



WO/IAOC/42/2
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WIPO Independent Advisory Oversight Committee

Forty-Second Session
Geneva, August 22 to 26, 2016

REPORT

adopted by the WIPO Independent Advisory Oversight Committee

INTRODUCTION

1. The 42nd session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from August 22 to 26, 2016. Present were Ms. Mary Ncube, Messrs. Gábor Ámon, Anol Chatterji, Egbert Kaltenbach, Nikolay Lozinskiy, Fernando Nikitin and Zhang Guangliang.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

2. The Committee adopted its Agenda, which is attached to this report as Annex I. A list of session documents is attached as Annex II.

AGENDA ITEM 2: MATTERS ARISING FROM PREVIOUS SESSION

3. The IAOC took stock of the actions carried out following the decisions taken at its 41st session.

AGENDA ITEM 3: INTERNAL OVERSIGHT

4. The Committee discussed the Annual Report of the Director, Internal Oversight Division (IOD) and concluded that the report provided an accurate and informative picture of the achievements and challenges of internal oversight in WIPO.

5. The Committee reviewed the IOD Progress Report as of July 31, 2016, and was pleased to note that the staffing situation of IOD was improving with a new Investigator on board and a new Chief Evaluation Section selected.

6. On investigations, the Committee noted that the revised procedures had allowed IOD to complete preliminary evaluations of complaints in a shorter time frame, resulting in an overall reduction of pending cases. Of the currently 14 pending cases, only three originate from allegations received prior to 2016. The Committee sought clarification from IOD on a number of cases, in particular on those cases which are on hold. The Committee is concerned about one case that has been on hold for an extended period of time because the subject of the investigation was medically declared apt for work, but unfit to be interviewed. The Committee discussed with the Acting Director, IOD, the possibility of addressing such situations through modifications to the investigation procedures.

7. Overall, the Committee was satisfied with the progress in the implementation of the oversight plan.

8. The Committee discussed with the Director, Human Resources Management Department (HRMD) and the Acting Director, IOD, the Evaluation Report on WIPO's Pilot Project on the Professional Development of Women, which contains one recommendation for subsequent phases of the project. HRMD had requested the evaluation of this pilot project at an early stage in order to fine-tune the project based on the evaluation results prior to rolling it out on a broader scale, as was the case with the Pilot Project on WIPO's Rewards and Recognition Program, which was also evaluated at an early stage and subsequently fine-tuned and rolled out. The Committee welcomes such a prudent approach for new initiatives and programs.

9. The Committee discussed with the Acting Director, IOD, and the Deputy Director General, Development Sector, and the Director, Division for Least-Developed Countries (LDCs) the Evaluation Report on WIPO's Assistance to LDCs. The Committee sought clarification on various aspects of the program and of the evaluation. It noted that there was room for improvement, such as designing integrated national roadmaps for country comprehensive assistance and a better definition of programmatic responsibilities within WIPO, while also noting the overall positive assessment of the program.

10. The Committee also met with the Acting Director, IOD, in private session, as foreseen in its terms of reference.

AGENDA ITEM 4: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS

11. The Committee reviewed the status of implementation of oversight recommendations. As of July 31, 2016, 157 oversight recommendations were outstanding, including 31 from external audits. The Committee was informed that Management had reported implementation and requested closure of 14 external audit recommendations and is currently awaiting the review and clearance of these by the External Auditor. The Committee noted, with some concern, that more than one-third of the open recommendations emanate from oversight reports issued prior to 2015. However, the Committee acknowledges the overall progress made in implementing oversight recommendations and was pleased with the detailed analysis provided by IOD by different criteria (functional areas, aging, priority, number of revisions of implementation target dates).

AGENDA ITEM 5: DIRECTOR, INTERNAL OVERSIGHT DIVISION (IOD) – HR UPDATE

12. The Committee met with the Director, HRMD, and was informed about the status of the recruitment process of the Director, IOD. The vacancy announcement generated 78 applications. Eventually six candidates were shortlisted and interviewed by the Interview Board. Interviews by the Director General of those candidates considered suitable were expected to be completed by the end of August 2016. The consultation of IAOC on the selected candidates was envisaged to take place in September 2016. Management aimed at submitting the case to the Coordination Committee at its regular session in October 2016.

AGENDA ITEM 6: UPDATE ON JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

13. The Committee reviewed the report entitled Joint Inspection Unit (JIU) Recommendations Addressed to Executive Heads of JIU Participating Organizations – Status as at End April 2016, prepared by the Secretariat.

14. The Committee noted that as of the end of April 2016, only ten recommendations addressed to WIPO's Executive Head remained outstanding. The Committee urged the Secretariat to duly consider and address these recommendations, where appropriate.

15. The Committee was satisfied with the process in place and acknowledged the significant progress made in the implementation of the JIU recommendations addressed to the Executive Head.

AGENDA ITEM 7: FINANCIAL REPORTING: PROGRAM PERFORMANCE REPORT

16. Management appraised the Committee on the Program Performance Report (PPR) for the 2014/15 biennium which was prepared in accordance with WIPO's results-based management framework and was based on the performance criteria established in the 2014/15 Program and Budget approved by the Member States in December 2013. The PPR is a self-assessment by Program Managers, a principal accountability tool for reporting on organizational performance, and is an integral part of results-based management. The Committee commended Management on the improvement in the quality of the report as well as the progress towards achieving the nine Strategic Goals in 2014/15, measured by performance indicators (PIs) contributing to the achievement of expected results.

17. The Committee noted that 72 per cent of the PIs were fully achieved, 5 per cent partially achieved, whilst 12 per cent of the indicators were not achieved and 11 per cent of the indicators were found to be either not assessable or discontinued. Of the nine strategic goals,

six achieved more than 70 per cent of the set PIs, whilst three of the Strategic Goals achieved less than 70 per cent of the set PIs.

18. Management indicated that the less than satisfactory results in these areas were mainly caused by baseline data which was not available at the commencement of the biennium, PIs that turned out to be unsuitable to measure expected results, and difficulty in obtaining relevant data to measure results.

19. The Committee encouraged Management to engage with Programs that did not have baselines clearly defined early in the biennium to ensure that a basis for measuring results achieved was set and agreed early. It also encouraged Management to highlight in more detail in the report the reason for PIs being unachievable, un-assessable and discontinued, to enable the Organization to learn from its performance in order to improve future implementation and performance.

Validation of the 2014/15 Program Performance Report

20. To strengthen the validity of the information in the PPR, the IOD carries out a validation of the performance data on a biennial basis. The Committee reviewed the report "Validation of the 2014/15 Program Performance Report" issued by IOD on June 28, 2016, and discussed the report in depth with the Acting Director, IOD. While the IOD validation report shows an enhancement of performance reporting over time, it also demonstrates the need for further improvements. Key recommendations in that regard include refining and streamlining the number of PIs with no baselines or targets, and establishing formal criteria and procedures for discontinuing PIs within a biennium.

AGENDA ITEM 8: EXTERNAL AUDIT

21. In his report on the Financial Statements for the year ended December 31, 2015, the External Auditor had given an unqualified audit opinion. As far as the content of the External Auditor's Report is concerned, there is nothing further to add to what had been reported in the IAOC report on its 41st session (paragraphs 20 and 21 refer).

AGENDA ITEM 9A: UPDATE ON HR MANAGEMENT INITIATIVES AND PROJECTS

22. The Committee reviewed the Director General's Annual Report on Human Resources and discussed the status of various HR initiatives and projects as well as upcoming challenges with the Director, HRMD, such as changes in the UN common system compensation packages. The Committee was pleased to note that the numerous oversight recommendations made in the last years in the area of HR have been taken into account and have resulted in corresponding changes in HR policies and procedures. The Committee is aware that the implementation of a number of still open audit recommendations depends on the roll out of the new Enterprise Resource Planning (ERP) components envisaged for 2017.

AGENDA ITEM 9B: INFORMATION ASSURANCE STRATEGY

23. The Assistant Director General, Administration and Management Sector and the Director, Security and Information Assurance Division (SIAD), briefed the Committee on key highlights in implementing the Information Assurance (IA) Strategy.

24. The Committee took note of the content of the said presentation, including:

- (a) expected "IA Strategic Outcomes" by which the strategy intends to deliver a demonstrably strengthening of the IA posture in WIPO;

- (b) the Enterprise Information Assurance Plan including 18 approved projects over the 2015-2019 time-frame pursuing the said expected IA Strategic Outcomes;
- (c) the creation of the new Security and Information Assurance (SIA) Governance (i.e., SIA Board, SIA Steering Committee, and Business Security Contacts); and
- (d) the 2016 key highlights providing additional high level comments on the progress made towards stronger governance and management commitment, as well as focused and optimized use of certain technologies to manage physical and cyber threats.

25. The Committee found that the said governance and management efforts are well aligned with the purpose of addressing WIPO's cyber risks that were previously assessed by the Enterprise Risk Management (ERM) exercise as a serious organizational risk.

26. The Committee was of the view that given the nature of WIPO core business, the cyber risks would likely remain inherently very high, meriting sustaining, if not increasing in the future, the level of effort implicit in the IA Strategy.

27. The Committee was also of the view that despite the strong security WIPO's IA posture intended and the best efforts made to manage the cyber threats, the exposure to cyber threats, similar to other organizations, would remain relevant, particularly in consideration of the increasing sophistication and complexity of cyber-attacks.

AGENDA ITEM 10: ETHICS

Ethics

28. The Committee met with the Chief Ethics Officer and was updated on the revised 2016 Program of Work of the Ethics Office and the progress achieved in its implementation. The Committee will continue to review the progress of the work of the Ethics Office and suggested to include additional workload data in future progress reports.

29. The Committee was informed that IOD has started the planned audit of WIPO's Ethical Framework and looks forward to receiving the audit report once the work is finalized.

Ombudsperson

30. As the Committee had not yet received the end-of-assignment report of the Interim Ombudsperson, it was not in a position to discuss the matter.

AGENDA ITEM 11: INTERNAL OVERSIGHT CHARTER

31. The Committee has started preparing proposed amendments of the Internal Oversight Charter. These amendments aim, *inter alia*:

- at better aligning the IOC and the terms of reference of the IAOC;
- at reinstating Member States' access to audit and evaluation reports which have been withheld from publication or which have been published in a redacted form;
- at incorporating lessons learned from past investigation cases;
- at closing certain gaps in investigation procedures, which in the past had to be filled by ad hoc decisions.

32. In this context, the Committee met with representatives of the United States to discuss their proposals for changes to the IOC.

AGENDA ITEM 12: ANNUAL REPORT TO THE PROGRAM AND BUDGET COMMITTEE (PBC/25)

33. The Committee has submitted its Annual Report to the PBC (document WO/PBC/25/2). With regards to the External Auditor's Report, the Committee will provide a supplementary oral report at the PBC session.

AGENDA ITEM 13: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

34. An information meeting was held at which the IAOC briefed Member States' representatives on deliberations during the present session and responded to questions posed by the attending delegates.

AGENDA ITEM 14: OTHER MATTERS

Selection Process for new IAOC members

35. The IAOC met with the Secretary of the Selection Panel for new IAOC members and was informed that a total of 12 applicants had been shortlisted and interviewed via Skype. In accordance with the terms of reference of the IAOC, the Selection Panel recommended five candidates from those regions which would no longer be represented to the PBC for nomination at its 25th session.

Next Session

36. The IAOC's next session will take place from Monday, November 21 to Friday, November 25, 2016. The draft Agenda for that session is as follows:

- (1) Adoption of the Agenda
- (2) Matters arising from previous Session
- (3) Meeting with the Director General
- (4) Internal Oversight: Workplan 2017
- (5) Follow-up on Oversight Recommendations
- (6) Revision of Internal Oversight Charter
- (7) Financial Regulations and Rules
- (8) Selection of External Auditor: Technical Evaluation Review
- (9) External Audit: Workplan 2017
- (10) Ethics: Workplan 2017
- (11) Induction Program for new IAOC Members
- (12) Election of Chair and Vice-Chair
- (13) Information Meeting with Member States' Representatives
- (14) Other Matters

[Annexes follow]



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AGENDA

adopted by the WIPO Independent Advisory Oversight Committee

1. Adoption of the Agenda
2. Matters arising from previous Session
3. Internal Oversight
4. Follow-up on Oversight Recommendations
5. Director, Internal Oversight Divisions (IOD) – HR Update
6. Update on Joint Inspection Unit (JIU) Recommendations
7. Financial Reporting: Program Performance Report
8. External Audit
9. A. Update on HR Management Initiatives and Projects;
B. Information Assurance Strategy
10. Ethics
11. Internal Oversight Charter
12. Annual Report to the Program and Budget Committee (PBC/25)
13. Information Meeting with Member States' Representatives
14. Other Matters

[Annex II follows]



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LIST OF DOCUMENTS

adopted by the WIPO Independent Advisory Oversight Committee

ITEM 1: ADOPTION OF THE AGENDA

- [01] Draft Agenda
- [02] Draft Timetable
- [03] IAOC Rolling Agenda, June 2016
- [04] List of Documents

ITEM 2: MATTERS ARISING FROM PREVIOUS SESSION

- [05] IAOC Action List

ITEM 3: INTERNAL OVERSIGHT

Internal Oversight Division:

- [06] IOD Activity Report – Status of Work (August 4, 2016)
Reference: IOD-IAOC-2016/03
- [07] Annual Report by the Director of the Internal Oversight Division (IOD) –
WO/GA/48/2
- [08] Internal Oversight Division Dashboard (January – June 2016)

Internal Audit:

- [09] IOD Report: Validation of the Program Performance Report
for 2014/15 (Reference: PPRV 2016-01)

Evaluation:

- [10] Evaluation Report – WIPO's Pilot Project on the Professional Development
of Women (EVAL 2016-02)
- [11] Evaluation Report – WIPO's Assistance to Least Developed Countries
(LDCs) (EVAL 2015-02)

Investigation:

[12] Draft Investigation Policy (IOD/IP/XXX)

ITEM 4: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS

[13] Open Oversight Recommendations (August 4, 2016)

ITEM 5: DIRECTOR, IOD – HR UPDATE

No document: Oral account.

ITEM 6: UPDATE ON JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

[14] Joint Inspection Unit (JIU) Recommendations addressed to Executive Heads of JIU participating Organizations – Status as at end April 2016 – (May 20, 2016)

[15] Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations (WO/PBC/25/6)

ITEM 7: FINANCIAL REPORTING: PROGRAM PERFORMANCE REPORT

[16] Program Performance Report (WO/PBC/25/7)

ITEM 8: EXTERNAL AUDIT

[17] Report by the External Auditor (document WO/PBC/25/4)

**ITEM 9: A. HR MANAGEMENT, UPDATE ON POLICIES REVIEW:
B. INFORMATION ASSURANCE STRATEGY**

No document: Oral account.

ITEM 10: ETHICS

[18] Annual Report by the Ethics Office (document WO/CC/73/2)

ITEM 11: REVISION OF THE INTERNAL OVERSIGHT CHARTER

ITEM 12: ANNUAL REPORT TO THE PBC 25

[19] Report by the WIPO Independent Advisory Oversight Committee (IAOC) – (WO/PBC/25/2)

ITEM 13: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

No document: Oral account.

ITEM 14: OTHER MATTERS

[20] Report – Forty-First Session (WO/IAOC/41/2)

[21] Report of the WIPO Independent Advisory Oversight Committee (IAOC) Selection Panel (WO/PBC/25/3)

[22] Information Circular No. 22/2016 – Appointment in the Office of the Legal Counsel, Office of the Director General

[23] Information Circular No. 26/2016 – Disciplinary measures applied in WIPO during the period January-December 2015

[End of Annex II and of document]