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

prepared by the Secretariat

1. In accordance with paragraph 51 of the Internal Oversight Charter (IOC), the Director, Internal Oversight Division (IOD), shall submit, annually, a summary report to the World Intellectual Property Organization (WIPO) General Assembly, through the Program and Budget Committee (PBC). The report shall give an overview of the internal oversight activities conducted during the reporting period from January 1, 2025, to December 31, 2025.

2. The following decision paragraph is proposed.

3. The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Annual Report by the Director of the Internal Oversight Division (IOD)" (document WO/PBC/40/4).

[Annual Report by Director, IOD follows]

ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION
January 1, 2025 to December 31, 2025

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LIST OF ACRONYMS

ACFE	Association of Certified Fraud Examiners
AFMS	Administration, Finance, and Management Sector
AIMS	Administration Information Management System
AMC	WIPO's Arbitration and Mediation Center
DACD	Development Agenda Coordination Division
DLAC	Division for Latin America and the Caribbean
HRMD	Human Resources Management Department
IAOC	Independent Advisory Oversight Committee
ICTD	Information and Communication Technology Department
IOC	Internal Oversight Charter
IOD	Internal Oversight Division
IP	Intellectual Property
IT	Information Technology
MIR	Management Implication Report
MTSP	Medium-Term Strategic Plan
PCT	Patent Cooperation Treaty
OLC	Office of Legal Counsel
QAIP	Quality Assurance and Improvement Program
RIAS	Representatives of Internal Audit Services
SEG	Special Education Grant
SIAD	Security and Information Assurance Division
SIC	Statement of Internal Controls
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
UN	United Nations
UNEG	United Nations Evaluation Group
WIPO	World Intellectual Property Organization

EXECUTIVE SUMMARY

1. The year 2025 marked the fourth year of the Medium-Term Strategic Plan (MTSP) for 2022-2026. As part of its contribution to the MTSP, the Internal Oversight Division (IOD) conducted engagements and made recommendations aimed, among other things, at supporting the achievement of the Organization's strategic focus areas and assessing various elements of its governance, risk management, and internal control environment.

2. During the reporting period, nine internal audit reports, three advisory reports, seven review reports, two pre-evaluation reports, four investigation reports, and three Management Implication Reports (MIR) were issued.

3. There were no instances in which IOD's access to records, personnel, and premises was restricted, nor were there any circumstances that could be considered threatening the operational independence of IOD.

4. IOD's work focused on supporting the MTSP through relevant engagements such as the audits of Investment Management at WIPO, key risk areas in Procurement, Cybersecurity Management, business process review of the WIPO Arbitration and Mediation Center, audit of the Hague Registry, and audit of the WIPO Office in China.

5. To support the issuance of the first annual opinion of the Director, IOD on Governance, Risk Management and Internal Control at WIPO, IOD conducted a detailed review of the governance processes established under the WIPO Convention and the applicable Financial and Staff Regulations and Rules. The review also covered WIPO's risk management frameworks, and the key services delivered by the Information and Communication Technology Department (ICTD) and the Information Security Section of the Security and Information Assurance Division (SIAD). In addition, testing of key Organization-wide controls was undertaken.

6. A pre-evaluation review of the Division of Latin America and the Caribbean, and a summary of understanding of the Development Agenda Coordination Division was undertaken. Both engagements assessed the retention of evaluative data and informed the assessment of the immediate need for full-scale evaluations.

7. As part of its advisory services, further input was provided to inform the Organization's self-assessment on key Organization-wide controls. In addition, advisory reports were issued on the Administrative Integrated Management System (AIMS) Transformation Project and on the interdependencies between the AIMS Transformation, Customer Relationship Management, and Key Data Management projects, from a customer data perspective.

8. IOD made 83 recommendations and closed 53 during the reporting period. As of the end of 2025, there were 60 open recommendations. Of these, 53 were related to IOD engagements, and seven were from reports by the External Auditor.

9. In 2025, 10 investigation matters were carried forward from 2024. Twenty-three new complaints were registered. The caseload for 2025 was therefore 33 matters. Twenty-three complaints were closed following preliminary evaluation, and 4 investigations were concluded. As of December 31, 2025, there were six pending matters at the preliminary evaluation stage. None of the matters were deemed to have a significant financial impact on the Organization.

10. After each audit and evaluation engagement, feedback was sought from colleagues of Organizational units that had been audited and/or evaluated. Additional comments helped inform IOD's Quality Assurance and Improvement Program (QAIP).

BACKGROUND

11. The purpose of WIPO's IOD is to provide independent and effective internal oversight for the Organization, in line with the provisions of the Internal Oversight Charter (IOC).

12. The IOC requires[1] the Director, IOD, to submit, annually, a summary report to the WIPO General Assembly, through the Program and Budget Committee (Annual Report by the Director, IOD). 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 work undertaken, and the progress on the implementation of internal oversight recommendations.

13. In accordance with the IOC, the Director General and the Independent Advisory Oversight Committee (IAOC) were provided with a draft version of the Annual Report for their comments. Their feedback was considered when finalizing the report.

SOME HIGHLIGHTS OF 2025

14. Throughout 2025, IOD continued to contribute and support WIPO in further strengthening controls, accountability, transparency, and learning through audits, evaluations, investigations, and advisory[2] engagements.

15. The 2025 oversight work plan was fully addressed, demonstrating a sustained commitment to excellence, dependability, and accountability.

16. A key part of 2025 was spent in preparation of WIPO's first annual opinion of the Director, IOD on Governance, Risk Management and Internal Control Environment. Therefore, in addition to the planned internal audits for 2025, a detailed review to understand the WIPO Convention and its provisions, the governance provisions per the Financial and Staff Regulations and Rules, and their operationalization, and the testing of key Organization-wide controls was undertaken.

17. In 2025, a review of the following was undertaken for the first time in IOD's history: Investment Management at WIPO, Development Agenda Coordination Division, and WIPO Arbitration and Mediation Center.

18. The benefits of streamlining the Investigation Intake Process in 2024, per the provisions of the Investigative Framework, continued to materialize with more substantive matters coming to the attention of IOD.

19. Significant time and effort were invested in recruitment activities, with the recruitment of the Head of Evaluation, Senior Evaluator, and Senior Investigator being completed in early January 2026.

20. Looking ahead, IOD will continue to support the achievement of the objectives of the Organization through relevant engagements by providing assurance, advice, learning, and support for accountability, internal justice, and integrity.

PLANNING PRINCIPLES

21. In developing the 2025 oversight work plan, several factors were considered, including risk ratings, relevance, horizon scanning, oversight cycle, and feedback from Management and Member States. As per paragraph 30(a) of the IOC, the IAOC reviewed and provided advice on the draft plan before it was finalized.

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[1] IOC paragraph 51.

[2] The term Advisory is used when IOD supports the client by providing advice and making comments but does not take the lead in managing the activity or producing a formal deliverable.

22. To provide effective oversight coverage while efficiently using limited resources and avoiding potential overlaps, the work done by the External Auditor and other oversight bodies, such as the Joint Inspection Unit, and evaluations commissioned by the Committee on Development and Intellectual Property, was also considered.

PROFESSIONAL STANDARDS

23. The audit activities were undertaken in conformance with the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA) on January 9, 2024, with a mandatory effective date of January 9, 2025.

24. The evaluation engagements and related activities were performed per the Norms and Standards in Evaluation Practice set out by the United Nations Evaluation Group (UNEG).

25. The investigative work was conducted per the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators (CII).

ENGAGEMENTS WITH HIGH-PRIORITY OVERSIGHT RECOMMENDATIONS

26. During the reporting period, six engagements resulted in 32 high-priority recommendations agreed upon with Management and regularly followed up by IOD. These recommendations are highlighted under each relevant engagement in the following Sections of this report. In addition, one high-priority recommendation resulted from the External Audit in 2025.

ENGAGEMENTS STARTED IN 2024 AND REPORTED IN 2025

PRE-EVALUATION REVIEW OF THE WIPO DIVISION FOR LATIN AMERICA AND THE CARIBBEAN (DLAC) (EVAL 2024-07)

27. The pre-evaluation review, conducted from early November 2024 to mid-March 2025, assessed DLAC's 2024 operations to determine whether a fully-fledged evaluation was timely. The engagement reviewed the economic, demographic, and intellectual property (IP) context of the Latin America and the Caribbean (LAC) region, drawing on publicly available data from the World Bank, the International Monetary Fund, and other sources, as well as WIPO statistics on international patent and trademark filings. The engagement also analyzed key IP challenges and opportunities across LAC Member States using publicly available sources and the 2024 Global Innovation Index LAC Regional Brief. The technical support provided by DLAC was reviewed alongside the region's challenges and opportunities and stated needs as part of the work planning processes.

28. The pre-evaluation review indicated that DLAC was undertaking initiatives across all evaluation criteria: relevance, sustainability, impact, effectiveness, and efficiency. Based on the pre-evaluation review, a full evaluation was not undertaken in 2025. DLAC was, however, encouraged to further strengthen its monitoring and evaluation practices, improve communication and dissemination of results from its activities, and, in coordination with relevant WIPO business areas, deepen engagement with businesses and entrepreneurs to help accelerate IP filing levels in the region.

ENGAGEMENTS STARTED AND REPORTED IN 2025

VULNERABILITY ASSESSMENT AND BLACK BOX PENETRATION TESTING OF E-DOSSIER AND WORLD SERVER (IA 2025-01)

29. The objective of the audit was to conduct a comprehensive vulnerability assessment and black box penetration testing of the WIPO eDossier and the World Server platforms. This included a black box external penetration test, vulnerability scans, a configuration audit, and social engineering activities.

30. The assessment of the security posture of the audited scope from external threats was assessed as “Satisfactory”, corresponding to a rating of five on a six-point scale. From an insider threat perspective, the security level of the audited scope was rated as “Moderate-High”, corresponding to a rating of four on a six-point scale.

31. Thirty-two recommendations were issued, including 14 high-priority, 10 medium-priority, and eight low-priority recommendations. High-priority recommendations focused primarily on strengthening system security by improving access controls, authentication, account management, and timely software updates.

32. The overall engagement conclusion was “Satisfactory, some improvement needed”.

INTERNAL AUDIT OF THE HAGUE REGISTRY (IA 2025-03)

33. The audit of the Hague Registry examined governance over alignment with expected results, budget allocation and execution, and performance monitoring. It also followed up on the management of the Registry’s key risks and business continuity management plans.

34. Internal controls related to revenue generation and recognition, unit cost determination, timeliness of processing international applications, and quality management were assessed for compliance.

35. Internal controls within the following key business processes were also reviewed for operating effectiveness: applications, renewals and changes, functional and business support, legal support, outreach and promotion, and customer service.

36. Three recommendations were issued, including one high-priority recommendation calling for strengthened governance measures to ensure the timely implementation of long-pending decisions of the Hague Union Assembly.

37. The overall engagement conclusion was “Satisfactory, some improvement needed”.

BUSINESS PROCESS REVIEW OF WIPO ARBITRATION AND MEDIATION CENTER (IA 2025-04)

38. The review covered governance over alignment with expected results, budget execution, resources, and monitoring performance. It also followed up on the management of the Center’s key risks and business continuity management plans. Revenue generation processes were also reviewed.

39. Key business processes were examined, including domain name dispute resolution, alternative dispute resolution process, process timelines management, panelists selection, along with quality management and feedback collection mechanisms. Management of external communication and relationships was also reviewed.

40. One observation was issued concerning the need to formalize internal and external feedback collection processes within the Center’s new Case Management System and relevant manuals.

41. The overall engagement conclusion was “Satisfactory”.

BUILDING BLOCKS: GOVERNANCE, RISK MANAGEMENT AND CONTROL OPINION (IA 2025-06)

42. The year ending December 31, 2025, was the first time in WIPO’s history that the Director, IOD issued an annual opinion on WIPO’s governance, risk management, and internal control. As a result, in addition to executing the audits under the 2025 oversight plan, a

detailed understanding of the following was undertaken, as building blocks, to inform the overall opinion.

43. **Strategic Governance**, the governance structures and procedures and their alignment with the Governance Design per the WIPO Convention, from the role of the General Assembly to that of the Independent Advisory and Oversight Committee (IAOC);

44. **Operational Governance**, the governance structures and procedures established in the WIPO Convention and Financial and Staff Regulations and Rules, as executed under the Director General's authority;

45. **Risk Management**, specifically the applicable framework, policy, and governance structures;

46. **Information Security and ICT Services**, including the roles and services provided by the Information Security Section of the Security and Information Assurance Division (SIAD), the United Nations International Computing Centre (UNICC), the Information and Communications Technology Department (ICTD), and Cloud Service Providers. Key IT controls identified were tested under key Organizational controls testing, and;

47. **Key Organizational controls,** which included the testing of design, implementation, and operating effectiveness of 39 Key Organizational-wide controls as defined by Management based on the Financial and Staff Regulations and Rules. Additionally, 11 controls related to Information Technology and Information Security were tested.

AUDIT OF INVESTMENT MANAGEMENT AT WIPO (IA 2025-07)

48. The audit focused on the investment management governance roles and responsibilities, risk management and compliance with applicable rules and regulations, portfolio management and performance measurement, as well as the review of the Treasury Management Systems and tools.

49. The engagement resulted in 11 observations and recommendations, of which eight were rated medium-priority and three low-priority. These included opportunities to further update the governance framework and its provisions, enhance the quantification of risk management thresholds and performance measurement criteria, and improve access rights to the Treasury System and segregation of duties.

50. The overall engagement conclusion was "Satisfactory, some improvement needed".

AUDIT OF WIPO OFFICE IN CHINA (IA 2025-08)

51. The audit assessed governance arrangements related to alignment with expected results, performance monitoring, budget allocation and execution, key activities undertaken in 2025, and stakeholder engagement.

52. A follow-up of the office's management of its key risks and business continuity plan was undertaken. A detailed walkthrough of the procure-to-pay process and substantive testing of purchase transactions was conducted on a sample basis. No formal recommendations were made.

53. The overall engagement conclusion was "Satisfactory".

PROCESS REVIEW OF WIPO YOUTH ENGAGEMENT (IA 2025-09)

54. The review covered WIPO Youth activities and budget execution from 2024 through May 2025, as well as its contribution to WIPO's strategic framework. It also examined the governance structure, the strategic direction of WIPO Youth Projects, workflow and project

design, collaboration with WIPO divisions and external partners, the acquisition of services and goods, the WIPO Youth Media Strategy, and the key risks and controls in place.

55. One high-priority recommendation was issued to strengthen coordination and reporting across the Organization, particularly through more systematic tracking of youth-related activities and improved visibility of project progress.

56. The overall engagement conclusion was “Satisfactory, some improvement needed”.

REVIEW OF FIVE PROCUREMENT RISK AREAS (IA 2025-10)

57. The objective of the review was to provide reasonable assurance on the design and operating effectiveness of procurement controls across five key risk areas, including Individual Contractor Services (ICS), vendor ownership, due diligence processes, procurement below CHF 20,000, and procurement above CHF 150,000.

58. The review of procurement risks resulted in 12 high-priority and five medium-priority recommendations. The high-priority recommendations focused primarily on strengthening oversight of ICS processes, improving the completeness of vendor ownership and master data, and reinforcing controls for procurement below 20,000 Swiss francs.

59. The engagement conclusion was “Partially Satisfactory, Major Improvement Needed”.

UNDERSTANDING OF WIPO DEVELOPMENT AGENDA COORDINATION DIVISION (DACD) (EVAL 2025-01)

60. The understanding of DACD covered the background to the historical Member State driven initiative to focus WIPO’s work on development and ensure IP benefits are accessible to all countries, the creation of the Committee on Development and Intellectual Property (CDIP), its mandate, governance and monitoring mechanism, the creation of the DACD and the integration of the development agenda (DA) into other WIPO sectors and divisions through execution of and mainstreaming DA projects.

61. The DA project workflow from project initiation, approval by CDIP, closure, and evaluation was confirmed through the review of six sample projects. A second external evaluation of WIPO’s technical assistance under the DA was commissioned and completed in 2024, following the first external evaluation in 2016. Its findings were discussed at CDIP/33 (December 2024), with proposed action plans presented in CDIP/34 (May 2025), and further discussions at the CDIP/35 session (December 2025).

62. In view of the existing multi-layered oversight mechanisms, recent evaluations, and the 2025 system-wide review of decentralized evaluation functions carried out by the UN Joint Inspection Unit (JIU), which also covers WIPO, a full-fledged evaluation of DACD was not undertaken in 2025.

INVESTIGATIVE ACTIVITIES

CASELOAD OVERVIEW

63. As of January 1, 2025, 10 matters were carried forward from prior years. Two matters from 2022 and 2023 were closed in early January 2025. Eight matters from 2024 were addressed within 2025.

64. Twenty-three new matters were registered in 2025, resulting in a total caseload of 33 matters during the reporting period. As of December 31, 2025, six matters were pending, all at different stages of preliminary evaluation.

Chart 1 – Comparative Analysis of Investigative Caseload in 2023, 2024, and 2025

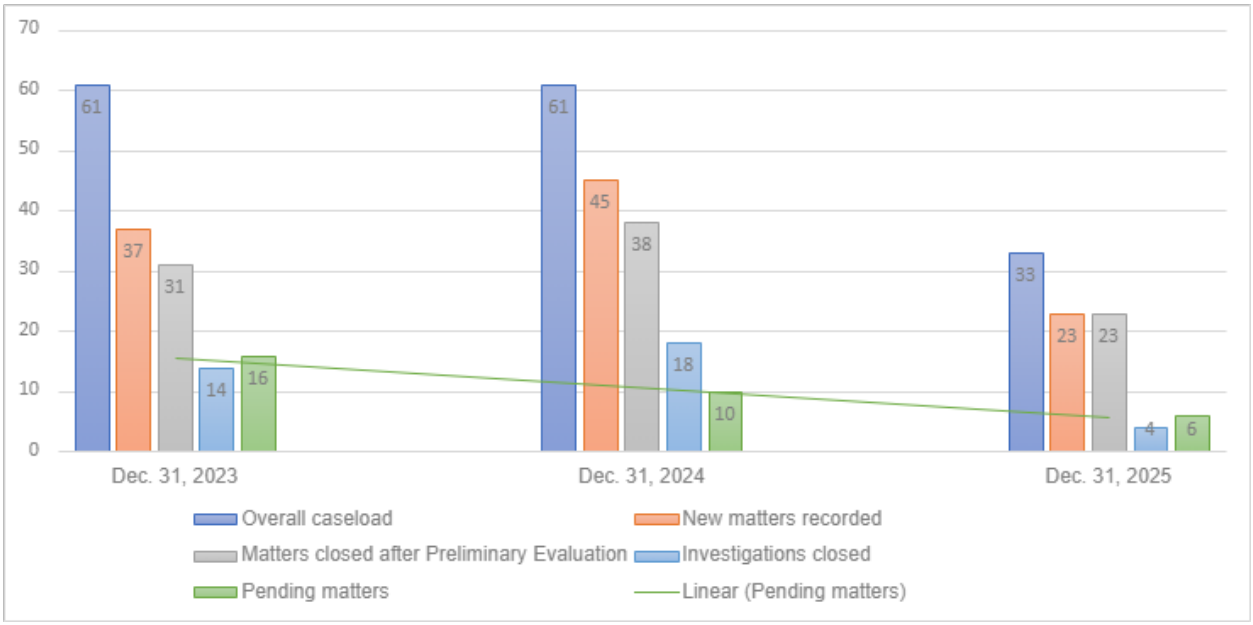
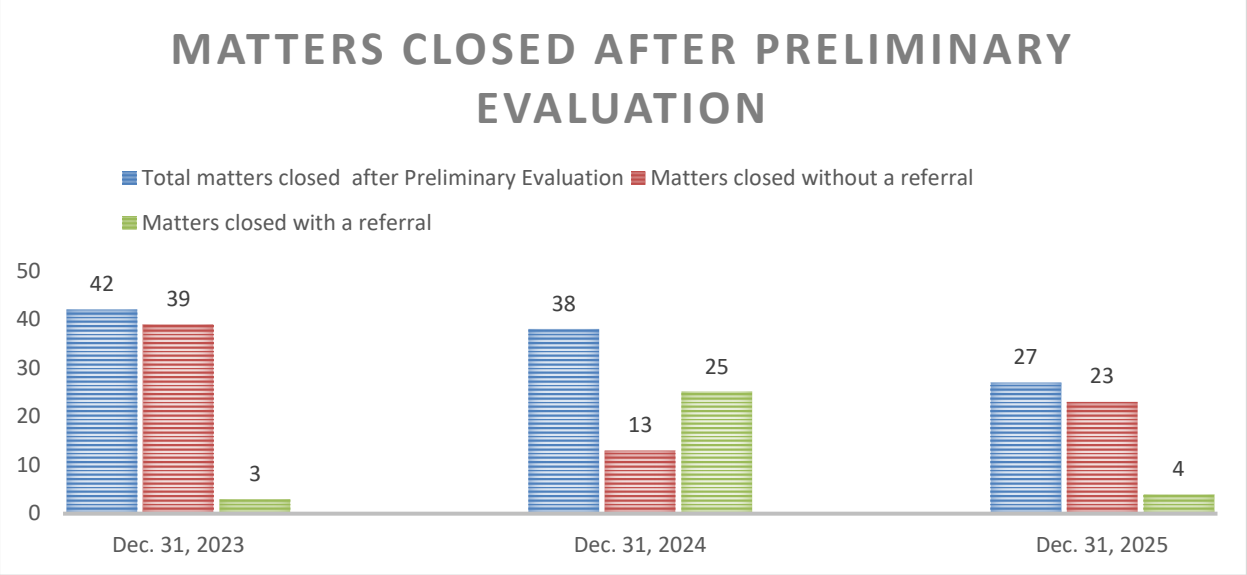


Table 1 – Categories of Matters Registered in 2023, 2024, and 2025

S/N	Category of Complaint	2023	2024	2025
1	Abuse of position or status	2	3	2
2	Abuse of work time	4	1	0
3	Benefits and Entitlements Fraud or Abuse	1	0	1
4	Breach of confidentiality	1	2	1
5	Conflict of interest	2	0	0
6	Corruption	1	0	1
7	Harassment (non-sexual), Discrimination	12	14	2
8	Insubordination and other inappropriate behavior	0	1	0
9	Misuse of WIPO funds or assets	1	0	1
10	Negligence at work, obstruction to WIPO operations	1	1	0
11	Other failures to meet the standards of conduct for international civil servants	2	4	6
12	Procurement irregularities	1	1	0
13	Recruitment irregularities	3	4	6
14	Retaliation	1	0	0
15	Sexual harassment	4	2	0
16	Unauthorized outside activities	1	0	0
17	External users of business systems	0	12	3
	Total	**37**	**45**	**23**

Chart 2 – Disposition of Matters Closed after Preliminary Evaluation in 2023, 2024 and 2025



65. During the reporting period, four matters were addressed after preliminary evaluation pursuant to Paragraph 80(e) of the Investigation Manual, enabling referrals within WIPO for "more appropriate or less formal" resolution. Three complaints from external users of the Organization's business systems were referred to the business units to provide further clarification to the complainants on relevant provisions and procedures, and one complaint was referred to the office of the Ombudsperson.

66. Among the 23 matters registered during the reporting period, seven were referred to the IAOC for its advice in line with the provisions of the IOC. Of the seven matters, six were repeated submissions of allegations that had been closed in 2024 in line with the provisions of paragraphs 26 to 28 of the IOC. Of the six repeated submissions, two related to the same complaint that had also been submitted four times in 2024, addressed and closed.

OUTCOME OF INVESTIGATIVE ACTIVITIES

67. According to the IOC[3], the Annual Report shall include a description of the investigative cases found to be substantiated and their disposition. In 2025, allegations were substantiated in two investigations as summarized in the table below.

Table 2 – Substantiated Cases and their Disposition

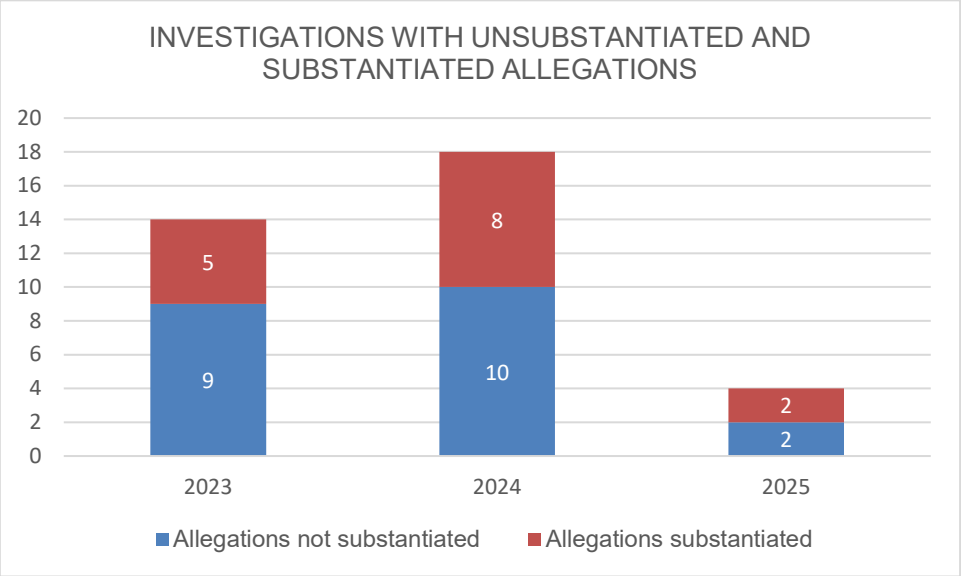
Type of allegation	Nature of Investigation Case Disposition
Procurement irregularities	The investigation concerned a WIPO staff member who (i) engaged in improper procurement practices by treating several related entities as independent vendors and structuring purchasing processes in a way that bypassed proper WIPO procurement procedures; (ii) failed to disclose a conflict of interest involving a family member's participation in work awarded to one of these vendors; and (iii) breached information security policies. Case closed under Chapter X of WIPO Staff Regulations and Rules with imposition of the disciplinary measure of dismissal, pursuant to Staff Rule 10.1.1(a)(6).

[3] IOC paragraph 52(c).

Type of allegation	Nature of Investigation Case Disposition
Entitlement Fraud	The investigation concerned the deliberate submission of inaccurate financial information by a WIPO staff member for the purpose of receiving dependency allowances[4], which resulted in undue payments of those allowances. Case closed under Chapter X of WIPO Staff Regulations and Rules with imposition of the disciplinary measure of dismissal, pursuant to Staff Rule 10.1.1(a)(6).

68. The above-substantiated allegations did not have a significant financial impact on the Organization. Chart 3 shows the number of investigations with substantiated and unsubstantiated allegations concluded in 2023, 2024 and 2025.

Chart 3 – Allegations Substantiated for Matters Processed in 2023, 2024 and 2025



MANAGEMENT IMPLICATION REPORTS (MIR)

69. Three MIRs were issued during the reporting period, relating to (i) the WIPO Special Education Grant (SEG); (ii) contracting Agency Workers and Individual Contractor Services (ICS); and (iii) direct purchase processes.

70. One high-priority recommendation was issued to HRMD aimed at reinforcing adherence to SEG requirements and strengthening the consistency of related administrative processes.

71. Two medium-priority recommendations were issued to the Central Services Division focused on enhancing procurement compliance controls and clarifying guidelines and delegations related to Agency Workers and ICS recruitment processes.

[4]In accordance with Staff Regulation 3.3: "(a) Staff members shall be entitled to non-pensionable allowances for a dependent spouse and for each dependent child, under conditions established by the Director General. (…) (c) When there is no dependent spouse, the staff member shall be entitled, where applicable, to an allowance for one of the following persons: a dependent parent, a dependent brother or a dependent sister. This provision shall not apply to temporary staff members." See Staff Regulations and Rules of the International Bureau of WIPO.

72. Two high-priority recommendations were issued to the Central Services Division aimed at further enhancing procurement governance, including due diligence practices, safeguards against conflicts of interest, and the clarity of procurement roles and responsibilities.

ADVISORY OVERSIGHT WORK

73. As part of its advisory services, IOD's support continued to strengthen WIPO's internal control environment. During 2025, the Division completed the interim review of the design and operating effectiveness of all 39 Organizational key controls provided by the Governance, Risk and Compliance (GRC) Section.[5] This review informed the GRC's subsequent self-assessment and documentation, which, in turn, informed IOD's full testing of key Organizational controls, initiated in 2025 and concluded in the first quarter of 2026.

74. In addition, two advisory engagements were conducted, as detailed below.

IOD ADVISORY: ANALYSIS OF INTERDEPENDENCIES AND INTERRELATIONS BETWEEN THREE RELATED PROJECTS (IA 2025-02)

75. The 2025 Oversight Plan included the business process review of Customer Experience and Customer Relationship Management (CRM) at WIPO. Following further review and understanding of the business cases of ongoing or planned projects on CRM, Key Data Management, and the AIMS Transformation project, all with customer data impact, IOD refocused its efforts on a review of the interdependencies and inter-relationships between the three concurrent projects. The review also highlighted potential governance and risks that could be further proactively managed by the project management teams.

IOD ADVISORY: ADMINISTRATION INFORMATION MANAGEMENT SYSTEM (AIMS) TRANSFORMATION PROJECT MANAGEMENT (IA 2025-05)

76. This advisory engagement objective was to proactively identify and highlight risks to the Program Board and Project Management team during the project lifecycle, to help ensure that these risks did not impede the achievement of the project's intended outcomes. Three reports were issued during 2025.

INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

77. According to paragraph 52(h) of the IOC, the Director, IOD, should report on any instances where IOD's access to records, personnel, and premises were restricted during the reporting period.

78. There were no such instances during the reporting period, as described in paragraph 52(h) of the IOC.

STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

79. The Director General is responsible for ensuring that all recommendations made by the Director, IOD, are responded to promptly, indicating actions taken by Management regarding specific report findings and recommendations.[6] The Director General may discharge this responsibility through Sector Leads and other relevant senior managers responsible for specific operational areas within the Organization.[7] The implementation of all oversight recommendations is subject to regular follow-up by IOD.

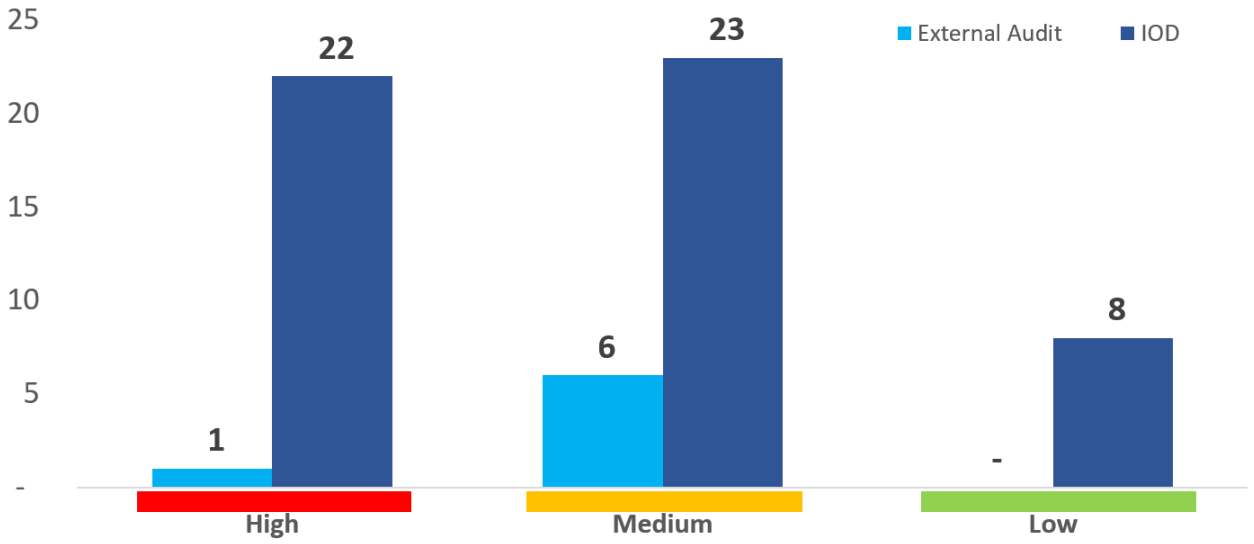
80. IOD manages and reports on recommendations using the TeamMate+ system, which enables interactive dialogue with Management to follow up on the effective implementation of open recommendations. As required under paragraph 50 of the IOC, the Director, IOD, submits, every quarter, a report to the Director General, with a copy to the IAOC, regarding the

[5] WIPO Planning, Budget and Risk Management Division.
[6] IOC paragraph 45 Financial Regulations and Rules.
[7] OI 16/2010, paragraph 7.

status of the implementation of recommendations, including recommendations made by the External Auditor.

81. As of December 31, 2025, there were 60 open recommendations in the TeamMate+ system — 23 of high priority, 29 of medium priority, and eight of low priority. Of these, 88 per cent (53 recommendations) came from IOD, and 12 per cent (seven recommendations) were related to recommendations by the External Auditor. Chart 4 below shows the open recommendations by source and priority as of December 31, 2025.

Chart 4 – Open Recommendation by Source and Priority (60)



Source: IOD Audit management system TeamMate+, year 2025.

82. From January to December 2025, 83 new recommendations were added to the audit management system. During the same period, 53 recommendations were closed, including one from a review undertaken by an external party that IOD elevated to monitor the implementation. Table 3 below shows the movement of recommendations by source in 2025.

Table 3 – Movement of Recommendations from January 1, 2025, to December 31, 2025

Source	Open as of January 1, 2025	Added During the Period	Closed During the Period	Open as of December 31, 2025
IOD	23	75	(45)	53
External Auditor (EA)	6	8	(7)	7
Other[8]	1	-	(1)	-
Total	**30**	**83**	**(53)**	**60**

Source: IOD Audit management system TeamMate+

83. The chart below shows the aging of open recommendations based on the initial date the recommendation should have been implemented. Seventy-two per cent of open

[8]One recommendation "for tracking" related to the peer review performed by the Reserve Advisory and Management Partnership (RAMP) of the World Bank in 2023. RAMP is a program developed within the World Bank Treasury that delivers advisory services, hosts executive training, and provides asset management services. Established in 2001, the Partnership serves over 70 members, including mostly central banks as well as international financial institutions, pension funds, sovereign wealth funds and UN organizations.

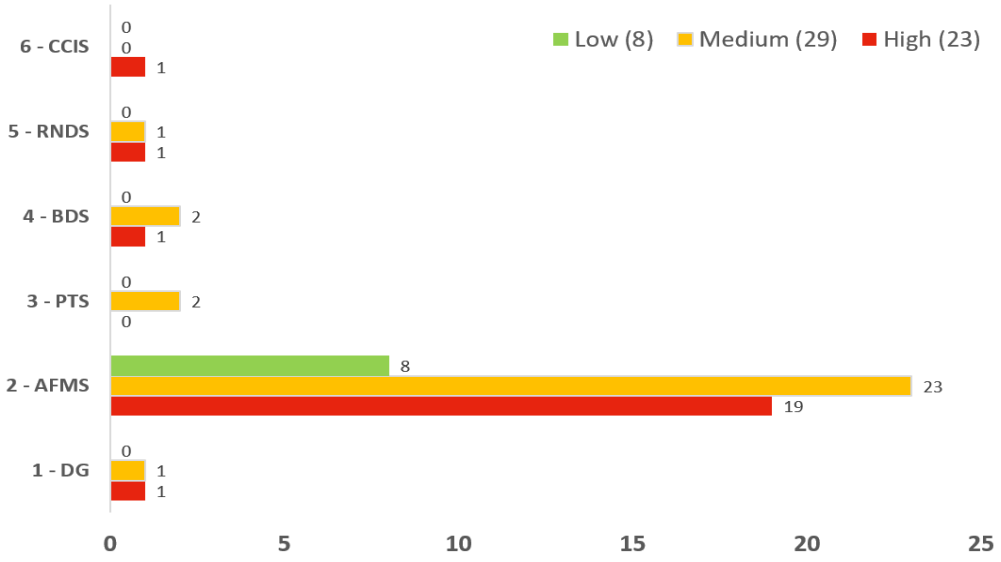
recommendations (43) were not due, and 28 per cent of recommendations were less than one year overdue as of December 31, 2025.

Chart 5 – Aging of Open Oversight Recommendations based on Initial Implementation Date

Sector	Aging of Recommendation			Total	Total %
	not overdue	0-30 days	3-12 months		
High Priority					
1 - DG	1	-	-	**1**	1.7%
2 - AFMS	17	-	2	**19**	31.7%
4 - BDS	1	-	-	**1**	1.7%
5 - RNDS	1	-	-	**1**	1.7%
6 - CCIS	1	-	-	**1**	1.7%
Total High Priority:	**21**	**-**	**2**	**23**	**38.5%**
Medium Priority					
1 - DG	1	-	-	**1**	1.7%
2 - AFMS	12	7	4	**23**	38.3%
3 - PTS	2	-	-	**2**	3.3%
4 - BDS	2	-	-	**2**	3.3%
5 - RNDS	1	-	-	**1**	1.7%
Total Medium Priority:	**18**	**7**	**4**	**29**	**48.3%**
Low Priority					
2 - AFMS	4	3	1	8	13.2%
Total Low Priority:	**4**	**3**	**1**	**8**	**13.2%**
Grand Total:	**43**	**10**	**7**	**60**	**100%**
	72%	17%	11%	100%	

84. As of December 31, 2025, the number of open recommendations by WIPO Sectors and by priority are depicted below:

Chart 6 – Open Recommendations by Sector and Priority



Source: IOD Audit management system TeamMate+ year 2025.

85. The majority of open recommendations (50) are related to the Administration, Finance, and Management Sector (AFMS) (83 per cent). As of January 1, 2025, AFMS had 18 open recommendations. During the year, 69 new recommendations were issued and 37 closed, leaving 50 open recommendations at the end of 2025.

86. IOD acknowledges the continued support of the Director General and the IAOC to address open recommendations.

ANNUAL OPINION ON GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS

87. Under Financial Regulation 5.1, the Director General shall establish frameworks for Results-Based Management, Enterprise Risk Management, and internal controls. These frameworks shall be components of the Organization's accountability framework, providing assurance on performance, results, and the effective and economic use of resources to Member States. Under Financial Regulation 5.2, the Director General shall establish an internal control framework and system in accordance with relevant and prevailing best practices.

88. In accordance with paragraph 34 of the Internal Oversight Charter, based on the scope of work undertaken, the Director, Internal Oversight Division shall issue an annual overall opinion on the adequacy and effectiveness of the governance, risk management, and control processes that impact the achievement of WIPO's objectives and Expected Results.

89. The 2025 Director, IOD's annual opinion, which is also the first for WIPO, was informed by the internal audits undertaken in the year, management implication reports issued and the rate of implementation of open recommendations. Engagements conducted to obtain an understanding of governance, risk management, and selected enabling functions did not identify issues of such significance as to alter the overall opinion.

90. Based on the risk-based scope of work undertaken in 2025, and in accordance with paragraph 34 of the Internal Oversight Charter, it is the opinion of the Director, IOD, that WIPO's governance, risk management, and internal control processes were, in aggregate, satisfactory, with some improvements needed. The work performed indicated that these processes were generally established and functioning. The issues identified were not assessed as significantly affecting the achievement of the Organization's objectives and Expected Results.

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

91. IOD attended the quarterly IAOC sessions, reporting on the implementation of the 2025 oversight work plan, discussing oversight results and other aspects of the Division's work and functioning, and seeking the IAOC's advice as and when required. In the reporting period, the seventy-sixth to seventy-ninth IAOC sessions took place. IOD acknowledges the continued support, guidance, and insights provided by the IAOC throughout 2025.

THE EXTERNAL AUDITOR

92. IOD engaged with and shared its 2025 oversight work plan with the External Auditor to ensure efficient oversight coverage while avoiding potential duplication of efforts. In addition, all audit and evaluation reports were shared with the External Auditor on a timely basis once completed. Investigation reports were also available on request by the External Auditor.

OTHER OVERSIGHT WORK

COOPERATION WITH THE OMBUDSPERSON, THE ETHICS OFFICE, HUMAN RESOURCES MANAGEMENT DEPARTMENT, OFFICE OF THE LEGAL COUNSEL

93. During the reporting period, the Director, IOD, met with the Ombudsperson, the Chief Ethics Officer, the Director of HRMD and the Legal Counsel, to ensure coordination and complementary support.

OUTREACH ACTIVITIES IN THE ORGANIZATION

94. WIPO colleagues were engaged throughout the year through kick-off meetings, updates, exit meetings, informal interactions where required, presentations during induction training for new staff, and presentations to Management and Sector Leads as needed. The Director, IOD, attended all quarterly Risk Management Group meetings as an observer while contributing as appropriate to the deliberations from an oversight perspective.

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

95. The IOC includes specific provisions[9] for liaising and cooperating with the internal oversight or similar services of other organizations in the UN system and Multilateral Financial Institutions, as well as representing WIPO in relevant inter-agency meetings.

96. During the reporting period, there was continued collaboration, networking and knowledge sharing with other UN system organizations and entities, as well as other relevant non-UN organizations. In particular:

Table 4 – Key Professional Events Attended by IOD Staff in 2025

Event (organized by UN and Non-UN organizations)	Date
International Development Agencies Risk Event. Ernst & Young Geneva	February 2025
UNEG Evaluation Week 2025 and Annual General Meeting	February 2025
49th Session of the High-Level Committee on Management (HLCM)*	April 2025
Annual Meeting of the Heads of Internal Audit (HOIA)	June 2025
50th Session of the HLCM*	September 30-October 1, 2025
United Nations Representatives of Internal Audit Services (UN-RIAS) Annual General Meeting	October 2025
25th Conference of International Investigators (CII) and United Nations Representatives of Investigation Services (UNRIS) Annual General Meeting	November 2025

*. Attended by the Director, IOD as UN-RIAS Focal Point to the HLCM.

TRAINING AND CONTINUING PROFESSIONAL EDUCATION

97. Continuous learning and development are essential for internal oversight staff to maintain professional certifications and enhance their competence in evolving evaluation, investigation, auditing standards, and leading practices. IOD staff participated in relevant training programs during the reporting period to further develop their skills and expertise. The key training programs included:

[9] IOC paragraph 30(f).

Table 5 – Key Training Programs Attended by IOD Staff in 2025

Training	Main topics	Date
Association of Certified Fraud Examiners (ACFE) Fraud Conference Europe, virtual	• AI and Technology in Fraud • Emerging Fraud Trends • Investigations and Risk Management	March, 2025
National Conference by the IIA Switzerland	• Shaping Internal Audit for Tomorrow	May 2025
36th Annual ACFE Global Fraud Conference, virtual	• Emerging Fraud Trends & Global Risks • Cybercrime, AI-Driven Fraud & Digital Threats • Investigation & Oversight Best Practices	June 2025
Various online courses by ACFE	• Employee Monitoring Programs • Conducting Effective Background Checks • Evaluating and Testing Anti-Fraud Controls	Throughout the year
Various online courses by the Information Systems Audit and Control Association (ISACA)	• Emerging Technology & AI Governance • Privacy, Cybersecurity & Technology Risk • Audit, Culture, and Leadership Development	Throughout the year
Various training by CII, hybrid	• Using AI for Investigations • Digital Forensics • Open-Source Intelligence • Jurisprudence of UN Administrative Tribunals	Throughout the year

IOD QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

98. QAIP of IOD is designed to provide assurance to various stakeholders[10] that oversight activities are performed in conformity with the IOC, the respective professional standards and practices of each function operate effectively, and stakeholders perceive IOD as adding value and continually improving. The areas outlined below are covered in the QAIP.

OPERATIONAL INDEPENDENCE OF IOD

99. The IOC requires the Director, IOD, to confirm the Organizational independence of the internal oversight function and provide information on the scope of the internal oversight activities and the adequacy of resources for the purposes intended.[11]

100. During the reporting period, no instance or activity occurred that could be considered to have jeopardized IOD's operational independence. The Director, IOD, formally confirmed this to the IAOC during its eightieth session, in addition to the formal and private sessions held in 2025.

101. To develop the 2025 oversight plan, engagement with and input from Sector Leads, the Director General, and Member State representatives, as well as input and advice from the

[10] The main stakeholders include WIPO Management, the External Auditor, the Director General, the IAOC, Member States and the public at large.
[11] IOC paragraph 52(i).

IAOC, was received. However, the final plan was ultimately determined by IOD, considering the feedback received and its risk assessment.

102. The availability and adequacy of resources for IOD were presented and discussed quarterly with the IAOC, including measures to fill the gaps, which included outsourcing of some engagements for additional subject matter expertise and/or resources.

ONGOING MONITORING AND PERFORMANCE INDICATORS

103. Ongoing monitoring of oversight performance refers to the day-to-day supervision, review, and measurement of oversight activities built into the IOD Policies, Manuals, and routine procedures.

104. The established Performance Indicators measure the effectiveness, efficiency, and relevance of oversight activities. These include the average time to complete engagements and the level of acceptance and relevance of the recommendations. The table below summarizes the results.

Table 6 - IOD Performance Indicators

Performance Indicator	Performance Indicator	Results 2024	Results 2025
No interference and perceived independence by key stakeholders	No Interference	No interference was observed during the period	No interference was observed during the period
The average timeline for completing engagements	Internal Audit: 4.5 months	3.2 months	3.2 months
	Evaluations: 6 months Pre-evaluation reviews	13.4 months 4 months	No full-fledged evaluations in 2025 3.7 months
	Investigations: 6 months -Closure of matters brought forward from the prior year -Closure of preliminary evaluations	11.6 months 1.9 months	3.5 months 1.7 months
Post engagement rating feedback survey of engagement planning and execution including SMART recommendations	80 per cent	87 per cent for aggregated rating from respondents	82 per cent for aggregated rating from respondents
No. of oversight recommendations accepted	90 per cent	100per cent of final recommendations accepted	100per cent of final recommendations accepted

ENGAGEMENT FEEDBACK SURVEY

105. After each engagement, feedback continued to be sought from colleagues of audited and evaluated Organizational units through client feedback surveys. The surveys help IOD identify opportunities for improvement in engagement and execution of its work.

106. The surveys will be further refined in 2026 to ensure they focus on measurable criteria based on the relevant standards applied to audit and evaluation engagements, rather than on the perceived outcome of the audit or evaluation by the recipients.

PERIODIC INTERNAL AND EXTERNAL ASSESSMENTS

107. In accordance with paragraph 30(e) of the IOC, each section of IOD undertakes periodic self-assessments and is subject to an external review every five years to determine whether it operates effectively and efficiently, and in conformance with applicable professional standards. The results of the self-assessments and external assessments are communicated to the IAOC at the meeting following the assessment report date.

108. In March 2025, the Internal Audit Section completed a periodic self-assessment, with a conclusion of "generally conforms." The key area identified for further improvement related to the timely completeness of documentation retained in engagement files. This recommendation was addressed in 2025.

109. The Investigation Section also completed a periodic self-assessment in March 2025. The assessment identified the turnaround time of investigations as the main area for improvement. Throughout the year, the Investigation Section continued to make sustained efforts to enhance investigation timeliness.

110. The recommendations from the UNEG peer review report dated January 2025 are on track for implementation.

INTERNAL OVERSIGHT RESOURCES

BUDGET AND STAFFING

111. To discharge its mandate, the 2025 budget of IOD amounted to 3.67[12] million Swiss francs, which represents 0.85 per cent of WIPO's budget (430.4 million Swiss francs)[13] for the same period (IOD - 2024: 0.66 per cent, WIPO Annual budget: 426.9 million Swiss francs). In 2025, the expenditure was 1.90 million Swiss francs (2024: 2.47 million).

112. The budget utilization for personnel in 2025 stood at 58 per cent (2024: 88 per cent). The lower utilization was primarily due to budgeted posts and vacancies in the Evaluation and Investigation Sections, as recruitment therefore was not completed in 2025. The updated status is included in the section below "2026 and Beyond".

113. External service providers were engaged during the year to support the Investigation and Evaluation Sections when required.

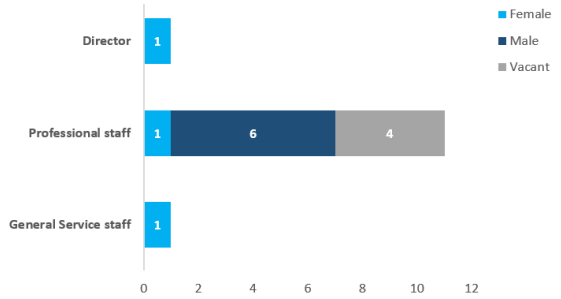
114. Non-personnel budget utilization in 2025 was 32 per cent (2024: 47 per cent). The lower utilization notably reflects costs that were below budget. For example, a lower investigation caseload led to less utilization of external resources in the year.

115. Chart 7 below shows the budget and expenditure analysis, position grade, and gender mix of IOD personnel in 2025.

[12] Source: WIPO WePerform.
[13] WO/PBC/36/8, Annex VIIII, Annual budget 2024-2025

Chart 7 – 2025 IOD Budget/Expenditures[14] and Personnel

Resources	Swiss Francs		
	2025 Budget	2025 Expenditure	Budget Utilization
Personnel Resources	2,783,633	1,619,170	58%
Non-personnel Resources	880,537	283,726	32%
	3,664,170	**1,902,896**	**52%**



Source: WIPO WePerform

2026 AND BEYOND

116. With the recruitment of the Head of the Evaluation Section and the Senior Evaluator completed in quarter one of 2026, the revision of the Evaluation Policy and Manual is scheduled for completion by December 31, 2026.

117. Following the position of Head of the Audit Section becoming vacant in October 2025, recruitment for a replacement will be initiated in 2026. The same applies to the vacant position of Head of the Investigation Section, which remained vacant throughout 2025.

118. Eleven open recommendations were implemented between December 31, 2025, and February 28, 2026, leaving 49 recommendations open (seven of which are from the External Auditor) as of the end of February 2026.

119. The Internal Audit and Investigation Sections are scheduled for external reviews in 2026, following the last reviews in October and November 2020, respectively.

CONCLUSION

120. The Director, IOD, wishes to thank the IAOC, the Director General, Sector Leads, and WIPO personnel for their continuous support and cooperation, which enabled the Division to successfully carry out its mandate in 2025.

121. The Division looks forward to working closely with the IAOC, the Director General, Sector Leads, and WIPO personnel to achieve the Organization's objectives and key results whilst continuing to strengthen its contribution to governance, risk management and internal control processes

[Annex follows]

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[14] Source: WIPO WePerform; figures in Swiss francs.

ANNEX - List of IOD Documents and Reports

Oversight Charter, Policies, and Manuals updated in 2025[15]	Ref.	Entry into Force
Report Publication Policy	IOD/PP/2025	September 16, 2025
IOD reports issued from January 1, 2025, to December 31, 2025	**Ref.**	**Report Issuance Date**
Audit Engagements		
Vulnerability Assessment and Black Box Penetration Testing of eDossier and WorldServer (Vulnerability and PenTest)	IA-2025-01	May 22, 2025
Vulnerability Assessment and Black Box Penetration Testing of eDossier and WorldServer (Vulnerability and PenTest) Follow-up	IA-2025-01.A	September 16, 2025
Vulnerability Assessment and Black Box Penetration Testing of eDossier and WorldServer (Vulnerability and PenTest) Follow-up	IA-2025-01.B	November 20, 2025
Internal Audit of the Hague Registry	IA-2025-03	January 28, 2026
WIPO Arbitration and Mediation Center – Business Process Review	IA-2025-04	April 17, 2025
Audit of Investment Management at WIPO	IA-2025-07	November 21, 2025
Internal Audit of WIPO Office in China	IA-2025-08	January 16, 2026
WIPO Youth Engagement Process Review	IA-2025-09	May 26, 2025
Audit of Five Procurement Risk Areas	IA 2025-10	January 29, 2026
Advisory Engagements		
Analysis of Interdependencies and Interrelations between CRM, CX, ERP, and KDM projects	IA-2025-02	September 16, 2025
ERP System Implementation Phase I (Project Preparation and Vendor Selection)	IA-2025-05.A	March 14, 2025
ERP System Implementation – Review of Project Initiation Documentation	IA-2025-05.B	March 14, 2025
AIMS Transformation Project Status Review	IA-2025-05.C	September 19, 2025
GRC Review For Understanding Engagements		
IOD GRC Opinion, Building Blocks: Governance (Strategic-level)	IA-2025-06.A1	March 17, 2025
IOD GRC Opinion, Building Blocks: Governance (Operational-level)	IA-2025-06.A2	May 15, 2025
IOD GRC Opinion, Building Blocks: Risk Management	IA-2025-06.B	May 27, 2025
IOD GRC Opinion, Building Blocks: Information Security Section, Security and Information Assurance Division (SIAD)	IA-2025-06.C1	May 26, 2025
IOD GRC Opinion, Building Blocks: United Nations International Computing Centre (UNICC)	IA-2025-06.C2	May 16, 2025
IOD GRC Opinion, Building Blocks: Information and Communications Technology Department (ICTD) and Cloud Service Providers	IA-2025-06.C3	May 22, 2025
Not used	IA-2025-06-D	
IOD GRC Opinion, Building Blocks: Key Organization Controls	IA-2025-06.E	November 24, 2025
Evaluation Engagements		
Summary of Understanding of Development Agenda Coordination Division (DACD)	EVAL-2025-01	May 15, 2025
Pre-evaluation Review of the Division for Latin America and the Caribbean	EVAL 2024-07	March 14, 2025
Management Implication Reports		
Management Implication Report on Special Education Grant	IOD-INV-2023-16	March 10, 2025
Management Implication Report on Contracting Agency Workers and Individual Contractor Services	IOD-INV-2021-24 IOD-INV-2022-15	March 18, 2025
Management Implication Report on Direct Purchase Processes	IOD-INV-M26-24	September 9, 2025

[End of Annex and of document]

[15] Updates were made in consultation with the IAOC, Member States, and WIPO internal stakeholders.