

# WIPO Financial Regulations and Rules





# **WIPO Financial Regulations and Rules**

Applicable as of  
January 1, 2023

# FINANCIAL REGULATIONS AND RULES OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)\*

---

\* Applicable as from January 1, 2023. Last amended on July 22, 2022.

---

**CONTENTS**

<b>CHAPTER 1: GENERAL PROVISIONS AND PRINCIPLES</b> .....	<b>1</b>
<b>I. Scope and Application</b> .....	<b>1</b>
Regulation 1.1 .....	1
<b>II. Guiding Principles</b> .....	<b>2</b>
<b>III. Responsibility and Accountability</b> .....	<b>2</b>
Regulation 1.2 .....	2
<b>IV. Planning and Financial Periods</b> .....	<b>2</b>
Regulation 1.3 .....	2
<b>CHAPTER 2: PLANNING</b> .....	<b>3</b>
<b>I. Income</b> .....	<b>3</b>
Regulation 2.1 .....	3
A. FEES .....	3
Regulation 2.2 .....	3
B. ASSESSED CONTRIBUTIONS .....	3
Regulation 2.3 .....	3
Regulation 2.4 .....	3
Regulation 2.5 .....	3
Regulation 2.6 .....	3
Regulation 2.7 .....	4
Regulation 2.8 .....	4
Regulation 2.9 .....	4
Regulation 2.10 .....	4
C. MISCELLANEOUS INCOME .....	4
Regulation 2.11 .....	4
D. VOLUNTARY FINANCIAL CONTRIBUTIONS .....	4
Regulation 2.12 .....	4
Regulation 2.13 .....	4
E. GIFTS AND DONATIONS .....	5
Regulation 2.14 .....	5
<b>II. Program of Work and Budget</b> .....	<b>5</b>
Regulation 2.15 .....	5
Regulation 2.16 .....	5
Regulation 2.17 .....	5
Regulation 2.18 .....	5
Regulation 2.19 .....	5
Regulation 2.20 .....	6
Regulation 2.21 .....	6
Regulation 2.22 .....	6
Regulation 2.23 .....	7
Regulation 2.24 .....	7
Regulation 2.25 .....	7
<b>CHAPTER 3: IMPLEMENTATION</b> .....	<b>7</b>
<b>I. Budget Allocations</b> .....	<b>7</b>
Regulation 3.1 .....	7
Regulation 3.2 .....	7
Regulation 3.3 .....	8
Regulation 3.4 .....	8
Regulation 3.5 .....	8
Regulation 3.6 .....	8
Regulation 3.7 .....	8
<b>II. Procurement</b> .....	<b>10</b>
Regulation 3.8 .....	10
<b>III. Implementing Partners</b> .....	<b>12</b>
Regulation 3.9 .....	12
Regulation 3.10 .....	12

---

<b>IV. Custody of Assets and Property Management</b>	<b>12</b>
<b>V. Accounting</b>	<b>13</b>
Regulation 3.11	13
Regulation 3.12	14
Regulation 3.13	14
Regulation 3.14	14
Regulation 3.15	14
Regulation 3.16	15
Regulation 3.17	15
<b>VI. Treasury and Investment Management</b>	<b>15</b>
Regulation 3.18	15
Regulation 3.19	16
Regulation 3.20	16
<b>VII. Ex-gratia</b>	<b>17</b>
Regulation 3.21	17
<b>CHAPTER 4: REPORTING</b>	<b>17</b>
<b>I. Financial Statements</b>	<b>17</b>
Regulation 4.1	17
Regulation 4.2	17
Regulation 4.3	17
<b>II. Performance Reports</b>	<b>17</b>
Regulation 4.4	17
<b>CHAPTER 5: MONITORING AND CONTROL</b>	<b>18</b>
<b>I. Risk Management and Performance Monitoring</b>	<b>18</b>
Regulation 5.1	18
<b>II. Internal Control</b>	<b>18</b>
Regulation 5.2	18
Regulation 5.3	19
<b>CHAPTER 6: INDEPENDENT OVERSIGHT</b>	<b>19</b>
<b>I. Internal Oversight</b>	<b>19</b>
Regulation 6.1	19
<b>II. External Auditor</b>	<b>20</b>
Regulation 6.2	20
Regulation 6.3	20
Regulation 6.4	20
Regulation 6.5	20
Regulation 6.6	20
Regulation 6.7	20
Regulation 6.8	20
Regulation 6.9	20
Regulation 6.10	20
Regulation 6.11	21
Regulation 6.12	21
<b>III. Independent Advisory Oversight Committee</b>	<b>21</b>
Regulation 6.13	21
<b>CHAPTER 7: DEFINITIONS AND ANNEXURE</b>	<b>21</b>
<b>ANNEXES</b>	
Annex I	WIPO Internal Oversight Charter
Annex II	Terms of Reference Governing External Audit
Annex III	Terms of Reference of the WIPO Independent Advisory Oversight Committee
Annex IV	Selection Procedures for the Members of the Independent Advisory Oversight Committee

## CHAPTER 1: GENERAL PROVISIONS AND PRINCIPLES

### I. Scope and Application

#### Regulation 1.1

These Financial Regulations and Rules shall govern the financial management activities of the World Intellectual Property Organization (WIPO) (hereinafter referred to as the Organization) and of the Unions and apply to all resources administered by the Organization, unless otherwise provided by the General Assembly or as otherwise specified in these Financial Regulations and Rules.

The Director General may propose amendments to these Regulations, which shall be approved by the General Assembly after review by the Program and Budget Committee.

Any revision of these Regulations becomes, effective on the 1st of January following approval by the General Assembly, unless specified otherwise.

The Director General hereby delegates authority and assigns responsibility for the administration and implementation of the Financial Regulations and Rules to the Controller, together with the authority to issue administrative issuances as deemed fit for such purpose. The Controller may in turn delegate aspects of his/her authority to other officers unless the Director General indicates otherwise.

#### Rule 101.1

The Financial Rules are established by the Director General in accordance with the provisions of the Financial Regulations.

#### Rule 101.2

The Financial Rules may be amended by the Director General in a manner consistent with the Financial Regulations. Such amendments shall become effective on the date determined by the Director General. The Program and Budget Committee is informed of any amendments to the Financial Rules.

#### Rule 101.3

The Financial Rules govern all the financial management activities of the Organization unless specifically exempted therefrom by the Director General.

#### Rule 101.4

The Controller sets as appropriate the financial thresholds under which simplified procedures may be applied in the implementation of these Financial Regulations and Rules with due consideration of risk.

#### Rule 101.5

In the application of the Financial Regulations and Rules, officers are guided by the principles of results based management, risk management, effective and efficient financial management, transparency and value for money. The administration of financial resources obtained from or through WIPO by other organizations or entities designated by the Director General for the implementation of activities approved by WIPO may be carried out under their respective financial regulations, rules, practices and procedures subject to assessment by the Controller and agreements as may be concluded between WIPO and such organizations or entities.

## II. Guiding Principles

### Rule 101.6

In administering the activities of the Organization in compliance with the Financial Regulations and Rules, the following principles shall be observed:

1. Results based and risk informed decision making based on the framework established by the Director General;
2. Compliance with decisions of the WIPO Assemblies;
3. Effective and efficient internal controls including separation of duties and checks and balances in accordance with the established internal control system;
4. Prevention of financial malpractice, in accordance with administrative issuances; and
5. Avoidance of conflicts of interest as well as financial disclosure and declaration of interest in accordance with administrative issuances.

## III. Responsibility and Accountability

### Regulation 1.2

All designated officials and alternates are accountable to the Director General for the implementation of the Program of Work and Budget for which they have been delegated authority, and are held accountable for achieving results in compliance with the Financial Regulations and Rules.

#### Rule 101.7

All employees of the Organization are responsible and accountable to the Director General for ensuring that all actions taken by them in the course of their official duties comply with the Financial Regulations and Rules and with the related administrative issuances.

#### Rule 101.8

All employees of the Organization are responsible for protecting the Organization from financial malpractice and for ensuring they understand the administrative issuances related to prevention of fraud and other forms of financial malpractice.

#### Rule 101.9

Any employee who contravenes the Financial Regulations and Rules or related administrative issuances may be held personally accountable and financially liable for his or her actions.

## IV. Planning and Financial Periods

### Regulation 1.3

For the purposes of the Financial Regulations and Rules, planning and reporting periods are as follows:

1. WIPO shall have a Medium-Term Strategic Plan, covering a planning period as determined by the Director General;
2. The Program of Work and Budget planning period shall be two years; and
3. The financial period for the purpose of accounting and the preparation of financial statements in accordance with International Public Sector Accounting Standards (IPSAS) shall consist of a single calendar year.

## CHAPTER 2: PLANNING

### I. Income

#### Financing of allocations from income

##### Regulation 2.1

Allocations shall be financed from income which is comprised of assessed contributions paid by Member States fees, received for services provided by the Organization, miscellaneous income and such other means as the General Assembly shall decide.

### A. FEES

##### Regulation 2.2

The level of the fees payable to the Organization for services rendered under the PCT, Madrid, the Hague and Lisbon systems is determined by the Assembly of the corresponding Union.

### B. ASSESSED CONTRIBUTIONS

#### Assessed contributions

##### Regulation 2.3

Contributions are assessed under a “class and unit” system by each State member of WIPO and/or of any of the contribution-financed Unions, according to the class to which the State belongs for the purpose of contributions.

#### Amount of assessed contribution

##### Regulation 2.4

The amount of the annual contribution of each State is the same whether the State is a member only of WIPO, or only of one or more Unions, or of both WIPO and one or more Unions. The amount of the annual contribution payable by each State in each class is calculated by multiplying the number of units of that class by the value, in Swiss francs, of one contribution unit. That value is fixed by the General Assembly meeting in joint session with the Assemblies of the contribution-financed Unions.

#### Request for payment of assessed contributions

##### Regulation 2.5

The Director General shall communicate, each year, to the States members of WIPO and/or of the contribution-financed Unions the amount of their contributions for the forthcoming year on the basis of the class to which they belong.

#### Payment of assessed contributions

##### Regulation 2.6

Contributions shall be considered as due and payable in full on the first day of the calendar year to which they relate. As of January 1 of the following calendar year, the unpaid balance of such contributions shall be considered to be one year in arrears.



## **Order of payment of assessed contributions**

### **Regulation 2.7**

Payments made by a Member State shall be credited first to the working capital funds and then to the contributions due in the order of the years for which they are due.

## **Status of payment of assessed contributions**

### **Regulation 2.8**

The Director General shall submit an annual as well as a biennial statement on the status of contributions of the Member States to the General Assembly.

## **Assessed contributions from new Member States**

### **Regulation 2.9**

New Member States shall be required to pay their contributions from the year following that in which they became members.

## **Currency of assessed contributions**

### **Regulation 2.10**

Contributions shall be paid in Swiss francs.

## **C. MISCELLANEOUS INCOME**

### **Regulation 2.11**

Monies accepted in respect of which no purpose is specified shall be treated as miscellaneous income.

## **Reimbursement of expenditures**

### **Rule 102.1**

(a) In accordance with the accrual principle, reimbursements of actual expenditures incurred in the same year as the financial period may be credited to the accounts against which they were originally charged.

(b) In the case of reimbursements of expenses incurred in previous years and any adjustments made after the closure of a special account (funds in trust), these shall be debited or credited against miscellaneous income in Revenue.

## **D. VOLUNTARY FINANCIAL CONTRIBUTIONS**

### **Acceptance and purpose**

#### **Regulation 2.12**

Voluntary financial contributions may be accepted by the Controller on behalf of the Director General for specific purposes that are consistent with the policies, aims and activities of the Organization and that contribute to the achievement of Expected Results consistent with the WIPO Program of Work and Budget. The acceptance of such contributions that directly or indirectly involve risk or additional financial liability for the Organization shall require the consent of the General Assembly.

#### **Regulation 2.13**

Voluntary financial contributions accepted for specific purposes shall be accounted for in special accounts (funds-in-trust).

## **Thematic funds**

### **Rule 102.2**

The Controller shall classify Funds In Trust as thematic if they are designed to support specific organizational Expected Results as defined in WIPO's Program of Work and Budget.

## **E. GIFTS AND DONATIONS**

### **Acceptance and purpose**

#### **Regulation 2.14**

In-kind gifts and donations, other than financial resources, may be accepted by the Controller on behalf of the Director General for specific purposes consistent with the administrative issuances of the Organization and that contribute to the achievement of Expected Results and provided that the acceptance of such in-kind gifts and donations that directly or indirectly involve risk or additional financial liability for the Organization shall require the consent of the General Assembly.

#### **Rule 102.3**

In-kind gifts or donations are to be administered in accordance with the relevant administrative issuance established by the Controller.

#### **Rule 102.4**

The procedures for managing receipts and deposits shall be established in an administrative issuance.

## **II. Program of Work and Budget**

### **Authority and responsibility**

#### **Regulation 2.15**

The proposed Program of Work and Budget for each budget period shall be prepared by the Director General.

#### **Regulation 2.16**

The involvement of Member States in the preparation of the proposed Program of Work and Budget for the next budget period shall be in accordance with the mechanism adopted by Member States.

### **Presentation, content and methodology**

#### **Regulation 2.17**

The proposed Program of Work and Budget shall cover estimates for income and expenditure for the budget period to which it relates, in a consolidated form for the Organization, as well as separately for each Union.

#### **Regulation 2.18**

All estimates of income and expenditure shall be presented in Swiss francs.

#### **Regulation 2.19**

The proposed Program of Work and Budget shall be aligned to the Medium Term Strategic Plan and present the biennial work program of the Organization in a clear and transparent manner. The proposal shall be results based and outline: demand for WIPO's services, income forecasts, the expected results to which the Organization will contribute, the implementation strategies which will be deployed, key performance indicators with associated baselines and targets as well as the

financial and human resources required to achieve the expected results. The proposed Program of Work and Budget shall include budgetary comparative information pertaining to the preceding budget period. The proposed Program of Work and Budget shall be accompanied by such information, annexes and explanatory statements as may be requested by the General Assembly and the Assemblies of the Unions and such further annexes or statements as the Director General may deem necessary and useful.

#### **Rule 102.5**

The proposed Program of Work and Budget shall contain an adequate level of details:

- (i) Estimated income including income from: contributions; fees for services rendered under the PCT, Madrid, the Hague and Lisbon systems; arbitration and mediation services; publications; and miscellaneous income in accordance with Regulation 2.1;
- (ii) Estimated demand for services under the PCT, Madrid, the Hague and Lisbon systems, respectively;
- (iii) An estimated budget reflecting financial and human resources requirements by Expected Result and by nature of expenditure in a consolidated form for the Organization, as well as separately for each Union. For purposes of comparison, the adopted initial budget for the preceding budget period shall be indicated alongside the resource requirement estimates for the forthcoming budget period.

### **Review and approval**

#### **Regulation 2.20**

The Director General shall submit the proposed Program of Work and Budget for the following budget period to the Program and Budget Committee for discussion, comments and recommendations, including possible amendments within a reasonable timeframe for consideration by the PBC.

#### **Regulation 2.21**

The Program and Budget Committee shall review the Program of Work and Budget proposed by the Director General and transmit it to the Assemblies of the Member States with its recommendations.

The Assemblies of the Member States and of the Unions, each as far as it is concerned, shall adopt the Program of Work and Budget for the following budget period after consideration of the recommendations of the Program and Budget Committee. If the Program of Work and Budget is not adopted before the beginning of the following budget period, the authorization to the Director General to incur obligations and make payments would remain at the level of allocations of the previous budget period to pursue the organizational expected results.

### **Publication of the approved program and budget**

#### **Rule 102.6**

The Controller shall ensure that the approved Program of Work and Budget is made accessible to Member States and the wider public.

### **Supplementary and revised budget requirements**

#### **Regulation 2.22**

Supplementary and revised Program of Work and Budget proposals may be submitted by the Director General whenever necessary with clear indication of the reasons for the need for changes to resource requirements. The Director General shall prepare the supplementary and revised budget proposals in a form consistent with the approved budget.

## **Supplementary and revised program and budget proposals: review and approval**

### **Regulation 2.23**

The supplementary and revised Program of Work and Budget proposal shall be submitted to the Program and Budget Committee. The Program and Budget Committee shall review the proposals and transmit them to the WIPO Assemblies.

### **Regulation 2.24**

The Assemblies of the Member States and of the Unions, each as far as it is concerned, shall adopt the supplementary and/or revised Program of Work and Budget proposals for the current budget period, after consideration of the recommendations from the Program and Budget Committee.

## **Unforeseen and extraordinary expenses**

### **Regulation 2.25**

The General Assembly, and the Assemblies of the Unions, each as far as it is concerned, may adopt a decision to authorize the Director General to incur unforeseen and extraordinary expenses which cannot be met from existing allocations. The decision shall include a maximum limit for the extraordinary expenses.

#### **Rule 102.7**

The Controller shall report on the status of all unforeseen and extraordinary expenses to the General Assembly, and the Assemblies of the Unions, each as far as it is concerned.

## **CHAPTER 3: IMPLEMENTATION**

### **I. Budget Allocations**

#### **Authorizations**

##### **Regulation 3.1**

The allocations approved by the Assemblies of the Member States and of the Unions, each as far as it is concerned, shall constitute an authorization to the Director General to incur obligations and make payments for the purposes for which the allocations were approved and up to the amounts so approved, except as provided for in Regulations 3.4 and 3.5.

The Director General shall designate officials on a personal basis who are responsible for planning, initiating and managing the effective and efficient utilization of resources as approved by the Member States and within the amount allocated by the Controller for purposes covered by the approval of Member States. In particular, they are accountable for the delivery of Expected Results indicated in the approved Program of Work and Budget, or, in the case of special accounts (funds in trust) the relevant approval. The Designated officials are responsible for designating an alternate(s).

#### **Available period**

##### **Regulation 3.2**

Allocations for the implementation of the Program of Work and Budget shall be available for obligations incurred during the budget period to which they relate.

### **Regulation 3.3**

At the end of the financial period any expense accruals not settled within 12 months shall be credited against miscellaneous income and where an obligation remains a valid charge, this shall be transferred as an obligation against current allocations.

### **Transfers between allocations**

#### **Regulation 3.4**

The Director General may make transfers of resources from one Sector (organizational entity) to another for any given budget period, up to the limit of five per cent of the amount corresponding to the biennial allocation of the receiving Sector (organizational entity), or to one per cent of the total budget, whichever is higher, when such transfers are necessary to ensure the proper functioning of the Organization. All transfers arising in the first year of the financial period shall be reflected in revised budget proposals, if any. All transfers in a financial period shall be reported to the Program and Budget Committee and the General Assembly.

### **Flexibility adjustments**

#### **Regulation 3.5**

(a) In the implementation of the Program of Work and Budget, the Director General shall have the flexibility to make upward or downward adjustments to the resources allocated for the operations of the PCT, Madrid and the Hague systems, and for WIPO organizational entities providing administrative support to these operations.

(b) These adjustments shall be made in accordance with the methodology and formula(e) approved by the respective assemblies of the PCT, Madrid and the Hague Unions, and presented to the Program and Budget Committee and the WIPO Assemblies.

### **Contractual commitments against allocations for future financial periods**

#### **Regulation 3.6**

The Director General may enter into contractual commitments for future budget periods, provided that these:

- (a) are for activities which have been approved by the General Assembly and are expected to continue beyond the end of the current budget period; or
- (b) are authorized by specific decisions of the General Assembly.

#### **Rule 103.1**

The Controller shall maintain in the financial systems a record of all contractual commitments, which shall constitute the first charges against relevant allocations once they are approved by the General Assembly.

### **Commitments, Obligations and Expenditures**

#### **Authority and responsibility**

#### **Regulation 3.7**

Obligations for the current financial period or for both current and future budget periods shall be incurred only after allocations or other appropriate authorizations have been made under the authority of the Director General.

### **Rule 103.2**

The utilization of all funds requires the prior authorization of the Controller. The Controller may determine the maximum amount of the allocations for both personnel and non-personnel resources that would be prudent to make available for allocation taking into account the prospects of payment of assessed contributions, the likely level of income from fees, or any other relevant factors.

### **Establishment and amendment of obligations**

#### **Rule 103.3**

(a) For non-personnel resources, no undertaking, whether by contract, agreement or purchase order, shall be entered into until the appropriate credit(s) has (have) been reserved in the accounts ("pre-encumbrance"). This shall be done through the recording of pre-encumbrances against which obligations shall be recorded. Relevant payments or disbursements against duly recorded obligations shall be recorded as expenditure. An obligation shall be recorded in the accounting records as accrued during the period set forth in Regulation 3.2 if the goods have been received or services rendered, until such point as it is liquidated or cancelled in accordance with Regulation 3.3.

(b) The Controller may establish a threshold below which pre-encumbrance shall not be required.

(c) The Controller shall establish appropriate procedures to be followed in cases where the cost of relevant goods or services has, for whatever reason, increased in the time that elapses between the establishment of an obligation and the processing of final payment.

### **Review, re-obligation and cancellation of obligations**

#### **Rule 103.4**

Outstanding encumbrances must be reviewed periodically by the responsible designated official and adjusted or cancelled as necessary in the financial system by the Certifying/Reviewing Officer.

### **Obligating documents**

#### **Rule 103.5**

The basis on which an encumbrance is created in the financial system shall be established by the Controller. Such basis would include a formal contract, agreement, purchase order or other forms of undertaking.

### **Financial Management of Human Resources**

#### **Rule 103.6**

The approved Program of Work and Budget sets the limit of positions and associated personnel resources available for the Organization and Sectors (organizational entities).

#### **Rule 103.7**

During the budget period all human resources transactions having budgetary implications require the approval of the Controller.

## II. Procurement

### General principles and procurement process

#### Regulation 3.8

- (a) “Procurement” shall include all actions necessary for the acquisition of property, (including goods and real property), and services, (including works), whether by purchase, lease or other appropriate means.
- (b) In addition to the Guiding Principles in Chapter 1, Section II of these Financial Regulations and Rules, the following general principles shall be given due consideration for procurement activities:
- (i) Best value for money.
  - (ii) Effective and broad competition for the award of contracts.
  - (iii) Fairness, integrity and transparency of the procurement process.
  - (iv) The best interest of the Organization.
  - (v) Prudent procurement practices and sustainability.
- (c) The acquisition of goods and/or services shall be made on the basis of:
- (i) a competitive process; or
  - (ii) a cooperation with other intergovernmental organizations; or
  - (iii) an alternative procedure.

#### Authority and Responsibility

##### Rule 103.8

- (a) The Director General shall designate a High Level Official in charge of Procurement (hereinafter “HLOP”) to whom he or she hereby delegates authority and assigns responsibility for all WIPO procurement activities and the implementation of the regulatory framework governing the procurement functions of the Organization, subject to the provisions of Rules 103.3, 103.4, 103.5 and 105.2, concerning encumbrances and obligations.
- (b) The HLOP may delegate procurement authority to the Director in charge of procurement (Authorized Officer); the HLOP may also delegate to another official part of his/her authority to act for him/her in an alternate capacity, unless the Director General indicates otherwise.
- (c) The HLOP shall establish the composition and terms of reference of a Contracts Review Committee (hereinafter referred to as the “CRC”). The CRC shall render written advice to the HLOP on the procurement actions leading to the award, modification or renewal of procurement contracts.
- (d) The HLOP may establish such other committees as deemed necessary.

##### Rule 103.9

The HLOP shall establish procurement general principles, basic rules and procedures, which shall address amongst such other matters as may be necessary:

- (a) Competitive process, including applicable thresholds for differing levels of formality in solicitation, as well as objective and transparent pre-established criteria for the evaluation of tenders;

- (b) Cooperation with other intergovernmental organizations, including organizations in the United Nations systems, in the interests of operational efficiency and cost effectiveness; and
- (c) Alternative procedures, where HLOP may determine that a standard competitive procedure shall not be used for a particular procurement action. The CRC shall render written advice to the HLOP, or to the Authorized Officer, on alternative procedures proposed to be made, whenever the procurement action is within the scope of its terms of reference. The HLOP may determine the use of alternative procedures when:
- (i) There is no competitive marketplace for the requirement, such as where a monopoly exists; prices are fixed by legislation or government principle; or the requirement involves a proprietary product or service.
  - (ii) The supplier or the product/service needs to be standardized.
  - (iii) Offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered are considered to remain competitive.
  - (iv) Within a reasonable prior period, a formal solicitation for identical products and services has not produced satisfactory results.
  - (v) The proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.
  - (vi) There is an emergency which necessitates immediate action (a lack of time resulting from a failure to plan in advance shall not constitute an emergency).
  - (vii) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively.
  - (viii) The proposed procurement action arises from an Agreement with a Governmental entity or non-profit organization (Partnering Entity) establishing a wider cooperation framework with WIPO. Inter-governmental organizations, as referred to in paragraph (b) of this rule, are expressly excluded from the scope of the present sub-paragraph (viii).
  - (ix) The HLOP otherwise determines that a formal or informal solicitation is not in the best interest of the Organization.
- (d) All offers shall be evaluated on the basis of objective selection criteria in accordance with the present Financial Rules and the general principles and framework enunciated in Regulation 3.8 above.

## **Contracts**

### **Rule 103.10**

All procurement actions shall be governed by written documentation, which may include electronic formats.

## **Advance payments**

### **Rule 103.11**

- (a) Except where established commercial practice or the interests of WIPO so require, no contract shall be made which requires payment(s) in advance of the delivery of products or services.
- (b) As necessary, sufficient guarantees shall be sought and obtained prior to any advance and/or progress payment being made.



## **Standards of conduct and Confidentiality**

### **Rule 103.12**

All officers who are involved in procurement action must observe the Staff Regulations and Rules and the standards of conduct required of international civil servants and any other obligation. In particular, they shall be accountable for their actions, respect the confidentiality, (without prejudice to employees' obligation to report waste, fraud or abuse), and integrity of the procurement process and disclose any possible conflict of interest that may arise in the course of carrying out their duties. Failure to do so may result in appropriate disciplinary action or other appropriate civil and/or criminal action.

## **III. Implementing Partners**

### **Regulation 3.9**

The Director General may, on the basis of written agreements, provide grants to partners from the public or private sector to implement activities that advance the achievement of expected results, as included in the approved Program of Work and Budget. The selection of implementing partners shall be objective, based on requirements for completion of due diligence, screening, needs and capacity assessment. The corresponding written agreements shall include provisions on objectives and responsibilities of the Parties, monitoring, reporting, evaluation and designation of officials primarily responsible for implementation of such partnerships.

## **Administration of WIPO funds**

### **Regulation 3.10**

The Controller on behalf of the Director General shall establish the requirements for the financial management of funds obtained from WIPO by implementing partners. Where the Controller assesses the financial management capacity of the implementing partner as adequate, the administration of the funds may be carried out in accordance with Financial Regulations and Rules and administrative issuances of the implementing partner, otherwise those of WIPO shall apply.

## **Financial records and reporting**

### **Rule 103.13**

The Controller shall establish the requirements for the maintenance of financial records, accounts and other supporting records as are necessary to enable the reporting, audit or investigation on the financial status of funds provided by WIPO, to an implementing partner, including in particular the balance of recorded allocations, expenses and commitments. To ensure the uniformity and usability of data required for WIPO management, performance and financial reporting purposes, the Controller is authorized to specify the basis, content and periodicity of reports from the implementing partner on funds obtained from WIPO.

## **IV. Custody of Assets and Property Management**

### **Custody of Assets**

#### **Rule 103.14**

The HLOP shall designate the officers responsible for the management of the property of the Organization, and for all systems governing its receipt, recording, utilization, safekeeping, maintenance and disposal, including by sale.

## **Disposal of Property and Property Survey Board**

### **Rule 103.15**

The Director General shall establish a Property Survey Board with suitably qualified board members to render advice to the HLOP, (or such senior official that the HLOP may designate) on the procedures for determining the cause of loss, damage or other discrepancy on physical assets and disposal action to be taken. The composition of the Board, the terms of reference, procedures for determining the cause of loss, damage or other discrepancy, and the disposal action to be undertaken shall be established in an administrative issuance.

### **Sale/disposal of property**

#### **Rule 103.16**

(a) Sales of assets declared surplus or unserviceable shall be based on competitive bidding, unless the estimated sales value is below a financial threshold established than by the Controller, subject to [paragraph (b) below].

(b) The Property Survey Board may also advise the HLOP (or such other senior official that the HLOP may designate), not to use competitive bidding if an alternate action in particular where it is in the best interest of the Organization or where it is more economical or where it is required by law or based on the nature of the property.

#### **Rule 103.17**

Notwithstanding the Property Survey Board's advice to the HLOP, a write-off of assets with a book value shall require the approval of the Controller before the related financial records are updated, consistent with Regulation 3.18.

### **Verification of property**

#### **Rule 103.18**

Officers responsible for the management of the property of the Organization shall perform periodic verification of such property for the purposes of ensuring that the accounting records of property and equipment are accurate.

## **V. Accounting**

### **Working Capital Funds**

#### **Regulation 3.11**

The working capital funds of the Organization and of the Paris, Berne, Madrid, the Hague, IPC, Nice, PCT, Lisbon, Locarno and Vienna Unions shall be established in amounts to be determined by the Assemblies of the Member States and of the Unions, each as far as it is concerned:

(a) The working capital funds shall be used, to the extent possible, as advances to finance budgetary allocations that are not yet covered by available liquidity and for such other purposes as may be determined by the Assemblies of the Member States and of the Unions, each as far as it is concerned.

(b) Advances made from the working capital funds to finance budgetary allocations shall be reimbursed to the working capital funds as soon as and to the extent that income is available for that purpose.

## Trust funds and special accounts

### Regulation 3.12

The establishment, purpose and limits of each special account (funds in trust) and trust funds shall be clearly defined and approved by the Controller on behalf of the Director General. Such special accounts (funds in trust) and trust funds shall be administered in accordance with the present Regulations.

#### Rule 103.19

The Controller is authorized to approve the utilization of voluntary contributions based on the workplan that contributes to the Expected Results of the Organization and to levy a charge on special accounts (funds in trust) to cover indirect costs incurred for the administration of the special accounts.

## Surpluses and deficits; Reserve funds

### Regulation 3.13

The use, other than for the covering of any deficits, of any of the reserve funds is a matter for the decision of the General Assembly of WIPO or the Assembly of the Union concerned, as the case may be:

- (a) If, after the closure of the financial period, any Union shows a surplus of income, such surplus shall be accounted for under the reserve funds, unless otherwise decided by the General Assembly or the Assembly of the Union concerned.
- (b) If, after the closure of the financial period, any Union shows a deficit, not coverable out of reserve funds, the General Assembly of WIPO or the Assemblies of the interested Unions, as the case may be, shall decide upon measures to redress the financial situation.

## Long term liabilities

#### Rule 103.20

The Controller shall ensure that a funding plan is in place for long-term liabilities, drawing on the reserves and subject to the approval by the Assemblies of WIPO.

### Regulation 3.14

The Director General maintains and safeguards appropriate and necessary financial records for management purposes. The financial records and other appropriate supporting documents shall be retained for designated periods in accordance with the records retention and archiving practices set by the Controller in consultation with the External Auditor.

### Regulation 3.15

Appropriate separate accounts shall be maintained for all trust funds, and reserve funds and special accounts.

#### Rule 103.21

The Controller shall establish such records of all financial transactions of the Organization and shall maintain the structure of such records in the Enterprise Resource Planning (ERP) system to enable the full and complete preparation of Financial Statements in compliance with IPSAS.

## **Authority and responsibility**

### **Rule 103.22**

The Controller is responsible for administrative issuances with respect to financial operations of the Organization. The Controller shall maintain the accounting records, institute all financial systems, and designate officers responsible for performing accounting functions, including those in respect of External Offices.

## **Currency of accounting records**

### **Regulation 3.16**

The annual financial statements of the Organization shall be presented in Swiss francs. Accounting records may, however, be kept in such currency or currencies as the Director General may deem necessary.

### **Rule 103.23**

Except where authorized by the Controller, accounting records shall be maintained in Swiss francs. At External Offices, accounting records may be maintained in the currency of the country in which they are situated, provided that all amounts are recorded both in local currency and the Swiss franc equivalent.

## **Accounting for exchange rate fluctuations**

### **Rule 103.24**

The Controller shall establish the operational rates of exchange between the Swiss franc and other currencies which shall be derived from the operational rates of exchange of the United Nations or other market comparable.

## **Writing off of cash, receivables, investment assets and property**

### **Regulation 3.17**

The Controller on behalf of the Director General may, after full investigation, authorize the writing-off of cash, receivables, investment assets and other assets. A statement of all such amounts shall be submitted to the External Auditor with the annual financial statements. In this regard:

- (a) The review shall in each case fix the responsibility, if any, attached to any officer(s) of the Organization for the loss or losses caused by waste, fraud, abuse or financial malpractice. Such officer(s) may be required to reimburse the Organization either partially or in full. Final determination as to all surcharges to be made against such officer(s) as the result of losses will be made by the Controller.
- (b) For property the Controller shall review recommendations made by the Property Survey Board before authorizing the write-offs.

## **VI. Treasury and Investment Management**

### **Bank accounts, authority and policy**

#### **Regulation 3.18**

Notwithstanding Regulation 3.8, the Controller on behalf of the Director General shall designate the Organization's counterparties for cash management and banking services after due diligence as established in administrative issuances.

The selection of financial counterparties related to the implementation of the investment policy with regards to core and strategic cash shall be governed by Procurement rules under Regulation 3.8.

### **Rule 103.25**

The procedures for managing bank accounts, operating cash and petty cash shall be established through an administrative issuance. The Controller shall define in the administrative issuance, the criteria, modalities and management of bank accounts following best practice.

### **Payments**

#### **Rule 103.26**

(a) The Controller defines the types and methods of execution of payments made by the Organization, which must be traceable. The Controller may authorize justifiable exceptions to the methods defined.

(b) The Controller establishes necessary, efficient and effective controls to ensure payments are objectively verifiable which may include automated or manual controls, data analytics, upfront approvals and *post facto* reviews.

## **Authority, responsibility and policy**

### **Regulation 3.19**

The management of core and strategic cash shall be governed by the investment policy as approved by the Assemblies. The Director General may make short-term and long term investments in accordance with the Organization's investment policy, as approved by the Assemblies, and shall inform the Program and Budget Committee regularly of any such investments.

#### **Rule 103.27**

The Controller may make short-term investments of cash not needed for immediate requirements in accordance with the Organization's investment policy, as approved by the Member States, and shall inform the Program and Budget Committee regularly of any such investments.

#### **Rule 103.28**

The Controller may make long-term investments of cash standing to the credit of the Organization in accordance with the Organization's investment policy, as approved by the Member States, and shall inform the Program and Budget Committee regularly of any such investments. In this regard, the Controller may seek the advice of an Advisory Committee on Investments composed of members appointed by the Director General including from persons outside the Organization having substantial financial sector experience.

#### **Rule 103.29**

The Controller establishes appropriate guidelines on investment management, consistent with the investment policy approved by the Member States, with primary emphasis on minimizing the risk to principal amounts while ensuring adequate liquidity to meet cash flow requirements.

### **Regulation 3.20**

Any proposal for external borrowing in the form of a loan shall be prepared and submitted by the Controller, on behalf of the Director General, through the Program and Budget Committee, to the General Assembly for approval. On approval, the Controller applies the same procedures established for selection of banking counterparties.

## VII. Ex-gratia

### Ex-gratia payments

#### Regulation 3.21

The Director General may make such ex gratia payments as are deemed to be necessary in the interest of the Organization on an exceptional basis, provided that a summary statement of such payments for the calendar year shall be included in the annual financial statements of the Organization. Ex gratia payment is a payment made where there is no legal liability to pay, but where the moral obligation is such as to make payment desirable. The total amount of such payments shall not exceed 50,000 Swiss francs in any given financial period.

#### Rule 103.30

The Office of the Legal Counsel shall provide an opinion on ex gratia payment requests. The approval of the Controller is required for all ex gratia payments. The Office of the Legal Counsel shall provide a summary statement of all ex gratia payments for the calendar year. The statement shall be included in the annual financial statements of the Organization.

## CHAPTER 4: REPORTING

### I. Financial Statements

#### Financial reporting

##### Regulation 4.1

The Director General shall submit the financial statements of the Organization to the External Auditor and the Independent Advisory Oversight Committee no later than March 31st after the close of the financial period.

##### Regulation 4.2

The Controller, on behalf of the Director General, shall prepare annual financial statements in accordance with these Regulations and Rules and International Public Sector Accounting Standards (IPSAS).

#### Rule 104.1

The annual financial statements shall be submitted to the External Auditor, the Independent Advisory Oversight Committee and the Program and Budget Committee.

##### Regulation 4.3

After the annual audit, the annual financial statements and the report of the External Auditor shall be published for access by all the interested Member States.

### II. Performance Reports

#### Performance reporting

##### Regulation 4.4

The Director General shall prepare a report on the achievement of the Expected Results and the financial performance based on the Program of Work and Budget in accordance with the mechanism adopted by Member States.

After the first year of the biennium, reporting shall include progress made towards the achievement of the Expected Results and budget utilization.

After the second year of the biennium reporting shall include the achievement of the Expected Results and financial information on the same accounting basis as the approved budget:

- (a) Actual income for the budget period;
- (b) Approved budget, budget after transfers in accordance with Regulation 3.4 and actual expenditure for the Organization and the Unions:
  - i. Any expenditure which is incurred in the exclusive interest of a given Union shall be considered as a “direct expense” of that Union.
  - ii. Any expenditure which cannot be attributed to the Unions, such as administration and management related costs, shall be considered as an “indirect expense” of that Union.
- (c) Changes arising from flexibility adjustments under Regulation 3.5;
- (d) The reporting shall provide a clear distinction between direct and indirect expenses.

The Director General shall also give such other information as may be appropriate.

#### **Rule 104.2**

The reporting on results shall be based on information in the planning and financial systems with comprehensive up to date records to enable appraisal of the performance and current financial status of the Organization.

## **CHAPTER 5: MONITORING AND CONTROL**

### **I. Risk Management and Performance Monitoring**

#### **Frameworks for Performance Review**

##### **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.

### **II. Internal Control**

#### **Internal Control**

##### **Regulation 5.2**

The Director General shall establish an internal control framework and system in accordance with relevant and prevailing best practices.

#### **Delegation of Authority**

##### **Rule 105.1**

The Controller shall establish a robust and efficient system of delegation of authority, which may include designated officials for program of work and budgetary responsibility and related expenditure authorization limits.

The Controller shall cause all payments to be made on the basis of appropriate supporting documents related to the nature of payment.

## **Separation of duties, checks and balances**

### **Rule 105.2**

The Controller shall establish an effective and efficient system of separation of duties that ensures that no one employee has sole control over the lifespan of a transaction. Pre-encumbrances, encumbrances, expenditures and disbursements initiated by designated officials and their alternate(s) shall be reviewed for compliance with relevant policies and procedures by at least one appropriate officer designated by the Controller.

In this regard:

- (a) The Controller shall designate certifying/reviewing officer(s) on a personal basis whose responsibility is to review, that the resources both personnel and non-personnel are utilized in compliance with the Financial Regulations and Rules, the Staff Regulations and Rules of the Organization and other administrative issuances by the Director General or other authorized officers. A certifying/reviewing officer(s) cannot exercise the approving functions assigned under these Financial Regulations and Rules and cannot delegate their role to another person.
- (b) The Controller shall designate approving officers on a personal basis and the designation cannot be further delegated. Approving officers are responsible for approving the making of payments once they have ensured that they are properly due, confirming that the disbursement is supported by relevant supporting documents. An approving officer cannot exercise the reviewing functions or the bank signatory functions.
- (c) The Controller shall designate Bank signatories. Designated bank signatories must ensure that there are sufficient funds in the bank account to meet payments and verify that all checks and other payment instructions are dated and drawn to the order of the named payee approved by an approving officer. A Bank signatory authority and responsibility is assigned on a personal basis and cannot be delegated. Bank signatories cannot exercise the approving officer functions.
- (d) Designated Officials and alternates are accountable for exceptions in pre-encumbrances, encumbrances and expenditures initiated by them.

## **Statement on Internal Control (SIC)**

### **Regulation 5.3**

The Director General establishes and signs an annual Statement on Internal Control, providing assurance to stakeholders. The Statement on Internal Control is supported by assurances from designated officials and will draw upon the internal oversight opinion of WIPO's governance, risk management and control environment.

## **CHAPTER 6: INDEPENDENT OVERSIGHT**

### **I. Internal Oversight**

#### **Regulation 6.1**

There shall be an Internal Oversight Division (IOD) to conduct independent internal audit, evaluations, inspections and investigations in accordance with the provisions of the WIPO Internal Oversight Charter appended to the present Financial Regulations (Annex I).



## **II. External Auditor**

### **Appointment of the External Auditor**

#### **Regulation 6.2**

The External Auditor, who shall be the Auditor General (or official holding the equivalent title) of a Member State, shall be appointed by the General Assembly, in the manner decided by the Assembly.

### **Tenure of office of the External Auditor**

#### **Regulation 6.3**

The External Auditor shall be appointed for a term of office of six years non renewable consecutively.

#### **Regulation 6.4**

If the External Auditor ceases to hold office as Auditor-General (or equivalent title) in his or her own country, his or her tenure of office shall thereupon be terminated and he or she shall be succeeded as External Auditor by his or her successor as Auditor-General. The External Auditor may not otherwise be removed during his or her tenure of office except by the General Assembly.

### **Audit standards, scope and operations**

#### **Regulation 6.5**

The audit shall be conducted in conformity with generally accepted common international auditing standards and, subject to any special directions of the General Assembly, in accordance with the terms of reference set out in the annex to the present Regulations (Annex II).

#### **Regulation 6.6**

The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

#### **Regulation 6.7**

The External Auditor shall be completely independent and solely responsible for the conduct of the audit.

#### **Regulation 6.8**

The General Assembly may request the External Auditor to perform certain specific examinations and issue separate reports on the results.

### **Facilities**

#### **Regulation 6.9**

The Director General shall provide the External Auditor with the facilities they may require in the performance of the audit.

### **Special examination**

#### **Regulation 6.10**

For the purpose of making a local or special examination or of effecting economies in the audit cost, the External Auditor may engage the services of any national Auditor-General (or official holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the External Auditor, is technically qualified.

## Reporting

### Regulation 6.11

The External Auditor shall issue an opinion on the annual financial statements for each calendar year of the financial period, which shall include such information as the External Auditor deems necessary with regard to matters referred to in Regulation 6.6 and in the annex to the present Regulations referred to in Regulation 6.5.

### Regulation 6.12

The reports of the External Auditor on the annual financial statements, together with reports from other audits, shall be transmitted to the General Assembly, to other Assemblies of WIPO Member States and of the Unions through the Program and Budget Committee, together with the audited annual financial statements, in accordance with any directions given by the General Assembly, other Assemblies of WIPO Member States and of the Unions. The Program and Budget Committee shall examine the annual financial statements and the audit reports and shall forward them to the General Assembly, to other Assemblies of WIPO Member States and of the Unions, with such comments and recommendations as it deems appropriate.

## III. Independent Advisory Oversight Committee

### Regulation 6.13

There shall be an Independent Advisory Oversight Committee to assist Member States in their role of oversight and for better exercise of their governance responsibilities with respect to the various operations of WIPO. The Independent Advisory Oversight Committee shall operate as an independent, expert advisory and external oversight body. The General Assembly shall approve the WIPO Independent Advisory Oversight Committee's terms of reference upon recommendation by the Program and Budget Committee. These terms of reference shall be appended to the present Financial Regulations (Annex III).

## CHAPTER 7: DEFINITIONS AND ANNEXURE

### Definitions

#### Rule 107.1

For the purposes of the Financial Regulations and Rules of WIPO, the following definitions of specific terms used shall apply. These terms are listed in alphabetical order.

**Administrative issuances:** For the purpose of the Financial Regulations and Rules of WIPO, administrative issuances shall mean any Office Instructions, Policies and Strategies, Standard Operating Procedures, Manuals, Information Circulars, and Guidelines issued by the Director General or the Controller or a designated official in line with WIPO's internal regulatory framework.

**Allocation:** The financial authorization limit issued by the Director General / Controller to incur expenses and commitments following the approval of the Program of Work and Budget.

**Assemblies of the Unions:** The Assemblies of each Union constituted by a treaty administered by WIPO.

**Coordination Committee:** The Committee referred to in Article 8 of the Convention Establishing the World Intellectual Property Organization, Stockholm, July 14, 1967, and as amended.

**Core cash:** The balance of cash remaining once operating cash and strategic cash have been deducted. Core cash is not expected to be used over a short-term period (period of less than one year).

**Disbursement:** The actual amount paid.

**Designated Official:** A senior officer designated by the Director General to be responsible and accountable for one or more Sectors (organizational entities) for the implementation of WIPO activities in accordance with these Financial Regulations and Rules.

**Employee:** A person engaged by the Organization, whether under the staff regulations and rules (staff) or any type of contract (individual contractor services, agency workers or external consultants) to perform duties.

**Expenditure:** The sum of disbursements (excluding amounts prepaid at the end of each year of the budget period) and expense accruals.

**Encumbrance:** (“contractual commitments”) The financial value of orders placed, contracts awarded, and other transactions which requires disbursement during the same or a future period.

**Financial Malpractice:** Includes acts such as Fraud, Corruption, Bribery, Coercion, Collusion, Money Laundering, Modern Slavery, Facilitation of Tax evasion, and financing terrorism.

**General Assembly:** The body of Member States referred to in Article 6 of the Convention Establishing the World Intellectual Property Organization, Stockholm, July 14, 1967, and as amended.

**Headquarters:** The offices of the Organization located in Geneva.

**IPSAS:** International Public Sector Accounting Standards as governed by IPSAS Board and International Federation of Accountants.

**Officer:** An employee of the Organization, designated by an authorized official for the purposes of approving, reviewing or certifying activities pursuant to the Financial Regulations and Rules.

**Program and Budget Committee:** The Committee constituted by the General Assembly to deal with the Program of Work and Budget, personnel resources, premises and finance.

**Pre-encumbrance:** (“Commitment” or “Purchase Requisition”) an engagement involving an earmarking of funds against resources of the Organization.

**Reserve funds:** Funds established by the Assemblies of the Member States and of the Unions, each as far as it is concerned, in which surplus income from fees that exceed the amounts required to finance the Program of Work and Budget allocations should be deposited. Reserve funds shall be used in a manner decided by the Assemblies of the Member States and of the Unions, each as far as it is concerned.

**Separation of duties:** The principle that no person has sole control over the lifespan of a transaction.

**Special Account:** Funds in trust (FIT) administered by the Organization on behalf of voluntary contributors for specific activities which must be consistent with the expected results and administrative issuances of the Organization.

**Strategic cash:** Also identified as long-term cash, which is also set aside to finance future projects.

**Trust funds:** Funds held by the Organization on behalf of other entities and awaiting distribution.

**Value for money:** The trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.

**Working capital funds:** Funds established for providing advance financing of allocations should there be a temporary liquidity shortfall and for such other purposes as the Assemblies of Member States and of the Unions, each as far as it is concerned, shall decide.

[Annexes follow]

## 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 adherence to the mandatory elements of the IIA's International Professional Practices Framework (IPPF), including its Standards, Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, and Code of Ethics; 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.

---

\* Last amended on October 15, 2021.

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.

**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) Assessing effectiveness and efficiency of governance, risk management, and control processes;
- (b) Identifying means for improving WIPO's relevance, effectiveness, efficiency, and economy of the internal procedures and use of resources;
- (c) Assessing whether cost-effective controls are in place; and
- (d) 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, harassment, and other violations 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, such as 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, and oversight staff shall have no direct operational responsibility or authority over any of the activities audited, or engage in any other activity that may impair their judgment. The Director, IOD, shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the IAOC. The Director, IOD, will confirm to the IAOC, at least annually, the organizational independence of IOD.

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; and

(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; and

(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. In addition:

- a. In cases involving WIPO personnel, a copy of the investigation report shall be provided to the Director of the Human Resources Management Department;
- b. In cases implicating a vendor, a copy of the investigation report shall be provided to the Vendor Sanctions Committee through its Secretary; and
- c. 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 a quarterly basis, a report to the Director General, with a copy to the IAOC, regarding the status of implementation of recommendations including 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 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; and
  - (j) A summary of the results of the quality assurance/improvement program.

## **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]

**TERMS OF REFERENCE GOVERNING EXTERNAL AUDIT\***

1. The External Auditor shall perform such audit of the accounting records of WIPO and of the Unions administered by WIPO, including all trust funds and special accounts, as he/she deems necessary in order to assure himself:
  - (a) that the annual financial statements are in accord with the books and records of WIPO;
  - (b) that the financial transactions reflected in the annual financial statements have been in accordance with the rules and regulations, the budgetary provisions and other applicable directives;
  - (c) that the securities and monies on deposit and on hand have been verified by certificate received direct from WIPO's depositaries or by actual count;
  - (d) that the internal controls are adequate in the light of the extent of reliance placed thereon;
  - (e) that procedures satisfactory to him have been applied to the recording of all assets, liabilities, surpluses and deficits.
2. The External Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Director General and may proceed to such detailed examination and verification as he/she chooses of all financial records including those relating to supplies and equipment.
3. The External Auditor and his/her staff have free access at all convenient times to all books, records and other documentation which are, in the opinions of the External Auditor, necessary for the performance of the audit. Information classified as privileged and which the Director General (or his designated senior official) agrees is necessary for the purposes of the audit and information classified confidential shall be made available on application. The External Auditor and his/her staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The External Auditor may draw the attention of the Governing Bodies concerned of WIPO and all interested Unions, and of the WIPO Independent Advisory Oversight Committee, to any denial of information classified as privileged which in his/her opinion was required for the purpose of the audit.
4. The External Auditor shall have no power to disallow items in the accounting records but shall draw to the attention of the Director General for appropriate action any transaction concerning which he/she entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounting records shall be immediately communicated to the Director General.
5. The External Auditor shall express and sign an opinion on the annual financial statements of WIPO. The opinion shall include the following basic elements:
  - (a) the identification of the annual financial statements audited;
  - (b) a reference to the responsibility of WIPO's management and the responsibility of the External Auditor;
  - (c) a reference to the audit standards followed;
  - (d) a description of the work performed;

---

\* Amended on October 9, 2012.

- (e) an expression of opinion on the annual financial statements as to whether:
    - (i) the annual financial statements present fairly the financial position as at the end of the calendar year and the results of the operations for the calendar year;
    - (ii) the annual financial statements were prepared in accordance with the stated accounting policies; and
    - (iii) the accounting policies were applied on a basis consistent with that of the preceding calendar year.
  - (f) an expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;
  - (g) the date of the opinion;
  - (h) the External Auditor's name and position; and
  - (i) should it be necessary, a reference to the report of the External Auditor on the annual financial statements.
6. The Report of the External Auditor on the financial operations of the calendar year should mention:
- (a) the type and scope of his/her examination;
  - (b) matters affecting the completeness or accuracy of the accounting records, including where appropriate:
    - (i) information necessary to the correct interpretation of the accounting records;
    - (ii) any amounts which ought to have been received but which have not been brought to account;
    - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the annual financial statements;
    - (iv) expenditures not properly substantiated;
    - (v) whether proper books of accounts have been kept. Where, in the presentation of the annual financial statements, there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
  - (c) other matters which should be brought to the notice of the Governing Bodies concerned of WIPO and all interested Unions, such as:
    - (i) cases of fraud or presumptive fraud;
    - (ii) wasteful or improper expenditure of WIPO's money or other assets (notwithstanding that the accounting for the transaction may be correct);
    - (iii) expenditure likely to commit WIPO to further outlay on a large scale;
    - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
    - (v) expenditure not in accordance with the intention of the Governing Bodies concerned of WIPO and all interested Unions after making allowance for duly authorized transfers within the budget;
    - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
    - (vii) expenditure not in conformity with the authority which governs it;

(d) the accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the records.

In addition, the reports may contain reference to:

(e) transactions accounted for in a previous year concerning which further information has been obtained or transactions in a later year concerning which it seems desirable that the Governing Bodies concerned of WIPO and all interested Unions should have early knowledge.

7. The External Auditor may make such observations with respect to his/her findings resulting from the audit and such comments on the Director General's financial report as he/she deems appropriate to the Governing Bodies concerned of WIPO and all interested Unions or the Director General.

8. Whenever the scope of audit of the External Auditor is restricted, or whenever the External Auditor is unable to obtain sufficient evidence, he/she shall refer to the matter in his/her opinion and report, making clear the reasons for his/her comments and the effect on the financial position and the financial transactions as recorded.

9. In no case shall the External Auditor include criticism in his/her Report without first allowing the Director General an adequate opportunity of explanation on the matter under observation.

[Annex III follows]



**TERMS OF REFERENCE OF  
THE WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE\***

**A. PREAMBLE**

1. In September 2005, the WIPO General Assembly approved the establishment of a WIPO Audit Committee. In September 2010, the WIPO General Assembly approved a change to the title of the Committee to the Independent Advisory Oversight Committee (IAOC) and amended its composition and rotation procedures.

**B. ROLES AND RESPONSIBILITIES**

2. The IAOC is a subsidiary body of the WIPO General Assembly and of the Program and Budget Committee. It serves in an independent expert advisory capacity and assists the WIPO General Assembly and the Program and Budget Committee in fulfilling their oversight responsibilities.

3. The responsibilities of the IAOC are:

(a) With regard to Financial Reporting:

- (i) To advise on the implication for WIPO of issues and trends apparent in the financial statements and in the WIPO Performance Report;
- (ii) To discuss with Management changes to accounting policies and accounting standards.

(b) With regard to Risk Management and Internal Controls:

- (i) To review and advise on the quality and effectiveness of risk management procedures;
- (ii) To review and advise on the adequacy and effectiveness of the internal control framework;
- (iii) To review and advise on proposed amendments to the Financial Regulations and Rules.

(c) With regard to External Audit:

- (i) To exchange information and views with the External Auditor on their overall audit strategy, significant risks and proposed workplans;
- (ii) To establish a mechanism for discussing with the External Auditor significant audit findings and recommendations;
- (iii) To consider the Report of the External Auditor and provide comments thereon for consideration by the Program and Budget Committee;
- (iv) To review the management action in response to the external audit findings and recommendations.

---

\* Last amended on October 15, 2021.

(d) With regard to Internal Oversight:

- (i) To review, at its last session of the previous year, and advise on the proposed workplan of the Internal Oversight Division (IOD), ascertaining coordination with the External Audit workplan;
- (ii) To review the implementation of the IOD workplan and the results of internal and external assessments and advise on the quality, effectiveness and efficiency of the internal oversight function and on its organizational independence;
- (iii) To advise the Director, IOD in cases of significant impairment to his or her independence and objectivity, including conflicts of interest;
- (iv) To review and advise on proposed internal oversight policies and manuals;
- (v) To review and advise in the implementation of internal oversight recommendations;
- (vi) To review periodically, in consultation with the Director, IOD, the WIPO Internal Oversight Charter and recommend amendments, if any, for consideration by the Program and Budget Committee;
- (vii) To advise the Director General on the appointment and dismissal, if any, of the Director, IOD, including by reviewing the proposed vacancy announcement and the list of pre-screened candidates, and to provide comments to assist the Coordination Committee when considering the endorsement of the proposed appointment;
- (viii) To provide input to the Director General into the performance appraisal of the Director, IOD;
- (ix) To provide advice in case of allegations of misconduct against the Director General in accordance with the Internal Oversight Charter (paragraphs 24, 41 and 42);
- (x) To provide advice in case of allegations of misconduct against the Director, IOD, in accordance with the Internal Oversight Charter (paragraph 22). No investigative proceedings into allegations against the Director, IOD or previous incumbents shall be initiated without the concurrence of the IAOC;
- (xi) To review allegations of misconduct against IOD personnel or former IOD staff members and advise the Director, IOD on how to proceed.

(e) With regard to Ethics:

- (i) To review, at its last session of the previous year, and advise on the proposed workplan of the Ethics Office;
- (ii) To review the implementation of the work plan of the Ethics Office and advise on the quality, effectiveness and efficiency of the ethics function;
- (iii) To advise the Chief Ethics Officer in cases of significant impairment to his or her independence and objectivity, including conflicts of interest;

- (iv) To review and advise on proposed ethics policies;
  - (v) To advise the Director General on the appointment and dismissal, if any, of the Chief Ethics Officer, including by reviewing the proposed vacancy announcement and the list of pre-screened candidates;
  - (vi) To provide input to the Director General into the performance appraisal of the Chief Ethics Officer.
- (f) Other:
- (i) To review and advise on proposed policies or on particular activities or projects, as requested by the WIPO General Assembly or the Program and Budget Committee;
  - (ii) To make recommendations to the Program and Budget Committee on matters within its Terms of Reference, as it considers appropriate.

### **C. MEMBERSHIP AND QUALIFICATIONS**

4. The IAOC shall be composed of seven members, from each of the seven Regional Groups of WIPO Member States. The seven members will be appointed by the Program and Budget Committee following a selection process carried out by a Selection Panel set up for this purpose, to be assisted by the current IAOC. In the event that the IAOC cannot be composed of seven members from each of the seven Regional Groups, the Member States shall be consulted, and take a decision on the matter.
5. The rotation mechanism for the IAOC members will be as follows:
- (a) All members of the IAOC shall be appointed for a term of three years, renewable once. No member of the IAOC shall serve for more than six years in aggregate;
  - (b) Each departing member of the IAOC shall be replaced by a candidate from the same Regional Group to which he or she belongs. If the departing member belongs to a Regional Group that already has another representative, he/she shall be replaced by a candidate originating from the Regional Group(s) not represented in the Committee.
  - (c) The selection process as described in Annex IV shall apply;
  - (d) In case of resignation or demise of a member of the IAOC during his or her term, or if he or she becomes unfit for office, or unable or unwilling to fulfil their duties, a roster/pool of experts identified during the selection process may be used, in order to appoint a replacement to complete the remainder of the term of office.
6. Members of the IAOC shall possess relevant qualifications and relevant and recent professional experience at the senior level, for example, in audit, evaluation, finance, accounting, risk management, investigations, legal affairs, information technology, ethics, human resources management and administration. They shall also possess relevant personal qualities, such as independence, objectivity, impartiality, integrity and strong ethical values. Members of the IAOC should display commitment, and professionalism, and be available to carry out their mandate. They must have strong communication skills and be fluent in English, while a working knowledge of other WIPO official languages is an advantage.

7. The overall composition of the IAOC shall reflect collegiality, as well as the right mix of skills and expertise, taking into consideration gender balance. The IAOC should collectively possess the following competencies:

- (a) Technical or specialist knowledge of issues pertinent to the Organization's business;
- (b) Public and private sector experience in managing organizations and businesses of similar size and complexity;
- (c) Understanding of the wider relevant environments in which the Organization operates, including its objectives, culture and structure;
- (d) Detailed understanding of the Organization's governance environment and accountability structures;
- (e) Oversight or management experience at a senior level in the United Nations system;
- (f) International and/or intergovernmental experience.

8. Members shall serve in their personal capacity; they cannot delegate their duties and may not be represented by any other person in the sessions of the Committee. In performing their duties, members shall not seek or receive instructions from any Government or any other party.

9. Members of the IAOC shall sign a statement of disclosure of interest.

10. New members should have, or should acquire by a structured induction program organized by the WIPO Secretariat in consultation and with the participation of Member States, an understanding of the objectives of the Organization, its structure and its culture, and the relevant rules governing it.

11. Members of the IAOC and their immediate family members shall not be eligible for employment at WIPO either directly or indirectly during their mandate period and for up to five years after their mandate period. Equally, members of the IAOC shall not have served as a staff member of WIPO within five years of joining the Committee.

#### **D. CHAIRPERSONSHIP**

12. The members of the IAOC shall elect annually a Chairperson and a Vice-Chairperson. In the event of the chairpersonship becoming vacant during the term, the Vice-Chairperson shall assume the office of the Chairperson until the expiration of the predecessor's term and members shall elect another Vice-Chairperson. In the event of both the Chairperson and the Vice-Chairperson being absent, the remaining members may designate an Acting Chairperson from among themselves to conduct the meeting or the entire session.

#### **E. REIMBURSEMENT OF COSTS**

13. Members will not be remunerated for activities undertaken in their capacity as members of the Committee. However, WIPO shall reimburse Committee members, in accordance with WIPO Financial Regulations and Rules, for any travel and subsistence costs that are necessarily incurred in relation to participation in Committee and other official meetings.

## **F. INDEMNITY OF MEMBERS**

14. Committee members will be indemnified from actions taken against them as a result of activities performed in the course of exercising their responsibilities as members of the Committee, as long as such activities are performed in good faith and with due diligence.

## **G. MEETING AND QUORUM**

15. The IAOC will meet regularly every quarter in formal session at WIPO headquarters. In exigent circumstances, the Committee may decide to consider issues through virtual consultations and come to conclusions that will have the same force as conclusions arrived at during its regular sessions.

16. A minimum of four members of the IAOC are required to be present for a meeting of the Committee to be quorate.

17. The IAOC may invite officials of the WIPO Secretariat or others to attend its sessions.

18. The IAOC shall meet at least once a year in private sessions with the Director General, the Director, Human Resources Management Department, the Controller, the Director, Internal Oversight Division, the Chief Ethics Officer, the Ombudsperson and the External Auditor, respectively.

## **H. REPORTING AND REVIEW**

19. The IAOC shall keep Member States informed of its work on a regular basis. In particular, following each of its formal sessions the Committee shall organize an information meeting with representatives of WIPO Member States and submit a report to the Program and Budget Committee.

20. The IAOC shall submit an annual report to the Program and Budget Committee and to the WIPO General Assembly, summarizing its activities, assessments and conclusions. The annual report shall also include the IAOC's comments on the Report of the External Auditor for consideration by the Program and Budget Committee. To this end, the IAOC shall receive a signed copy of the External Auditor's Report at least four weeks prior to the session of the Program and Budget Committee.

21. The Chairperson or other members designated by the Chairperson shall attend ex officio, relevant meetings of the General Assembly and of the Program and Budget Committee. At the invitation of other WIPO committees, the Chairperson or other members designated by the Chairperson may attend meetings of such committees.

## **I. SELF-ASSESSMENT**

22. The IAOC shall perform, at least every two years, a self-assessment relative to the Committee's purpose and mandate to ensure it is operating effectively.

## **J. SECRETARY OF THE COMMITTEE**

23. The WIPO Secretariat, in consultation with the IAOC, shall designate a Secretary to the IAOC who shall provide logistical and technical assistance to the Committee. Furthermore, the IAOC may retain external consultants, as necessary, in a support capacity.

24. Such assistance entails preparing for and attending the sessions of the Committee

and assisting with preparing draft reports or any correspondence. Such assistance may also entail research and background position papers in preparation for the sessions of the Committee, as may be requested by the Committee.

25. The performance appraisal of the IAOC Secretary shall be done with input from and in consultation with the Chairperson of the IAOC.

**K. BUDGET**

26. WIPO shall include in its biennial budget a specific allocation for the IAOC, providing for the costs associated with the Committee's mandated activities, namely four formal sessions of four to five days each in principle, attendance by IAOC members at Program and Budget Committee sessions, at the General Assembly, and at other meetings as required, support by the IAOC Secretary, and, as required, external consultants.

**L. INFORMATION REQUIREMENTS**

27. Well in advance of each session, the WIPO Secretariat shall provide the Committee with documents and information related to its Agenda, and any other relevant information. The Committee shall have unhindered access to all staff and consultants of the Organization, as well as access to records.

**M. AMENDMENTS TO THE TERMS OF REFERENCE**

28. Previous revisions to these Terms of Reference have been approved by the WIPO General Assembly in September 2007, September 2010, September 2011, October 2012, October 2015, and October 2018. The latest revision has been approved by the WIPO General Assembly in October 2021 (document A/62/12).

29. Member States will review, at least every three years, the role and responsibilities, functioning and membership of the IAOC. To facilitate that review, the IAOC shall periodically review its Terms of Reference and recommend amendments as appropriate, for consideration by the Program and Budget Committee. Notwithstanding this periodic review, Member States may request such review to be put on the agenda of any session of the Program and Budget Committee.

[Annex IV follows]

**SELECTION PROCEDURE FOR THE MEMBERS OF THE  
WIPO INDEPENDENT ADVISORY OVERSIGHT COMMITTEE**

**A. INTRODUCTION**

1. This Annex sets out the selection procedure for members of the Independent Advisory Oversight Committee (IAOC).<sup>\*</sup> Vacant seats on the IAOC shall be filled via a competitive recruitment process administered by a Selection Panel (Panel) established especially for that purpose. The Program and Budget Committee (PBC) will take a decision on the appointment of the new members of the IAOC based on the Panel's recommendations, once the selection procedure has been concluded.

**B. ESTABLISHMENT OF THE SELECTION PANEL**

2. The Panel shall be composed of seven members. The Director General shall invite each Regional Group of countries of WIPO Member States to nominate one suitable individual from that Group to constitute the seven-member Panel. There can be no more than one member of the Panel of any given nationality. The members of the Panel shall ensure their availability to carry out their mandate throughout the entire recruitment process.

3. The members shall elect from amongst themselves a Chair and Vice-Chair of the Panel.

4. If, for some reason, a member of the Panel is unable to continue with her or his membership, the Chair of the PBC shall appoint as a new member of the Panel another individual from the same Regional Group, upon the recommendation of such Group. If, for any reason, no representative of a given Regional Group can be appointed as a member of the Panel to replace the outgoing member, the Chair of the PBC shall decide on the designation.

5. The Director General shall appoint a member of the Secretariat of WIPO as Secretary to the Panel. The Secretary's functions shall include the notification of meetings, distribution of documentation for each meeting, preparation of draft reports of the meetings, recording of the decisions of the Panel and any other function the Director General or the Panel may determine. The Secretary shall not have the right to vote.

6. The Panel shall continue to exist until the PBC adopts a decision appointing the new members of the IAOC, at which time the Panel shall be disbanded and cease to have any function. A new Panel shall be constituted for each recruitment process.

---

<sup>\*</sup> This Annex supersedes the recommendations contained in document WO/GA/39/13, as approved by the WIPO General Assembly in September 2010 (see paragraph 30 of WO/GA/39/14).

**C. MANDATE AND FUNCTIONING OF THE SELECTION PANEL**

7. The Panel is responsible for administering a competitive recruitment process to fill vacant seats on the IAOC. Based on the overall criteria set out in the vacancy announcement, the Panel is tasked with conducting a rigorous assessment of the candidates, in order to identify those who are most suitable. Expertise as well as geographical distribution, rotation, and gender balance should guide the selection process. After the Panel's assessment, it shall make its recommendations to the PBC as to the appointment of the candidate(s) as members of the IAOC.

8. The Panel shall define its own rules of procedure, detailing, amongst other things, its functioning and working methods.

9. The Panel shall work in an independent manner, while maintaining transparency in its work. The Panel may benefit from the advice of experts as and when deemed necessary. Members of the WIPO Secretariat shall be available to the Panel to provide assistance and advice upon request.

10. The deliberations of the Panel shall be confidential.

**D. VACANCY ANNOUNCEMENT**

11. The vacancy announcement shall be based on the provisions of Annex III that deal with the membership and qualifications of the IAOC.

12. The Panel shall finalize the vacancy announcement, an initial draft of which shall be provided by the Secretary. The vacancy announcement shall indicate, amongst other things, the following: the number of seats to be filled; the duration of the appointment; and, the essential qualifications, skills and experience that are required to undertake the role. With a view to ensuring representation of each of the seven Regional Groups of Member States on the IAOC, the vacancy announcement shall also specify which Regional Groups require a new member, and indicate that priority shall be given to the selection of a candidate from each of those Regional Groups.

13. The WIPO Secretariat shall be responsible for the advertisement of the vacancy. It shall invite applications from interested candidates through a dual-track approach, namely by:

a) Placing open advertisements on WIPO and United Nations websites and other websites and/or in publications.

b) Sending a communication from the Director General to all Member States inviting applications from interested candidates and nominations from Member States, on the understanding that such applications/nominations will not be given precedence and will be treated in the same manner as applications received in response to open advertisements.

14. Interested candidates who are nominated by a Member State shall be required to submit their application through WIPO's online recruitment system.

**E. ASSESSMENT OF THE CANDIDATES**

15. All applications/nominations received through this dual-track approach shall be submitted to the Panel.



16. Following the closure of the vacancy announcement, the Panel shall screen all applications/nominations received from the Regional Groups that are to be given priority in the vacancy announcement, and determine the eligibility of those candidates by reference to the requirements stipulated in the vacancy announcement. The Panel shall ensure that those candidates possess the relevant mandatory qualifications, competencies and experience outlined in the vacancy announcement. If necessary, the Panel may invite relevant external expert(s) to assist them in this task and request funding from the WIPO Secretariat for this purpose.

17. If there are no eligible candidates from the Regional Group(s) that require(s) a new member, the Panel shall be obliged to assess candidates from the Regional Groups that are not given priority in the vacancy announcement, in the manner as outlined in the preceding paragraph.

18. By reference to the vacancy announcement, the Panel shall develop an evaluation matrix in consultation with the IAOC and with the support of the Secretary. The evaluation matrix provides for an assessment of the individual skills, as well as an assessment of the candidate's contribution to the collective skills of the IAOC.

19. The Panel shall send the finalized evaluation matrix to the IAOC, together with the applications of the eligible candidates, for a ranking-based assessment on the basis of that matrix. When forwarding the applications to the IAOC, the Panel shall suppress some selected identifying information, such as name and nationality, of the candidates for a fair and impartial assessment.

20. The IAOC shall undertake the assessment of the eligible candidates using the evaluation matrix. The members of the IAOC shall notify the Panel, via its Secretary, of any potential conflict of interest of which they may become aware throughout the assessment exercise, despite the anonymized applications.

21. Upon completion of the task, the IAOC shall send its assessment back to the Panel. On receipt, the Panel shall regroup the candidates according to the Regional Groups, and establish a shortlist.

22. The Panel shall interview the short-listed candidates (preferably via videoconferencing) to ensure the collegiality, as well as the right mix of skills and expertise, in the overall composition of the IAOC. The Panel shall also ensure that the candidates possess the relevant personal qualities stipulated in the vacancy announcement. Due consideration should also be given to the availability, commitment and professionalism of the candidates. The Panel shall ensure that adequate records are taken during the interviews.

23. The Panel may also decide to administer a written test, or other forms of testing. If necessary, the Panel may request the assistance of the IAOC, and/or other relevant expert(s) to assist it in these tasks. If external expertise is required, the Panel may request funding from the WIPO Secretariat for this purpose.

24. For the purposes of making its recommendation(s) to the PBC, the Panel shall perform a ranking exercise on the pool of short-listed candidates taking into account the application, performance during the interview, and any written test or other forms of testing.

25. If, following the above selection procedure, there is no qualified candidate available from a required Regional Group, the Panel shall be obliged to assess candidates from the Regional Groups that are not given priority in the vacancy announcement, in the manner as outlined in paragraph 16, and shall resume the process from paragraph 18 onwards. At

the end of that exercise, the Panel shall identify the highest-ranking candidate, irrespective of her or his regional representation.

#### **F. CONFIRMATION OF SUITABILITY AND AVAILABILITY**

26. Prior to the finalization of its report, the Panel shall request the Secretary to undertake the following tasks in respect of the candidate(s) to be recommended to the PBC:

- a) Carry out all relevant background checks. Once completed, said background checks shall be provided to the Panel for its examination.
- b) Request the candidate(s) to declare any significant impairment to her or his independence, objectivity and impartiality, including past and/or current conflicts of interest, should they be appointed.
- c) Request confirmation from the candidate(s) as to their availability in respect of the term of office, should they be appointed.

#### **G. RECOMMENDATION AND APPOINTMENT**

27. The Panel shall make its final recommendation(s) to the PBC, via a detailed report, the draft of which shall be prepared by the Secretary. The report shall be approved by the Chair and by each member of the Panel. The Panel shall also attach to its report curricula vitae for all individuals being recommended for appointment to the IAOC.

28. The PBC will take the final decision on the composition of the IAOC by appointing the candidate(s), following the Panel's recommendation(s).

#### **H. ROSTER/POOL OF EXPERTS**

29. All the short-listed candidates, as ranked by the Panel, shall be included in a roster/pool of experts for future use in exceptional circumstances, as described in paragraphs 30 and 31 below.

30. If, during the time that elapses between the PBC taking its final decision and the commencement of an appointed candidate's term, said candidate unexpectedly becomes unfit for office, or unable or unwilling to assume the responsibility, despite the confirmation received under Section F above, the next highest-ranking available candidate from that region based on the Panel's assessment will be appointed.

31. In the case of the resignation or demise of a member of the IAOC while serving her or his term, the vacant seat will be filled, to the extent possible, by the highest-ranking available candidate from the same Regional Group.

#### **I. REVIEW MECHANISM**

32. Member States will review the Selection Procedure for members of the IAOC as necessary to ensure it remains fit for purpose.

[End of Annex IV and of document]



World Intellectual Property Organization  
34, chemin des Colombettes  
P.O. Box 18  
CH-1211 Geneva 20  
Switzerland

Tel: +41 22 338 91 11  
Fax: +41 22 733 54 28

For contact details of WIPO's  
External Offices visit:  
[www.wipo.int/about-wipo/en/offices](http://www.wipo.int/about-wipo/en/offices)

© WIPO, 2022



Attribution 4.0 International (CC BY 4.0)

The CC license does not apply to non-WIPO  
content in this publication.

Cover: WIPO / E. Berrod;  
Getty Images / © Olemedia

WIPO Reference RN2022-26E