

## **WIPO Coordination Committee**

### **Sixty-Third (41<sup>st</sup> Ordinary) Session Geneva, September 20 to 29, 2010**

#### **REQUEST FOR THE ADVICE OF THE COORDINATION COMMITTEE ON THE RENEWAL OF THE INTERNAL AUDITOR'S APPOINTMENT IN ACCORDANCE WITH THE WIPO INTERNAL AUDIT CHARTER**

*Document prepared by the Director General*

1. The Audit and Oversight architecture of WIPO comprises three key entities – the WIPO Audit Committee, the Internal Audit and Oversight Division (IAOD), headed by the Internal Auditor, and the External Auditor. Independence, institutional knowledge, continuity and adequate information exchange between the entities are of paramount importance for its effective functioning.
2. The current status of the terms of the three audit and oversight entities is as follows:
  - (i) The Internal Auditor will complete his first term of four years on January 14, 2011;
  - (ii) A new Audit Committee will be established by Member States in January 2011 in accordance with the recommendation of the Program and Budget Committee to the General Assembly;
  - (iii) A new External Auditor will be appointed by Member States to commence duties in January 2012.

3. Mr. Nicholas Treen, Director of the Internal Audit and Oversight Division, was appointed on January 15, 2007, following Competition No. D1787 (Director, grade D.1, Internal Audit and Oversight Division). He was appointed *“for a fixed-term of four years. Duration of renewal of appointment: four years, upon the recommendation of the WIPO Audit Committee, and ineligibility for further employment with WIPO”* as indicated in his Letter of Appointment. Accordingly, his current fixed-term contract is due to expire on January 14, 2011.
4. In line with the procedure established in regard to this particular appointment and for the advice of the WIPO Audit Committee, its chairman, Mr. Khalil Issa Othman, was informed by letter, dated July 21, 2006, that the recommendation of the Appointments Advisory Board (AAB) acting in Competition D1787 had been approved by the then Director General.
5. As per document WO/CC/55/3, *“The WIPO Coordination Committee noted the information contained in paragraphs one to nine of document WO/CC/55/1 Add. and gave a favorable advice on the appointment of Mr. Nicholas Treen as Director, Internal Audit and Oversight Division, for an initial period not exceeding four years from the date of entering into service, renewable upon the recommendation of the WIPO Audit Committee, for a second period of four years”*.
6. In accordance with the Revised WIPO Internal Audit Charter<sup>1</sup>, the Director General sought the recommendation of the WIPO Audit Committee on the renewal for another term of four years of Mr. Nicholas Treen, the Director of the Internal Audit and Oversight Division. The Audit Committee did not give a positive recommendation in respect of the renewal.
7. The external auditor, the Swiss Federal Audit Office made, in August, 2009, a report on the *“Evaluation of the Internal Audit Function”*, the results of which were presented to the 15<sup>th</sup> session of the Program and Budget Committee in September 2010 in document WO/PBC/15/12. The report records *“an overall percentage of the application of the IIA Standards of just above 80 percent”* by the Internal Audit function of WIPO. The report also made a number of recommendations which have been accepted for implementation. The implementation of the recommendations will further improve the functioning of Internal Audit in WIPO. The assessment of the External Auditor also stated that *“The results of the assessment give a positive view of the relevance of WIPO’s internal audit action. It certainly contributes to improved management of the Organization’s financial and administrative activities, as well as its internal control system. Its targeted actions encourage economic potential and the simplification of processes. From this point of view, it satisfies the Standard on creating added value for the Organization”*.
8. The Director General, having carefully considered the current situation and recognizing the need for continuity within the Internal Audit and Oversight function and in order to facilitate a smooth transition to the incoming Audit Committee and the External Auditor, recommends to the Coordination Committee the renewal of the fixed-term contract of the Internal Auditor (Director of IAOD) for a period of two years from January 15, 2011, to January 14, 2013. He will not be eligible for any further employment in WIPO. It is recalled that such renewal for a period of two years, will

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<sup>1</sup> *“Para. 27. The appointment, renewal, replacement or dismissal of the Internal Auditor shall be formally made by the Director General, taking into account the advice of the Coordination Committee. The Director General shall keep the Audit Committee informed of such actions. On the basis of such information, the Audit Committee shall provide, as appropriate, information through its reporting to the Program and Budget Committee. The Internal Auditor will have a fixed term of four years, renewable on the recommendation of the Audit Committee, for an additional term of four years. He/she would not be eligible for any further employment in WIPO.”*

result in an overall term of six years for Mr. Nicholas Treen as the Director of IAOD. This would be in conformity with the changes to the Internal Audit Charter recommended by the Program and Budget Committee to the General Assembly.

*9. The Coordination Committee is invited to note the contents of the present document and to provide its advice in respect of the renewal of the fixed - term contract of the Internal Auditor (Director of IAOD) for a period of two years, from January 15, 2011, until January 14, 2013, as set out in paragraph 8 above.*

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