

WIPO Independent Advisory Oversight Committee

Fiftieth Session
Geneva, October 15 to 19, 2018

REPORT

adopted by the WIPO Independent Advisory Oversight Committee

INTRODUCTION

1. The 50th session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from October 15 to 19, 2018. Present were Misses Tatiana Vasileva and Maria Vicien-Milburn, Messrs. Gabor Amon, Mukesh Arya, Egbert Kaltenbach and Othman Sharif. Mr. Zhang Long sent apologies for his absence.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

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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: CONFLICT OF INTEREST DECLARATION

3. Members present were asked to disclose any actual or potential conflict of interest. No conflict of interest was reported.

AGENDA ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION

4. The IAOC took stock of the actions carried out following the decisions taken at its 49th session.

AGENDA ITEM 4: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE, WIPO GENERAL ASSEMBLY AND WIPO COORDINATION COMMITTEE

5. At its 50th session, the WIPO General Assembly approved the amendments to the IAOC Terms of Reference and to the Internal Oversight Charter, as proposed by the IAOC and endorsed by the 28th session of the Program and Budget Committee. These amendments clarify and reinforce the Committee's role and responsibilities in the various oversight areas. The Committee is grateful for the confidence expressed by Members States and will continue making every effort to contribute to effective oversight in WIPO and to meet Member States' expectations in that regard.

AGENDA ITEM 5: MEETING WITH THE DIRECTOR GENERAL

6. The Director General briefed the Committee on developments in the field of Intellectual Property and on major WIPO projects and initiatives.

AGENDA ITEM 6: INTERNAL OVERSIGHT

7. The Committee discussed with the Director, Internal Oversight Division (IOD), the IOD Activity Report and was satisfied with the progress made in implementing the IOD 2018 workplan.

8. The Committee congratulated the new Head, Internal Audit Section, Mr. Alain Garba, on his appointment. The Committee was informed that the Senior Investigator would join IOD shortly, that the recruitment of an Evaluation Officer was being finalized and that the recruitment process for a Senior Internal Auditor was ongoing.

9. The Committee met in a private session with the Director, IOD.

Evaluations

10. The Committee reviewed, together with the Director, IOD and Management, three evaluation reports: *Evaluation of Program 18: IP and Global Challenges*, issued on April 19,

2018, *Thematic Evaluation of Capacity Development of Intellectual Property Skills*, issued on May 31, 2018, and *Evaluation of the Pilot Program on Professional and Career Development (Phase 2)*, issued on September 28, 2018. All three reports have been published on WIPO's website. The Committee stressed, once again, the need to establish realistic deadlines for the implementation of recommendations to avoid repeated revision of target dates.

Investigations

11. The Committee was briefed on the status of investigation cases. As of October 17, 2018, there were 12 pending investigation cases, of which five were under preliminary evaluation and three under full investigation. Three cases were on hold, as the staff members concerned went on sick leave after they were notified that they were the subject of an investigation. Of the 12 pending cases, one was registered in 2016, four were registered in 2017 and seven in 2018. Since the last session of the Committee, eight cases have been closed, in none of which the allegations of misconduct were substantiated.

12. As required by the Internal Oversight Charter (Section E: Conflict of Interest), the Committee provided advice on how to proceed in a number of investigation cases. In one case, there were dissenting views between the Committee and the recipients of the advice on whether the decision taken constituted a deviation from the recommendation provided by the Committee.

AGENDA ITEM 7: EXTERNAL AUDIT

13. The Committee discussed with the External Auditor, National Audit Office (NAO), United Kingdom, their audit planning report on the 2018 Financial Statement Audit, in particular their risk assessment and planned audit focus. The Committee commended the External Auditor on the analysis provided and concluded that the audit plan covered the significant audit risks, including areas of special interest or potential concern to Member States.

14. The Committee agreed with the External Auditor on the timing of future periodic interaction, such as discussion of the Interim Management Letter and of the Audit Completion Report.

15. The Committee also met in a private session with the External Auditor.

AGENDA ITEM 8: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS INCLUDING JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

14. The Committee was informed that as of September 15, 2018, the number of open oversight recommendations had decreased to 168, 54 of which were issued in 2018. 34 per cent of the open recommendations were past their targeted implementation dates.

15. The Committee noted that considerable progress had been made on a number of recommendations shown as pending. The Committee invited IOD and Management to explore ways how to reflect such partial implementation and the resulting impact on the risk level.

16. The Committee reviewed the status of recommendations made by the Joint Inspection Unit (JIU) and addressed to Executive Heads. The Committee noted that there were only 18 outstanding recommendations from JIU reports issued in 2018 and prior years, most of which were under active implementation. Seven out of the 18 recommendations required joint action by the organizations in the Chief Executives Board.

AGENDA ITEM 9: RISK MANAGEMENT AND INTERNAL CONTROLS

17. The Director, Program Planning and Finance and the Assistant Controller provided the Committee with an update on the actions taken, in progress and planned, for strengthening the WIPO Internal Control Framework. The Committee welcomed in particular the upcoming launch of the e-learning program on Fraud Awareness and the ongoing revision of WIPO's Anti-Fraud Policy. The Committee also commended Management on the increased use of data analytics for control automation and for reporting on exceptions. To avoid duplication with such in-built controls, IOD is planning to redesign and refocus its Continuous Auditing activities.

AGENDA ITEM 10: SECURITY AND INFORMATION ASSURANCE

18. The Chief Security Officer, Security and Information Assurance Division (SIAD) and the Head of the Safety and Security Coordination Service provided the Committee with an update on WIPO's Information Assurance Strategy 2016-2020 and the Strategic Security Plan 2016-21. The Committee is aware that the high-risk area of information security is most critical for WIPO's continued business success. It was satisfied with the structured approach taken, the analysis provided and the steady progress in implementing the projects contained in the 2016-20 Enterprise Information Assurance Plan. The Committee also welcomed the planned review by IOD of the implementation of the Information Assurance Strategy.

19. The Committee was also briefed on the Strategic Security Plan 2016-21 and on the planned outcomes and status of the various projects under this plan.

AGENDA ITEM 11: BRIEFING ON GLOBAL ISSUES SECTOR

20. The Assistant Director General, Global Issues Sector and his team of senior managers provided a briefing on the functions and major activities of the Sector. The Committee appreciated the information provided, which helped to better understand the business context for its oversight responsibilities.

AGENDA ITEM 12: ETHICS

21. The Committee reviewed the Annual Report 2017 of the Ethics Office (Document WO/CC/75/INF/2), noting that the report contained only limited quantitative data.

22. The Committee discussed with the Chief Ethics Officer her activities in 2018; while a written progress report on the implementation of the 2018 workplan was not available as requested, the Chief Ethics Officer provided an oral update on major activities and projects. The Chief Ethics Officer informed the Committee that the roll-out of the new Financial Disclosure and Declaration of Interests (FDDI) Policy had been successful but had also revealed the need for certain amendments to the policy and changes to the IT platform used. She also highlighted the outreach activities to managers which focused on "respectful communications" and on sensitizing managers on WIPO's zero tolerance for harassment.

23. In May 2018, the Committee had provided extensive comments on the draft revised Office Instruction on the WIPO Ethics Office, welcoming the proposed revision and suggesting a number of additional changes. The Committee had suggested in particular to clearly outline the interaction between the Ethics Office and the Committee and to reflect developments in the field of ethics in the UN system. No action has been taken since then (see WO/IAOC/49/2).

24. The Committee invited the Chief Ethics Officer to resume work on the draft revised Office Instruction and to reflect therein the provisions of the amended Terms of Reference of the IAOC, as approved by the WIPO General Assembly at its 50th session. The Committee stands

ready to review and provide additional comments, if any, on the revised proposed Office Instruction.

25. The Committee reviewed the status of implementation of the audit recommendations emanating from the March 2017 review of the WIPO Ethical Framework (Ref. IA 2016-06). The Committee noted that seven out of the twelve recommendations made have been implemented, while five recommendations are shown as “pending”. While most of the outstanding recommendations require the involvement and contribution of other actors, the Committee wishes to emphasize that the primary ownership and responsibility for implementation rests with the Ethics Office. The Committee requested the Chief Ethics Officer to provide, at its 51st session, information on the steps already taken and on the actions envisaged towards full implementation and their timing.

AGENDA ITEM 13: OMBUDSPERSON

26. The Committee discussed with the Ombudsperson his Activity Report for 2017, issued on August 15, 2018, and the main observations and recommendations contained within the report. The Ombudsperson also briefed the Committee on the implementation of the Conflict Prevention Relays.

27. In the view of the Committee, Member States may benefit from the information contained in the Activity Report of the Ombudsperson. WIPO may therefore consider submitting future reports to the Coordination Committee.

AGENDA ITEM 14: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

28. 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 15: OTHER MATTERS

WIPO Investment Reports

29. Management submitted to the Committee the Investment Performance Reports and the Investment Monitoring Reports for July and August 2018, prepared by the investment advisors and the Custodian, respectively. The corresponding reports for September 2018 were not yet available.

30. The Committee reviewed the documents received and confirms that the information provided shows that during the period reviewed, and based on the investment market benchmark, all the vehicles in WIPO's investment portfolio delivered the expected results and were managed in accordance with the stated strategy.

31. In addition, the Committee confirms that the Custodian did not report any breaches, active or passive, nor justified exceptions.

IAOC Rolling Agenda

32. The Committee prepared its “Rolling Agenda” (workplan) for 2019, covering its 52nd to 55th sessions.

Next Session

33. The IAOC's next session will take place from Monday, December 3 to Friday, December 7, 2018. The draft Agenda for that session is as follows:

- (1) Adoption of the Agenda
- (2) Conflict of Interest Declaration
- (3) Matters arising from previous Session
- (4) Meeting with the Director General
- (5) Internal Oversight: Proposed Workplan 2019
- (6) Follow-up on Oversight Recommendations
- (7) External Audit
- (8) Briefing on Development Sector
- (9) Ethics: Proposed Workplan 2019
- (10) Election of Chair and Vice-Chair for 2019
- (11) Information Meeting with Member States' Representatives
- (12) Other Matters

[Annexes follow]



WO/IAOC/50/1
ORIGINAL: ENGLISH
DATE: NOVEMBER 19, 2018

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AGENDA

adopted by the WIPO Independent Advisory Oversight Committee

1. Adoption of the Agenda
2. Conflict of Interest Declaration
3. Matters arising from previous sessions
4. Matters arising from the Program and Budget Committee, WIPO General Assembly and WIPO Coordination Committee
5. Meeting with the Director General
6. Internal Oversight
7. External Audit
8. Follow-up on Oversight Recommendations including Joint Inspection Unit (JIU) Recommendations
9. Risk Management and Internal Controls
10. Security and Information Assurance
11. Briefing on Global Issues Sector
12. Ethics
13. Ombudsperson
14. Information Meeting with Member States' Representatives

15. Other Matters

[Annex II follows]



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LIST OF DOCUMENTS

ITEM 1: ADOPTION OF THE AGENDA

- [01] Agenda
- [02] Timetable
- [03] List of Documents
- [04] IAOC Rolling Agenda, 44th to 51st sessions

ITEM 2: CONFLICT OF INTEREST DECLARATION

No document:

ITEM 3: MATTERS ARISING FROM PREVIOUS SESSIONS

- [05] IAOC Action List

ITEM 4: MATTERS ARISING FROM THE PROGRAM AND BUDGET COMMITTEE, WIPO GENERAL ASSEMBLY AND WIPO COORDINATION COMMITTEE

- [06] Report by the WIPO Independent Advisory Oversight Committee (IAOC), July 31, 2018 (Document WO/GA/50/1)
- [07] Amendments to the Terms of Reference of the WIPO Independent Advisory Oversight Committee and to the Internal Oversight Charter, July 23, 2018 (Document WO/PBC/28/3)
- [08] Annual Report on Human Resources, July 23, 2018 (Document WO/CC/75/INF/1)
- [09] List of Decisions adopted by the Program and Budget Committee (PBC) September 12, 2018 (Document WO/PBC/28/14)

ITEM 5: MEETING WITH THE DIRECTOR GENERAL

No document: Oral account.

ITEM 6: INTERNAL OVERSIGHT

Internal Oversight Division:

[10] IOD Activity Report – October 1, 2018 (Reference: IOD-IAOC-2018/03)

[11] Annual Report by the Director of the Internal Oversight Division (IOD), July 23, 2018 (Document WO/GA/50/2)

Evaluation:

[12] Evaluation Report: *Evaluation of Program 18: IP and Global Challenges, Final Report*, April 19, 2018 (Reference: EVAL 2017-03)

[13] Evaluation Report: *Evaluation of Capacity Development of Intellectual Property Skills, Final Report*, May 31, 2018 (Reference: EVAL 2017-05)

[14] Evaluation Report: *Evaluation of the Pilot Program on Professional and Career Development, Phase 2*, September 28, 2018 (Reference: EVAL 2018-01)

Investigation:

ITEM 7: EXTERNAL AUDIT

[15] Audit Planning Report on the 2018 Financial Statement Audit (October 2018)

ITEM 8: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS INCLUDING JOINT INSPECTION UNIT (JIU) RECOMMENDATIONS

[16] Open Oversight Recommendations to September 15, 2018 (September 27, 2018)

[17] Joint Inspection Unit (JIU) Recommendations addressed to Executive Heads of JIU Participating Organizations – status as at mid-May 2018

[18] Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations, July 6, 2018 (Document WO/PBC/28/6)

ITEM 9: RISK MANAGEMENT AND INTERNAL CONTROLS

[19] *Strengthening the WIPO Internal Control Framework – 2018/19*, (October 2018)

ITEM 10: SAFETY AND INFORMATION ASSURANCE

[20] PowerPoint presentation: Security and Information Assurance Briefing (October 18, 2018)

ITEM 11: BRIEFING ON GLOBAL ISSUES SECTOR

[21] Presentation on Global Issues Sector – October 2018

ITEM 12: ETHICS

[22] Annual Report by the Ethics Office, July 23, 2018 (Document WO/CC/75/INF/2)

ITEM 13: OMBUDSPERSON

[24] Activity Report, January 1, 2017 to December 31, 2017 (August 15, 2018)

[25] Launch of the Relays Network (July 20, 2018)

[26] "*Conflict prevention Relays - practical information*" (July 20, 2018)

[27] WIPO Conflict Prevention Relays – Terms of Reference (June 14, 2017)

ITEM 14: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES

No document: Oral account.

ITEM 15: OTHER MATTERS

[28] Report – Forty-Ninth Session (WO/IAOC/49/2)

Investment Reports:

[29] Credit Suisse – Investment Monitoring Reports for July and August 2018

[30] MBS Capital Advice – Investment Performance Reports for July and August 2018

[End of Annex II and of document]