

WIPO INTERNAL OVERSIGHT CHARTER*

A. INTRODUCTION

1. This Charter constitutes the framework for the Internal Oversight Division (IOD) of the World Intellectual Property Organization (WIPO) and establishes its mission: to examine and evaluate, in an independent manner, WIPO's control and business systems and processes in order to identify good practices and to provide recommendations for improvement. IOD thus provides assurance as well as assistance to Management in the effective discharge of their responsibilities and the achievement of WIPO's mission, goals and objectives. The purpose of this Charter is also to help strengthen accountability, value for money, stewardship, internal control and corporate governance in WIPO.

2. The internal oversight function in WIPO comprises internal audit, evaluation and investigation.

B. INTERNAL OVERSIGHT DEFINITIONS AND STANDARDS

3. In accordance with the definition adopted by the Institute of Internal Auditors (IIA), internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.

4. The internal audit function in WIPO shall be carried out in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics promulgated by IIA and adopted by the Representatives of Internal Audit Services of the United Nations Organizations, Multilateral Financial Institutions and Associated Intergovernmental Organizations (RIAS).

5. An evaluation is a systematic, objective and impartial assessment of an on-going or completed project, program or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, its efficiency, effectiveness, impact and sustainability. An evaluation should contribute to learning and accountability and provide credible, evidence-based information, enabling the incorporation of findings and recommendations into the decision-making processes of WIPO.

6. Evaluations in WIPO shall be carried out in accordance with the standards developed and adopted by the United Nations Evaluation Group (UNEG).

7. An investigation is a formal fact-finding inquiry to examine allegations of or information concerning misconduct or other wrongdoing involving WIPO personnel in order to determine whether they have occurred and if so, the person or persons responsible. Investigations may also examine alleged wrongdoing by other persons, parties or entities, deemed to be detrimental to WIPO.

8. Investigations in WIPO shall be carried out in accordance with the Uniform Principles and Guidelines for Investigations adopted by the Conference of International Investigators and with WIPO's regulations and rules.

* Last amended on October 2, 2018.

C. MANDATE

9. The internal oversight function provides the Management of WIPO with independent, objective assurance, analyses, appraisals, recommendations, lessons learned, advice and information, through the undertaking of internal audits, evaluations and investigations. Its objectives include:

- (a) Identifying means for improving WIPO's relevance, effectiveness, efficiency, and economy of the internal procedures and use of resources,
- (b) Assessing whether cost-effective controls are in place, and
- (c) Assessing compliance with WIPO's Financial Regulations and Rules, Staff Regulations and Rules, relevant General Assembly decisions, the applicable accounting standards, the Standards of Conduct for the International Civil Service, as well as good practice.

D. AUTHORITY AND RESPONSIBILITY

10. The Director, IOD reports administratively to the Director General but is not part of operational management. The Director, IOD enjoys functional and operational independence from Management in the conduct of his/her duties. In the exercise of his/her functions, he/she takes advice from the WIPO Independent Advisory Oversight Committee (IAOC). He/she has the authority to initiate, carry out and report on any action, which he/she considers necessary to fulfil his/her mandate.

11. The Director, IOD and oversight staff shall be independent of all WIPO programs, operations and activities, to ensure impartiality and credibility of the work undertaken.

12. The Director, IOD and oversight staff shall conduct oversight work in a professional, impartial and unbiased manner and in accordance with good practice, standards and norms generally accepted and applied by the United Nations system organizations, as detailed in Section B above.

13. For the performance of his/her duties, the Director, IOD shall have unrestricted, unlimited, direct and prompt access to all WIPO records, officials or personnel, holding any WIPO contractual status, and to all the premises of WIPO. WIPO staff members, contractors and other personnel have the duty to cooperate with any duly authorized investigation.

14. The Director, IOD shall have access to the Chairs of the General Assembly, the Coordination Committee, the Program and Budget Committee and the IAOC.

15. WIPO staff members, contractors and other personnel have the duty to report suspected wrongdoing in WIPO. The Director, IOD shall maintain facilities for the submission of reports by individual staff members as well as any other internal or external parties, concerning suspected wrongdoing, misconduct or irregularities including but not limited to: fraud and corruption, waste, abuse of privileges and immunities, abuse of authority, and violation of WIPO regulations and rules. Such reports to the Director, IOD shall be received on a confidential basis and may also be made anonymously.

16. Notwithstanding the foregoing, the mandate of the Director, IOD normally does not extend to those areas for which separate provision has been made for review, including workplace-related conflicts and grievances, personnel grievances arising from administrative decisions affecting a staff member's terms of appointment, and performance issues and performance-related disagreements. It rests with the Director, IOD to determine whether

such matters may involve wrongdoing and should be handled by IOD or whether they should be referred to other internal bodies.

17. The right of all staff and personnel to communicate confidentially with, and provide information to the Director, IOD, without fear of reprisal, shall be guaranteed by the Director General. All WIPO staff members shall take appropriate steps to ensure that the confidentiality of such communications is maintained. This is without prejudice to measures that may be taken under WIPO Staff Regulations and Rules regarding allegations which are intentionally and knowingly false or misleading or made with reckless disregard for accuracy of the information.

18. The Director, IOD shall respect the confidential nature of, and protect from unauthorized disclosure, any information gathered or received in the course of an internal audit, evaluation, or investigation, and shall use such information only in so far as it is necessary for the performance of his/her duties.

19. The Director, IOD shall liaise regularly with all other internal and external providers of assurance services to ensure the proper coordination of activities (External Auditor, Risk Officer, Compliance Officer). The Director, IOD shall also periodically liaise with the Chief Ethics Officer and with the Ombudsperson.

E. CONFLICT OF INTEREST

20. In the performance of their oversight work, the Director, IOD and oversight staff shall avoid perceived or actual conflicts of interest. The Director, IOD shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC.

21. Notwithstanding the foregoing, where allegations of misconduct concern the staff of IOD, the Director, IOD shall seek the advice of the IAOC on how to proceed.

22. Allegations of misconduct against the Director, IOD shall be reported to the Director General, who shall, at the earliest opportunity, but not later than one month, inform the Chair of the Coordination Committee and seek the advice of the IAOC on how to proceed. The IAOC shall conduct or arrange for a preliminary evaluation. Based on its results, the IAOC shall provide a recommendation to the Director General and the Chair of the Coordination Committee on whether to close the case or refer the matter for investigation to an independent external investigative entity. In case referral is recommended, such recommendation shall include the proposed Terms of Reference of the investigation and a proposal for a suitable investigative entity. No investigative proceedings into allegations against the Director, IOD or previous incumbents shall be initiated without the concurrence of the IAOC.

23. Allegations of misconduct against WIPO personnel at the Deputy Director General and Assistant Director General levels shall be reported to the Director, IOD, who shall, at the earliest opportunity, but not later than one month, inform the Director General and the Chair of the Coordination Committee.

24. Allegations of misconduct against the Director General shall be reported to the Director, IOD, who shall immediately inform the Chairs of the General Assembly and of the Coordination Committee and seek the advice of the IAOC on how to proceed. The IAOC shall advise the Director IOD on whether to conduct a preliminary evaluation or arrange for a preliminary evaluation by an independent external investigative entity. Based on the results of the preliminary evaluation, the IAOC shall provide a recommendation to the Chairs of the General Assembly and of the Coordination Committee on whether to request the Director,

IOD to close the case or to refer the matter for investigation to an independent external investigative entity. In case referral is recommended, such recommendation shall include the proposed Terms of Reference of the investigation and a proposal for a suitable investigative entity. In the event the Chairs cannot reach an agreement or propose to deviate from the IAOC recommendation, the Vice-Chairs of the General Assembly and of the Coordination Committee shall be involved in the decision.

25. Where the advice of the IAOC is required, such advice shall be provided within one month, unless the complexity of the matter requires more time.

F. DUTIES AND MODALITIES OF WORK

26. The internal oversight function contributes to the efficient management of the Organization and the accountability of the Director General to the Member States.

27. To carry out his/her mandate, the Director, IOD shall conduct audits, evaluations, and investigations. The types of audits should include, but not be limited to, performance audits, financial audits, and compliance audits.

28. To carry out his/her mandate, the Director, IOD shall:

(a) Establish long and short term internal oversight work plans in coordination with the External Auditor. The annual work plan shall be based, where relevant, on a risk assessment to be carried out at least annually, on which basis work would be prioritized. In preparing the annual work plan, the Director, IOD shall take into account any suggestions received from Management, the IAOC or from Member States. Prior to finalizing the internal oversight plan, the Director, IOD shall submit the draft plan to the IAOC for its review and advice.

(b) After review by the IAOC and consultation with Member States, establish policies for all oversight functions, i.e., internal audit, evaluation, and investigation. The policies shall provide rules and procedures on the access to reports while ensuring rights to due process and the preservation of confidentiality.

(c) After review by the IAOC, issue an internal audit manual, an evaluation manual, and an investigation manual. Such manuals shall include the terms of reference of the individual oversight functions and a compilation of applicable procedures. They shall be reviewed every three years or earlier.

(d) Establish and maintain follow-up systems to determine whether effective action has been taken in response to oversight recommendations, within a reasonable time. The Director, IOD shall periodically report in writing to Member States, the IAOC and the Director General on situations where adequate, timely corrective action has not been implemented.

(e) Liaise and coordinate with the External Auditor and monitor the follow-up of their recommendations.

(f) Develop and maintain a quality assurance/improvement program covering all aspects of internal audit, evaluation and investigation, including periodic internal and external reviews and ongoing self-assessments in accordance with the applicable standards. Independent external assessments shall be conducted at least once every five years.

(g) Liaise and cooperate with the internal oversight or similar services of other organizations of the United Nations system and of Multilateral Financial Institutions, and represent WIPO in relevant inter-agency meetings.

29. In particular, the Director, IOD shall assess:

(a) The reliability, effectiveness and integrity of WIPO's internal control mechanisms.

(b) The adequacy of organizational structures, systems and processes to ensure that the results WIPO produces are consistent with the objectives established.

(c) The effectiveness of WIPO in meeting its objectives and achieving results and, as required, recommending better ways of achieving such results, taking into account good practices and lessons learned.

(d) Systems aimed at ensuring compliance with WIPO's regulations, rules, policies and procedures.

(e) The effective, efficient and economical use, and the safeguarding of human, financial and material resources of WIPO.

(f) Significant exposure of WIPO to risk and contributing to the improvement of risk management.

30. The Director, IOD may provide consulting and advisory services, the nature and scope of which are agreed with Management and which are intended to improve WIPO's governance, risk management and control processes without IOD assuming management responsibility.

31. The Director, IOD shall also undertake investigations into allegations of misconduct or other wrongdoing. The Director, IOD may decide to proactively initiate investigations based on risks identified.

G. REPORTING

32. At the completion of each audit, evaluation or investigation, the Director, IOD shall issue a report, which shall present the objectives, scope, methodology, findings, conclusions, remedial action or recommendations of the specific activity concerned and include, if applicable, recommendations for improvements and lessons learned from the activity. The Director, IOD shall ensure completeness, timeliness, fairness, objectivity and accuracy in the reporting of internal audits, evaluations and investigations.

33. Draft internal audit and evaluation reports shall be presented to the program manager and other relevant officials directly responsible for the program or activity that has been the object of the internal audit or evaluation, who shall be given the opportunity to respond within a reasonable time to be specified in the draft report.

34. Final internal audit and evaluation reports shall reflect any relevant comments from the managers concerned and, if applicable, the related management action plans and timetables. Should the Director, IOD and the program manager be unable to agree on the findings of a draft audit and evaluation report, the final report shall contain the opinion of both the Director, IOD and of the managers concerned.

35. The Director, IOD shall submit final internal audit and evaluation reports to the Director General with a copy to the IAOC and the External Auditor. Upon request, the External

Auditor shall be provided with any supporting documentation of internal audit and evaluation reports.

36. The Director, IOD shall publish internal audit and evaluation reports, as well as Management Implication Reports resulting from investigations, on the WIPO website within one month of their issuance. If required to protect security, safety or privacy, the Director, IOD may, at his/her discretion, withhold a report in its entirety or redact parts of it. However, Member States may request access to reports withheld or to the original version of the redacted reports; such access shall be granted under condition of confidentiality at the offices of IOD.

37. Unless otherwise stipulated in this Charter, the Director, IOD shall submit final investigation reports to the Director General with a copy to the Director of the Human Resources Management Department; the External Auditor and the IAOC shall have access to investigation reports upon request.

38. The Director, IOD shall submit final investigation reports involving WIPO personnel at the Deputy Director General and Assistant Director General levels, to the Director General with copies to the Chairs of the General Assembly and of the Coordination Committee, the IAOC and the External Auditor. The Director General shall, at the earliest opportunity, inform the Chairs of the General Assembly and of the Coordination Committee as well as the IAOC and the External Auditor of the final disposition of the case and the reasons thereof. However, in case of termination of appointment, prior consultation of the Coordination Committee is required. In cases where allegations are substantiated, and upon request, Member States shall be provided confidential access to the reports.

39. Final investigation reports concerning the Director, IOD, shall be submitted to the Director General, with copies to the Chairs of the General Assembly and of the Coordination Committee, the IAOC, and the External Auditor. The Director General shall, at the earliest opportunity, inform the Chairs of the General Assembly and of the Coordination Committee as well as the IAOC and the External Auditor, of the final disposition of the case and the reasons thereof.

40. Final investigation reports concerning the Director General shall be submitted to the Chairs of the General Assembly and of the Coordination Committee, with copies to the IAOC, the External Auditor and the Director, IOD.

41. If the investigation referred to in paragraph 40 does not substantiate the allegations made, the Chairs of the General Assembly and of the Coordination Committee shall, after consultation with the IAOC, request the Director, IOD to close the case. If the Director General so requests, the Chair of the General Assembly shall inform Member States of the disposition of the case.

42. If the investigation referred to in paragraph 40 substantiates some or all of the allegations of misconduct, the IAOC shall, at the earliest opportunity, inform Member States, through the Regional Group Coordinators, that such findings, conclusions and/or recommendations have been made. The Chairs of the General Assembly and of the Coordination Committee shall:

- (a) provide Member States with a redacted summary of the report's findings, conclusions, and recommendations, prepared preferably by the investigative entity;
- (b) upon request by a Member State, provide that Member State with a full version of the final investigation report, redacted, preferably by the investigative entity;

- (c) authorize access for Member States under condition of confidentiality to the unredacted final investigation report and the Terms of Reference;
- (d) submit to the Coordination Committee, taking account of written advice provided by the IAOC, a recommendation with detailed reasoning to close the case or to initiate a disciplinary procedure; and
- (e) convene the Coordination Committee within two months of the recommendation to decide whether to close the case or initiate and conduct a disciplinary procedure.

43. Final investigation reports, drafts, materials, findings, conclusions and recommendations are fully confidential, unless disclosure is authorized by the Director, IOD or by the Director General.

44. For oversight matters of a minor or routine nature, which do not require formal reporting, the Director, IOD may issue communications to any concerned WIPO manager.

45. 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.

46. The Director, IOD shall submit, on an annual basis, a report to the Director General, with a copy to the IAOC, regarding the implementation of recommendations made by the External Auditor.

47. The Director, IOD shall submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (Annual Report). The Director General and the IAOC shall be provided with a draft version of the Annual Report for their comments, if any. The Annual Report shall give an overview on 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. The Director General may submit comments on the final Annual Report in a separate report as deemed appropriate.

48. The Annual Report shall include the following, *inter alia*:

- (a) A description of significant issues and deficiencies relating to WIPO's activities in general, or a program or operation in particular, disclosed during the period.
- (b) A description, including the financial impacts, if any, of those investigative cases found to be substantiated and their disposition, such as disciplinary measures, referral to national law enforcement authorities, and other sanctions taken.
- (c) A description of all high priority internal oversight recommendations made by the Director, IOD during the reporting period.
- (d) A description of all recommendations which were not accepted by the Director General, together with his/her explanations for not doing so.
- (e) An identification of high priority recommendations in previous reports on which corrective action has not been completed.
- (f) Information concerning any significant management decision which in the view of the Director, IOD constitutes a serious risk for the Organization.

- (g) A summary of any instance where IOD's access to records, personnel and premises was restricted.
- (h) A summary of the report submitted by the Director, IOD to the Director General regarding the status of implementation of external audit recommendations.
- (i) A confirmation of 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.

H. RESOURCES

49. In presenting Program and Budget proposals to the Member States, the Director General shall take into account the need to ensure the operational independence of the internal oversight function and shall provide the necessary resources to enable the Director, IOD to achieve the objectives of his/her mandate. The allocation of financial and human resources including in-sourcing, outsourcing or co-sourcing of services shall be clearly identified in the Program and Budget proposal, which will take into account the advice of the IAOC.

50. The Director, IOD shall ensure that IOD comprises staff, appointed in accordance with WIPO Staff Regulations and Rules, which collectively possess the knowledge, skills and other competencies needed to perform the internal oversight functions. He/she shall promote continuing professional development to meet the requirements of this Charter.

I. APPOINTMENT, PERFORMANCE APPRAISAL, AND DISMISSAL OF THE DIRECTOR, IOD

51. The Director, IOD shall be a person with high qualifications and competence in oversight functions. The recruitment of the Director, IOD shall be based on an open, transparent international selection process to be conducted by the Director General in consultation with the IAOC.

52. The Director, IOD shall be appointed by the Director General after endorsement by the IAOC and the Coordination Committee. The Director, IOD shall have a non-renewable fixed term of office of six years. On completion of the fixed term of office he/she shall not be eligible for any further employment in WIPO. Steps should be taken, where possible, to ensure that the start of the terms of the Director, IOD should not be the same as that of a new External Auditor.

53. The Director General may dismiss the Director, IOD only on specific and documented grounds and after endorsement by the IAOC and the Coordination Committee.

54. The performance appraisal of the Director, IOD shall be made by the Director General after receiving input from and in consultation with the IAOC.

J. REVISION CLAUSE

55. This Charter shall be reviewed by the Director, IOD and the IAOC, every three years or earlier, if necessary. Any amendments to the Charter proposed by the Secretariat shall be reviewed by the IAOC and the Director General and shall be submitted to the Program and Budget Committee for approval.

[Annex II follows]