

## Program and Budget Committee

### Twenty-Second Session Geneva, September 1 to 5, 2014

#### PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES (FRR)

*presented by the Director General*

#### INTRODUCTION

1. The present document contains proposals for amendments to WIPO's Financial Regulations and Rules (FRR). The changes primarily address the need to update the FRR in order to align it with the evolution of other elements of WIPO's regulatory framework; to recognize the evolution of current practices and business requirements of the Organization or provide clarification required in day-to-day operations on specific issues; and to address inconsistencies or inaccuracies in the FRR where needed.

#### PROPOSED AMENDMENTS TO FINANCIAL REGULATIONS

2. In accordance with the provisions of Regulation 10.1 "The Director General may propose amendments to these Regulations. Any such amendment to these Regulations must be approved by the General Assembly". Amendments are proposed to Regulations 2.8, 5.10, 5.11, 8.1 and 8.9.

- (i) **Regulation 2.8:** the appropriate text has been added, in accordance with the recommendation of the IAOC, and in line with the treaties administered by the Organization, to reflect the scenario where the Program and Budget of the Organization may not be adopted in time for the start of a new biennium;
- (ii) **Regulation 5.10:** it is proposed to align the regulation with the United Nations (UN) System practice and remove the limitation of 20 thousand Swiss francs per biennium on *ex gratia* payments; and

- (iii) **Regulation 5.11:** it is proposed to more closely align the definition of procurement and its guiding principles with those of other UN Common System organizations.
- (iv) **Regulations 8.1 and 8.9:** reference to the Auditor General is corrected from the currently used “officer”, to “official”.

3. The following decision paragraph is proposed.

4. *The Program and Budget Committee recommended to the WIPO General Assembly to approve Regulations 2.8, 5.10, 5.11, 8.1 and 8.9 as amended in document WO/PBC/22/10.*

## AMENDMENTS TO FINANCIAL RULES

5. In accordance with Financial Regulation 10.1, Rule 110.1, the “present Rules may be amended by the Director General in a manner consistent with the Financial Regulations”. Therefore, the amendments will be made by the Director General to the Financial Rules 101.3(k), 104.1(b), 104.5, 104.6(a), 104.13, 105.13, 105.16(b), 105.17, 105.18, 105.21, 105.22, 105.30, 106.4, and 106.12.

- (i) **Rule 101.3(k):** the definition of “officer” is revised to align it with the current Staff Regulations and Rules;
- (ii) **Rule 104.1(b):** this rule clarifies and confirms the Organization’s practice of allocating spending authority for Funds in Trust only against cash received;
- (iii) **Rules 104.5 and 106.4:** these changes serve to correctly reflect the terminology used to describe WIPO’s external offices (replace the term “liaison offices” with “external offices”);
- (iv) **Rule 104.6(a):** the reference to Cashier’s Fund advances is removed, as WIPO does not make these types of advances;
- (v) **Rule 104.13:** the revision is needed to clarify that investments losses are reported on within three months of the end of each calendar year of the biennial financial period;
- (vi) **Rules 105.13, 105.16(b), 105.17, 105.18, 105.21, 105.22, 105.30(a) and (b):** the changes to these rules are required to reflect current procurement practices and/or serve to help streamline the FRRs by removing detailed guidance which appears in Office Instructions.
- (vii) **Rules 105.17, 105.21 and 105.30 (a):** the changes clarify that it is the Director General who, through the issuance of Office Instructions, sets out the thresholds for various forms of procurement procedures, the guidance for award of procurement contracts and establishes the Property Survey Board (not the High Level Official on Procurement);

(viii) **Rule 105.30(a)**: the change reflects the fact that the Property Survey Board does not “establish degree of responsibility for loss or damage” to WIPO property. This is done following the appropriate procedures set out, either as part of an investigation or other relevant process.

(ix) **Rule 106.12**: the change is needed to correct a previously erroneous cross reference to the Regulation dealing with the financial management report; and

6. The following decision paragraph is proposed.

*7. The Program and Budget Committee took note of the amendments to the Financial Rules listed in paragraph 5 of document WO/PBC/22/10.*

[Proposed Amendments to the Financial Regulations and Rules follow]

PROPOSED AMENDMENTS TO THE FINANCIAL REGULATIONS AND RULES

Current Text	Proposed New Text	Comments (where applicable)
<b>CHAPTER 1: GENERAL PROVISIONS</b>	<b>CHAPTER 1: GENERAL PROVISIONS</b>	
<p><b>Definitions</b> <b>Rule 101.3</b></p> <p>(k) “Officer” is a person employed by the Organization on a fixed-term, permanent, or temporary appointment and whose relationship with the Organization is governed by the Staff Regulations and Staff Rules;</p>	<p><b>Definitions</b> <b>Rule 101.3</b></p> <p>(k) “Officer” is a <del>person employed by</del> <u>staff member of</u> the Organization, <u>that is, an individual employed under</u> <del>on</del> a fixed-term, <u>continuing</u> permanent, or temporary appointment <del>and whose relationship with the Organization is governed by the Staff Regulations and Staff Rules;</del></p>	<p>This proposed change is required to reflect the changes in the Staff Regulations and Rules (SRR).</p>
<b>CHAPTER 2: THE PROGRAM AND BUDGET</b>	<b>CHAPTER 2: THE PROGRAM AND BUDGET</b>	
<p><b>Review and Approval</b> <b>Regulation 2.8</b></p> <p>The Assemblies of the Member States and of the Unions, each as far as it is concerned, shall adopt the program and budget for the following financial period after consideration of the proposed program and budget and the recommendations of the Program and Budget Committee thereon.</p>	<p><b>Review and Approval</b> <b>Regulation 2.8</b></p> <p>The Assemblies of the Member States and of the Unions, each as far as it is concerned, shall adopt the program and budget for the following financial period after consideration of the proposed program and budget and the recommendations of the Program and Budget Committee thereon. <u>If the program and budget is not adopted before the beginning of the following financial period, the authorization to the Director General to incur obligations and make payments would remain at the level of appropriations of the previous financial period.</u></p>	<p>As recommended by the IAOC, this clause is proposed to be enhanced to address the possible scenario when the program and budget is not adopted before the beginning of the following financial period, in line with the requirements of the treaties administered by WIPO.</p>

Current Text	Proposed New Text	Comments (where applicable)
<b>CHAPTER 4: CUSTODY OF FUNDS</b>	<b>CHAPTER 4: CUSTODY OF FUNDS</b>	
<b>A. INTERNAL ACCOUNTS</b>	<b>A. INTERNAL ACCOUNTS</b>	
<p><b>Trust funds and special accounts</b></p> <p><b>Rule 104.1</b></p> <p>The establishment, purpose and limits of trust funds and special accounts shall be approved on behalf of the Director General by the Controller. The Controller is authorized to levy a charge on trust funds and special accounts. This charge shall be used to reimburse all, or part of, the indirect costs incurred by the Organization in respect of the generation and administration of trust funds and special accounts. All direct costs of the implementation of programs that are financed by trust funds and special accounts shall be charged against the relevant trust fund and special account.</p>	<p><b>Trust funds and special accounts</b></p> <p><b>Rule 104.1</b></p> <p><u>(a)</u> The establishment, purpose and limits of trust funds and special accounts shall be approved on behalf of the Director General by the Controller. The Controller is authorized to levy a charge on trust funds and special accounts. This charge shall be used to reimburse all, or part of, the indirect costs incurred by the Organization in respect of the generation and administration of trust funds and special accounts. All direct costs of the implementation of programs that are financed by trust funds and special accounts shall be charged against the relevant trust fund and special account.</p> <p><u>(b) The Controller may provide authorization for the utilization of voluntary contributions up to the amounts received in cash.</u></p>	<p>Change is proposed in order to reflect WIPO's prudent financial practice of allocating spending authority only against cash received for Funds in Trust.</p>
<b>B. BANKING</b>	<b>B. BANKING</b>	
<p><b>Remittances to liaison offices</b></p> <p><b>Rule 104.5</b></p> <p>The liaison offices of the Organization shall obtain their funds through remittances from Headquarters. In the absence of a special authorization from the Controller, those remittances shall not exceed the amount required to bring cash balances up to the levels necessary to meet the recipient liaison office's estimated cash requirements for the next two and a half months.</p>	<p><b>Remittances to <del>liaison offices</del> External Offices</b></p> <p><b>Rule 104.5</b></p> <p>The <del>liaison offices</del> External Offices of the Organization shall obtain their funds through remittances from Headquarters. In the absence of a special authorization from the Controller, those remittances shall not exceed the amount required to bring cash balances up to the levels necessary to meet the recipient liaison office's estimated cash requirements for the next two and a half months.</p>	<p>WIPO has External Offices.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p><b>Cash advances</b>  <b>Rule 104.6</b></p> <p>(a) Petty cash advances and Cashier’s Fund advances may be made only by and to officers designated for this purpose by the Controller.</p> <p>(b) The relevant accounts shall be maintained on an imprest system and the amount and purpose of each advance shall be defined by the Controller.</p> <p>(c) The Controller may approve other cash advances, as may be permitted by the Financial Regulations and Rules and Financial Instructions issued by the Controller, and as may otherwise be authorized in writing by him or her.</p>	<p><b>Cash advances</b>  <b>Rule 104.6</b></p> <p>(a) Petty cash advances and <del>Cashier’s Fund advances</del> may be made only by and to officers designated for this purpose by the Controller.</p> <p>(b) The relevant accounts shall be maintained on an imprest system and the amount and purpose of each advance shall be defined by the Controller.</p> <p>(c) The Controller may approve other cash advances, as may be permitted by the Financial Regulations and Rules and Financial Instructions issued by the Controller, and as may otherwise be authorized in writing by him or her.</p>	<p>To reflect current practice i.e., “Cashier’s Fund advances” are not made.</p>
<p><b>C. INVESTMENTS</b></p>	<p><b>C. INVESTMENTS</b></p>	
<p><b>Losses</b>  <b>Rule 104.13</b></p> <p>Any investment losses must be reported at once to the Controller. The Controller may authorize the writing-off of investment losses. A summary statement of investment losses, if any, shall be provided to the External Auditor within three months following the end of the financial period.</p>	<p><b>Losses</b>  <b>Rule 104.13</b></p> <p>Any investment losses must be reported at once to the Controller. The Controller may authorize the writing-off of investment losses. A summary statement of investment losses, if any, shall be provided to the External Auditor within three months following the end of <u>each calendar year of</u> the financial period.</p>	<p>Rule amended to clarify that the statement of losses will need to be prepared for each calendar year of the financial period for inclusion in the annual financial statements.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p align="center"><b>CHAPTER 5: UTILIZATION OF FUNDS</b></p>	<p align="center"><b>CHAPTER 5: UTILIZATION OF FUNDS</b></p>	
<p><b>B. COMMITMENTS, OBLIGATIONS AND EXPENDITURES</b></p>	<p><b>B. COMMITMENTS, OBLIGATIONS AND EXPENDITURES</b></p>	
<p><b>Ex gratia payments</b> <b>Regulation 5.10</b></p> <p>The Director General may make such <i>ex gratia</i> payments as are deemed to be necessary in the interest of the Organization, provided that a summary statement of such payments for the calendar year shall be included in the annual financial statements of the Organization. The total amount of such payments shall not exceed 20,000 Swiss francs in any given financial period.</p>	<p><b>Ex gratia payments</b> <b>Regulation 5.10</b></p> <p>The Director General may make such <i>ex gratia</i> payments as are deemed to be necessary in the interest of the Organization, provided that a summary statement of such payments for the calendar year shall be included in the annual financial statements of the Organization. <u>Ex gratia payment is a payment made where there is no legal liability to pay, but where the moral obligation is such as to make payment desirable.</u> <del>The total amount of such payments shall not exceed 20,000 Swiss francs in any given financial period.</del></p>	<p>To align with the UN Common System (UN no limit; IAEA no limit in regulations (may be set by the Board); ILO no limit; IMO no limit; ITU no limit; PAHO no limit; UNESCO no limit; UNHCR no limit; WFP no limit; WHO no limit; WMO no limit. Organizations which have limits include UNFPA and UN Women at 75 thousand USD per year, but no limit if made for humanitarian reasons; and UNOPS, limited at 1% of their management budget).</p>
<p><b>C. PROCUREMENT</b></p>	<p><b>C. PROCUREMENT</b></p>	
<p><b>General principles</b> <b>Regulation 5.11</b></p> <p>Procurement functions include all actions necessary for the acquisition, by purchase, lease, or any other appropriate means, of property, including products and real property, and for the acquisition of services, including building works. For the purposes of the present Regulations, procurement shall not be deemed to refer to the acquisition of services provided under employment contracts and to services provided under external non-commercial consultancy contracts. The following general principles shall be given due consideration:</p> <p>(a) Best value for money.</p> <p>(b) Effective and broad competition for the award of contracts.</p>	<p><b>General principles</b> <b>Regulation 5.11</b></p> <p><u>(a)</u> Procurement functions include all actions necessary for the acquisition, by purchase, lease, or any other appropriate means, of property, including products and real property, and for the acquisition of services, including building works. <del>For the purposes of the present Regulations, procurement shall not be deemed to refer to the acquisition of services provided under employment contracts and to services provided under external non-commercial consultancy contracts.</del> The following general principles shall be given due consideration:</p> <p>(i) <del>(a)</del> Best value for money.</p> <p>(ii) <del>(b)</del> Effective and broad competition for the award of contracts.</p>	<p>To align with UN System organizations and ensure that all procurement activity is covered by this regulation, and that the general principles elaborated here are given due consideration in all procurement activities.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p>(c) Fairness, integrity and transparency of the procurement process.</p> <p>(d) The best interests of the Organization.</p> <p>(e) Prudent commercial practices.</p> <p>(f) Acquisitions of goods and/or services shall be made on the basis of a formal contract award procedure. Methods of solicitation may be formal and/or informal.</p> <p>(g) Solicitations shall be invited by advertisement unless otherwise prescribed.</p>	<p>(iii) <del>(c)</del> Fairness, integrity and transparency of the procurement process.</p> <p>(iv) <del>(d)</del> The best interests of the Organization.</p> <p>(v) <del>(e)</del> Prudent <del>commercial</del> <u>procurement</u> practices.</p> <p><del>(f) Acquisitions of goods and/or services shall be made on the basis of a formal contract award procedure. Methods of solicitation may be formal and/or informal.</del></p> <p><del>(g) Solicitations shall be invited by advertisement unless otherwise prescribed.</del></p> <p><u>(b) The acquisition of goods and/or services shall be made on the basis of contract award procedures. Methods of solicitation may be formal and/or informal. Solicitations shall be invited by advertisement unless otherwise prescribed. Contract award procedures and methods of solicitation shall be defined in an Office Instruction issued by the Director General.</u></p>	<p>Text is moved to reflect different nature of the substance (requirement for contract award procedures and solicitation are not part of the general principles which should be considered). The procurement procedures are promulgated through Office Instructions issued by the Director General.</p>
<p><b>Cooperation</b></p> <p><b>Rule 105.13</b></p> <p>The Organization may cooperate with other organizations of the United Nations system to meet its procurement requirements by entering into agreements for such purposes as appropriate. Such cooperation may include the carrying out of common procurement actions, or the Organization entering into a contract relying on a procurement decision of another specialized agency of the United Nations, or the Organization requesting another specialized agency of the United Nations to carry out procurement activities on its behalf.</p>	<p><b>Cooperation</b></p> <p><b>Rule 105.13</b></p> <p>The Organization may cooperate with <u>inter-governmental</u> <del>other organizations of the United Nations system to meet its</del> <u>with similar procurement procedures to meet its</u> procurement requirements by entering into agreements for such purposes as appropriate. Such cooperation may include the carrying out of common procurement actions, or the Organization entering into a contract relying on a procurement decision of another <u>inter-governmental</u> <del>specialized agency of the United Nations, or the Organization, or WIPO</del> <u>organization</u> <del>specialized agency of the United Nations</del> to carry out procurement activities on its behalf.</p>	<p>Amendments are targeted at further clarifying conditions for cooperation, and extending the scope of cooperation to other inter-governmental organizations which may not be part of the UN System, but which have similar procurement procedures to WIPO's.</p>



Current Text	Proposed New Text	Comments (where applicable)
<p><b>Procurement Process</b></p> <p><b>Rule 105.16</b></p> <p>(a) An obligation can result from a single requisition, or a series of related requisitions received and processed during the contract term or the calendar year, and includes all contracts and/or purchase orders for the acquisition of goods or services. The HLOP, or the officers to whom he or she will delegate the related authority, shall identify whether requisitions are related and shall take the appropriate procurement action.</p> <p>(b) For contracts without a fixed term or subject to renewal, the value of the obligation shall be determined on the basis of a deemed contract duration of three years.</p>	<p><b>Procurement Process</b></p> <p><b>Rule 105.16</b></p> <p>(a) An obligation can result from a single requisition, or a series of related requisitions received and processed during the contract term or the calendar year, and includes all contracts and/or purchase orders for the acquisition of goods or services. The HLOP, or the officers to whom he or she will delegate the related authority, shall identify whether requisitions are related and shall take the appropriate procurement action.</p> <p>(b) For contracts without a fixed term or subject to renewal, the value of the obligation shall be determined on the basis of <del>a deemed contract duration of three years</del>, <u>an assumed contract duration of one year, measured from the date performance is to begin.</u></p>	<p>The revision establishes a more appropriate base for determining the value of the obligation.</p>
<p><b>Rule 105.17</b></p> <p>The HLOP shall establish, through administrative instruction, the thresholds for (i) direct purchase; (ii) the informal RFQ procedure; (iii) limited tenders; and (iv) open international tenders. He or she shall also establish the threshold above which the advice of the CRC must be sought.</p>	<p><b>Rule 105.17</b></p> <p>The <del>HLOP</del> <u>Director General</u> shall establish, through <del>administrative instruction</del> <u>Office Instruction</u>, the thresholds for (i) direct purchase; (ii) the informal RFQ procedure; (iii) limited tenders; and (iv) open international tenders. He or she shall also establish the threshold above which the advice of the CRC must be sought.</p>	<p>The procurement procedures are promulgated through Office Instructions issued by the Director General.</p>
<p><b>Rule 105.18</b></p> <p>The HLOP, with the advice of the CRC, where necessary, may determine that using formal or informal methods of solicitation is not in the best interests of the Organization for a particular procurement action when:</p> <p>(a) There is no competitive marketplace for the requirement, such as where a monopoly exists; prices are fixed by legislation or government principle; or the requirement involves a proprietary product or service.</p>	<p><b>Rule 105.18</b></p> <p>The HLOP, <del>with the advice of the CRC, where necessary,</del> may determine, <u>with the advice of the CRC when he or she finds such advice necessary,</u> that using formal or informal methods of solicitation is not in the best interests of the Organization for a particular procurement action when:</p> <p>(a) There is no competitive marketplace for the requirement, such as where a monopoly exists; prices are fixed by legislation or government principle; or the requirement involves a proprietary product or service.</p>	<p>Editorial change only.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p>(b) The requirement needs to be standardized.</p> <p>(c) The proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Rule 105.13 above.</p> <p>(d) Offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered are considered to remain competitive.</p> <p>(e) Within a reasonable prior period, a formal solicitation for identical products and services has not produced satisfactory results.</p> <p>(f) The proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.</p> <p>(g) There is an emergency which necessitates immediate action.</p> <p>(h) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively.</p> <p>(i) The HLOP otherwise determines that a formal or informal solicitation will not give satisfactory results.</p>	<p>(b) The <del>requirement</del> <u>supplier or the product/service</u> needs to be standardized.</p> <p>(c) The proposed procurement contract <u>arises from</u> <del>is the result of</del> cooperation with other <u>inter-governmental</u> organizations <del>of the United Nations system, pursuant to Rule 105.13 above,</del> <u>that have similar procurement procedures.</u></p> <p>(d) Offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered are considered to remain competitive.</p> <p>(e) Within a reasonable prior period, a formal solicitation for identical products and services has not produced satisfactory results.</p> <p>(f) The proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.</p> <p>(g) There is an emergency which necessitates immediate action <u>(a lack of time resulting from a failure to plan in advance shall not constitute an emergency).</u></p> <p>(h) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively.</p> <p>(i) The HLOP otherwise determines that a formal or informal solicitation will not give satisfactory results.</p>	<p>Editorial change to clarify meaning.</p> <p>To introduce clarity and align with revised Rule 105.13.</p> <p>Further clarification added.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p><b>Rule 105.21</b></p> <p>The HLOP shall establish, through administrative instruction, principles and detailed procedures for the award of procurement contracts and/or purchase orders in respect of each form of tender procedure. For the open international tender procedure, the HLOP shall establish an Evaluation Team.</p>	<p><b>Rule 105.21</b></p> <p>The <del>HLOP</del><u>Director General</u> shall establish, through <del>administrative instruction</del><u>an Office Instruction</u>, principles and detailed procedures for the award of procurement contracts and/or purchase orders in respect of each form of tender procedure. For the open international tender procedure, the HLOP shall establish an Evaluation Team.</p>	<p>The procurement procedures are promulgated through Office Instructions issued by the Director General.</p>
<p><b>Contracts</b></p> <p><b>Rule 105.22</b></p> <p>All procurement actions shall be governed by written documentation. When written contracts are used, they shall specify at least the following information (where applicable):</p> <ul style="list-style-type: none"> <li>(a) Nature of the products or services being procured;</li> <li>(b) Quantity being procured;</li> <li>(c) Contract or unit price;</li> <li>(d) Duration of the contract;</li> <li>(e) Conditions to be fulfilled by the supplier including general conditions for procurement contracts, appropriate sanctions, remedies and guarantee clauses;</li> <li>(f) Terms of delivery and means of payment;</li> <li>(g) Name and address of the supplier;</li> <li>(h) Bank details for payment.</li> </ul>	<p><b>Contracts</b></p> <p><b>Rule 105.22</b></p> <p>All procurement actions shall be governed by written documentation. <del>When written contracts are used, they shall specify at least the following information (where applicable):</del></p> <ul style="list-style-type: none"> <li><del>(a) Nature of the products or services being procured;</del></li> <li><del>(b) Quantity being procured;</del></li> <li><del>(c) Contract or unit price;</del></li> <li><del>(d) Duration of the contract;</del></li> <li><del>(e) Conditions to be fulfilled by the supplier including general conditions for procurement contracts, appropriate sanctions, remedies and guarantee clauses;</del></li> <li><del>(f) Terms of delivery and means of payment;</del></li> <li><del>(g) Name and address of the supplier;</del></li> <li><del>(h) Bank details for payment.</del></li> </ul>	<p>These details are addressed partly in the Office Instruction on Procurement and partly in the Procurement Manual.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p><b>D. PROPERTY MANAGEMENT</b></p>	<p><b>D. PROPERTY MANAGEMENT</b></p>	
<p><b>Property Survey Board</b></p> <p><b>Rule 105.30</b></p> <p>(a) The HLOP shall establish a Property Survey Board to render written advice to him or her in respect of loss, damage or other discrepancy regarding the property of the Organization. The HLOP shall establish the composition and terms of reference of such board, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action to be taken in accordance with Rules 105.31 and 105.32 and the degree of responsibility, if any, attaching to any employee of the Organization or other party for such loss, damage or other discrepancy.</p> <p>(b) Where the advice of the Property Survey Board is required, no final action in respect of WIPO's property loss, damage or other discrepancy may be taken before such advice is received. In cases where the HLOP decides not to accept the advice of the Board, he or she shall record in writing the reasons for that decision.</p>	<p><b>Property Survey Board</b></p> <p><b>Rule 105.30</b></p> <p>(a) The <del>HLOP-Director General</del> shall establish, <u>through an Office Instruction</u>, a Property Survey Board <del>and to render written advice to him or her in respect of loss, damage or other discrepancy regarding the property of the Organization. The HLOP shall establish</del> the composition and terms of reference of such board, which shall include procedures for determining the cause of such loss, damage or other discrepancy, <u>and</u> the disposal action to be taken in accordance with Rules 105.31 and 105.32 <del>and the degree of responsibility, if any, attaching to any employee of the Organization or other party for such loss, damage or other discrepancy.</del></p> <p>(b) <u>The Property Survey Board shall render written advice to the HLOP in respect of loss, damage or other discrepancy regarding the property of the Organization.</u> Where the advice of the Property Survey Board is required, no final action in respect of WIPO's property loss, damage or other discrepancy may be taken before such advice is received. In cases where the HLOP decides not to accept the advice of the Board, he or she shall record in writing the reasons for that decision.</p>	<p>Changes to clarify that it is the Director General who establishes the PSB, together with its composition and terms of reference through an Office Instruction.</p> <p>This is not within the remit of the Property Survey Board to perform. The extent of responsibility attaching to any employee will be determined in accordance with the existing procedures for such matters.</p>
<p><b>CHAPTER 6: ACCOUNTING</b></p>	<p><b>CHAPTER 6: ACCOUNTING</b></p>	
<p><b>Currency of accounting records</b></p> <p><b>Rule 106.4</b></p> <p>Except where authorized by the Controller, accounting records shall be maintained in Swiss francs. At Liaison Offices, accounting records may be maintained in the currency of the country in which they are situated, provided that all amounts are recorded both in local currency and the Swiss franc equivalent.</p>	<p><b>Currency of accounting records</b></p> <p><b>Rule 106.4</b></p> <p>Except where authorized by the Controller, accounting records shall be maintained in Swiss francs. At <del>Liaison-External</del> Offices, accounting records may be maintained in the currency of the country in which they are situated, provided that all amounts are recorded both in local currency and the Swiss franc equivalent.</p>	<p>WIPO has External Offices.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p><b>Financial reporting</b></p> <p><b>Rule 106.12</b></p> <p>The Controller shall prepare the financial management report in accordance with Regulation 6.3.</p>	<p><b>Financial reporting</b></p> <p><b>Rule 106.12</b></p> <p>The Controller shall prepare the financial management report in accordance with Regulation 6.36.</p>	<p>Correction required to point to the appropriate Regulation.</p>
<p><b>CHAPTER 8: EXTERNAL AUDITOR</b></p>	<p><b>CHAPTER 8: EXTERNAL AUDITOR</b></p>	
<p><b>Appointment of the External Auditor</b></p> <p><b>Regulation 8.1</b></p> <p>The External Auditor, who shall be the Auditor General (or officer holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly.</p>	<p><b>Appointment of the External Auditor</b></p> <p><b>Regulation 8.1</b></p> <p>The External Auditor, who shall be the Auditor General (or <del>officer</del> <u>official</u> holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly.</p>	<p>To correct previous inaccuracy. The External Auditor is not an officer as defined in Rule 101.3 (k).</p>
<p><b>Special examination</b></p> <p><b>Regulation 8.9</b></p> <p>For the purpose of making a local or special examination or of effecting economies in the audit cost, the External Auditor may engage the services of any national Auditor-General (or officer holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the External Auditor, is technically qualified.</p>	<p><b>Special examination</b></p> <p><b>Regulation 8.9</b></p> <p>For the purpose of making a local or special examination or of effecting economies in the audit cost, the External Auditor may engage the services of any national Auditor-General (or <del>officer</del> <u>official</u> holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the External Auditor, is technically qualified.</p>	<p>To correct previous inaccuracy. The External Auditor is not an officer as defined in Rule 101.3 (k).</p>
<p><b>Regulation 8.11</b></p> <p>The reports of the External Auditor on the annual financial statements, together with reports from other audits, shall be transmitted to the General Assembly through the Program and Budget Committee, together with the audited annual financial statements, in accordance with any directions given</p>	<p><b>Regulation 8.11</b></p> <p>The reports of the External Auditor on the annual financial statements, together with reports from other audits, shall be transmitted to the General Assembly, <u>to other Assemblies of WIPO Member States and of the Unions</u> through the Program and Budget Committee, together with the audited annual financial</p>	<p>To align with the requirements of WIPO treaties.</p>

Current Text	Proposed New Text	Comments (where applicable)
<p>by the General Assembly. The Program and Budget Committee shall examine the annual financial statements and the audit reports and shall forward them to the General Assembly with such comments and recommendations as it deems appropriate.</p>	<p>statements, in accordance with any directions given by the General Assembly, <a href="#">other Assemblies of WIPO Member States and of the Unions</a>. The Program and Budget Committee shall examine the annual financial statements and the audit reports and shall forward them to the General Assembly, <a href="#">to other Assemblies of WIPO Member States and of the Unions</a>, with such comments and recommendations as it deems appropriate.</p>	

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