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**WO/PBC/31/4**  
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## **Program and Budget Committee**

**Thirty-First Session**  
**Geneva, September 7 to 11, 2020**

**ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION  
(IOD)**

*prepared by the Secretariat*

1. In accordance with paragraph 47 of the Internal Oversight Charter (IOC), the Director, Internal Oversight Division (IOD), shall submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (PBC). The report shall give an overview on the internal oversight activities conducted during the reporting period July 1, 2019 to December 31, 2019, due to the change in the reporting period from July to June each year to January to December as per the recommendation from the External Auditors.

2. The following decision paragraph is proposed.

3. *The Program and Budget Committee (PBC) took note of the “Annual Report by the Director of the Internal Oversight Division (IOD)” (document WO/PBC/31/4).*

[Annual Report by Director, IOD follows]



## ANNUAL REPORT BY THE DIRECTOR OF INTERNAL OVERSIGHT DIVISION

July 1, 2019 to December 31, 2019

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## LIST OF ACRONYMS

<b>ABC</b>	Accessible Book Consortium
<b>AI</b>	Artificial Intelligence
<b>ASPAC</b>	Asia and the Pacific
<b>A&amp;M</b>	Administration and Management
<b>CDIP</b>	Committee on Development and Intellectual Property
<b>CII</b>	Conference of International Investigators
<b>CMS</b>	Case Management System
<b>ECM</b>	Enterprise Content Management
<b>EQA</b>	External Quality Assessment
<b>GFP</b>	Gender Focal Point
<b>HRMD</b>	Human Resources Management Department
<b>IA</b>	Internal Audit
<b>IAOC</b>	Independent Advisory Oversight Committee
<b>IIA</b>	Institute of Internal Auditors
<b>IOC</b>	Internal Oversight Charter
<b>IOD</b>	Internal Oversight Division
<b>IP</b>	Intellectual Property
<b>JIU</b>	Joint Inspection Unit
<b>MIR</b>	Management Implication Report
<b>MoU</b>	Memorandum of Understanding
<b>PBC</b>	Program and Budget Committee
<b>PO</b>	Purchase Order
<b>TISCs</b>	Technology Innovation Support Centers
<b>UN</b>	United Nations
<b>UNEG</b>	United Nations Evaluation Group
<b>UNRIAS</b>	United Nations Representatives of Internal Audit Services
<b>UNRIS</b>	United Nations Representatives of Investigation Services
<b>UN-SWAP</b>	UN System-wide Action Plan
<b>WIPO</b>	World Intellectual Property Organization

## **BACKGROUND**

1. The purpose of WIPO's Internal Oversight Division (IOD) is to provide independent and effective internal oversight for WIPO, in line with the provisions of the Internal Oversight Charter (IOC).
2. The IOC requires<sup>1</sup> the Director, IOD to submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (PBC). The Annual Report shall give an overview of the internal oversight activities conducted during the reporting period, including the scope and objectives of such activities, the schedule of work undertaken and progress on the implementation of internal oversight recommendations.
3. Following a recent recommendation from the external auditors, IOD has modified its annual reporting period to align with the financial and statement on internal control reporting period, which runs from January to December. Consequently, this report will cover the period of July to December 2019, in order to fully report 2020 in the subsequent reporting period.
4. In accordance with the IOC, a draft version of the Annual Report has been provided to the Director General and the Independent Advisory Oversight Committee (IAOC) for their comments, which have been taken into account in finalizing the report.

## **SOME HIGHLIGHTS OF THE PERIOD**

5. IOD continues to support WIPO in strengthening controls, accountability, transparency and learning, by introducing innovative and fit-for-purpose tools and practices that will help move WIPO towards highest standards in risk management and program delivery among others.
6. A computerized Case Management System (CMS), developed in house and implemented in IOD's Investigation Section in early 2019, has been used consistently since then. The CMS serves as a repository for all investigative records and documentation. As such, it allows for the tracking of investigative activities and facilitates access to documents and evidence for each investigation case. The CMS also features embedded controls towards timeliness of investigative activities and procedural compliance, as well as an activity-reporting module.
7. IOD set a path to encourage organizational learning by developing an online module to learn how to use evaluations as part of the management cycle. The Division is broadening its role in fighting against fraud and abuse through proactive and preventive activities, including participation in a fraud risk-assessment exercise and the design of a fraud awareness-training module together with the Office of the Controller.
8. IOD continued in joint exercises between the three functions of the Division to, among others, leverage on the potential synergies, avoid duplicated efforts, and add more value. During the reporting period, IOD issued the first combined evaluation and audit of the WIPO Policy on Gender Equality, which resulted in IOD achieving an "exceeding the requirements" performance rating for the United Nations System-wide Action Plan (UN-SWAP) on Gender Equality and the Empowerment of Women reporting on 2019 activities. IOD also completed a joint audit and integrity review of Benefits and Entitlements leveraging the skillsets from the Audit and Investigations functions. The final report will be issued in 2020.
9. As part of ensuring the quality assurance of the Evaluation function, an External Quality Assessment (EQA) was completed, providing assurance on compliance of the Evaluation Section practices with the United Nations Evaluation Group (UNEG) Norms and Standards for Evaluation in the United Nations (UN) system, with WIPO's Internal Oversight Charter and with

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<sup>1</sup> Refer to IOC paragraphs 47 and 48.

its Evaluation Policy. Moreover, the EQA assessed the level of effectiveness, quality and capacity of the evaluation section processes and products.

10. The EQA report concluded that WIPO Evaluation function is consistent in all material respects with applicable norms and standards for evaluation of UNEG and the WIPO Internal Oversight Charter. Moreover, the EQA determined that the Evaluation function has the appropriate systems and processes in place to safeguard its impartiality and credibility delivering useful accountability services and good quality products that are relevant for the improvement of the organization and its stakeholders.

11. The Internal Audit and Investigations functions will undergo an EQA in 2020. These external assessments are crucial for IOD functions to maintain recognized high operating standards. For instance, in July 2019, IOD received an award for best disclosure on internal audit public reports<sup>2</sup>.

12. During the last UNEG meeting, the Head of Evaluation function of IOD was elected as Vice-Chair and Treasurer of the United Nations Evaluation Group (UNEG) for a two-year term.

### **PLANNING PRINCIPLES**

13. In developing its Oversight Work Plan, IOD considered a number of factors including risk ratings, relevance, country impact, oversight cycle, and feedback received from WIPO Management, Member States, and available resources. Prior to its finalization, the draft Oversight Work Plan was also submitted to the IAOC for its review and advice as per IOC paragraph 28(a).

14. In order to provide effective oversight coverage with the efficient use of limited resources, while avoiding potential overlaps, IOD also considered the work done by the External Auditor and other oversight bodies such as the Joint Inspection Unit (JIU) and evaluations commissioned by the Committee on Development and Intellectual Property (CDIP).

15. The 2019 Oversight Plan was fully completed within the budget. The 2020 Oversight Plan has been finalized and published on the WIPO Intranet.

### **PROFESSIONAL STANDARDS**

16. IOD undertakes its audit activities in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and acts in conformance with the related Code of Ethics, as outlined in the International Professional Practices Framework promulgated by the Institute of Internal Auditors (IIA).

17. Similarly, IOD's investigative work is conducted in line with the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators (CII).

18. For evaluation activities, IOD follows the International Standards in Evaluation Practice as set out by UNEG.

### **GENDER MAINSTREAMING**

19. In the context of UN-SWAP performance report and with respect to gender equality and mainstreaming in IOD's work, both for audit and evaluation, gender issues were considered in the following instances:

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<sup>2</sup> Award initiated by Audit without Walls, a learning community for public sector auditors initiated by the Office of the Auditor General of the Asian Development Bank.

- (a) IOD consults the Gender Specialists during the annual planning and risk assessment
- (b) IOD has included a standing work step on gender mainstreaming issues in its work program for applicable audit engagements
- (c) The Evaluation section applies where applicable the UNEG Guidance on Integrating Human Rights and Gender Equality in Evaluations during all phases of the evaluation
- (d) IOD staff have completed relevant Gender training
- (e) A gender focal point has been designated to liaise with the WIPO Gender Specialist and share relevant gender related corporate initiatives with IOD staff members
- (f) IOD carried out an audit and evaluation of the WIPO Policy on Gender Equality in 2019
- (g) In 2020, the Audit Section of IOD does not foresee the inclusion of gender in any audit due to the technical nature of planned engagements
- (h) Following up on the implementation of the recommendations issued for the audit and evaluation WIPO Policy on Gender Equality
- (i) Dissemination of the results, lessons learned and good practices from the audit and evaluation of WIPO Policy on Gender Equality in United Nations Evaluation Group and other evaluations networks.

#### **KEY FINDINGS AND HIGH PRIORITY OVERSIGHT RECOMMENDATIONS**

20. This section contains information on key findings and recommendations, addressing high-priority risks included in internal oversight reports: Audits, Evaluations and Management Implication Reports (MIRs) issued during the reporting period.

21. The key findings and recommendations are related to the following reports issued during the reporting period<sup>3</sup>:

- (a) Audit of the WIPO Enterprise Content Management (ECM) System Project;
- (b) Audit of Internal Service Management in the Administration and Management Sector;
- (c) Audit of Financial Closure Process;
- (d) Combined Evaluation and Audit of WIPO's Policy on Gender Equality;
- (e) Evaluation of WIPO's Partnerships;
- (f) MIR on Procurement Irregularities;
- (g) MIR on customer query management systems; and
- (h) MIR on Vehicle Entry at WIPO.

22. IOD has continued its dialogue with Management to regularly review and update the status of implementation of open recommendations. All recommendations are addressed by Management through an action plan with suggested activities, responsible staff, and a deadline

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<sup>3</sup> The list of reports features in the Annex.

for implementation. Oversight recommendations are managed in the TeamCentral<sup>4</sup> system, which is accessible by IOD, WIPO Management and External Auditors.

#### AUDIT OF THE WIPO ENTERPRISE CONTENT MANAGEMENT (ECM) SYSTEM PROJECT

23. The audit found that the ECM project has been effectively managed, and notes in particular that the project is being implemented using a more agile “bottom-up” approach, with successive steps and early wins sub-projects, allowing a learning path, and facilitating cultural change, and technical migration of contents. Resources have been managed in an agile manner.

24. The selected software, OpenText, can be considered appropriate to fulfil the needs of WIPO and is quoted by third party market analysts (e.g. Gartner) as one of the best-in-class; and the development approach based on configuration without customization ensures long-term sustainability, including possible migration to the existing cloud version.

25. The audit also found that WIPO would benefit from establishing a digital strategy, leveraging the outcomes of the ECM project. A digital strategy is a vision and guide on how digital capabilities can improve access to information and the creation of knowledge, support simplification and automation of processes, and increase user experience, while considering other WIPO initiatives, such as the planned Data Charter.

26. IOD further notes that establishing a content management tool also helps support the implementation of the Knowledge Management Strategy, and specifically addresses the case for “*coherent organization-wide tools and processes to facilitate content management, and the sharing of knowledge*”. A maturity assessment of both the ECM and Knowledge Management at WIPO, based on professional judgement<sup>5</sup> and on available information, found that, in particular, quality, culture readiness, people and knowledge sources have potential for improvement with regards to Knowledge Management at WIPO.

27. The endorsement of the Knowledge Management Strategy needs to be formalized by nominating a member of the Senior Management Team as the owner of the strategy. The owner will, among others, update the strategy (currently valid until end 2018); establish a framework to support, the knowledge management lifecycle, and the integration of the knowledge management principles defined in the strategy within WIPO operations.

28. Finally, IOD encourages the ECM project team to expedite the already planned implementation of a communication plan, and a business-as-usual operating model, prior to implementing the second phase of the ECM project, which involves an organizational rollout.

#### AUDIT OF INTERNAL SERVICE MANAGEMENT IN THE ADMINISTRATION AND MANAGEMENT (A&M) SECTOR

29. The A&M Sector began an initiative in 2018 to identify a more consistent approach to Service Management across the Sector with a view to implementing an Enterprise Service Management (ESM) system that will improve the efficiency and effectiveness of the delivery of Service Management activities and enhance overall customer experience and satisfaction.

30. While IOD acknowledges and supports the initiative to implement an ESM, there are a number of conditions that must be addressed for Service Management to be efficient and effective. For instance, the A&M Sector would benefit from establishing a customized Service Charter, underpinned by the WIPO Customer Service Charter, and aligned with the A&M Sector

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<sup>4</sup> TeamCentral<sup>©</sup> is a module of TeamMate, which is a specialized software for audit assignments and which includes various modules, such as electronic working papers, follow-up of recommendations, risk assessment and time scheduling.

<sup>5</sup> The Maturity Model developed by PwC contributed to this assessment.



Programs' service related Expected Result under Strategic Goal IX as outlined in the WIPO Results Based Management framework.

31. Further, the business areas of the Sector have varied maturities, experiences, tools and practices for managing services. Consequently, it would be relevant to take stock of the status of Service Management in the Sector by establishing a maturity model and roadmap. This would help to identify gaps between the current state and a future state designed around the objectives of the Charter, and support the effective design and elaboration of a Service Management framework that is fit-for-purpose.
32. While WIPO's Intranet has relevant resources on various internal services intended to support internal customers and enhance their experience, some prevailing conditions need to be addressed to improve accessibility and content management within the Intranet.
33. Going forward, opportunities exist in the future to:
  - (a) Integrate emerging technologies such as artificial intelligence (AI), Robotic Process Automation (RPA)<sup>6</sup>, and Machine learning in Service Management, with a view to creating more value, and enhancing customer experience and satisfaction; and
  - (b) Consider a shift towards an overarching Internal Service Management framework for the Organization, including common tools and aligned principles.

#### AUDIT OF FINANCIAL CLOSURE PROCESS

34. While the audit found that overall, the Financial Closure Process is functioning well, there are opportunities to further enhance management of the Procure-to-Pay cycle.
35. IOD observed an increase of the Purchase Orders (POs) closure workload before and after the year-end (backlog from prior year) indicating more effort needed from Programs to monitor and regularly clean-up during the year. The analysis of PO creation between January and October 2019 shows an increase in the number of creation of PO lines in October 2019 comparing to other months (58 per cent increase compared to September 2019). This may indicate possible efforts to intensify purchases in order to either compensate for insufficient performance, unforeseen change in work plan, or inefficient planning and monitoring.
36. The analysis of statistics on budget implementation for the biennium 2018-2019 at department level shows that some departments have executed less than 80 per cent of their budgets as at October 31, 2019. Although some budgets are low in significance, and/or their activities do not foresee "linear" budget execution over time, it would be relevant to ensure that these levels of execution are appropriately justified and do not become an incentive to intensify the use of funds in order to reach full or close to full implementation levels.
37. Stakeholders interviewed were favorable to the establishment of a focal point within each Sector to liaise with the Finance Division and the Procurement and Travel Division, to better coordinate and support the various cycles.
38. Finally, IOD emphasized on the importance of the ownership and accountability of Program Management and alternates in the commitment made within the context of the Management Representation Letter regarding the maintenance of an effective functioning internal controls. Likewise, IOD further stressed on the need to ensure continual alignment between the administrative processes and the business requirements without compromising effective risk management and internal controls; and in order to support the achievements of the strategic goals of the Organization.

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<sup>6</sup> RPA is the use of software with AI and Machine learning capabilities to handle high-volume; repeatable tasks that previously required humans to perform.

## COMBINED EVALUATION AND AUDIT OF WIPO'S POLICY ON GENDER EQUALITY

39. WIPO, as a UN specialized agency dedicated to promoting innovation and creativity for economic, social and cultural development, is committed to promoting gender equality within its mandate and in line with the commitments of the UN. In 2014, the WIPO Policy on Gender Equality was issued with an intent to provide a framework for WIPO to integrate a gender perspective in WIPO Policy and Programs as well as in WIPO's workplace.

40. The joint evaluation and audit on the WIPO Policy on Gender Equality found that the implementation of the Policy has enabled the mainstreaming of gender across WIPO Programs and has made progress of gender equality in the workplace. The Organization achieved key milestones such as the revision of 50 per cent of the relevant WIPO policies that are now gender responsive, the inclusion of gender in WIPO's strategic documents and the significant improvement in the reporting on the UN-SWAP.

41. The WIPO Policy on Gender is relevant to the needs of the organization and its programs. However, it partially addresses the needs of its stakeholders. The basic awareness of initiatives and policies in place related to gender mainstreaming and their link to the Policy is partly unclear to staff. There is 45 per cent of alignment of the WIPO Policy on Gender with the needs of the Organization including staff needs and 58 per cent with external stakeholders.

42. The joint evaluation and audit found that WIPO has put in place policies to enable a working environment conducive to gender equality. However, it is noted that several policies remain to be assessed in order to address some of the existing gender challenges. Furthermore, other key actions such as the implementation of the Gender Focal Point (GFP) approach has proven effective and it is recognized as a good practice. However, there are some limitations that partially curtail the unfolding of greater benefits. Survey results indicated that 53 per cent of survey respondents do not know their focal point. Some obstacles found include a vague definition of the current Terms of Reference of the GFP, limited resources to build their capacity among GFP, lack of formal time available to fulfill their role and unclear requirements for the selection and rotation of the GFPs within units.

43. The joint evaluation and audit acknowledged the increased use of the markers that has expanded to 47 per cent out of 848 activities in program reporting over the last three years. There is nevertheless a room for improvement to enhance understanding and use of these codes to avoid incomplete information or omissions. Fifty-nine per cent of staff are unclear on the purpose of gender markers, what their contribution to these high-level indicators could be, and how to apply the gender marker codes.

44. Furthermore, while gender responsive budgeting is being applied in WIPO's program activities, there is a need to consolidate existing financial data into a gender-reporting tool. In terms of results-based management, the evaluation and audit found a limited incorporation of gender perspectives in the existing performance indicators, targets, and performance reports. In 31 per cent of the gender activities assessed, sex disaggregated data and gender responsive monitoring data was scarce.

45. Based on the findings and conclusions contained in the joint evaluation and audit, there are several key recommendations that the organization will implement in the future following the joint evaluation and audit.

46. The Human Resources Management Department (HRMD) will coordinate and implement the recommendations including (i) working with key stakeholders to revise and update the Policy to factor internal and external stakeholder needs and best practices from UN-SWAP 2.0; (ii) developing and implementing a gender mainstreaming capacity development plan; (iii) ensuring that any policy or Office Instruction includes gender perspectives as appropriate; (iv) identifying ways to further mainstream gender in the Result-Based Management framework; (v) promoting the use of the gender marker; (vi) consolidating and presenting financial

information tracked by the gender marker; (vii) updating the Terms of Reference of the GFPs and working with them; and (viii) assessing the current and future human resource needs to effectively support gender mainstreaming in Programs and enhancing diversity, inclusion and gender parity in WIPO.

## EVALUATION OF WIPO'S PARTNERSHIPS

47. WIPO's partnerships are essential to support WIPO in its efforts of improving innovation capacity, exchanging information and tools, advancing research, increasing recognition of the IP system, among others. This evaluation was the first of its kind to independently assess partnerships at WIPO in a crosscutting manner. The evaluation first researched and described the universe of the partnerships at organizational level followed by focus on a specific sample of partnerships.

48. Overall, the evaluation found positive contributions of partnerships at organizational and strategic levels. More specifically, contributions were clearly observed in Strategic Goal (SG) III, SG IV, and SG VII<sup>7</sup>, especially in the Accessible Book Consortium (ABC), WIPO Green, WIPO ReSearch, Technology Innovation Support Centers (TISCs), and WIPO Academy. However, currently performance indicators on partnerships focus on the output level partially limiting the capacity to capture long-term results and unintended effects of these partnerships.

49. Whereas in the past, partnerships have focused on fundraising and implementation of program delivery, the last ten years have seen a rise in more innovative partnerships, many of which are developed with the participation of the private sector. WIPO, unlike some other UN organizations (11)<sup>8</sup>, does not count with a common set of guiding principles for partnerships, nor a common denominator or a definition. Furthermore, the evaluation found that there is a room for improvement in the way that WIPO provides guidance on partnerships, which differentiates between regular cooperation work and strategic partnerships, as well as operational metrics that capture the broader effects of partnerships as a unique category of implementation with its own specificities.

50. The evaluation found that the Information and Knowledge management system used for partnerships needs improvement for the majority of partnerships, which fall outside the Funds-in-trust category. Many aspects of partnerships are not well documented within WIPO, and in some cases, no formal documentation exists outside the Memoranda of Understanding (MoU). Success stories, challenges, and achievements are not systematically recorded, which restricts learning opportunities. The evaluation found a significant gap on knowledge management and communication systems on the topic of partnerships. Both aspects are critical to support partnership development, increase efficiencies and ensure that opportunities for further collaboration are not missed at organizational level.

51. The evaluation report recommends that the Sectors and Programs that have been evaluated develop or improve the aspects of their partnerships, by setting up clear and realistic partnership purposes, clear partnership arrangements including MoUs, contractual agreements, learning, monitoring and knowledge sharing of partnerships to meet their Programs' needs. These Sectors and Programs should use the ECM to foster learning and knowledge sharing by populating it with partnerships agreements and related documentation such as plans, MoUs, reports, performance data, realized benefits, and lessons learned.

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<sup>7</sup> SG III: Facilitating the Use of IP for Development; SG IV: Coordination and Development of Global IP Infrastructure; and SG VII: Addressing IP in Relation to Global Policy Issues.

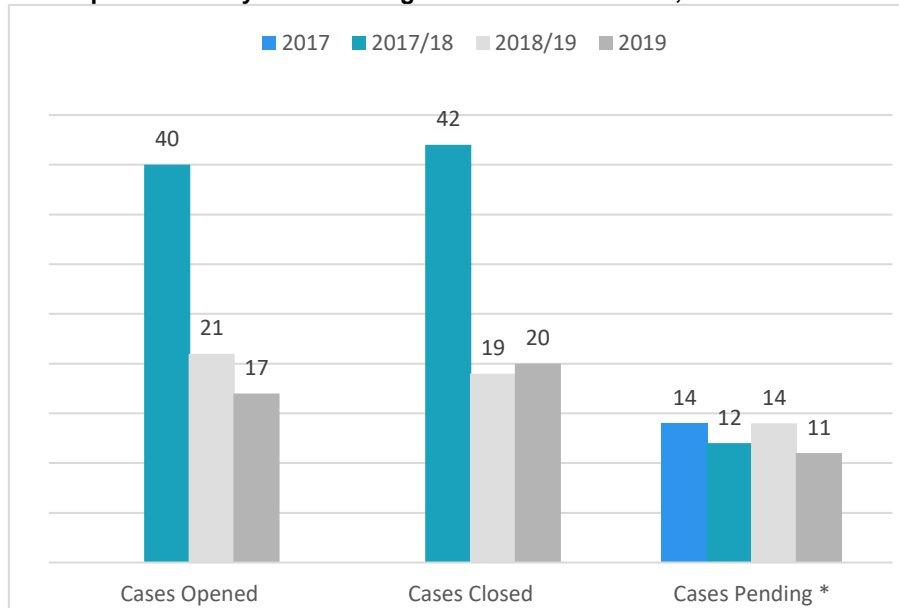
<sup>8</sup> UNRWA, IFAD, UNESCO, UNFPA, UN Secretariat, WHO, ILO, FAO, WFP, UNDP, and the World Bank

## INVESTIGATIVE ACTIVITIES

### CASELOAD OVERVIEW

52. During the reporting period, 17 new cases were registered (which constitutes a 47 per cent decrease over the previous reporting period) and 20 were closed. As of December 31, 2019, 11 cases are pending, including five at the preliminary evaluation stage, two at the full investigation stage and four on hold pending action by another entity. Of the pending cases, 10 were opened in 2019 and one in 2016. As of December 31, 2019, the average length of time it takes for cases to be processed is 4.2 months.

**Chart 1 – Comparative Analysis of Investigative caseload June 30, 2017 to December 31, 2019**



\* Cases pending reflect the number of cases as of June 2017, 2018 and 2019 and December 2019

53. Among the 17 cases opened during the reporting period, none was referred to the IAOC for its advice, since the relevant provisions of the IOC were not triggered<sup>9</sup>.

### OUTCOME OF INVESTIGATIVE ACTIVITIES

54. According to the IOC,<sup>10</sup> the Annual Report shall include a description of those investigative cases found to be substantiated and their disposition. In eight of the cases investigated, IOD found that the allegations were substantiated. Out of these eight cases:

- (a) One case pertained to alleged retaliation;
- (b) Two cases pertained to misrepresentation by a staff member of time spent at work;
- (c) Two cases pertained to unauthorized outside professional activities by a staff member;
- (d) One case pertained to alleged wrongdoings by a recruitment candidate;
- (e) One case pertained to harassment and/or abuse of position by a staff member; and
- (f) One case pertained to alleged workplace harassment.

<sup>9</sup> IOC paragraphs, 20, 21, 23, 24 and 25.

<sup>10</sup> IOC paragraph 48 (b).

55. Following issuance of investigation reports with a determination of misconduct:
- (a) In two cases, the staff member was dismissed from the Organization;
  - (b) In one case, the staff member was demoted to a lower grade;
  - (c) In one case, Management decided not to engage in disciplinary proceedings against the staff member;
  - (d) In one case, disciplinary proceedings were not possible as the staff member concerned had left the Organization; and
  - (e) In three cases, a final decision by Management is still pending as of December 31, 2019.

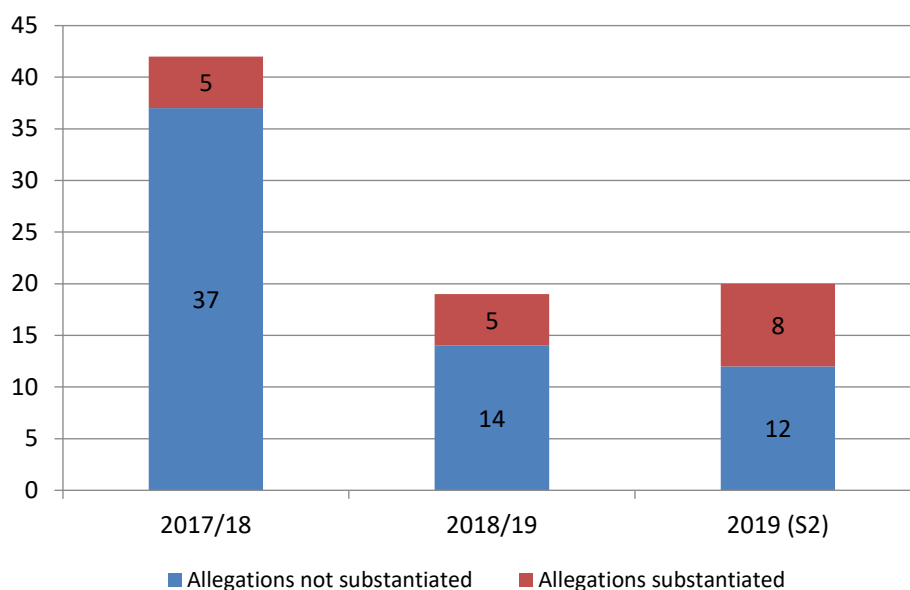
56. In addition, the investigative activities conducted allowed IOD to draw some lessons. During the reporting period, three MIRs were issued providing recommendations on customer query management systems, procurement procedures, and physical access control.

57. A comparative analysis of cases registered for the period July 1, 2017 to December 31, 2019 is given in the table below:

**Table 1 – Analysis of complaints received July 1, 2017 to December 31, 2019**

Category	2017–18	2018–19	2019 (S2)	Trendline
Abuse of position or status	3	1	0	
Abuse of work time	5	2	0	
Benefits and Entitlements	0	0	2	
Breach of confidentiality	2	1	1	
Conflict of interest	1	0	0	
Harassment (non sexual) Discrimination	2	2	2	
Insubordination and other inappropriate behavior	8	3	2	
Misuse of WIPO funds or assets	3	0	3	
Negligence at work, obstruction to WIPO operations	1	3	3	
Other failure to meet the standandars of conduct of ICS	4	0	1	
Procurement irregularities	1	1	0	
Recruitment irregularities	1	4	1	
Retaliation	3	0	0	
Sexual harassment	3	0	0	
Sexual abuse or exploitation	0	0	0	
Unauthorized outside activities	3	2	1	
Unauthorized statements or pronouncements	0	0	0	
Wrongdoing by recruitment candidate	0	1	0	
Wrongdoing by vendor and other external party	0	1	1	
<b>Total</b>	<b>40</b>	<b>21</b>	<b>17</b>	

Chart 2 – Cases Closed from July 1, 2017 to December 31, 2019



### INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

58. In accordance with paragraph 48(g) of the IOC, the Director, IOD should report on any instances where IOD's access to records, personnel and premises was restricted during the reporting period.

59. IOD reports that no staff member refused to provide information or assist in an ongoing oversight process during the reporting period.

### STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

60. The Director General is responsible for ensuring that all recommendations made by the Director, IOD and other oversight entities are responded to promptly, indicating actions taken regarding specific report findings and recommendations<sup>11</sup>. The Director General discharges this responsibility through Program Managers responsible for specific operational areas within the Organization<sup>12</sup>. The implementation of all oversight recommendations by WIPO Program Managers is subject to regular follow-up by IOD<sup>13</sup>.

61. IOD continues to manage and report on recommendations using the TeamCentral® system, which enables interactive dialogue with Program Managers and their delegates for an effective follow-up of implementation of open recommendations.

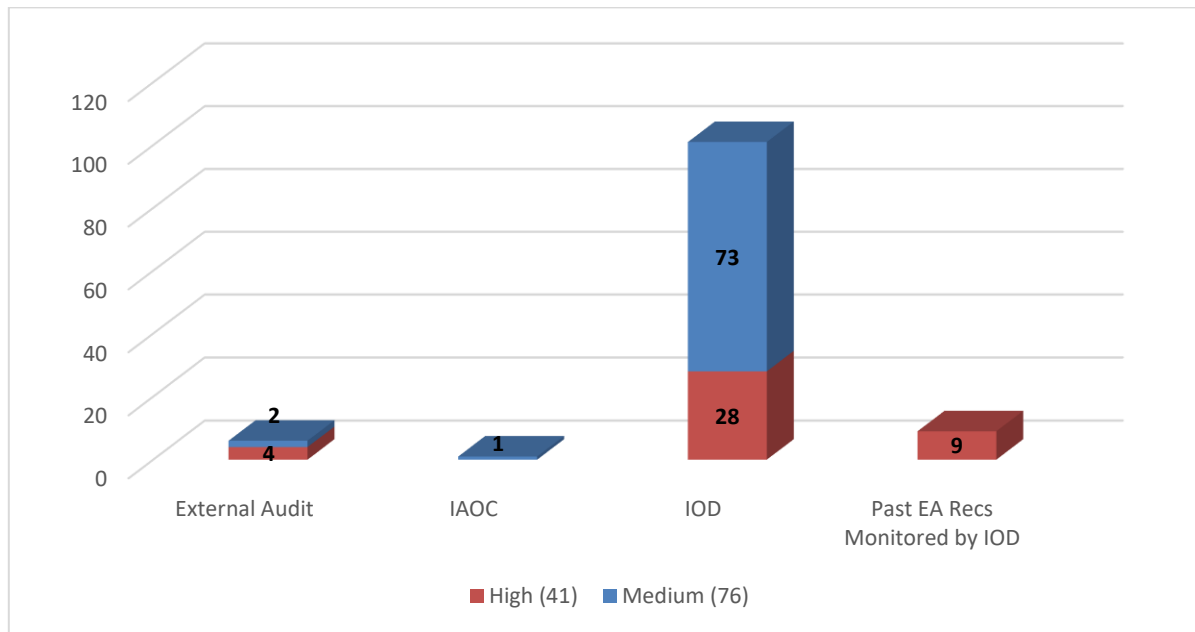
62. At the date of the present report, there are 117 open recommendations including 41 of high and 76 of medium priorities. IOD recommendations constitute 86 per cent of all open oversight recommendations.

<sup>11</sup> IOC paragraph 45.

<sup>12</sup> OI 16/2010, paragraph 7.

<sup>13</sup> OI 16/2010 paragraph 8.

**Chart 3 – Open Recommendation by Source and Priority (117)**



63. Between July and December 2019, there were 24 new recommendations added from three audit reports, two evaluations reports, and three MIRs. One IAOC recommendation<sup>14</sup> made to the Ethics Office was pending at the end of the reporting period. Two recommendations made in a 2014 audit of benefits and entitlements were closed because they were no longer applicable, following a new audit completed in 2019.

64. Six external audit recommendations were closed during the period, five of which were part of the previous external auditors' recommendations being monitored by IOD. Table 2 below shows the movement of recommendations by source, between July and December 2019.

**Table 2 – Movement of Recommendations between July 1, 2019 and December 31, 2019**

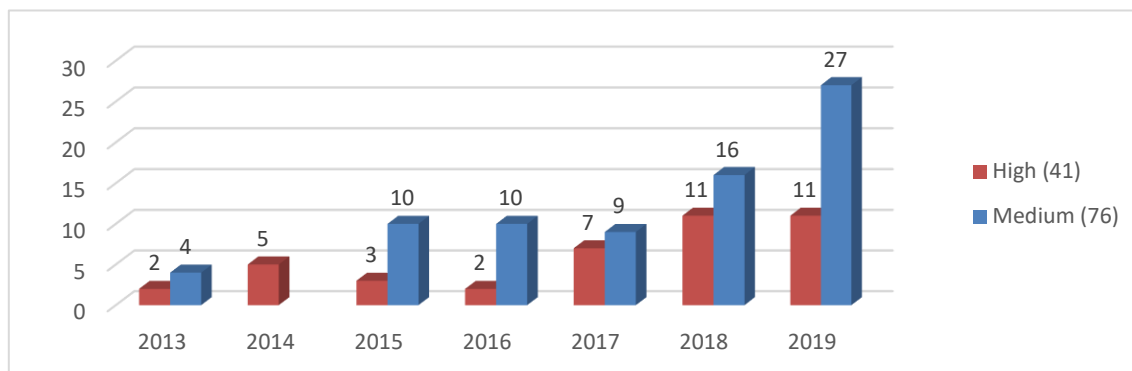
Source	Open as at July 1, 2019	Added During the Period	Closed During the Period	Open as at December 31, 2019
<b>IOD</b>	132	24	55	101
<b>External Auditor (EA)</b>	7	0	1	6
<b>IAOC</b>	2	0	1	1
<b>Past EA Recommendations Monitored by IOD</b>	14	0	5	9
<b>Total</b>	<b>155</b>	<b>24</b>	<b>62</b>	<b>117</b>

Note: Management action plans from the External Auditor's recommendations arising from their audits undertaken during the 2018/19 period were provided and added in the recommendations management system in January 2020.

<sup>14</sup> WO/PBC/30/14 – June 18, 2019

65. The chart below summarizes the aging of open recommendations as at December 31, 2019.

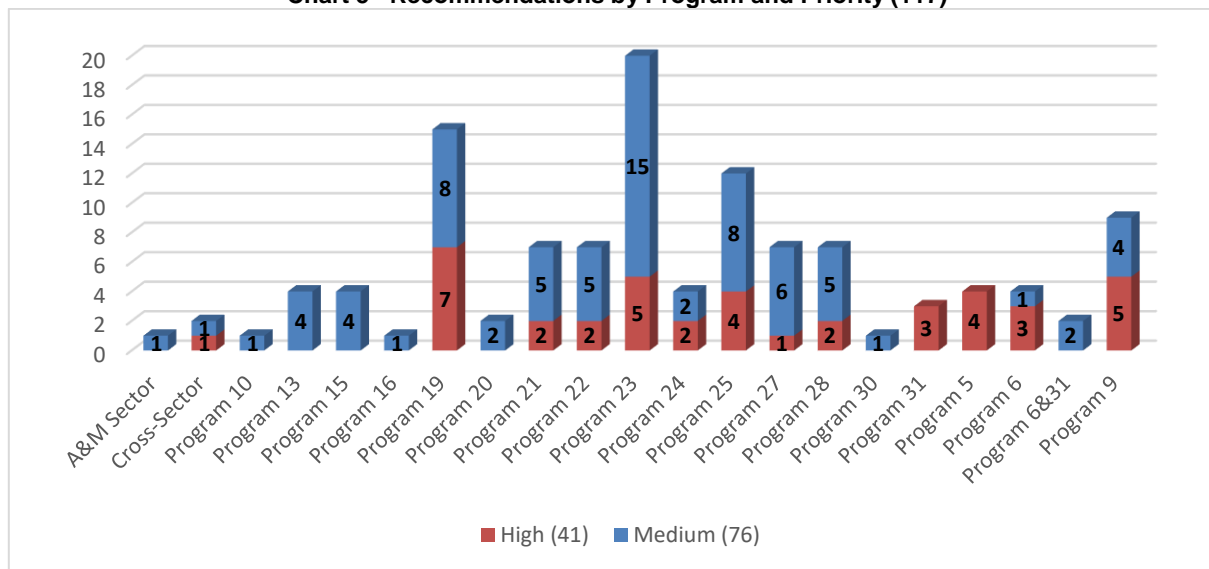
**Chart 4 – Aging of Open Oversight Recommendations by Priority (117)**



66. The number of pending recommendations made before 2016 has reduced from 34 to 24 during the reporting period. IOD continues to engage with management to further reduce aged recommendations.

67. As at December 31, 2019, the number of open recommendations by WIPO Programs<sup>15</sup> and by priority are depicted below:

**Chart 5 – Recommendations by Program and Priority (117)**



<sup>15</sup> **Program 1** – Patent Law; **Program 2** – Trademarks, Industrial Designs and Geographical Indications; **Program 3** - Copyright and Related Rights; **Program 4** – Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources; **Program 5** – The PCT system; **Program 6** – Madrid System; **Program 7** – WIPO Arbitration and Mediation Center; **Program 8** – Development Agenda Coordination; **Program 9** – Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries; **Program 10** – Transition and Developed Countries; **Program 11** – The WIPO Academy; **Program 12** – International Classifications and Standards; **Program 13** – Global Databases; **Program 14** – Services for Access to Information and Knowledge; **Program 15** – Business Solutions for IP Offices; **Program 16** – Economics and Statistics; **Program 17** – Building Respect for IP; **Program 18** – IP and Global Challenges; **Program 19** – Communications; **Program 20** – External Relations, Partnerships and External Offices; **Program 21** – Executive Management; **Program 22** – Program and Resource Management; **Program 23** – Human Resources Management and Development; **Program 24** – General Support Services; **Program 25** – Information and Communication Technology; **Program 26** – Internal Oversight Division; **Program 27** – Conference and Language Services; **Program 28** – Information Assurance, Safety and Security; **Program 30** – Small and Medium-Sized Enterprises (SMEs) and Entrepreneurship Support; **Program 31** – The Hague System; **Program 32** – The Lisbon System.



68. Three Programs make up 41 per cent of the 41 high priority recommendations - Communications (Program 19), Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, and Least Developed Countries (Program 9), and Human Resources Management and Development (Program 23).

### **CONSULTATIVE AND ADVISORY OVERSIGHT WORK**

69. As part of its advisory services, IOD continued to provide advice as requested on policy documents, evaluations, business processes or the regulatory framework.

70. During the reporting period, IOD provided advice to the Office of the Director General on the upcoming planned evaluation of External Offices in 2020/21 as decided by the General Assembly. This advice consisted of developing an Evaluability Matrix providing basic, non-exhaustive set of evaluation questions, data sources and data locations.

71. The evaluation section received a request for advisory services from the Regional Bureau for Asia and the Pacific (ASPAC) to conduct an *ex-ante* evaluation. This advisory work is focused on the Regional Bureau's framework for technical cooperation and self-evaluation system. The purpose of this *ex-ante* evaluation is to assess whether the technical framework is well designed and evaluable.

72. More specifically, the advisory services will review existing project framework to enhance its effectiveness, increased utilization for decision-making, and the reporting of results. Furthermore, it will assess the efficiency of the framework in regard to the amount of information being gathered and used, as well as the use of tools and technologies that facilitate the management of data in relation to the available resources. As a result, IOD will provide recommendations on alternative framework options that will assist the ASPAC Bureau in developing a useful and fit for purpose technical framework.

### **COOPERATION WITH EXTERNAL OVERSIGHT BODIES**

#### **THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)**

73. IOD has regularly attended the sessions of the IAOC, reporting on the implementation of the internal oversight plan, discussing oversight results and other aspects concerning the work and functioning of the Division, and seeking the IAOC's advice. In the period covered by this report the Fifty-fourth and Fifty-fifth Sessions of the IAOC took place.

#### **THE EXTERNAL AUDITOR**

74. IOD maintained good working relations with the External Auditor by having regular meetings on audit, internal control and risk management issues. The External Auditor and IOD shared strategies, annual plans and individual reports with a view to ensuring efficient oversight coverage while avoiding potential duplication and oversight fatigue.

75. IOD met with the External Auditor from the United Kingdom National Audit Office several times during the reporting period and shared the Annual Work Plan. IOD engaged actively with the External Auditors during their 2019 audits and provided necessary inputs where required.

#### **COOPERATION WITH THE OMBUDSPERSON AND THE ETHICS OFFICE**

76. During the reporting period, the Director, IOD met regularly with the Ombudsperson and with the Chief Ethics Officer to ensure good coordination and complementary support.

### **OTHER OVERSIGHT WORK**

#### **OUTREACH ACTIVITIES IN THE ORGANIZATION**

77. As part of its ongoing effort to better explain and advocate for the internal oversight function, IOD continued to reach out to colleagues within WIPO through presentations given to

new staff in the induction training, the IOD Newsletter, the IOD Dashboard and presentations to Directors and Senior Managers as and when required.

#### SATISFACTION SURVEY

78. IOD continued to seek feedback from colleagues of audited/evaluated WIPO Units through client satisfaction surveys after each assignment. This aims to effectively receive and analyze feedback from colleagues on oversight work. At the end of 2019, the consolidated analysis of survey results indicates a satisfaction rate of 85 per cent.

79. The results of surveys conducted a year after assignments which are used to assess the impact of oversight work indicated an average satisfaction rate of 76 per cent. IOD will strive to further improve the impact of its oversight work based on the feedback received from colleagues.

80. The additional comments sent by the audited/evaluated units through the surveys helped IOD identify shortcomings and take corrective actions.

#### NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

81. The IOC includes specific provisions<sup>16</sup> on liaising and cooperating with the internal oversight services of other organizations of the UN system and of Multilateral Financial Institutions. IOD recognizes the value and importance of developing relationships with its peers. During the reporting period, IOD continued its active and useful collaboration and networking with other UN system Organizations and entities. In particular, IOD actively participated in:

- (a) The Annual Meeting of UN Representatives of Internal Audit Services (UN RIAS) of the UN, held between August 25 to 31, 2019 in Montreal, Canada;
- (b) The Annual Meeting of UN Representatives for Investigation Services (UN RIS) of the UN, held between November 6 to 8, 2019 in Geneva, Switzerland; and
- (c) The UN Panel of External Auditors held on November 28, 2019 in Bonn, Germany.

#### OPERATIONAL INDEPENDENCE OF IOD

82. The IOC requires<sup>17</sup> the Director, IOD to confirm the organizational independence of the internal oversight function and information on the scope of the internal oversight activities and the adequacy of resources for the purposes intended”.

83. During the reporting period, no instance/activity occurred that could be considered as jeopardizing the operational independence of IOD. The scope of oversight activities has been decided by IOD based on risk assessment, receiving comments and feedback from WIPO Management, IAOC and Member States as appropriate.

#### OVERSIGHT RESOURCES

##### BUDGET AND STAFF

84. To discharge its mandate, IOD has been provided with a biennial budget of 5.072 million Swiss francs, which represents 0.73 per cent<sup>18</sup> of WIPO’s budget for the 2018/2019 biennium. Overall, the level of current human and financial resources has been adequate for IOD to effectively cover the high priority areas as identified in its work plans. Exchange of oversight plans and continuous coordination of oversight activities with the

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<sup>16</sup> IOC paragraph 28 (g).

<sup>17</sup> IOC paragraph 48 (i).

<sup>18</sup> This percentage is based on the budget after transfers for IOD.

External Auditor as well as effective use of IT tools have also helped to achieve more efficiency and effective coverage of risk areas.

**Table 3 - 2018/2019 IOD Budget and expenditures<sup>19</sup>**

	2018/19 Approved Budget	2018/19 Budget after Transfers	2019 Expenditure*
Personnel Resources	4,849	4,085	2,215
Non-personnel Resources	700	987	511
<b>Total</b>	<b>5,550</b>	<b>5,072</b>	<b>2,726</b>

**Table 4 - 2018/2019 IOD Budget and Expenditures (personnel and non-personnel)**  
(in thousands of Swiss francs)

	2018/19 Approved Budget	2018/19 Final Budget after Transfers	2018/2019 Expenditure	Utilization rate (%)
Personnel Resources	4,849	3,938	4,012	102%
Non-personnel Resources	700	1,118	1,055	94%
<b>Total</b>	<b>5,550</b>	<b>5,056</b>	<b>5,067</b>	<b>100%</b>

85. The recruitment of the Assistant at G4 level was finalized, and the selected incumbent took up office in October 2019.

#### TRAINING

86. As is essential for the continued professional development of its staff, and in accordance with WIPO training policy, IOD staff attended various training activities to acquire new knowledge, technical skills and other competencies to increase IOD's operational effectiveness and efficiency in undertaking oversight assignments.

87. On average, each IOD staff member attended 10 days of training including: fraud prevention and detection, investigative research techniques, data analytics, digital data capturing, cyber security, conflict management, evaluation of science and innovation policies, behavioral science policy and TeamMate.

88. The IOD team also followed a training session on Synergology, designed to enhance ability of oversight personnel to identify and understand elements of non-verbal communication.

[Annex follows]

<sup>19</sup> 2019 Expenditure depicted here is only for the period July 2019 to December 2019. Figures in thousands of Swiss francs.

**ANNEX - List of IOD Reports  
July 1, 2019 to December 31, 2019**

Audit of Internal Service Management in the Administration and Management Sector	IA 2019-01
Audit of the WIPO Enterprise Content Management (ECM) System Project	IA 2019-02
Audit of the Financial Closure Process	IA 2019-03
Combined Evaluation-Audit Report of WIPO's Policy on Gender Equality	EVAL 2019-02
Evaluation of WIPO's Partnerships	EVAL 2018-04
MIR on Procurement irregularities	MIR 18-28
MIR on Customer Query Management Systems	MIR 19-03
MIR on Vehicle Entry at WIPO	MIR 18-23

[End of Annex and of document]