

Program and Budget Committee

Fortieth Session
Geneva, June 15 to 19, 2026

REPORT BY THE EXTERNAL AUDITOR ON THE WIPO/UPOV AFTER SERVICE HEALTH INSURANCE PLAN (ASHIP)

prepared by the Secretariat

1. During the thirty-ninth Session of the Program and Budget Committee, the Secretariat presented an update on the establishment of a multi-employer plan, document WO/PBC/39/7, with responsibility for the funds set aside by the World Intellectual Property Organization (WIPO) Assemblies and the International Union for the Protection of New Varieties of Plants (UPOV) Council for the financing of employee benefit liabilities.
2. In accordance with document WO/PBC/39/7, the WIPO/ASHIP Annual Report will have oversight from the PBC which will, among other things, consider the separate audit of the financial statements of the plan, with ASHIP to be audited annually by WIPO's External Auditor.
3. This document contains the report by the External Auditor on the financial statements of ASHIP for the year ended December 31, 2025.
4. The following decision paragraph is proposed.

5. The Program and Budget Committee (PBC) recommended to the Assemblies of WIPO, each as far as it is concerned, to take note of the "Report by the External Auditor on the WIPO/UPOV After Service Health Insurance Plan (ASHIP)" (document WO/PBC/40/14).

[External Audit of the WIPO/UPOV After Service Health Insurance Plan (ASHIP) 2025 follows]



BPK RI THE AUDIT BOARD OF
THE REPUBLIC OF INDONESIA

AUDIT REPORT

WIPO/UPOV AFTER SERVICE
HEALTH INSURANCE PLAN
(ASHIP)

Financial Year 2025

MAY 2026

CONTENTS

Contents	3
List of tables	4
Letter of transmittal	5
I. Report of the external auditor on the financial statements: audit opinion	6
II. Long-form report of the external auditor	9
Summary	9
A. Mandate, scope, and methodology	10
B. Financial overview	11
C. Follow-up on previous recommendations	12
D. Audit conclusion, findings, and recommendations	12
1. Audit conclusion	12
2. Findings and recommendations	13
<i>Establishing a Formalized Policy for the Allocation of Administrative Expenses Between</i> <i>WIPO and UPOV Portions of the ASHIP Fund</i>	13
<i>Establishing a Documented Policy Governing the Conditions and Process for Drawdown of</i> <i>ASHIP Funds to Meet ASHI Benefit Payments</i>	10
<i>Pooled Investment Arrangement for ASHIP Assets within WIPO Strategic Portfolio</i>	15
E. Transmissions of information by management	16
1. Write-offs and losses of cash and other assets	16
2. Ex-gratia payments	16
3. Cases of fraud and presumptive fraud	16
F. Acknowledgement	17
Annex 1. List of acronyms	18

LIST OF TABLES

Table 1. ASHIP's key financial indicators-----	12
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**CHAIR OF THE AUDIT BOARD
REPUBLIC OF INDONESIA**

Letter of transmittal

Number: 48/B/S/KETUA/POI.01/05/2026

Director General
World Intellectual Property Organization
34, chemin des Colombettes
CH-1211 Geneva 20, Switzerland

Vice Secretary-General
International Union for the Protection of New Varieties of Plants (UPOV)
34, chemin des Colombettes
CH-1211 Geneva 20, Switzerland

Dear Director General and Vice Secretary-General,

In accordance with the Rule B.3.3, I have the honor of presenting the audit report of the Audit Board of the Republic of Indonesia or Badan Pemeriksa Keuangan (BPK).

This report comprises the External Auditor's Opinion and the External Auditor's Long-Form Report on the audited financial statements of the ASHIP for the year ended 31 December 2025, prepared by the ASHIP Management.

Yours sincerely,

Dr. Isma Yatun, CSFA., CFA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

I. Report of the external auditor on the financial statements: audit opinion

To the Director General of the World Intellectual Property Organization (WIPO) and the Vice Secretary-General of the International Union for the Protection of New Varieties of Plants (UPOV)

Opinion

We have audited the financial statements of the WIPO/UPOV After Service Health Insurance Plan (ASHIP), which comprise the statement of financial position as at 31 December 2025; the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended; and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2025, and its financial performance, and cash flows for the year then ended of the ASHIP in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the ASHIP, in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Advisory Committee Chair's Report, contained below, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as Management determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the ASHIP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the ASHIP or to cease operations, or has no realistic alternative but to do so.

The WIPO General Assembly and the UPOV Council, as those charged with governance, are responsible for overseeing ASHIP's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


A further description of our responsibilities for the audit of the financial statements is included in the annex of the auditor's report. This description is part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the ASHIP that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the ASHIP Rules.

In accordance with the ASHIP Rules, we have also issued a long-form report on our audit of the ASHIP.



Dr. Isma Yatun, CSFA., CFA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

Annex. Description of auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ASHIP's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the ASHIP to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ASHIP to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

II. Long-form report of the external auditor

SUMMARY

The year 2025 marked the inaugural financial year of the WIPO/UPOV After Service Health Insurance Plan (ASHIP). During the year, ASHIP received contributions of 60.1 million Swiss francs and investment income of 14.2 million Swiss francs, while incurring operating expenses of 121 thousand Swiss francs. Total plan assets grew from 268.5 million Swiss francs to 342.7 million Swiss francs, comprising cash of 16.6 million Swiss francs and investments of 326.1 million Swiss francs.

Accordingly, the Audit Board of the Republic of Indonesia or Badan Pemeriksa Keuangan (BPK) presents this report following a comprehensive audit of the ASHIP's financial statements for the year ended 31 December 2025. Our audit was conducted in accordance with International Standards on Auditing (ISAs).

Audit objectives

The financial audit was conducted primarily to enable BPK to form an opinion as to whether the financial statements of the ASHIP for the year ended 31 December 2025, presented fairly, in all material respects, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment to test whether the transactions were, in all significant respects, in accordance with the ASHIP Rules.

Audit results

In our opinion, the financial statements present fairly, in all material respects, the financial position as at 31 December 2025, and its financial performance, cash flows, and comparison budget and actual amount for the year then ended of the ASHIP in accordance with IPSAS.

In addition, the 2025 transactions were, in all significant respects, complied with the ASHIP Rules.

Financial matters

BPK noted that 2025 was the inaugural financial year of the ASHIP, established as a multi-employer plan under IPSAS 39 Employee Benefits. The financial statements were prepared under IPSAS for the first time, with no comparative information, as this is the first reporting period.

BPK identified three areas for further enhancement relating to the formalization of policies for expense allocation and fund drawdown, and regarding the pooled investment arrangement. Addressing these areas would support long-term and sound financial governance and accountability.

Previous audit recommendations

As 2025 is the inaugural year of the ASHIP, there are no previous audit recommendations to follow up on.

A. MANDATE, SCOPE, AND METHODOLOGY

1. The WIPO/UPOV After Service Health Insurance Plan (ASHIP) was established as a multi-employer plan under IPSAS 39 Employee Benefits, following approval by the WIPO Assemblies at their 65th Session in July 2024 (Document A/65/6) and endorsement by the UPOV Consultative Committee. The ASHIP manages the financial resources provided by WIPO and UPOV for the purpose of funding each organization's liability for After Service Health Insurance (ASHI) provided to eligible participants. The year 2025 is the ASHIP's inaugural financial year.
2. Pursuant to the ASHIP Rules B.3.3 and the Terms of Reference for the Advisory Committee issued by the Director General of WIPO (Office Instruction 01/2025), BPK conducted an audit of the ASHIP's financial statements for the period of 1 January to 31 December 2025.
3. The financial audit was conducted primarily to enable BPK to obtain reasonable assurance to form an opinion as to whether the financial statements of the ASHIP for the year ended 31 December 2025 are presented fairly, in accordance with International Public Sector Accounting Standards (IPSAS). This included an assessment to test whether the transactions of the ASHIP were, in all significant respects, in accordance with the ASHIP's Rules.
4. The audit covered the ASHIP financial statements, which comprise the statement of financial position as at 31 December 2025, the statement of financial performance, the statement of changes in net assets, the statement of cash flows, the statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements.
5. The audit was carried out in accordance with the International Standards on Auditing (ISAs). The Standards require BPK to comply with ethical requirements and plan and conduct the audit to obtain reasonable assurance about whether the financial statements of ASHIP are free from material misstatements.
6. The audit included a general review of financial systems and internal controls, an assessment of risk, and a test examination of the accounting records and other supporting evidence to the extent that BPK considered necessary to form an opinion on the financial statements.
7. BPK has obtained an understanding of the ASHIP's business and accounting processes and internal controls relevant to the financial statements to help us identify risks that may impact the financial statements. Internal controls were considered to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the ASHIP's internal control.
8. As 2025 is the ASHIP's inaugural financial year, there are no prior year external auditor's recommendations to examine.
9. BPK worked collaboratively with the ASHIP Management and the WIPO Finance Division to understand financial activities and determine their relevance to the audit.
10. The ASHIP Rules state that the External Auditor shall issue an opinion and a report on the audit of the financial statements. The form and content of our report is in accordance with ISA 700 (Revised) Forming an Opinion and Reporting on Financial Statements and may need to be amended in light of audit findings.
11. Matters arising out of the audit were discussed with Management. The comments and responses received from Management have, where appropriate, been incorporated in this report.
12. This is the first Long-Form Report for the ASHIP. The report follows a standard presentation structure to support ease of reading.

B. FINANCIAL OVERVIEW

Key facts	
60.1 million Swiss francs	Total contributions received in 2025
14.2 million Swiss francs	Total investment income in 2025
74.3 million Swiss francs	Total revenue reported in 2025
121 thousand Swiss francs	Total expenses incurred in 2025
342.7 million Swiss francs	Total plan assets as of 31 December 2025
1,106	Total ASHIP participants (WIPO: 1,090; UPOV: 16)
59.2%	WIPO ASHI funding ratio as of 31 December 2025 ¹
24.2%	UPOV ASHI funding ratio as of 31 December 2025

13. The general overview of the ASHIP's financial statements for the year ended 31 December 2025 is presented in the paragraphs below. As 2025 is the inaugural financial year, no comparative information is presented.

Budgeting

14. The ASHIP's annual budget is prepared by the WIPO Secretariat covering expenses to be paid directly from the funds managed by the ASHIP. The Advisory Committee reviews the prepared annual budget.
15. At its 1st session, the Advisory Committee approved a final expenditure budget of 66 thousand Swiss francs for financial year 2025. Actual expenditure of 65 thousand Swiss francs represented 98.5% of the approved budget. In addition, the ASHIP incurred 56 thousand Swiss francs of investment advisory fees, which sit outside the modified-accrual budget envelope per Note 6 of the financial statements. Total expenses for the year on an accrual basis were therefore 121 thousand Swiss francs.

Financial performance

16. In 2025, ASHIP's inaugural year, total revenue was 74,288 thousand Swiss francs, comprising contributions of 60,082 thousand Swiss francs from participating organizations (WIPO: 60,029 thousand Swiss francs; UPOV: 53 thousand Swiss francs) and investment income of 14,206 thousand Swiss francs. Investment income represents the ASHIP's allocated share of the return on the WIPO strategic portfolio, reflecting an investment return of 5.5% for the year.
17. Total expenses for the year were 121 thousand Swiss francs, consisting of operating and administrative expenses of 65 thousand Swiss francs and advisory expenses of 56 thousand Swiss francs. Operating and administrative expenses are allocated between WIPO and UPOV based on the relative weighting of plan assets.
18. In 2025, the ASHIP recorded a net increase in plan assets of 74,167 thousand Swiss francs. Under IPSAS 39, this surplus is recognized as an increase in the plan asset liability rather than as net assets, reflecting ASHIP's nature as a multi-employer plan where all assets are held for the benefit of the participating organizations.

¹ The funding ratio above is calculated on the IPSAS 39 actuarial liability (576,891 thousand Swiss francs). The 2025 ALM study reports a WIPO ASHI funding ratio of 85.9% based on an ALM-basis liability of 397,700 thousand Swiss francs using a long-term expected return assumption. The two figures answer different questions and are not directly comparable.

Financial position

19. Total plan assets increased from 268,532 thousand Swiss francs at 1 January 2025 to 342,699 thousand Swiss francs at 31 December 2025. Assets comprise cash and cash equivalents of 16,644 thousand Swiss francs and investments of 326,055 thousand Swiss francs. The ASHIP reports nil net assets by design, as all plan assets are recognized as a liability to the participating organizations under IPSAS 39.

Financial health

20. As the ASHIP is a multi-employer benefit plan under IPSAS 39, traditional financial ratios are not applicable. ASHIP's financial health is assessed through its funding ratios: the WIPO ASHI liability of 576,891 thousand Swiss francs is 59.2% funded on an IPSAS 39 basis, while the UPOV ASHI liability of 4,783 thousand Swiss francs is 24.2% funded. The combined ASHIP asset base of 342.7 million Swiss francs provides a sound foundation for the plan's long-term funding objective.

Table 1. ASHIP's key financial indicators

Description of indicator	2025
Funding status¹	
WIPO ASHI funding ratio	59.2%
UPOV ASHI funding ratio	24.2%
Plan asset growth²	
Opening plan assets (thousands Swiss francs)	268,532
Closing plan assets (thousands Swiss francs)	342,699
Net increase in plan assets (thousands Swiss francs)	74,167
Asset growth rate	27.6%
Investment and revenue indicators³	
Investment return	5.5%
Expense ratio (expenses / average plan assets)	0.04%
Source: ASHIP's Financial Statements for the year ended 31 December 2025	
¹ The funding ratio measures the proportion of the actuarially determined ASHI liability covered by ASHIP plan assets. WIPO ASHI liability: 576,891 thousand Swiss francs; UPOV ASHI liability: 4,783 thousand Swiss francs.	
² Plan asset growth reflects the net increase in total ASHIP assets during the financial year, driven by contributions from participating organizations and investment income.	
³ Investment return represents ASHIP's allocated share of the return on the WIPO strategic portfolio. As 2025 is the inaugural year, no comparative data is available.	

C. FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

21. As 2025 is ASHIP's inaugural financial year, there are no previous external auditor's recommendations to follow up on.
22. Any recommendations arising from the current audit will be tracked and followed up in future audit cycles.

D. AUDIT CONCLUSION, FINDINGS, AND RECOMMENDATIONS

1. Audit conclusion

23. BPK has audited the ASHIP's financial statements for the year ended 31 December 2025 comprising statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual

amounts, and notes to financial statements, which presented fairly, in all material respects, in accordance with IPSAS. Furthermore, all underlying transactions complied with the ASHIP Rules.

24. The ASHIP's financial statements have been prepared under IPSAS 39 Employee Benefits as a multi-employer plan. This is the first set of financial statements prepared by the ASHIP, and accordingly no comparative information is presented. The accounting policies applied were consistent with the requirements of IPSAS and the ASHIP Rules.

2. Findings and recommendations

Establishing a Formalized Policy for the Allocation of Administrative Expenses Between WIPO and UPOV Portions of the ASHIP Fund

25. The ASHIP Rules establish a detailed rules-based methodology for attributing revenue to each organization's portion of the fund. However, there is no equivalent provision on the expense side. Shared operating costs—including personnel costs, external consultant fees, travel, and finance expenses—lack a formalized allocation methodology.
26. While the Advisory Committee accepted an asset-weighted allocation basis during its inaugural session on 8 December 2025, this decision was not formally documented beyond meeting minutes. The allocation approach has not been:
- incorporated into the ASHIP Rules or a supplementary administrative instruction; or
 - formally approved by both the WIPO Director General and UPOV Vice Secretary-General.
27. While the financial magnitude was low as annual operating costs are approximately 52,000 Swiss francs based on the 2026 budget as approved at the 2025 Advisory Committee meeting, the absence of a formally documented expense allocation methodology created a structural asymmetry in the ASHIP's internal financial management framework.
28. Rule B.3.2 requires the WIPO Secretariat to maintain separate calculations for each participating organization's portion, and the integrity of these calculations depends on a consistent and documented basis for attributing all movements—including expense deductions—to each party's portion.
29. The ASHIP Rules were designed primarily to establish the governance structure and the methodology for asset attribution and investment. The allocation of shared operating costs was addressed operationally through the Advisory Committee's December 2025 decision, but was not elevated to the level of a formal policy incorporated into the Rules. This reflects the inaugural nature of the plan and the prioritization of higher-level structural matters during the establishment period.
30. The absence of a formalized expense allocation policy created a risk of inconsistency. Without a binding policy, the allocation basis may change between periods without formal approval from both organizations, undermining the comparability of ASHIP's financial statements. Furthermore, the Advisory Committee's oversight of the annual budget under Rule A.1.4 could not be fully effective in respect of both participating organizations if the allocation basis was not formally documented and agreed by both parties.

Recommendation 1

BPK recommends that the WIPO Secretariat present the matter of expense allocation methodology to the Advisory Committee for a formal decision on whether the asset-weighted basis is codified as a standing policy within the ASHIP governance framework to ensure

consistent application across future periods and to support the Committee's effective oversight of the annual budget under Rule A.1.4.

Management's Response:

The Plan agrees to the recommendation and will engage with the WIPO Secretariat on the expense allocation methodology, following which, the Advisory Committee will consider the options presented for codification as a standing policy within the ASHIP governance framework. The action is expected to take place by 31 December 2026.

Establishing a Documented Policy Governing the Conditions and Process for Drawdown of ASHIP Funds to Meet ASHI Benefit Payments

31. The ASHIP Rules contain six detailed provisions governing financial inflows to the fund. However, the Rules were entirely silent on the mechanism for fund outflows. The only reference to fund usage was a single sentence in the Rules stating that WIPO and UPOV may be reimbursed for funds advanced on behalf of the ASHIP upon the request of the Controller of WIPO or the Vice Secretary-General of UPOV.
32. This statement does not address:
 - frequency of reimbursement requests;
 - documentation required to support reimbursement requests;
 - approval and authorization process for drawdowns;
 - minimum or maximum thresholds for individual requests; and
 - process and timeline for situations where liquid assets are insufficient to meet requests.
33. No supplementary policy, administrative instruction, or internal guideline addressing these matters has been identified during the audit.
34. While the financial impact in the inaugural period is limited—as ASHIP has not yet begun actively reimbursing at scale—the absence of a documented disbursement framework would become an increasingly significant control weakness as ASHIP matures. In addition, reimbursements would become a regular operational activity. The Advisory Committee required a defined framework against which to assess whether drawdowns would be occurring appropriately.
35. The ASHIP Rules were designed primarily to establish the legal and governance framework for the plan and to define the methodology for asset recognition under IPSAS 39 on Employee Benefits. The operational mechanics of how ASHIP reimburses WIPO and UPOV for benefit payments were intentionally left flexible in the inaugural rules pending finalization of the preferred reimbursement approach. This reflected the early stage of ASHIP's operational development, where the immediate priority was establishing the recognition framework rather than the disbursement mechanics.
36. The absence of a documented disbursement policy may create control risk. Without defined procedures, reimbursement requests to ASHIP could occur at any frequency, in any amount, and on the basis of any documentation, without a formal control framework governing the process. Furthermore, the Advisory Committee could not effectively discharge its oversight responsibility under Rule A.1.1 in respect of fund disbursements if no policy existed defining what appropriate disbursement practice looked like.

Recommendation 2

BPK recommends that the WIPO Secretariat develop a documented disbursement procedure covering the timing, documentation requirements, and methodology for reimbursement requests, and present it to the Advisory Committee for approval as advice to the WIPO Director General (DG) and UPOV Vice Secretary-General (VSG) in accordance with Rule A.1.6, prior to the commencement of reimbursements at scale.

Management's Response:

The Plan agrees to the recommendation and a proposed procedure as recommended in the observation will be presented as an option for approval of the Advisory Committee as advice to the DG of WIPO and VSG of UPOV per Rule A.1, such proposals to cover the timing, documentation and methodology required for the DG and/or VSG to request the commencement of the reimbursement of funding paid by the organization(s) for ASHI funding. The action is expected to take place by 31 December 2026.

Pooled Investment Arrangement for ASHIP Assets within WIPO Strategic Portfolio

37. The ASHIP's investment assets represent an allocated share of the WIPO strategic portfolio investment funds, which also include assets for WIPO's repatriation and accrued leave liabilities. ASHIP does not hold assets in a separately managed or separately custodied portfolio. The WIPO Treasury manages the combined strategic portfolio per WIPO's Policy on Investments, with oversight from WIPO's Advisory Committee on Investments.
38. This arrangement follows the World Health Organization (WHO) Staff Health Insurance plan model, which has been operating since 2012 and accepted by WHO's external auditors. IPSAS 39 on Employee Benefits requirements have been applied. The arrangement is clearly disclosed in Note 4 of the 2025 financial statements.
39. However, following governance considerations warrant monitoring as ASHIP's asset base grows:

Investment performance measurement

40. Investment returns are attributed based on portfolio proportion. If cash flow timing differed between ASHIP and non-ASHIP portions, attributed returns would not precisely reflect ASHIP's actual investment experience. As assets approached 350 million Swiss francs, performance measurement precision has become increasingly material.

Investment governance independence

41. The Advisory Committee reviews investment strategy annually, but the strategy is determined by the WIPO's Advisory Committee on Investments for the combined portfolio. This limits independent tailoring to the ASHIP's specific liability profile and time horizon.

Potential conflicts of interest

42. Investment decisions for non-ASHIP components could influence overall portfolio composition in ways not fully aligned with long-term ASHI funding objective. Currently no evidence of this exists, and non-ASHIP components are small relative to the ASHIP, but the structural consideration warrants monitoring.

Recommendation 3

BPK recommends that the Advisory Committee consider, at an appropriate future session within 2–3 years and in the context of the next Asset-Liability Management review, whether the continued pooled investment arrangement remains appropriate as the ASHIP grows, or whether a separately tracked sub-portfolio would better serve long-term governance objective. This need not be treated as urgent given current operational efficiencies and scale, but should be formally placed on the Advisory Committee’s forward agenda.

Management's Response:

The Plan agrees to the recommendation and consideration of the separation of the pooled investment arrangement will be formally placed on the agenda of the Advisory Committee at an upcoming meeting, in order to implement any changes to the sub-portfolio approach within the recommended timeframe. The action is expected to take place by 31 December 2027.

E. TRANSMISSIONS OF INFORMATION BY MANAGEMENT

1. Write-offs and losses of cash and other assets

43. ASHIP reported no write-offs or losses of cash and other assets during 2025.

2. Ex-gratia payments

44. There were no cases of ex-gratia payments made by the ASHIP during 2025.

3. Cases of fraud and presumptive fraud

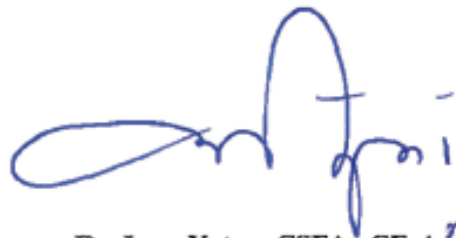
45. In accordance with ISA 240 (Revised) “*The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*”, BPK planned its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from fraud). Our audit should not, however, be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with Management.

46. During the audit, BPK made inquiries of the ASHIP Management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to those risks, including any specific risks that the ASHIP has identified, or that have been brought to its attention. BPK also inquired as to whether the ASHIP had any knowledge of any actual, suspected, or alleged fraud. BPK identified no instances of fraud in its audit, and no cases came to our attention through our testing.

47. For 2025, the ASHIP Management reported no cases of fraud or presumptive fraud.

F. ACKNOWLEDGEMENT

48. BPK extends its sincere appreciation to the ASHIP Management, the WIPO Finance Division, and the staff for their cooperation during the audit.



Dr. Isma Yatun, CSFA., CFrA³⁷
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
11 May 2026

ANNEX 1. LIST OF ACRONYMS

ASHI	: After-Service Health Insurance
ASHIP	: WIPO/UPOV After-Service Health Insurance Plan
BPK	: <i>Badan Pemeriksa Keuangan</i> / The Audit Board of the Republic of Indonesia
DG	: Director General
IPSAS	: International Public Sector Accounting Standards
ISAs	: International Standards on Auditing
ISSAI	: International Standards of Supreme Audit Institutions
UPOV	: International Union for the Protection of New Varieties of Plants
VSG	: Vice Secretary-General
WHO	: World Health Organization
WIPO	: World Intellectual Property Organization