

## **WIPO Independent Advisory Oversight Committee**

**Twentieth Meeting**  
**Geneva, March 16 to 18, 2011**

**REPORT**

*adopted by the Independent Advisory Oversight Committee*

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## INTRODUCTION

1. The twentieth meeting of the WIPO Independent Advisory Oversight Committee (hereinafter referred to as “the Committee” or “IAOC”) took place from March 16 to 18, 2011. Present were the newly appointment members namely: Messrs. Anol N. Chatterji, Kjell Larsson, Nikolay V. Lozinskiy, Ma Fang, Ms. Mary T. Ncube, Mr. Fernando Nikitin, and Ms. Maria Beatriz Sanz Redrado, as well as the two members of the previous Committee, Messrs. George Haddad and Gian Piero Roz, whose mandate had been extended for one year to enable new members to comprehend the work carried out by the previous Committee and to facilitate knowledge sharing.

## AGENDA ITEM 1: INDUCTION TO THE NEW MEMBERS BY THE SECRETARIAT

2. In line with the Committee’s terms of reference,<sup>1</sup> a recommendation by the former Committee membership<sup>2</sup> and discussions with the Program and Budget Committee (PBC), an Induction Program was prepared for the IAOC (see Annex II).
  - A. Director General’s Overview
    3. The Director General welcomed the new members and gave an overview of WIPO’s history, mandate, organization and activities, strategic objectives and related risks, as well as an overview of the current reform program.
  - B. Meeting with the Senior Management Team
    4. The Committee met with Senior Management team members, namely: Deputy Directors General Geoffrey Onyeama, James Pooley, Binying Wang and Christian Wichard; Assistant Directors General Trevor Clarke and Ambi Sundaram; and, Mr. Naresh Prasad, Executive Director and Chief of Staff. Assistant Director General Yo Takagi had sent apologies due to his absence from Geneva on official mission.
    5. The IAOC were briefed on the SMT members’ respective mandates and activities, including principal achievements and challenges. The Committee looks forward to future briefings, to include detailed information on risks and mitigation.
  - C. WIPO Overview
    6. Ms. Cathy Jewell, Senior Information Officer presented a general overview of the Organization, including structure, mandate, activities and key figures.
  - D. External and Internal Oversight
    7. The Committee met with the External Auditor, Mr. Kurt Grüter, Director and Mr. Didier Monnot, Swiss Federal Audit Office, and with Mr. Nick Treen, Director, WIPO Internal Audit and Oversight Division.

*External Oversight*

    - 8. Mr. Grüter outlined the mandate and work of the Swiss Federal Audit Office and confirmed arrangements for the transfer of knowledge to the new External Auditor, to be appointed as of January 1, 2012. He advised that his Office will audit the 2010-2011 accounts, with the Swiss Federal Audit Office’s mandate consequently concluding mid-2012.

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<sup>1</sup> Document WO/GA/34/15, Annex I, paragraph 8

<sup>2</sup> Document WO/IAOC/19/2 Rev., paragraph 71

9. Messrs. Grüter and Monnot also outlined work for implementation of the International Public Sector Accounting Standards (IPSAS) and confirmed that their Office will undertake an interim audit of the 2010 Financial Statements, to be delivered by the Secretariat by March 31, 2011.
10. The Committee was informed of the financial and performance audits carried out in 2010.
11. A discussion ensued on internal controls at WIPO and the need to increase the level of formalizations and maturity of control procedures. Despite the opinions provided by the External Auditor in previous audits of financial statements, he expressed an opinion that, in general, internal controls at WIPO may be considered appropriate enough to support the opinion contained in the Financial Statements.
12. Both the External Auditor and the Committee welcomed this meeting and confirmed a mutual wish to maintain extensive information exchange.

#### *Internal Oversight*

13. The Director of the Internal Audit and Oversight Division (IAOD) gave a general briefing on the mandate, reporting, structure and program of work of IAOC for 2011, as well as on the mechanisms in place to monitor the implementation of oversight recommendations.
14. Questions were raised in particular concerning investigations and evaluation.

#### E. Strategic Realignment Program (SRP)

15. The Committee met with Mr. Ambi Sundaram, Assistant Director General, Administration and Management; Mrs. Chitra Narayanaswamy, Acting Director, Resource Planning, Program Management and Performance Division; and, Mr. Simon Bower, SRP-Project Management Office, Resource Planning, Program Management and Performance Division.
16. The Committee was presented with an overview of the Strategic Realignment Program (SRP) and a progress report on the status of various initiatives, risks and mitigating measures, as well as expected costs for the current and next biennium.
17. The Committee will continue to review the progress of the SRP project starting with the initiatives concerning the internal control system, Ethics and the risks related to the implementation of the Enterprise Resource Planning (ERP) system.

#### F. New Construction Projects

18. The Committee met with Mr. Ambi Sundaram, Assistant Director General, Administration and Management and Ms. Isabelle Boutillon, Director, Premises Infrastructure Division.
19. The Committee was presented with an overview of the progress of work for the New Administrative Building and the New Conference Hall Projects. Information was provided, *inter alia*, on: the estimated total cost and on the disbursement situation for the New Administrative Building; issues relating to the implementation of the United Nations Minimum Operating Security Standards (UN-HMOSS) for the existing and new buildings; and, on the occupancy of the New Administrative Building.
20. The Committee will continue to monitor the progress of the New Construction Projects with particular emphasis on the risks register and cost control.

## AGENDA ITEM 2: ADOPTION OF THE AGENDA

21. The Committee adopted the draft Agenda without modifications (see Annex I).

## AGENDA ITEM 3: INDUCTION TO THE NEW MEMBERS BY THE TWO FORMER IAOC MEMBERS RETAINED

22. In line with a decision by Member States that "For the sake of continuity, the services of the two external experts in the current Audit Committee will be retained until the end of 2011 (ref. A/41/10, Annex II)",<sup>3</sup> Messrs. Haddad and Roz were appointed as non-voting members of the newly constituted IAOC.
23. Prior to the meeting, the external experts had sent the new members significant background documents. Additional documents were circulated during the meeting. All documents were provided to the Committee in soft copy and are listed in Annex III.
24. Messrs. Haddad and Roz briefed the IAOC on the following topics: History of the IAOC/AC; Relations between the IAOC/AC and the Secretariat and Member States; Internal and External oversight at WIPO; The Desk-to-Desk Review, the Organizational Improvement Program and the Strategic Realignment Program; Human Resources Management; Ethics policies; Evaluation; Investigation; IT with particular emphasis on IT security and the ERP project; Staff representation; and what they considered to be priority issues as contained in the report of the IAOC's nineteenth session.<sup>4</sup>
25. The IAOC intends to pursue with the Secretariat and with Member States the matter of definition of their official status.

## AGENDA ITEM 4: DETERMINATION OF TERMS OF OFFICE; ELECTION OF CHAIR AND VICE CHAIR

26. Lots were drawn pursuant to the decision by Member States that "The term of the new members would be determined by drawing of lots at the first meeting of the Audit Committee in 2011".<sup>5</sup> As a result, the following members will serve a term of three years non-renewable: Messrs. Kjell Larsson, Ma Fang and Ms. Maria Beatriz Sanz Redrado. The other four members, namely Messrs. Anol N. Chatterji, Nikolay V. Lozinskiy, Ms. Mary T. Ncube and Mr. Fernando Nikitin, will serve a term of three years, renewable once and for a final term.
27. In accordance with Article II of the IAOC Rules of Procedure, the Committee elected Ms. Maria Beatriz Sanz Redrado as Chair and Mr. Fernando Nikitin as Vice Chair.

## AGENDA ITEM 5: IAOC WORK PROGRAM FOR 2011

28. The Committee recalled that the IAOC has no operational or executive responsibilities. It also agreed that, to the extent possible, meetings should aim to increase the IAOC's substantive and effective contribution to the governance of WIPO while simultaneously taking into account the work program of the Program and Budget Committee (PBC).

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<sup>3</sup> Document WO/GA/39/13, Annex, paragraph 16

<sup>4</sup> Document WO/IAOC/19/2, paragraph 71

<sup>5</sup> Document WO/GA/39/13, Annex, paragraph 28 (i) to (iv)

29. Based on its mandate and on discussions during the inductions, the Committee identified the following main areas for its 2011 Work Program:
  - a. Coherence of WIPO oversight organization
  - b. Risks assessment and internal controls at the corporate and program levels
  - c. Investigation and Ethics
  - d. Evaluation
  - e. Internal and External audit and oversight.
30. As requested by Member States, the Committee will also review the recommendations made by the former Committee to identify possible areas of major risk. At the next meeting, the Committee will concentrate on (a) and (b) above. The Secretariat will be advised accordingly.
31. The Committee also noted that the induction and subsequent discussion on external and internal audit had confirmed the need for an overall review of the Terms of Reference of the External Auditor and of the IAOC as well as of the Internal Audit Charter, as recommended by the former Committee.<sup>6</sup>
32. The Committee was advised that, as recommended by the former Committee, a Vacancy Announcement for a new Director of the Internal Audit and Oversight Division had been issued. The Committee noted that in the recently approved Internal Oversight Charter, any reference to the role of the IAOC in the selection process of the Internal Auditor had been suppressed. This is contrary to the Standards of the Institute of Internal Auditors (IIA) and best practice in both the private and public sectors. While the matter will have to be addressed within the context of the proposed revision of the mandate of the oversight bodies, the Committee suggests that the Director General may consider taking advantage of the expertise of the IAOC to assist in the final decision, while respecting the statutory selection procedures.

#### AGENDA ITEM 6: OTHER MATTERS

##### A. Meeting with Representatives of the WIPO Staff Council

33. At the request of the Staff Council, and also in light of the approach taken by the former Audit Committee, the IAOC decided to meet Staff Council representatives. The representatives that met with the Committee were: Mr. Azzeddine Kateb, President, Mr. Ismail Abdulaziz, Vice President, Mr. Brett Fitzgerald, Vice President, Mr. Anil Sinha, Vice President, and Mr. Peter Tholle, Member.
34. The Staff Council representatives expressed concerns on several issues including investigations and selection procedures and what they considered to be "political" appointments. They also referred to a letter addressed from the Staff Council to the Director General, copied to the Committee, following the issue of the report of the nineteenth session of the IAOC.<sup>7</sup>

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<sup>6</sup> Documents WO/IAOC/19/2 Rev., paragraph 70, and WO/GA/39/14, paragraphs 27 and 52

<sup>7</sup> Document WO/IAOC/19/2 Rev.

B. Travel Policies and Rules Applicable to IAOC Members

35. At the Committee's request, a briefing on travel policies and rules applicable to IAOC members was given by Mr. Colin Buffam, Deputy Director, Procurement and Travel Division.
36. IAOC members noted that the issue of their official status, which had been under discussion for some time remained unresolved, although the IAOC had been confirmed as a subsidiary organ of the PBC. As an example of a consequence of this non-resolution, one member faced difficulties with the Swiss authorities in obtaining his visa.
37. The Committee drew Mr. Buffam's attention to the fact that, while fully understanding WIPO travel policies and the need to control costs, IAOC members are not WIPO staff and devote their free time, including annual leave entitlements from their employer, to serve *pro bono* on the Committee. A certain degree of flexibility should therefore be applied to limit the time that members spend traveling.

C. Next meeting

38. The next meeting of the Committee is tentatively scheduled to take place from Monday, May 23 to Thursday, May 26, 2011.
39. Subject to further discussion by the Committee, the draft Agenda for that meeting is anticipated to include:
  1. Meeting with the Director General
  2. Risk Management and Internal Controls
    - Coherence of WIPO oversight organization
    - Overall policies at the corporate level
    - Implementation of policies at sector level
    - Internal controls
    - SRP internal controls activity
    - PCT risk management and related internal controls
    - ERP Follow-up on Oversight Recommendations
    - Investigations
    - Internal Audit Reports
  3. Oversight Recommendations
  4. Ethics
  5. New Construction Projects
  6. Financial statements for the year 2010
  7. Information Session for WIPO Member States
  8. Other Matters

AGENDA ITEM 7: INFORMATION SESSION FOR WIPO MEMBER STATES

40. In line with a decision by Member States,<sup>8</sup> an IAOC Information Session for Member States was held, attended by Representatives of 25 Member States.
41. The IAOC new members introduced themselves to the Representatives, and the IAOC Chair outlined the work undertaken during the first meeting of the new IAOC membership.
42. The Representatives welcomed the new membership and expressed appreciation for the work done by the former Committee. The improved gender distribution and election of a woman as Chair was also welcomed.
43. The main concerns expressed by Member States were the governance of the Organization (work is ongoing to collect information and the views of Member States on the issue<sup>9</sup>) and the outstanding Audit Committee recommendations. Certain Member States expressed a view that priority should be given to quality rather than quantity of recommendations.
44. Other concerns expressed by Member States included: Ethics; the functioning of the Internal Audit and Oversight Division; the relationships between the Internal and external auditors and the IAOC; staff restructuring; direct communications between the IAOC and Member States; and, the Development Agenda. A suggestion was also made that the IAOC and oversight bodies of other international organization in Geneva could establish a network for exchange of information and best practices.
45. The Chair emphasized that the IAOC is an independent body and does not have operational responsibilities or authority. Member States should therefore not expect the IAOC to perform duties of Member States on their behalf. The Chair assured Member States representatives of the determination of the Committee to fully fulfill its mandate to assist member States in the governance of WIPO.

[Annex I follows]

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<sup>8</sup> Document WO/GA/39/13, Annex, paragraph 3(ii)

<sup>9</sup> Document WO/PBC/16/6 Prov., paragraph 359(v)





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WO/IAOC/20/1  
ORIGINAL: ENGLISH  
DATE: MARCH 17, 2011

## **WIPO Independent Advisory Oversight Committee**

**Twentieth meeting**  
**Geneva, March 16 to 18, 2011**

### **AGENDA**

*Adopted by the WIPO Independent Advisory Oversight Committee*

1. Induction to new members by the Secretariat:
  - A. Director General's Overview
  - B. Meeting with the Senior Management Team
  - C. WIPO Overview
  - D. External and Internal Oversight
  - E. Strategic Realignment Program
  - F. New Construction Projects
2. Adoption of the Agenda
3. Induction to new members by the two former IAOC members retained
4. Determination of the Terms of Office; Election of Chair and Vice Chair
5. IAOC Work Program for 2011
6. Other Matters
7. Information Session for WIPO Member States

[Annex II follows]



**E**

WO/IAOC/20/INF PROV. 1  
ORIGINAL: ENGLISH  
DATE: MARCH 9, 2011

## **WIPO Independent Advisory Oversight Committee**

**Twentieth meeting  
Geneva, March 16 to 18, 2011**

### **PROGRAM**

*Adopted by the WIPO Independent Advisory Oversight Committee*

Wednesday, March 16, 2011

- 9.15 Members met at WIPO main reception
- 9.30 – 10.00 Welcome Tea/Coffee
- 10.00 – 11.15 Agenda Item 1 Secretariat Induction
- A. Director General's Overview
- Speaker: Mr. Francis Gurry, Director General
- Resources: [Curriculum Vitae of Mr. Francis Gurry](#)  
[Medium Term Strategic Plan for WIPO, 2010 – 2015](#)
- 11.15 – 11.45 Tea/Coffee Break
- 11.45 – 13.00 Agenda Item 1 Secretariat Induction
- B. Meeting with the Senior Management Team
- Speakers: Deputy Directors General
- Mr. Geoffrey Onyeama, Cooperation for Development  
Mr. James Pooley, Innovation and Technology  
Mr. Johannes Christine Wichard, Global Issues  
Ms. Binying Wang, Brands and Design
- Assistant Directors General
- Mr. C. Trevor Clarke, Culture and Creative Industries  
Mr. R. Ambi Sundaram, Administration and Management  
Mr. Yo Takagi, Global Infrastructure
- Executive Director and Chief of Staff
- Mr. Naresh Prasad
- Resources: [WIPO Organigram](#)  
[Curriculum Vitae of the Senior Management Team Members \(Annexes II to VIII of document WO/CC/61/2\)](#)  
[Program and Budget 2010/11](#)

- 13.00 – 14.30 Lunch with the Director General
- 15.00 – 16.00 Agenda Item 1 Secretariat Induction
- C. WIPO Overview
- Speaker: Ms. Cathy Jewell, Senior Information Officer,  
Communications Division
- Resource: [About WIPO](#)
- 16.00 – 16.15 Tea/Coffee Break
- 16.15 – 18.00 Agenda Item 1 Secretariat Induction
- D. External and Internal Oversight
- Speakers: Mr. Kurt Grüter, External Auditor
- Mr. Nick Treen, Director, Internal Audit and  
Oversight Division
- Resources: Terms of Reference Governing External Audit  
[Annex II of Financial Regulations and Rules](#)
- Internal Oversight Charter (Office Instruction  
37/2010 dated October 1, 2010 "Amendments to  
the Financial Regulations and Rules")
- [Oversight at WIPO](#)
- Thursday, March 17, 2011
- 9.15 Members met at WIPO main reception and escorted to Security  
Services for WIPO photo identity badges
- 10.00 – 11.15 Agenda Item 1 Secretariat Induction
- E. Strategic Realignment Program
- Speaker: Mr. R. Ambi Sundaram, Assistant Director General
- Ms. Chitra Narayanaswamy, Acting Director,  
Resource Planning, Program Management and  
Performance Division
- Mr. Simon Bower, Consultant, Strategic  
Realignment Program – Project Management  
Office

Resources: [Strategic Realignment Program - Overview](#)

[Strategic Realignment Program - Roadmap](#)

11.45 – 12.00	Tea/Coffee Break
12.00 – 13.00	Agenda Item 1 Secretariat Induction  F. New Construction Projects  Speakers: Mr. R. Ambi Sundaram, Assistant Director General Mr. Philippe Favatier, Chief Financial Officer (Controller) Ms. Isabelle Boutillon, Director, Premises Infrastructure Division
13.00 – 14.30	Lunch with Mr. R. Ambi Sundaram, Assistant Director General
15.00	Agenda Item 2 Adoption of the Agenda
15.00 – 16.15	Agenda Item 3 Induction by IAOC External Experts  Speakers: Mr. George Haddad, IAOC External Expert  Mr. Gian Piero Roz, IAOC External Expert  Resources: <a href="#">Terms of Reference of the WIPO Audit Committee</a>  Review of the Terms of Reference of the WIPO Independent Advisory Oversight Committee <a href="#">WO/PBC/16/3 Rev.</a>  Rules of Procedure of the WIPO Audit Committee <a href="#">Annex 2 of WO/AC/15</a>  <a href="#">WIPO Audit Committee Quarterly Reports</a>  Draft Report of the sixteenth session of the WIPO Program and Budget Committee <a href="#">WO/PBC/16/5 Prov.</a>  Status of Implementation of Audit Committee Recommendations  Assessment of the Work and Operations of the WIPO Audit Committee <a href="#">main body</a> <a href="#">corrigendum</a>

16.15 – 16.30	Tea/Coffee Break
16.30 – 18.00	Agenda Item 3 Induction by IAOC External Experts

Friday, March 18, 2011

10.00 – 11.15	Agenda Item 4 Determination of the Terms of Office; Election of Chair/Vice Chair  Resources: Report of the Working Group on Audit Committee Related Matters (see paragraph 28 (ii) to (iv) of document <a href="#">WO/GA/39/13</a> )
11.15 – 11.30	Tea/Coffee Break
11.30 – 13.00	Agenda Item 5 IAOC Work Program 2011  Agenda Item 7 Other Matters
13.00 – 15.00	Lunch
15.00 – 18.00	Agenda Item 6 Information Session with Member States

**GENERAL RESOURCES**

*Contact List, Calendar 2011 and Map of WIPO*

WIPO Contact List for IAOC members

Calendar of Decision-Making Body Meetings in 2011

[WIPO Official Holidays in 2011](#)

[Map of WIPO](#)

*Terms Governing WIPO's Mandate, Functions, Finances and Procedures*

[Convention Establishing the World Intellectual Property Organization](#)

[WIPO General Rules of Procedure](#)

[Member States of WIPO](#)

[WIPO Decision Making Bodies](#)

[WIPO Administered Treaties](#)

[Financial Regulations and Rules](#)

Staff Regulations and Rules

Proposal on a New Mechanism to Further Involve Member States in the Preparation and Follow Up of the Program and Budget (document WO/PBC/10/2)

[Main body](#) [Annex 1](#) [Annex 2](#) [Annex 3](#) [Annex 4](#)

*Indicators and Reports*

[World Intellectual Property Indicators 2010](#)

[Financial Management Report for the 2008-2009 Biennium](#)

Financial Information – Latest Quarterly Report

[Program Performance Report for 2008/09](#)

[IAOD Validation Report on the Program Performance Report for 2008/09](#)

*WIPO Overview and Magazine*

[World Intellectual Property Organization – An Overview \(2010 Edition\)](#)

[WIPO Magazine](#)

[Annex III follows]

ADDITIONAL DOCUMENTS CIRCULATED BY THE EXTERNAL EXPERTS OR ON THE REQUEST OF IAOC MEMBERS

Topic	Title of Document
Administration of Justice (UN)	Administration of Justice at the United Nations (UN document No. A/65/650)
Audit Committee Reports	Extracts relating to SRP, OIP/Desk-to-Desk, IAOD, HRMD, Procurement, Ethics/Fin. Disclosure, Staff Council, ERP/ICT
Audit Function in UN System	Letters from N. Hauser, Chair of UN Panel of External Auditors to the President of the UN General Assembly
Audit Function in UN System	Joint Inspection Unit Report 2010 "The Audit Function in the United Nations System"
Ethics	Office Instruction No. 25/2010 "WIPO Ethics Office"
Evaluation	Evaluation Activity Report for 2010
Evaluation	Evaluation Plan for 2011
External / Internal Audit	Assessment of the Internal Audit Function
External Auditor	Audit of the financial statements for the 2008-2009 biennium
Financial Disclosure/ Declaration of Interests	Office Instruction No. 57/2009 "WIPO Declaration of Interest Form Implementing Guidelines"
Financial Disclosure/ Declaration of Interests	Letter from P. Zevenbergen (former Chair, WIPO Audit Committee) to the Director General
Financial Disclosure/ Declaration of Interests	Letter from Director General to P. Zevenbergen (former Chair, WIPO Audit Committee)
Financial Disclosure/ Declaration of Interests	Letter from P. Zevenbergen (former Chair, WIPO Audit Committee) to the Director General
Internal Audit	Internal Audit Activity Report for 2010
Internal Audit	Internal Audit Manual
Internal Controls	Review of Internal Control Review and Gap Assessment at WIPO
Investigation	Investigation Section Activity Report
Investigation	Investigation Section General Investigation Plan for 2011
Investigation	IAOD Half Yearly Summary Report on Investigation Cases as at January 24, 2011
Investigation	Investigation Manual
Investigation	Draft Investigation Policy
Investigation	Investigation Section Annual Report
New Construction Project	WIPO Construction Project Charter v.09
New Construction Project	Risk Register No. 32, dated February 2011
Ombudsman (UN)	Activities of the Office of the United Nations Ombudsman and Mediation Services (UN document No. A/65/303)
Oversight Recommendations	Office Instruction No. 16/2010 "Implementation of Oversight Recommendations. Reporting Procedures, Roles and Responsibilities"
Program and Budget Committee	Summary of Recommendations made by the PBC at its sixteenth session (January 12 and 13, 2011) (WIPO document WO/PBC/16/5)
Staff Council	Letter to GP Roz (former Chair, WIPO AC) transmitting response of Staff Council to IAOC/19 report
Staff Council	Internal Memorandum to the Director General dated March 3, 2011 on "Recruitment of Diplomats who have Carried out Representation Duties for Diplomatic Missions in Geneva and of Family Members of Serving Diplomatic Staff or of those who have Recently Carried out Similar Duties"

[End of Annex III and of document]