

WIPO Independent Advisory Oversight Committee

Seventieth Session
Geneva, September 11 to 15, 2023

REPORT

adopted by the WIPO Independent Advisory Oversight Committee

INTRODUCTION

1. The 70th Session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from September 11 to 15, 2023. Present were Messrs. Igors Ludboržs (Chair), Bert Keuppens (Vice-Chair), German Deffit, Guan Jian, David Kanja, Danil Kerimi, and Kamlesh Vikamsey.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

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2. The Committee adopted its Agenda, which is attached to this report as Annex I. A list of Session documents is attached as Annex II.

AGENDA ITEM 2: DECLARATION OF NO CONFLICTS OF INTEREST AND TECHNICAL MATTERS

3. Members present were asked to disclose any actual or potential conflicts of interest. No conflicts of interest were reported.

AGENDA ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION

4. The Committee took stock of the actions carried out following the decisions taken at its 69th Session.

AGENDA ITEM 4: MATTERS ARISING FROM THE PBC 36TH SESSION, THE WIPO GENERAL ASSEMBLY AND THE COORDINATION COMMITTEE SESSION

5. The Chair and Vice-Chair briefed the Committee on the discussions and decisions taken during the 36th Session of the Program and Budget Committee (June 19 to 23, 2023), the 64th Series of Meetings of the Assemblies of the Member States of WIPO, and the 82nd Session of the Coordination Committee of WIPO (July 6 to 14, 2023). The statement made before the governing bodies of WIPO, as contained in the Committee's annual report, was well received by the Member States, who expressed their gratitude to the IAOC for the crucial role in the advisory and oversight mechanism of the Organization.

6. Noteworthy items brought to the attention of the Committee were the approval of the proposed amendments to the Terms of Reference (ToR) of the IAOC, particularly addressing Cybersecurity, review and giving advice on anti-fraud activities, measures available to the Committee in the event of frequent absences of its members, the option to meet in a virtual or hybrid format in exigent circumstances, and the desirability of an independent performance evaluation of the IAOC every three years in addition to the current annual self-assessment.

AGENDA ITEM 5: UPDATE FROM THE DIRECTOR GENERAL ON THE MEDIUM-TERM STRATEGY IMPLEMENTATION AND CHANGE MANAGEMENT

7. During the meeting with the Committee, the Director General gave an update on the Medium-Term Strategy Implementation and Change Management, and the challenges posed by the geopolitical complexities, and the broadening vision and usefulness of intellectual property in the world.

8. When discussing the Change Management process and the transformation of the Organization, he stressed the need to continue enhancing leadership and soft skills of middle Management.

AGENDA ITEM 6: INTERNAL OVERSIGHT, MID-YEAR WORKPLAN UPDATE AND THE REVIEW OF THE DRAFT STANDARD OPERATING PROCEDURES

Internal Oversight Division (IOD) Activity Report

9. The Officer-in-Charge of IOD presented to the Committee the quarterly IOD Activity Report dated September 5, 2023. The Committee noted the planned internal audits of one External Office (Singapore), and the Audit on WIPO Data Privacy, to be conducted with an external contractor.

10. It was briefed on the progress of the audits at the field stage (Audit of Cloud Management), at the reporting stage (Audit of the Madrid Registry), and combined audit and evaluation of the PCT Operations and Customer Relations Part II (evaluation results). It was also briefed the progress of evaluation engagements at fieldwork stage (the Impact Evaluation of Women Entrepreneurs – phase two).

11. Seven engagements are in the process of finalization. In addition, two were deferred, one was cancelled, and two were scheduled for completion in 2024.

Mid-Year Workplan Update

12. The Committee was briefed about the mid-year review of the 2023 Oversight Annual Workplan. The review sought to ensure that the activities and engagements planned for the current year, and potential engagements identified for the subsequent year, were still valid with respect to the evolution of the risk environment of the Organization. The Committee noted the proposed changes to the workplan. In order to facilitate a better follow-up of the completion of engagements, the Committee advised IOD to incorporate the engagement start and end month in IOD's monitoring reports.

Review of the Drafts of Standard Operating Procedures

13. The IOD provided to the Committee with two drafts of Standard Operating Procedures: one on "Conducting Joint Engagements", the other on the "Procedure on the Management of Recommendations: Roles, Responsibility, Monitoring and Reporting". Regarding the former, the Committee had a discussion on conducting joint engagements and encouraged IOD to further reflect on the appropriate standards for such reviews, and to consider the added value of such engagements.

14. Regarding the latter, the Committee advised on the necessity of having up-front closing criteria for recommendations. Additionally, the Committee discussed the modalities of reviewing high-priority recommendations and aged recommendations, particularly those older than three years. The Committee also advised that IOD should continue to consider the merits of extending the implementation deadlines of recommendations.

Investigations

15. The Committee reviewed the update on the status of investigation cases. As of August 30, 2023, there were 25 pending investigation cases, nine cases under preliminary evaluation, 11 under full investigation and five on hold. Of the 25 pending cases, one was registered in 2021, eight in 2022 and 16 in 2023. No Management Implication Report was issued during the period under review. The Committee reviewed new, pending and closed cases. Of the closed cases, two were substantiated. The Committee also reviewed the duration of the closed investigation cases, and in particular the duration of the retaliation cases.

16. The Committee requested IOD to provide data on trends relating to its increasing investigation caseload and resource implications. The Committee discussed the modalities of opening an investigation and exploring options to refer some matters to other internal conflict resolution mechanisms.

17. The Committee was informed that the new Director would start her duties on October 3, 2023. The Committee appreciated the work done by the Officers-in-Charge of IOD during the vacancy of the Director.

AGENDA ITEM 7: REVIEW OF IOD'S FOLLOW-UP OF OUTSTANDING HIGH-PRIORITY RECOMMENDATIONS

18. The Committee noted that the number of outstanding aged and high-priority recommendations had decreased since its last session. As of August 31, 2023, there was a total of 58 oversight recommendations, of which 42 were from IOD, five from the External Auditor, one from the IAOC, and ten from the Joint Inspection Unit (JIU). Since the last review, as of May 17, 2023, the total recommendations declined from 75 to 58. The Committee took note of the open JIU recommendations, which increased from three to ten. During the period under review, 24 recommendations were closed, 21 of which were from IOD and three from the External Auditor.

19. The outstanding aged and high-priority recommendations were reviewed in detail by the Committee in the presence of the concerned staff of the Secretariat. The Committee noted that some recommendations were dependent on the implementation of other actions, which contributed to the delay in full implementation. The Committee advised that the recommendation closing criteria as well as the responsibility for closing recommendations be made clear and understood by all concerned.

20. The Committee noted the number of requests from Managers to revise the implementation dates of some recommendations.

AGENDA ITEM 8: MEETING WITH THE ACTUARY

21. The Committee reviewed and discussed with the Actuary, the appropriateness of the assumptions used to calculate the After-Service Health Insurance (ASHI) liability and reviewed a table of comparable assumptions used by other Geneva-based UN institutions. It should be recalled that the ASHI liability is highly sensitive to the underlying assumptions. In the Financial Statements of 2022, this liability had decreased by 105.1 million Swiss francs, mainly because of the increase of the discount rate from 0.5 per cent to 2.5 per cent.

22. The Committee also enquired about interactions between WIPO's Actuary and the External Auditor's Actuary.

AGENDA ITEM 9: UPDATE ON INVESTMENT GOVERNANCE FRAMEWORK AND POLICIES

23. The Management Team provided the Committee with an update on the Investment Policy and Governance Framework and discussed the Core and Strategic Cash portfolios performance against the relevant benchmarks. The Management Team indicated that it would continue to explore ways to strengthen the investment governance framework and policies, following the advice given earlier by the Committee. The Committee was informed that WIPO had engaged the World Bank Treasury to conduct a peer review during September and October 2023.

24. The Committee requested the Secretariat to provide regular updates related to governance on WIPO's investment activities.

AGENDA ITEM 10: UPDATE ON PERFORMANCE AND ENTERPRISE RISK MANAGEMENT (ERM), INCLUDING TOP RISKS AND MITIGATION MEASURES

25. The Management Team presented to the Committee an update on Performance and Enterprise Risk Management (ERM), including Top Risks and Mitigation Measures. The Committee provided advice regarding further finetuning definitions used to measure WIPO's Performance Results, in particular differentiating between output, outcome, and impact.

26. The Committee took note of the update on ERM's Top Risks matrix and discussed the assessment and feasibility of reaching target residual risk levels in some cases. In addition, the Committee discussed the progress of achieving the expected results and the evolving risk in the different Strategic Pillars and Foundation of the WIPO's Results Framework.

AGENDA ITEM 11: UPDATE ON BUSINESS CONTINUITY

27. During the meeting with the Business Continuity Coordinator, the Committee received an overview regarding the existing Business Continuity Plans that are in place and those that continue to be developed and tested. The Committee noted that there are 22 Functional Business Continuity Plans that consist of 50 section/process-level Action Plans. These plans are elaborate and continue to be updated where deemed necessary.

AGENDA ITEM 12: UPDATE ON CYBERSECURITY

28. The Committee was briefed about the three lines applied to Cybersecurity in WIPO. The first line comprises IT Operations and perimeter controls; the second line comprises compliance and risk functions; and the third line comprises internal assurance (IOD). The Committee inquired about the rationale behind the collaborative approaches between the first and second lines.

29. The Committee discussed the organizational set-up of the IT function, and the segregation of duties between the IT Operations side and the Information Security side.

30. The Committee initiated this discussion in view of its expanded mandate under its ToR to include addressing Cybersecurity.

AGENDA ITEM 13: UPDATE ON IT SECURITY

31. The Committee was provided with an update on Security and Information Assurance by the Acting Chief Security Officer. The update was focused on the strategic security plans, and on the Data Privacy program. The Cybersecurity Risks were also discussed. The Committee advised on the necessity of documenting "good enough" choices regarding acceptable levels of Cybersecurity Risks.

32. The Committee was informed that the Information Security operations meet the ISO standards (27001 and 27002). The Committee welcomed the planned IOD audit on Cybersecurity, to be conducted with the support of an outside consultant.

AGENDA ITEM 14: UPDATE ON PROCUREMENT, INCLUDING ANTI-FRAUD AND ANTI-CORRUPTION MEASURES

33. The Committee was provided with a Procurement Update, as well as an update on the Anti-Fraud and Anti-Corruption Measures in Procurement. These measures consist of the WIPO Regulatory Framework, standard requirement to suppliers, checks and monitoring, and training.

34. The Committee took note of the system automation and the digitalization in procurement, which resulted in improvements on lead time and client satisfaction with the service quality. The Committee welcomed continuous digitalization of the procurement process, enhancement of the supplier performance management and a formulation of rules and procedures for the purchase of IT services.

AGENDA ITEM 15: UPDATE ON DATA MANAGEMENT IN PROCUREMENT

35. The Committee was presented with an update on Data Management in Procurement, and took note of key principles of Data governance, including roles and responsibilities. The Committee advised about the necessity of including other relevant actors, such as the Chief Data Officer and the Data Protection Officer, in WIPO's Data Governance in Procurement.

AGENDA ITEM 16: UPDATE ON HR MANAGEMENT, INCLUDING FOLLOW-UP ON THE STAFF SURVEY

36. The Committee was updated on a number of HR matters, including the positions of the Director, IOD, and of Ombuds. The Committee was also informed that a benchmarking exercise of the Ombuds function will be undertaken, and the foreseen follow-up of the staff surveys.

AGENDA ITEM 17: ETHICS – IMPLEMENTATION UPDATE

37. The Committee provided feedback to the Chief Ethics Officer on the draft Policy to Protect against Retaliation for Reporting Suspected Wrongdoing and for Cooperating with Oversight Activities, and was updated on the ongoing activities of the Ethics Office and welcomed the shift from case-management to standard-setting activity. The Committee welcomed the updating of the Financial Disclosure and Declaration of other Interests programs.

38. The Committee welcomed the significant progress being made on the Ethics Office Workplan.

39. The Committee was informed by the Chief Ethics Officer that she would be leaving the Organization at the end of October 2023. The Committee complimented her on her significant contributions to the Organization in the field of Ethics.

40. The Chief Ethics Officer informed the Committee that Management would be making arrangements to fill the position during the interim period.

AGENDA ITEM 18: UPDATE ON OMBUDS FUNCTION

41. The Committee expressed its appreciation for the presentation and update given by the Interim Ombuds. The Committee discussed the need to clarify for staff the points of intake of staff concerns and complaints, and the need to pursue informal conflict resolution whenever feasible.

AGENDA ITEM 19: REVIEW OF THE FORMAT OF PRESENTING THE COMMITTEE'S SESSION AND ANNUAL REPORTS

42. The Committee reviewed the format of presenting its session and annual reports, and discussed potential enhancements. The Committee will continue deliberations on this matter.

AGENDA ITEM 20: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

43. As provided in its ToR, an Information Meeting for Member States' Representatives was held at the end of the session. The Committee briefed the Delegates of its deliberations during the session and responded to questions posed by the attending delegates.

AGENDA ITEM 21: OTHER MATTERS

WIPO Investment Reports

44. Management submitted to the Committee the Investment Performance Reports and the Investment Monitoring Reports for May, June and July 2023, prepared by the Investment Advisors and the Custodian, respectively.

45. The Committee reviewed the documents received and noted that the information provided showed that during the period reviewed, and based on the investment benchmarks, all the vehicles in WIPO's investment portfolio delivered the results, which were broadly in line with the benchmarks, and were managed in accordance with the stated investment guidelines and strategy. In addition, the Committee noted that the Custodian did not report any breaches, active or passive, or justified exceptions.

46. The Committee clarified that its role was limited to conveying information contained in the Investment Performance Reports and Investment Monitoring Reports and did not provide any assurances in that regard.

Next Session

47. The next session was scheduled to take place from December 4 to 8, 2023. As this will coincide with the 8th Meeting of the UN System Audit and Oversight Committees in New York, the dates of the 71st session will now be December 11 to 15, 2023.

48. The Committee agreed on the following topics for discussion and review during the session:

- (1) Adoption of the Agenda
- (2) Declaration of No Conflict of Interest and Technical Matters
- (3) Matters arising from previous Session
- (4) Meeting with the Director General
- (5) Internal Oversight (including Proposed 2024 Annual Workplan)
- (6) Review of High-Priority Oversight Recommendations
- (7) External Audit: Audit Planning Report, 2023 Interim Audit Outcomes
- (8) Update on Investment Governance Framework and Policies
- (9) Ethics (including Proposed 2024 Annual Workplan)
- (10) IAOC Self-Assessment of its 2023 Activities

- (11) Election of IAOC Chair and Vice-Chair for 2024
- (12) Information Meeting with Member States' Representatives
- (13) Other Matters

[Annexes follow]



WO/IAOC/70/1
ORIGINAL: ENGLISH
DATE: OCTOBER 20, 2023

WIPO Independent Advisory Oversight Committee

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Geneva, September 11 to 15, 2023

DRAFT AGENDA

prepared by the WIPO Independent Advisory Oversight Committee

1. Adoption of the Agenda
2. Declaration of No Conflict of Interest and Technical Matters
3. Matters arising from previous Session
4. Matters arising from the PBC 36th Session, the WIPO General Assembly and the Coordination Committee Session
5. Update from the Director General on the Medium-Term Strategy Implementation and Change Management
6. Internal Oversight, Mid-Year Workplan Update and Guidelines Update
7. Review of IOD's Follow-up of Outstanding High-Priority Recommendations
8. Meeting with the Actuary
9. Update on Investment Governance Framework and Policies
10. Update on Performance and Enterprise Risk Management (ERM), including Top Risks and Mitigation Measures
11. Update on Business Continuity

12. Update on Cybersecurity
13. Update on IT Security
14. Update on Procurement, including Anti-Fraud and Anti-Corruption Measures
15. Update on Data Management in Procurement
16. Update on HR Management, including Follow-up on the Staff Survey
17. Ethics: Implementation Update
18. Update on Ombuds Function
19. Review of the Format of Presenting the Committee's Session and Annual Reports
20. Information Meeting with Member States' Representatives
21. Other Matters

[Annex II follows]



WO/IAOC/70/INF/1
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WIPO Independent Advisory Oversight Committee

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LIST OF DOCUMENTS
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ITEM 1: ADOPTION OF THE AGENDA

- [01a] Agenda
- [01b] Timetable
- [01c] List of Documents

ITEM 2: DECLARATION OF NO CONFLICT OF INTEREST AND TECHNICAL MATTERS

No document: Oral account.

ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION

No document: Oral account.

ITEM 4: MATTERS ARISING FROM THE PBC 36TH SESSION, THE WIPO GENERAL ASSEMBLY AND THE COORDINATION COMMITTEE SESSION

- [04a] List of Decisions – PBC 36th Session, June 23, 2023
(document WO/PBC/36/12)

ITEM 5: UPDATE FROM THE DIRECTOR GENERAL ON THE MEDIUM-TERM STRATEGY IMPLEMENTATION AND CHANGE MANAGEMENT

No document: Oral account.

ITEM 6: INTERNAL OVERSIGHT, MID-YEAR WORKPLAN UPDATE AND GUIDELINES UPDATE

Internal Oversight Division:

- [06a] IOD Activity Report – 70th Session, September 5, 2023
(Reference: IOD-IAOC023/03)

[06b] Mid-Year Review of the 2023 Oversight Annual Workplan, July 17, 2023 (IOD Ref.: IOD/WP/2023/2)

[06c] Draft Standard Operating Procedures – Conducting Joint Engagements, August 2023 (IOD Ref.: IOD/SOP/CJE/2023/01)

[06d] Draft Standard Operating Procedures – Procedure on the Management of Recommendations: *Roles, Responsibility, Monitoring and Reporting*, August 2023 (IOD Ref.: IOD/SOP/PMR/2023/01)

Investigations:

ITEM 7: REVIEW OF IOD’S FOLLOW-UP OF OUTSTANDING HIGH-PRIORITY RECOMMENDATIONS

[07] Open Oversight and JIU Recommendations, as of August 31, 2023

ITEM 8: MEETING WITH THE ACTUARY

[08a] Harmonization of Actuarial Assumptions – ASHI Liability Calculations within the UN System, September 2023

[08b] UN Economic Assumptions for Retiree Medical Plans – December 31, 2022

[08c] Chair’s memo: Task Force on Accounting Standards (TFAS) – Common Actuarial Assumptions for ASHI Liabilities for the Financial Year 2022 (January 17, 2023)

[08d] Buck’s Consultant: 2017 UN ASHI Headcount-Weighted Mortality Tables (December 10, 2020)

[08e] Excel: Annual Rates of Static Increase of Pensionable Remuneration 2017 for 2021

[08f] Excel: UN Economic Assumptions for Retiree Medical Plans (December 31, 2022)

[08g] Excel: UNJSPF Actuarial Valuation Assumptions 2021 (Headcount-weighted Post-Retirement Mortality (December 31, 2022)

[08h] Excel: Actuarial Assumptions Listing

ITEM 9: UPDATE ON INVESTMENT GOVERNANCE FRAMEWORK AND POLICIES

[09] Update on Investment Policy and Governance Framework (September 2023)

ITEM 10: UPDATE ON PERFORMANCE AND ENTERPRISE RISK MANAGEMENT (ERM), INCLUDING TOP RISKS AND MITIGATION MEASURES

[10] PowerPoint presentation – Update on Performance and Enterprise Risk Management, including Top Risks and Mitigation Measures, September 2023

ITEM 11: UPDATE ON BUSINESS CONTINUITY

[11] Presentation – Update on Business Continuity, September 13, 2023

ITEM 12: UPDATE ON CYBERSECURITY

[12a] PowerPoint presentation – Three Lines for Cybersecurity in WIPO, September 2023

[12b] Copy of Vacancy Announcement and Job Description for the post of Chief Data Officer, September 2023

ITEM 13: UPDATE ON IT SECURITY

[13] PowerPoint presentation – Update on Security and Information Assurance, September 13, 2023

ITEM 14: UPDATE ON PROCUREMENT, INCLUDING ANT-FRAUD AND ANTI-CORRUPTION MEASURES

[14] PowerPoint presentation – Update on Procurement: Anti-Fraud and Anti-Corruption Measures, September 2023

ITEM 15: UPDATE ON DATA MANAGEMENT IN PROCUREMENT

[15] PowerPoint presentation – Update on Procurement: Data Management, September 2023

ITEM 16: UPDATE ON HR MANAGEMENT, INCLUDING FOLLOW-UP ON THE STAFF SURVEY

[16a] PowerPoint presentation: Teleworking @ WIPO 2024 Policy Change – July 7, 2023

[16b] Draft WIPO HR Manual – Working Hours and Flexible Working Arrangements (ref. HRM/FWA/2 – Annex 2, Teleworking) July 7, 2023

ITEM 17: ETHICS: IMPLEMENTATION UPDATE

[17a] Ethics Office Implementation Updates – September 1, 2023

[17b] Copy of draft Office Instruction on “Policy to Protect against Retaliation for Reporting Suspected Wrongdoing and for Cooperating with Oversight Activities”, September 2023

[17c] Copy of Office Instruction N° 33/2017: Policy to Protect against Retaliation for Reporting Misconduct and for Cooperating with duly authorized Audits or Investigations, September 29, 2017

ITEM 18: UPDATE ON OMBUDS FUNCTION

[18] PowerPoint presentation – Briefing by the Ombudsperson, September xx, 2023

ITEM 19: REVIEW OF THE FORMAT OF PRESENTING THE COMMITTEE’S SESSION AND ANNUAL REPORTS

No document: Oral account.

ITEM 20: INFORMATION MEETING WITH MEMBER STATES’ REPRESENTATIVES

No document: Oral account.

ITEM 21: OTHER MATTERS

[21a] Report – Sixty-Ninth Session (document WO/IAOC/69/2)

[21b] IAOC Rolling Agenda, 68th to 71st Sessions

Investment Reports:

[21c] Credit Suisse – Investment Monitoring Reports for May, June and July 2023

[21d] MBS Capital Advice – Investment Performance Reports for May, June and July 2023

[End of Annex II and of document]