragraph 4(viii) below;

(viii) A roster/pool of experts identified during the selection process may be used in case of resignation or demise of a member of the Independent Advisory Oversight Committee while serving his or her term.

5. The members of the Independent Advisory Oversight Committee shall select a Chair and Deputy Chair.

6. The Selection Panel, in recommending candidates for nomination by the Program and Budget Committee shall ensure that the candidates possess relevant qualifications and experience, for example, in auditing, evaluation, accounting, risk management, legal affairs, information technology, human resources management and other financial and administrative matters. Expertise as well as geographical distribution and rotation should guide the selection process. In making its final recommendations to the Program and Budget Committee, the Selection Panel will try to ensure collegiality, the right mix of skills and expertise, and gender balance in the overall composition of the Committee. Due consideration shall be given to the availability, commitment, professionalism, integrity and independence of the candidates. Candidates must possess a demonstrated working knowledge of WIPO official languages, in particular English or French. When making its recommendations to the Program and Budget Committee the Selection Panel shall provide redacted curricula vitae for all individuals being nominated for appointment to the Independent Advisory Oversight Committee.

7. The Independent Advisory Oversight Committee should corporately possess the following competencies:

- (a) Technical or specialist knowledge of issues pertinent to the Organization's business;
- (b) Experience of managing similar sized organizations;
- (c) Understanding of the wider relevant environments in which the Organization operates, including its objectives, culture and structure;
- (d) Detailed understanding of the Organization's governance environment and accountability structures;
- (e) Oversight or management experience at senior level in the United Nations system.
- (f) International and/or intergovernmental experience.

8. New members should have or should acquire by a structured induction program organized by the WIPO Secretariat in consultation and with the participation of Member States an understanding of the objectives of the Organization, its structure and its culture, and the relevant rules governing it.

D. MEETINGS AND QUORUM

9. The Independent Advisory Oversight Committee will meet regularly every quarter in formal meeting.
10. A minimum of four members of the Independent Advisory Oversight Committee are required to be present for a meeting of the Committee to be quorate.
11. The Independent Advisory Oversight Committee may invite officials of the WIPO Secretariat or others to attend meetings.

E. REPORTING AND REVIEW

12. The Independent Advisory Oversight Committee shall keep Member States informed of its work on a regular basis. In particular, following each of its formal meetings the Committee shall organize a meeting with WIPO Member States and prepare a report for circulation to the Program and Budget Committee.
13. Member States will review, every three years, the mandate, functioning, membership, selection and rotation of the Independent Advisory Oversight Committee. However, Member States retain the possibility to ask for this review to be put on the agenda of any session of the Program and Budget Committee.

F. SUPPORT BY THE WIPO SECRETARIAT

14. Assistance shall be provided to the Independent Advisory Oversight Committee from the WIPO Secretariat, which should be outside of the Internal Audit and Oversight Division of WIPO, in accordance with the principles of accountability and transparency. This assistance will be in the form of dedicated, independent Professional and General Service assistance serving on a part-time basis as secretariat for the Independent Advisory Oversight Committee. Functions of such logistical and technical assistance shall include: (a) logistical and administrative support. This would entail preparing for and attending Independent Advisory Oversight Committee meetings and assisting with preparing draft reports; (b) substantive and technical work in preparation for Independent Advisory Oversight Committee meetings, which may include research and background position papers, and others, as may be requested by the Independent Advisory Oversight Committee.

G. BUDGET

15. In its biennial budget WIPO shall provide a specific budget allocation for the Independent Advisory Oversight Committee, providing for costs on an annual basis associated with the approved activities and related expenditures as provided in the terms of reference, namely four formal meetings of four to five days each in principle, attendance by Independent Advisory Oversight Committee members to the Program and Budget Committee and other meetings as required, secretarial and substantive support, and external consultancies.
16. Expenses for members of the Independent Advisory Oversight Committee will be paid by WIPO in accordance with WIPO's financial rules and regulations.

H. INFORMATION REQUIREMENTS

17. Well in advance of each formal meeting, the WIPO Secretariat shall provide the Independent Advisory Oversight Committee with documents and information related to its Agenda, and any other relevant information. The Committee shall have unhindered access to all staff and consultants of the Organization, as well as access to records.

[End of Annex and of document]