

## **WIPO Independent Advisory Oversight Committee**

**Forty-Seventh Session**  
**Geneva, December 12 to 15, 2017**

REPORT

*adopted by the WIPO Independent Advisory Oversight Committee*

## **INTRODUCTION**

1. The 47<sup>th</sup> session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from December 12 to 15, 2017. Present were Misses Tatiana Vasileva and Maria Vicien-Milburn, Messrs. Mukesh Arya, Egbert Kaltenbach (Acting Chair), Othman Sharif and Zhang Long. Mr. Gabor Amon sent apologies for his absence.

### **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 46<sup>th</sup> session.

### **AGENDA ITEM 3: MEETING WITH THE DIRECTOR GENERAL**

4. The Director General provided the Committee with an overview on WIPO's achievements in 2017 and an outlook on the trends and initiatives in 2018. He highlighted the need to continue improving WIPO's platforms and systems, in particular for the Madrid System.

5. The Director General informed the Committee that the procurement process for the engagement of an External Reviewer for the purposes of filing, analyzing and reporting on the Financial Disclosure and Declaration of Interests (FDDI) statements and the International Public Sector Accounting Standards (IPSAS) disclosures was well underway.

### **AGENDA ITEM 4: INTERNAL OVERSIGHT: PROPOSED OVERSIGHT PLAN 2018**

6. The Committee reviewed the Internal Oversight Division (IOD) activity report and was pleased to note that despite staff constraints, most assignments will be completed as planned. While no oversight reports were issued since the 46<sup>th</sup> session in October, IOD expects to issue two additional audit reports before the end of 2017, namely on the Audit of Software Asset Management and on the Audit of Recruitment. The Committee welcomed the ongoing self-assessment of the internal audit function as a way to continuously improve internal audit activities.

7. The Committee was informed that the recruitment of a new Chief, Internal Audit Section, would take longer than expected.

8. The Committee reviewed with the Director, IOD, the proposed Oversight Plan for 2018. The Committee was satisfied with the risk-based approach taken and the methodology applied. The six internal audits and four evaluations planned focus on high-risk areas. The Committee made a number of suggestions to further improve the format and presentation of the Oversight Plan. IOD will incorporate those suggestions in the final Oversight Plan.

#### *Internal Audit*

9. The Committee reviewed together with the Director, IOD, and the senior managers concerned, the Audit Report on the Management of Third Party Events organized/hosted by WIPO, issued on September 29, 2017, and available on the WIPO website.

10. The audit report showed that WIPO facilities have become increasingly attractive for organizing or hosting third party events, as more than 90 non-WIPO events were organized and/or hosted between January 2016 and April 2017.

11. While the overall responsibility for organizing/hosting third party events has been assigned to the Protocol and Event Management Section, the audit found that certain roles and responsibilities need to be further clarified. The audit recommended developing a strategy and comprehensive policy for organizing/hosting events for third parties and to develop related procedures and guidelines. The audit also called for establishing the financial, human and other resources required to organize/host such events and to avoid negative repercussions on WIPO's core resources, for example in the areas of safety and security and premises management. The audit also recommended developing a consistent methodology for determining the cost and applying an appropriate cost-recovery mechanism.

12. The Committee is pleased that Management has accepted the audit recommendations made and has already started developing a strategy and policy. The Committee stands ready to review and provide advice on a proposed strategy and policy, if requested.

#### *Investigations*

13. With regard to investigations, the Committee was informed that there are currently 24 open cases, the vast majority of which result from complaints received in 2017. The Committee was satisfied with the overall timeliness of addressing complaints and provided advice on several cases. The Committee shares IOD's concerns that serial, and possibly frivolous, complaints absorb limited investigation capacity and supports IOD's intention to deal more assertively with such complaints.

14. The activity reports submitted by IOD contain a breakdown of complaints received by category of alleged misconduct which facilitates identifying and analyzing trends. The Committee suggested providing such a breakdown also concerning those cases which have been substantiated by an investigation.

#### **AGENDA ITEM 5: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS**

15. The Committee reviewed together with the Director, IOD and the Assistant Director General, Administration and Management Sector, the current status of oversight recommendations. Since the last update in September 2017, one recommendation was added and nine recommendations were closed, reducing the total number of recommendations to 188. Fifty-three per cent of those recommendations have been categorized as high priority. As many as 39 recommendations stem from oversight reports issued in 2014 or earlier.

16. The Committee welcomes the new format for reporting open recommendations but feels that more could be done to address the long outstanding ones. The Committee suggested that IOD and Management analyze whether the original recommendations are still valid in all cases or whether changing circumstances would call for a reassessment and modification of certain recommendations.

#### **AGENDA ITEM 6: UPDATE ON FINANCIAL MANAGEMENT**

17. The Controller briefed the Committee on WIPO's financial situation and on WIPO's Policy on Investments which was recently approved by the WIPO General Assembly.

18. The Controller also informed the Committee on steps taken to report on program and financial performance for the biennium 2016-2017 in the format of the new Program and Financial Management Report (PFMR) as approved by the WIPO General Assembly when

adopting the amendments to the Financial Regulations. The Committee is pleased that the new consolidated format will be implemented for the period 2016-2017 and looks forward to reviewing the upcoming report.

#### **AGENDA ITEM 7: BRIEFING ON GLOBAL INFRASTRUCTURE SECTOR**

19. The Assistant Director General, Global Infrastructure Sector, provided a very comprehensive briefing on the functions and major activities of the Sector. He highlighted, *inter alia*, WIPO's role as a world repository of IP data and its expertise regarding IP data analytics.

#### **AGENDA ITEM 8: ETHICS: PROPOSED WORKPLAN 2018**

20. The Committee had planned to review and provide advice on the proposed 2018 workplan of the Ethics Office and to review the progress made in implementing the 2017 workplan of the Ethics Office. As the Committee did not receive the documents requested, it was not able to do so. The Chief Ethics Officer explained that the Committee's request for a proposed workplan was premature and that there had been no reportable activities since the last IAOC session in October 2017.

21. The Committee regrets that due to the situation described, it was not in a position to discharge its responsibilities with regard to the ethics function, mandated by the Committee's Terms of Reference.

22. The Committee reemphasizes the need to design a retaliation complaint form in order to guide potential complainants through the process and to ensure that complaints submitted, if any, contain all the information required for a timely and proper assessment. The Committee also reiterates the need for IOD and the Ethics Office to jointly prepare a standard operating procedure on proactive whistleblower protection in order to ensure that such cases are handled correctly and consistently.

#### **AGENDA ITEM 9: ELECTION OF CHAIR AND VICE-CHAIR FOR 2018**

23. The IAOC re-elected Mr. Gabor Amon as Chair and Mr. Egbert Kaltenbach as Vice-Chair, in accordance with its Terms of Reference and Rules of Procedure.

#### **AGENDA ITEM 10: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

24. As provided in its Terms of Reference, an information meeting was held with Member States. The Committee briefed representatives of Member States on deliberations during the present session and responded to questions posed by the attending delegates.

#### **AGENDA ITEM 11: OTHER MATTERS**

##### *Sessions in 2018*

25. After consultation with the Secretariat, the IAOC agreed on the following dates for its sessions in 2018:

- IAOC 48<sup>th</sup> session – March 19 to 23, 2018
- IAOC 49<sup>th</sup> session – July 2 to 5, 2018
- IAOC 50<sup>th</sup> session – October 15 to 19, 2018
- IAOC 51<sup>st</sup> session – December 4 to 7, 2018

*Next Session*

26. The IAOC's next session will take place from Monday, March 19 to Friday, March 23, 2018. The draft Agenda for that session is as follows:

- (1) Adoption of the Agenda
- (2) Matters arising from previous sessions
- (3) Meeting with the Director General
- (4) Internal Oversight
- (5) Draft Financial Report and Financial Statements 2017
- (6) WIPO Policy on Investments
- (7) Update on HR Management
- (8) Briefing on Patents and Technology Sector
- (9) Ethics
- (10) Review of IAOC Terms of Reference
- (11) IAOC Self-Assessment
- (12) Information Meeting with Member States' Representatives
- (13) Other Matters

[Annexes follow]



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WO/IAOC/47/1  
ORIGINAL: ENGLISH  
DATE: DECEMBER 12, 2017

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### AGENDA

*adopted by the WIPO Independent Advisory Oversight Committee*

1. Adoption of the Agenda
2. Matters arising from previous Sessions
3. Meeting with the Director General
4. Internal Oversight: Proposed Oversight Plan 2018
5. Follow-up on Oversight Recommendations
6. Update on Financial Management
7. Briefing on Global Infrastructure Sector
8. Ethics: Proposed Workplan 2018
9. Election of Chair and Vice-Chair for 2018
10. Information Meeting with Member States' Representatives
11. 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] Agenda
- [02] Timetable
- [03] List of Documents
- [04] IAOC Rolling Agenda, 44<sup>th</sup> to 51<sup>st</sup> sessions

**ITEM 2: MATTERS ARISING FROM PREVIOUS SESSIONS**

- [05] IAOC Action List

**ITEM 3: MEETING WITH THE DIRECTOR GENERAL**

No document: Oral account.

**ITEM 4: INTERNAL OVERSIGHT: PROPOSED OVERSIGHT PLAN 2018**

*Internal Oversight Division:*

- [06] IOD Activity Report – up to November 28, 2017  
(Reference: IOD-IAOC-2017/04)
- [07] Internal Oversight Division (IOD) Draft 2018 Oversight Plan  
(Reference: IOD/WP/2018/1) December 8, 2017

*Internal Audit:*

- [08] IOD Audit Report: *Management of Third Party Events Organized/Hosted by WIPO*, September 29, 2017 (Reference: IA 2017-02)

*Investigation*

**ITEM 5: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS**

[09] Open Oversight Recommendations as at November 27, 2017

**ITEM 6: UPDATE ON FINANCIAL MANAGEMENT**

No document: Oral account.

**ITEM 7: BRIEFING ON GLOBAL INFRASTRUCTURE SECTOR**

[10] WIPO Programs to develop Global Technical IP Infrastructure (presentation)

**ITEM 8: ETHICS: PROPOSED WORKPLAN 2018**

Documents not furnished:

[11] *Ethics Office Progress Report 2017*

[12] *Ethics Office proposed Workplan 2018*

**ITEM 9: ELECTION OF CHAIR AND VICE-CHAIR FOR 2018**

No document

**ITEM 10: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

No document: Oral account.

**ITEM 11: OTHER MATTERS**

[13] Report – Forty-Sixth Session (WO/IAOC/46/2)

[14] Information Circular No. 28/2017 – *Amendments to the Financial Regulations and Rules of the World Intellectual Property Organization*

[15] Information Circular No. 29/2017 – *Amendments to the Policy on Investments and WIPO Policy on Investments*

[16] Information Circular No. 31/2017 – *Amendments to the Staff Regulations and Rules (No. 21) – Amendments made following the Seventy-Fourth (48<sup>th</sup> Ordinary) Session of the WIPO Coordination Committee*

[17] Office Instruction No. 35/2017 – *General Principles and Basic Rules of Procurement*

[18] Office Instruction No. 36/2017 – *WIPO Policy on Financial Disclosure and Declaration of Interests*

[19] IAOC Self-Assessment Questionnaire, December 2017

[End of Annex II and of document]