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WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

Program and Budget Committee

Twenty-Fourth Session
Geneva, September 14 to 18, 2015

ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT
DIVISION (IOD)

prepared by the Secretariat

1.   In accordance with paragraph 38 of the Internal Oversight Charter (IOC), the Director,
Internal Oversight Division (IOD), shall present a status report in writing to the Program and
Budget Committee (PBC). The report provides information on IOD's main activities between
July 1, 2014 and June 30, 2015.

2.   The following decision paragraph is proposed.

> *3.   The Program and Budget
> Committee took note of the Annual
> Report of the Director of the Internal
> Oversight Division (IOD)
> (document WO/PBC/24/6).*

[Annual Report by Director, IOD
follows]

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ANNEXES

LIST OF ACRONYMS

BCM	Business Continuity Management
CII	Conference of International Investigators
CPE	Country Portfolio Evaluation
HR	Human Resources
HRMD	Human Resources Management Department
IAOC	Independent Advisory Oversight Committee
IOD	Internal Oversight Division
IIA	Institute of Internal Auditors
IOC	Internal Oversight Charter
IP	Intellectual Property
IPPF	International Professional Practices Framework
IT	Information Technology
JGP	Joint Grievance Panel
JIU	Joint Inspection Unit
LDC	Least Developed Countries
MIR	Management Implication Report
PBC	Program and Budget Committee
PPR	Program Performance Report
RBM	Results based management
RIAS	Representatives of Internal Audit Services
RRP	Rewards and Recognition Program
SMT	Senior Management Team
SRP	Strategic Realignment Program
UN	United Nations
UNEG	United Nations Evaluation Group
UNICC	United Nations International Computing Centre
UNRIS	United Nations Representatives of Investigation Services
WAB	WIPO Appeals Board
WIPO	World Intellectual Property Organization

ANNUAL REPORT OF THE DIRECTOR OF INTERNAL OVERSIGHT DIVISION

July 1, 2014 to June 30, 2015

BACKGROUND

1.   The purpose of WIPO's Internal Oversight Division (IOD) is to provide independent and effective internal oversight for WIPO, in accordance with the provisions set out in the Internal Oversight Charter (IOC).

2.   The IOC requires[1] the Director, IOD to present an annual report to the WIPO General Assembly through the PBC (Annual Report) with a copy to the Director General and the Independent Advisory Oversight Committee (IAOC), of activities undertaken, including orientation and scope of such activities, the schedule of work undertaken and the progress on the implementation of prioritized recommendations. This Report enables major stakeholders and WIPO staff generally to be informed of IOD reports, activities, and the challenges faced by IOD in fulfilling its mandate.

PLANNING PRINCIPLES

3.   In developing its work plan, IOD considered the following factors: risk assessment, relevance, country impact, oversight cycle, feedback received from WIPO management, Member States, and available resources. Prior to its finalization, the draft oversight plan was also submitted to the IAOC, for its review and advice as per IOC paragraph 24 (a).

4.   In order to maximize the oversight coverage and use of its resources in the most efficient way, IOD also considered the work done by other oversight bodies such as the External Auditor, the Joint Inspection Unit (JIU) and evaluations commissioned by the Committee on Development and Intellectual Property (CDIP). This helped avoid "oversight fatigue" in operational areas subject to multiple oversight activities during the reporting period.

5.   Oversight plan for 2015 was issued to all Program Managers and shared with WIPO staff on WIPO's Intranet. The plan for 2014 was completed on time and within budget. The plan for 2015 is currently being implemented as described in Annex I.

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[1] Refer to IOC paragraphs 38 and 39

PROFESSIONAL STANDARDS

6.   For its audit activities, IOD adheres to the International Professional Practices Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). Similarly, in conducting investigative work, IOD is guided by the Uniform Guidelines for Investigations endorsed by the Conference of International Investigators (CII). For evaluation activities, IOD follows international standards in evaluation practice as set out by the United Nations Evaluation Group (UNEG).

SIGNIFICANT INTERNAL OVERSIGHT FINDINGS AND RECOMMENDATIONS

7.   This section contains information on key findings and recommendations, addressing high priority risks, included in internal oversight reports, (audits, evaluations and management implication reports) issued during the reporting period.

8.   The key findings and recommendations are related to the following areas[2:]

(a)   International Cooperation on Building Respect for Intellectual Property (IP);

(b)   Country Portfolio Evaluation (CPE) Chile;

(c)   Rewards and Recognition Program;

(d)   Third Party Risk Management;

(e)   Asset Management;

(f)   WIPO Academy; and

(g)   Safety and Security Services.

9.   Management has already taken action to implement most of the recommendations on the key findings identified in the IOD reports. All recommendations are addressed by Management through an action plan with suggested activities, responsible staff and a deadline for implementation. Open recommendations are managed in the TeamCentral©[3] system, accessible by IOD, WIPO Management and External Auditors. IOD and Management meet regularly to review and update the status of implementation of open recommendations.

EVALUATION OF STRATEGIC GOAL VI - INTERNATIONAL COOPERATION ON BUILDING RESPECT FOR INTELLECTUAL PROPERTY

10.   This assignment was IOD's first evaluation of a strategic objective. The results of this evaluation were positive and the following conclusions could be drawn:

(a)   WIPO's support towards achieving the objectives of Strategic Goal VI was generally considered well managed, essentially through Program 17 (Building Respect for IP);

(b)   Despite some progress, implementation of Results Based Management (RBM) principles by WIPO both in designing and monitoring activities under Strategic Goal VI leaves room for further improvement;

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[2] The list of reports features in Annex II.
[3] TeamCentral© is a module of TeamMate which is specialized software for audit assignments which includes various modules such as electronic working papers; follow up of recommendations, risk assessment and time scheduling.

(c)   The Secretariat provided the right type of high quality and relevant support towards the achievement of Strategic Goal VI and planned objectives;

(d)   Technical assistance was generally delivered efficiently and incorporated the core principles of Development Agenda (DA) Recommendation 45; and

(e)   Although not yet systematic, initial steps were taken towards enhancing sustainability at the level of Member States.

11.   Overall, the work of the Secretariat under Strategic Goal VI was considered efficient, effective and relevant and the improvements made over the evaluation period (2010-2014) were addressing the few challenges identified.

12.   Based on the above conclusions and observations, no recommendations were made to Program 17 or to other contributing programs.

COUNTRY PORTFOLIO EVALUATION (CPE) CHILE

13.   IOD conducted a third CPE in Chile in late 2014, which yielded very positive results: WIPO's services have been relevant and effective; activities implemented in Chile have partially contributed to the achievement of:

(a)   Five out of nine WIPO Strategic Goals; and

(b)   One out of eight components of Chile's National Innovation Policy.

14.   Four recommendations were made for further improvements of effectiveness and relevance of the Secretariat's support to Chile and other Member States:

(a)   Development of a WIPO country plan in coordination with WIPO's programs and the country's coordination focal point before initiation of the planning cycle.

(b)   In accordance with WIPO's Policy on Gender Equality, country plans should include *inter alia* activities contributing to facilitate equal access to the IP system for men and women.

(c)   Future country plans need to be developed with clearer linkages between activities, outputs and outcomes in line with WIPO's Results-based Framework.

(d)   Service Level Agreements between WIPO and government institutions should include plans specifying the contribution of each partner and exit strategies.

REWARDS AND RECOGNITION PROGRAM (RRP)

15.   This evaluation was conducted from September 2014 to January 2015. It included an in-depth desk review, benchmarking with other United Nations (UN) Organizations having implemented similar programs, structured workshops, surveys addressed to the 2008-2014 Senior Management Team (SMT) and to all WIPO staff. Overall four hundred WIPO staff members were consulted.

16.   The evaluation concluded that in-kind and intangible awards should be prioritized and management should:

(a)   Set up a more factual, transparent and to the extent possible documented nomination and selection system;

(b)   Engage staff in recognizing and awarding performance;

(c)   Inform proactively WIPO staff members on the RRP;

(d)   Include clear definition of components, procedures, and reasons for the nomination and selection of staff members; and

(e)   Ensure Human Resources Management Department's (HRMD) support of the RRP implementation, including a regular oversight of the program.

17.   HRMD responded positively and agreed to implement these recommendations. The proposed management action plan includes revision of the RRP Policy, development of a PMSDS handbook on "Showing Recognition" and of an Intranet page on the RRP, as well as the launching of a management proficiency program.

THIRD PARTY RISK MANAGEMENT

18.   The main objectives of this audit were to assess whether WIPO has established mechanisms to identify, assess and effectively manage third party risks to mitigate the related risks and maximize the expected benefit from third party relationships. The audit concluded that third party risks need to be managed in a more formal and systematic manner.

19.   Third party risk management can be more effective if management of service framework agreements is harmonized across WIPO Programs; appropriate due diligence is carried out by external worker agencies when hiring temporary personnel assigned to WIPO, including background and criminal records verifications and sign a confidentiality statement as necessary. Also, risks related to failure of critical suppliers need to be formally integrated in the Organization's Business Continuity Plans.

20.   Management has started taking action on the recommendations. In this regard, the Administrative and Management Sector, in consultation with IOD and the Office of the Legal Counsel (OLC), has already integrated an audit clause in WIPO's General Conditions of Contract, and has taken steps to establish a suppliers' sanction regime for suppliers (commercial entities, professional firms, or NGOs) that are found to have engaged in specified forms of fraud and corruption.

ASSET MANAGEMENT

21.   The audit concluded that the processes for the receipt, recording, safekeeping, maintenance and disposal of physical assets were robust although internal controls, around the tracking and physical verification of assets could be further improved.

22.   Also, addressing the incomplete information in the asset database with regard to location and custodians of assets would enhance data integrity in terms of completeness and accuracy. Utilizing tamper-proof asset tags will reduce the risk of transposing asset tags and errors in physical verification of fixed assets inventories.

23.   With regard to management of works of art, developing a single database for recording of works of art and reconciling the information contained currently in two separate systems would considerably enhance the relevant internal controls. Management is aware of this issue and has already taken appropriate remedial steps.

24.   Defining Key Performance Indicators (KPI) for asset management in the Program and Budget for the next biennium would, improve accountability and responsibility, and enhance current performance monitoring mechanisms to ensure effective and efficient management of WIPO's assets.

WIPO ACADEMY

25.   The WIPO Academy, established in 1998, is a leading provider of training and teaching in IP for the benefit of developing countries, Least Developed Countries (LDCs) and countries with economies in transition. However, in recent years, several other WIPO Programs are increasingly providing development-oriented trainings and capacity building services without always coordinating their activities with the Academy. This has resulted in overlaps in training activities, impacting efficient use of resources and WIPO's image.

26.   While a series of documentation[4] confirm the will of WIPO to reposition the Academy as the core entity for training and capacity-building activities for development, the mandate of the Academy has yet to be formally revised to reflect its new role. Once the new Mandate is formalized, the Academy needs also to develop a strategic business plan to fully address the requirements stemming from its repositioning.

27.   In the meantime, the Academy needs to address the current operational issues. These include harmonizing internal processes and practices; reviewing its current human resource structure and skills set; enhancing its systems to better support operations and program delivery; further developing tools to better measure impact of its activities; and improving its quality control framework to deliver effective and quality services.

SAFETY AND SECURITY SERVICES

28.   The objective of the audit was to determine the adequacy, effectiveness and efficiency of the security measures in place at WIPO and compliance with UN Minimum Operating Security Standards (MOSS). This was IOD's first review of safety and security services, and the results highlighted the following key issues that need to be addressed:

29.   Formalizing and updating security and safety policies and procedures;

(a)   Timely completion of the recruitment process of a new Head of Safety and Security Coordination Service;

(b)   Provision of adequate training to security staff on the administration of new security systems;

(c)   Performing a security review of all recently deployed security systems; and

(d)   Effective management of WIPO parking spaces.

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[4] The Program and Budget (P&B) document for 2014/15, the Draft P&B for 2016/17, a memorandum on the reform of the Academy, sent by the former Executive Director of the Academy, to the Director General in 2013, and the Office Instruction for the appointment of the new Executive Director of the Academy(OI/8/2015)

INVESTIGATIVE ACTIVITIES IN THE REPORTING PERIOD

CASELOAD OVERVIEW

30.   During the reporting period, 26 new inquiry cases were registered and 20 were closed. As of June 30, 2015, 18 cases are pending, including 14 at the preliminary evaluation stage and four at the full investigation stage.

Chart 1 – Comparative Analysis of Investigative caseload June 30, 2011 to June 30, 2015
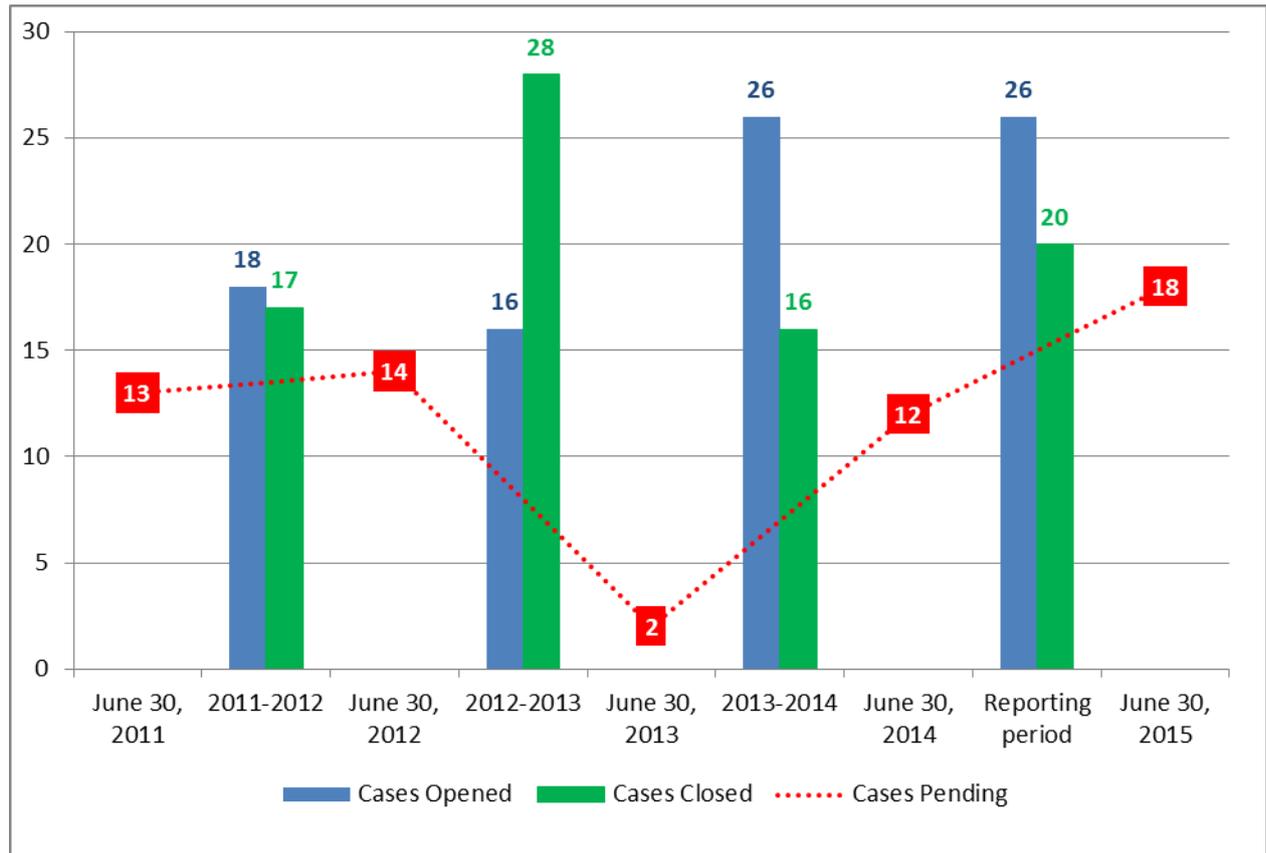
31.   As of June 30, 2015, the average age of cases currently being investigated is 5.1 months.

CASES OPENED IN THE REPORTING PERIOD

32.   Complaints of alleged harassment, discrimination or abuse of authority constituted a significant part of IOD's new cases (eight complaints received in the reporting period).

33.   Five cases were opened in relation to alleged abuse of work time (mostly involving unauthorized absence and fraudulent use of the Flexitime clocking system) compared to only one case in the previous period. Of these five cases, three were opened based on reports from supervisors of the staff members concerned, possibly showing an increase in WIPO managers' awareness of work time issues.

34.   Four cases were opened in relation to alleged wrongdoings during a recruitment selection process (including use of unauthorized materials and plagiarism during written tests) whereas no such case was recorded during the previous period. Only two of the new cases were referred to IOD through the hotline for reporting misconduct. All other cases were registered further to complaints or reports from WIPO staff members, either in their individual capacity or as Management representatives.

35.   Among the new cases, four were referred to the IAOC for its advice in accordance with paragraphs 18 to 21 of the IOC.

OUTCOME OF INVESTIGATIVE ACTIVITIES

36.   Of the 20 cases closed during the reporting period, eight cases had led to the opening of a full investigation either further to a decision by the Director, IOD based on the outcome of a preliminary evaluation (seven cases), or following a referral from the Joint Grievance Panel (JGP) (one case). In five of the cases investigated, IOD found that the allegations were substantiated. Specifically:

    (a)   In three cases, the Director General referred the matter to HRMD for disciplinary action. As a result, two disciplinary sanctions were imposed including one staff dismissal; in the third case, the subject left WIPO employment before the process could be completed;

    (b)   One case resulted in the separation of an external agency worker from WIPO, as recommended by IOD; and

    (c)   The remaining case pertained to a staff member who, at the time of the investigation report, had already left the Organization.

37.   In addition, the investigative activities conducted during the reporting period allowed IOD to draw some lessons. In particular, three Management Implication Reports (MIR) were issued providing five recommendations to improve existing internal controls, IT systems, policies and procedures. Issues brought to management attention related to topics such as work hours enforcement, relationship with external contractors, and information security.

38.   Comparative analysis of cases registered for the period July 1, 2011 to June 30, 2015 are depicted below.

Table 1 – Analysis of complaints received June 30, 2011 to June 2015

	July 1, 2011 - June 30, 2012		July 1, 2012 - June 30, 2013		July 1, 2013 - June 30, 2014		Reporting period	
Harassment/Discrimination/Abuse of Authority	3	(17%)	2	(13%)	6	(23%)	8	(31%)
Wrongdoing by candidate during recruitment selection process	0	(0%)	1	(6%)	0	(0%)	4	(15%)
Other irregular HR practices	1	(6%)	4	(25%)	4	(15%)	0	(0%)
Abuse of work time	0	(0%)	3	(19%)	1	(4%)	5	(19%)
Benefits and Entitlements Fraud	5	(28%)	0	(0%)	1	(4%)	2	(8%)
Misuse of ICT resources	0	(0%)	1	(6%)	1	(4%)	1	(4%)
Other fraudulent, corrupt or abusive practices	4	(22%)	0	(0%)	3	(12%)	4	(15%)
Unauthorized communication of information	3	(17%)	3	(19%)	3	(12%)	1	(4%)
Statements, pronouncements and activities incompatible with the obligations of an international civil servant	2	(11%)	2	(13%)	7	(27%)	1	(4%)
Total	**18**	**(100%)**	**16**	**(100%)**	**26**	**(100%)**	**26**	**(100%)**

Chart 2 – Analysis of Cases Closed June 30, 2011 to June 30, 2015
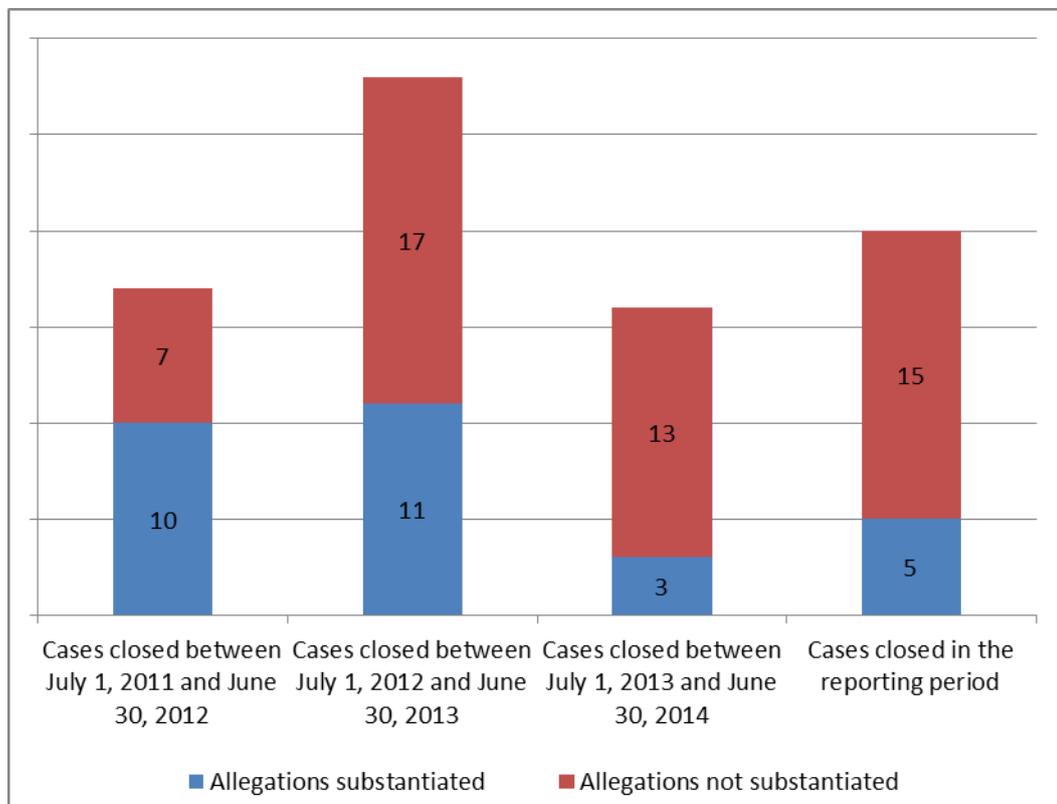
INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

39.   In accordance with paragraph 39 (g) of the IOC, the Director, IOD should report on any instances where IOD's access to records, personnel and premises was restricted during the reporting period.

40.   Six staff members[5] denied an interview request by IOD on medical grounds – either through certified sick leave or using *ad hoc* medical certificates. As a result, eight inquiry cases (four at the preliminary evaluation stage and four at the full investigation stage) were delayed during the reporting period.

STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

41.   The Director General is responsible for ensuring that all recommendations made by the Director, IOD and other oversight entities are responded to promptly, indicating actions taken regarding specific report findings and recommendations[6]. The Director General discharges this responsibility through Program Managers responsible for specific operational areas within the Organization[7]. The implementation of all oversight recommendations by WIPO Program Managers is subject to regular follow-up by IOD[8].

42.   IOD continues to manage and report on recommendations using the TeamCentral© system, which enables interactive dialogue with Program Managers and their delegates for an effective follow-up of implementation of open recommendations.

43.   At the date of the present report, there are 184 open recommendations including 119 that address high risks.

Chart 3 – Recommendation by priority

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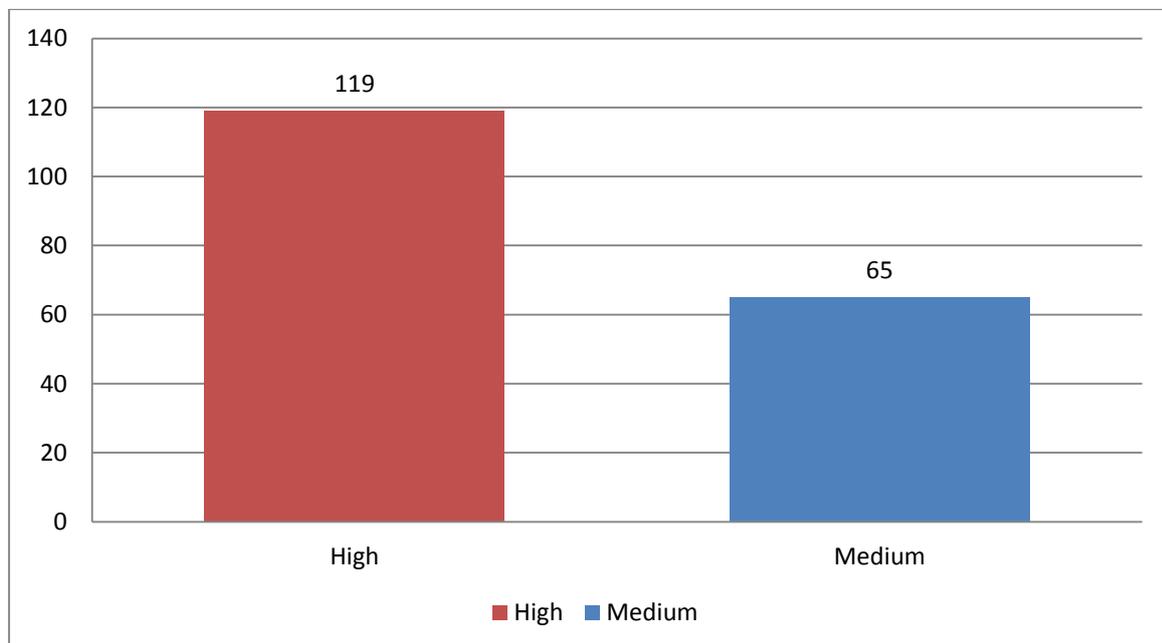
[5]   One staff member is involved in three out of eight cases
[6]   IOC paragraph 36.
[7]   Office Instruction (OI) 16/2010, paragraph 7.
[8]   OI 16/2010 paragraph 8.

Chart 4 – Aging of Oversight Recommendations by priority

High   Medium

	2011	2013	2014	2015
High	1	1	15	102
Medium	0	3	7	55
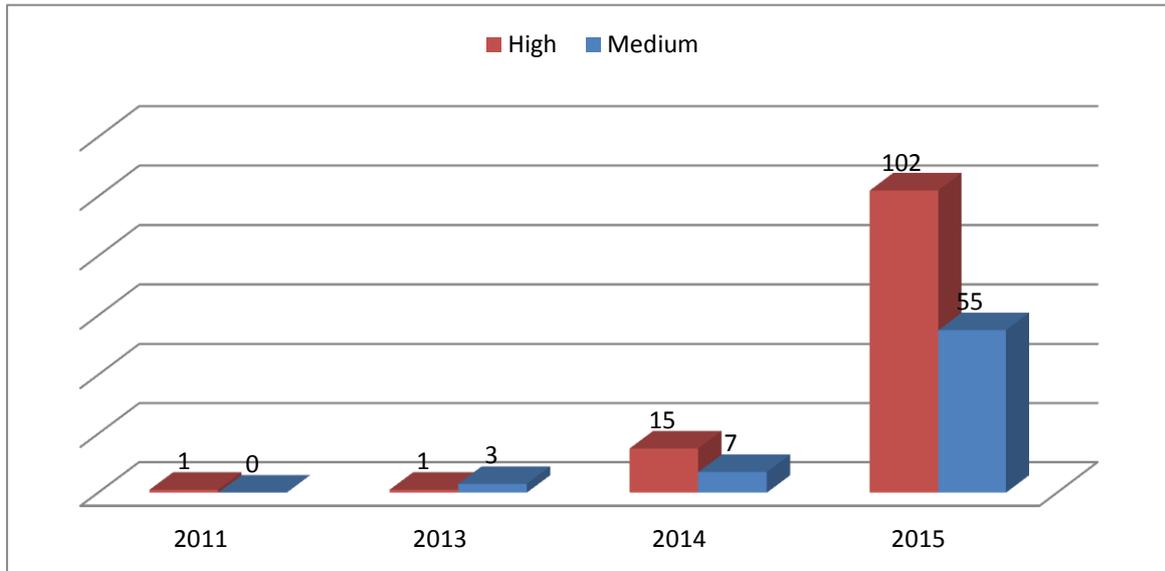
44.   Two high priority recommendations have been open since 2011 and 2013 respectively, and 15 have been open since 2014.

45. As at June 30, 2015, the number of recommendation by WIPO Programs[9] and by priority are as follows:

**Chart 5 –Recommendations by Program and priority**
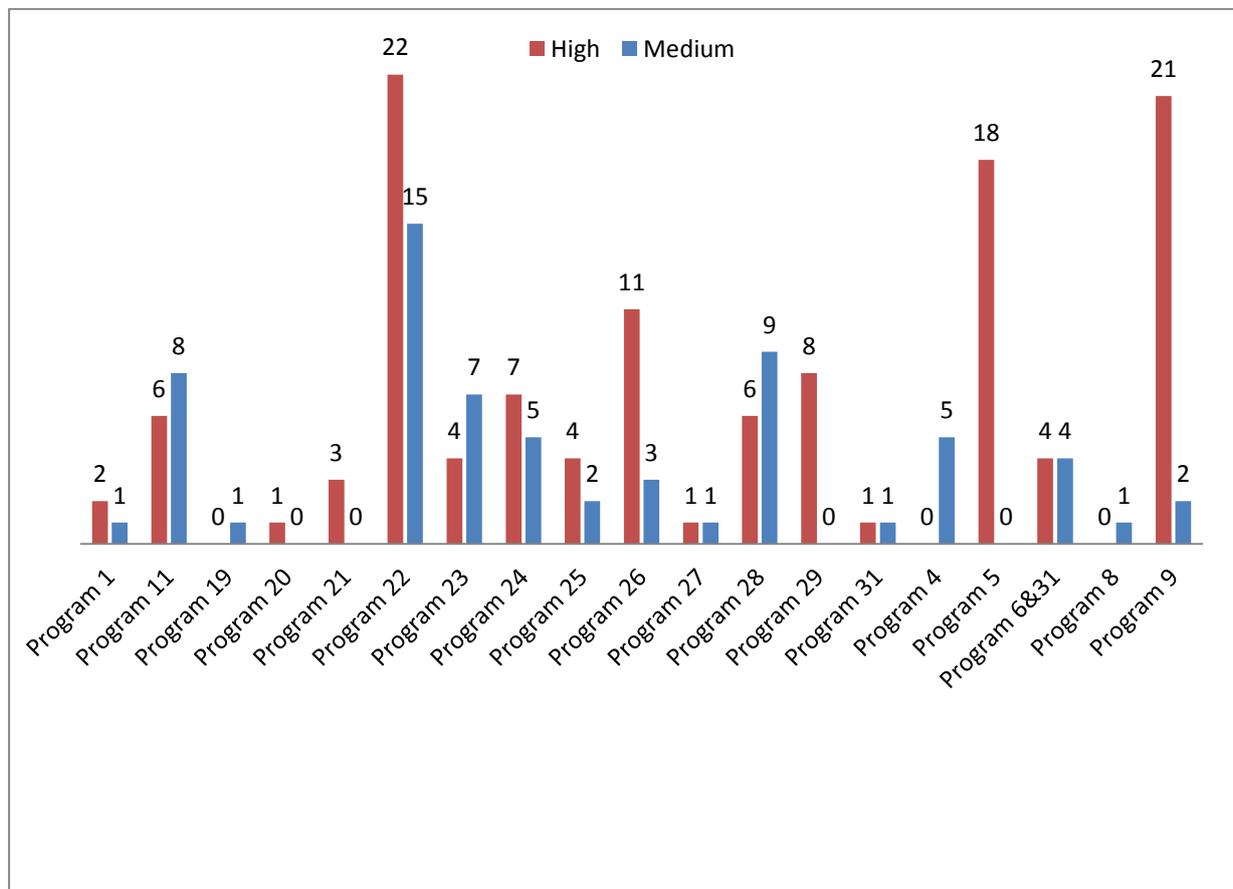
46. Five programs make up 67 per cent of the 119 high priority recommendations, and the highest number of recommendations is addressed to Program and Resource Management (Program 22).

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[9] Program 1 Patent Law, Program 4 Traditional Knowledge, Traditional Cultural Expressions and Genetic Resources ,Program 5 The PCT System ,Program 6 Madrid and Lisbon Systems ,Program 8 Development Agenda Coordination ,Program 9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, ,Least Developed Countries ,Program 11 The WIPO Academy ,Program 14 Services for Access to Information and Knowledge ,Program 19 Communications ,Program 20 External Relations, Partnerships and External Offices ,Program 21 Executive Management ,Program 22 Program and Resource Management ,Program 23 Human Resources Management and Development ,Program 24 General Support Services ,Program 25 Information and Communication Technology ,Program 26 Internal Oversight ,Program 27 Conference and Language Services ,Program 28 Safety and Security, Program 29 New Conference Hall, Program 31 The Hague System

47. As at June 30, 2015 the percentages of open recommendations by source are as follows:

Chart 6 – Oversight Recommendations by source
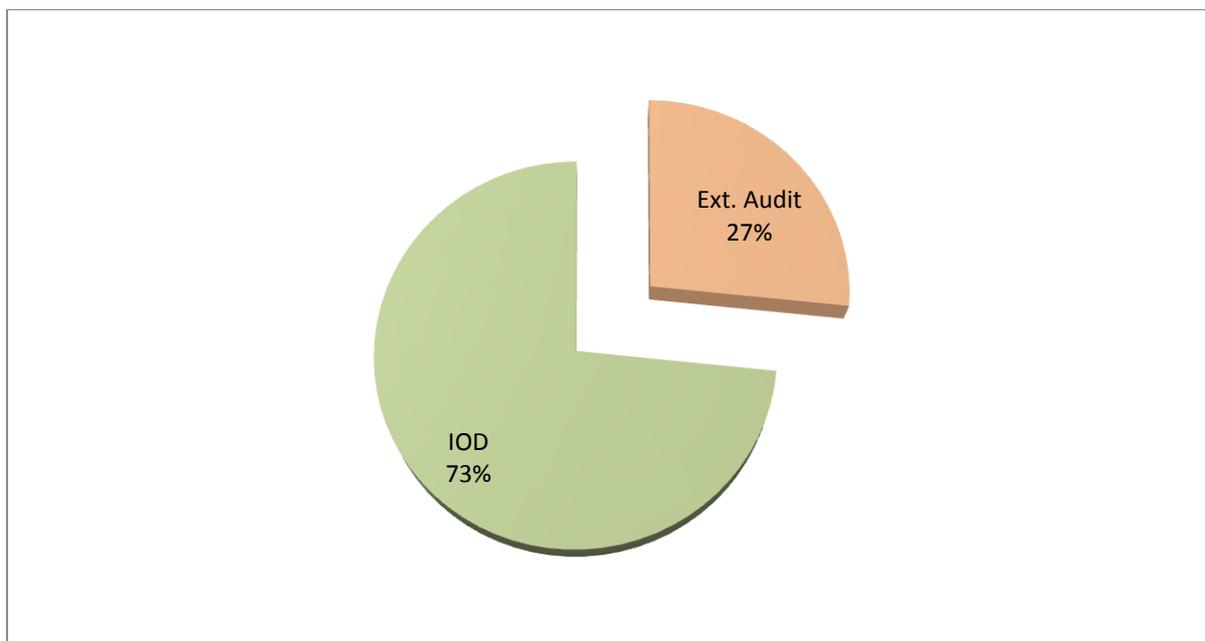
48. This represents a decrease in the number of recommendations from IOD (73 per cent versus 83 per cent in 2014) while the number of recommendations from External Auditors have increased (27 per cent versus 17 percent in 2014).

EXTERNAL ASSESSMENT OF IOD'S WORK

49. Last year, IOD reported on external quality assessments of the internal audit and evaluation functions. At the date of this report, all 11 recommendations made to the Internal Audit function have been implemented, and all pending recommendations (13) from the external quality assessment of the Evaluation function will be addressed through the revised Evaluation Policy. IOD has started its planning for an External Quality Assessment of the Investigation function which is expected to be completed before the year end.

CONSULTATIVE AND ADVISORY OVERSIGHT WORK

50. In addition to its planned oversight work, IOD continued to provide professional advice on organizational policy and procedures, risks management and internal controls. IOD attends the WIPO Investment Committee sessions as observer, and also participates in Risk Management Workshops organized by the Office of the Controller. The list of policy and procedures for which IOD provided advice is annexed to this report (Annex III).

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

51. IOD has been regularly invited by the IAOC to attend its quarterly meetings in order to answer detailed questions concerning the work and functioning of the Division.
The 34th through 37rd meetings of the IAOC took place in the period covered by this report.

52.   IOD has benefitted from the advice and guidance from the IAOC as reflected in the latter's reports[10].

THE EXTERNAL AUDITOR

53.   IOD maintained an excellent working relationship with the External Auditor by having regular meetings on audit, internal control and risk management issues. The External Auditor and IOD shared strategies, annual plans and individual reports with a view to ensuring efficient oversight coverage while avoiding any potential duplication and oversight fatigue.

COOPERATION WITH THE OMBUDSMAN AND THE ETHICS OFFICE

54.   During the reporting period, the Director, IOD met regularly with the Ombudsman and the Ethics Office, as required by the IOC, to ensure good coordination and avoid any unnecessary duplication of activities.

OTHER OVERSIGHT WORK

OUTREACH ACTIVITIES IN THE ORGANIZATION

55.   As part of its ongoing effort to better explain and advocate for its work, IOD took several initiatives to continue to reach out to colleagues within WIPO through participation to Induction Training for new staff, IOD Newsletter and Presentations to Director and Senior Mangers as and when required.

SATISFACTION SURVEY

56.   IOD continued the practice of client satisfaction survey after each assignment to better capture expectations from colleagues and get their feedback on oversight work. Four surveys were received during the reporting period.

57.   The overall satisfaction rate has remained stable at 83 per cent. While survey respondents considered that "the areas selected for audit/evaluation were important to the program/unit/project" (93 per cent), they felt that IOD did not fully take into account their suggestions for areas of audit/evaluation, (73 per cent).

58.   The results of surveys (six) conducted a year after assignments, used to measure the mid-term impact of oversight work, indicated that overall usefulness of the audit/evaluation after a year was rated at 64 per cent, and the highest rate, 70 per cent, was reached for the "relevance of the recommendations"; the lowest rate was 45 per cent, corresponding to "the audit/evaluation assisted you in taking decisions".

59.   The additional comments sent by the audited/evaluated units through the surveys helped IOD identify shortcomings and work on corrective actions.

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[10] WO/IAOC/30/2, WO/IAOC/31/2, WO/IAOC/32/2 and WO/IAOC/33/2

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

60.   The IOC includes specific provisions[11] on participation in various formal networks of the UN for oversight functions. IOD recognizes the value and importance of developing relationships with its peers. During the period under review, IOD continued its active and useful collaboration and networking with other UN organizations and entities. In particular IOD actively participated in:

    (a)   The 44rd Annual Meeting of Representatives of Internal Audit Services (RIAS) of the UN, in Washington in September 2014.

    (b)   The annual UNEG meeting in April 2015 in New York. During the reporting period, IOD was a member of the UNEG "Strategic Objective SO1: Norms and Standards sub-group";

    (c)   The 15th Conference of Internal Investigators and the 2nd meeting of UN Representatives of Investigation Services (UNRIS), both held in in Riva del Garda, Italy in October; and

    (d)   The Heads of Internal Audit in European-based International Organizations meeting, hosted by the European Patent Office, in Munich Germany, In April 2015.

OVERSIGHT RESOURCES

61.   The IOC requires[12] the Director, IOD to comment on the operational independence, the scope of activities and adequacy of resources allocated to internal oversight function.

62.   During the reporting period, no instance/activity occurred that would be considered as jeopardizing the operational independence of IOD. The scope of activities has been decided by the IOD itself receiving comments and feedback from WIPO Management, IAOC and Member States.

BUDGET AND STAFF

63.   IOD work force which was an issue in the past has been improved with 11 staff members[13] on board since 2012. For the 2014/15 biennium, financial resources allocated for external expertise has been sufficient to engage third party service providers to assist IOD in the implementation of its oversight plans.

64.   The post of Head, Investigation section has been filled as of July 1, 2014. Also, IOD recruited on temporary contracts, an Associate Evaluation Officer and a Secretary which helped maintain the same staffing level since 2012.

65.   During the reporting period, Director, IOD transferred to another UN agency effective May 1, 2015. At the time of writing of this report, the recruitment process to fill the vacant post is on-going. Meanwhile, the Head, Internal Audit Section, was appointed as Acting Director, IOD, effective May 8, 2015 until the new Director, IOD takes office.

66.   To discharge its mandate, the current level of resources, 0.76 per cent of WIPO's total budget and 0.98 per cent of WIPO's staff costs, could be considered low compared to some

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[11] IOC paragraph 24 (g)
[12] The IOC paragraph 39 (i)
[13] Eight approved posts and three temporary positions compose the current IOD workforce.

standards such as those recommended by JIU reports on oversight functions[14]. However, the level of current human and financial resources has been adequate for IOD to effectively cover the high priority areas as identified in its work plans. This has been achieved through better coordination of oversight activities with the External Auditor and increased use of Information Technology (IT) tools that led to more efficiency in conducting oversight activities. As there was no significant change in WIPO's Strategic Objectives and the progress made in the implementation of an Organization-wide Risk Management and Internal Control System, the current level of resources could be considered adequate. On the other hand, conversion of temporary positions into fixed term posts in a phased manner would help foster staff motivation and minimize the impact of institutional memory loss due to departure of staff.

Table 2- 2014 IOD Budget and expenditures[15] after transfers

	Approved Budget 2014/15	Budget after transfers 2014/15	Expenditures 2014	Utilization rate (%)
Personnel Resources	4,396	4,358	1,993	46
Non-personnel Resources	720	704	336	48
TOTAL	5,116	5,062	2,329	46

NOTE: The 2014/15 Budget after transfers reflects transfers as of March 31, 2015 to address needs during the 2014/15 biennium in line with Financial Regulation 5.5.

67. During the reporting period, use was made of contracted experts for various oversight activities. This was particularly valuable for work related to evaluations and specialized audits and investigations.

TRAINING

68. Essential for continued professional development of its staff, and in accordance with WIPO training policy, IOD staff attended planned training activities to acquire new knowledge, technical skills and other competencies to increase IOD's operational effectiveness and efficiency in undertaking oversight assignments. Training activities attended by IOD staff members included management of audit function, fraud prevention and detection, investigative research techniques, development evaluation, root-cause analysis, report writing and risk management ©.

[Annexes follow]

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[14] -JIU/REP/2006/2 on oversight lacunae in the UN System which recommends that for organizations with total resources of US$ 250 million to US$ 800 million – 0.60 to 0.90 per cent to be spent on internal oversight;
-JIU/REP/2010/5 the audit function in the UN System which recommends 6 to 10 auditors (not even counting investigators or evaluators) for WIPO; and
-JIU/REP/2011/7 Strengthening the investigation function in the UN System
[15] Source: Expenditure figures as per the PPR 2014. Figures in thousands of Swiss francs.

Status of 2014 Oversight assignments

Plan	Sector	Status
EVAL 2014 – 01 Strategic Goal VI: International Cooperation on Building Respect for Intellectual Property	Global Issues	🟩
EVAL 2014 – 02 Knowledge Sharing in WIPO	All	🟩
EVAL 2014 – 04 Evaluation of Program 30: Small and Medium-sized Enterprises and Innovation	ODG	🟨
EVAL 2014 – 05 Chile Country Portfolio Evaluation	All	🟩
EVAL 2014 – 06 Rewards and Recognition Pilot Program	HRMD	🟩
INV 2014-01 - Abuse of work time	Not relevant	🟩
INV 2014-02 - Statements, pronouncements and activities incompatible with the obligations of an international civil servant	Not relevant	🟩
INV 2014-03 - Irregular HR practices	Not relevant	🟩
INV 2014-04 - Unauthorized communication of information	Not relevant	🟩
INV 2014-05 - Other fraudulent, corrupt or abusive practices	Not relevant	🟩
INV 2014-06 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟩
INV 2014-07 - Unauthorized communication of information	Not relevant	🟩
INV 2014-08 - Other fraudulent, corrupt or abusive practices	Not relevant	🟨
INV 2014-09 - Statements, pronouncements and activities incompatible with the obligations of an international civil servant	Not relevant	🟩
INV 2014-10 - Statements, pronouncements and activities incompatible with the obligations of an international civil servant	Not relevant	🟩
INV 2014-11 - Misuse of ICT resources	Not relevant	🟩
INV 2014-12 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2014-13 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟩
INV 2014-14 - Statements, pronouncements and activities incompatible with the obligations of an international civil servant	Not relevant	🟩
INV 2014-15 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2014-16 - Abuse of work time	Not relevant	🟩
INV 2014-17 - Wrongdoing by candidate during recruitment selection process	Not relevant	🟩
INV 2014-18 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2014-19 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟩
INV 2014-20 - Other fraudulent, corrupt or abusive practices	Not relevant	🟨
INV 2014-21 - Unauthorized communication of information	Not relevant	🟨
VALID 2014-01 Validation of the 2012-2013 Program performance Report (PPR)	WIPO all	🟩
IA 2014-01 Staff benefits and entitlements	HRMD	🟩
IA 2014-02 Events Management	WIPO all	🟩
IA 2014-03 External Assessment of IAOD's internal audit function[1]	IOD	🟩
IA 2014-05 Assets Management	WIPO all	🟩

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[1] Work conducted by external consultants, IOD being the subject of the external assessment.

Plan	Sector	Status
IA 2014-07 Third Party Risk	Cross-cutting	🟩
IA 2013-01 Information Security	Administration and Management	🟩
IA 2013-03 Review of Management of Staff Separation from Service	Human Resources	🟩
IA 2013-05 Review of an SRP initiative: Strengthen Results-Based Management	Cross-cutting	🟩
Advisory and consulting engagements	Cross-cutting	🟨
Networking with Other Agencies	IOD	🟨
Independent Advisory Oversight Committee	IOD	🟨
Other indirect activities	IOD	🟨
Follow-up of open recommendations	All	🟨
Training	IOD	🟨

Code:

🟨	In progress or on-going
🟩	Completed
	Not started

Status of Oversight assignments as of June 30 2015

Plan	Sector	Status
EVAL 2015-01 – Program 3: Copyright and Related Rights	Creative Industries	🟨
EVAL 2015-02 - Evaluation of WIPO's assistance to Least Developed Countries (LDC)	Development	
IA 2015-01 Review of Business Continuity Management (BCM)	Cross-cutting	🟨
IA 2015-02 Audit of WIPO Academy	Development	🟩
IA 2015-03 Audit of WIPO's Ethical Framework[1]	Cross-cutting	
IA 2015-04 Audit of Staff Performance Management	Human Resources	
IA 2015-05 Audit of Safety and Security Services	Safety and Security	🟩
IA 2015-06 Audit of Individual Contractual Services (ICS) Management	Cross-cutting	
IA 2015-07 Audit of Management of Customer Services	Cross-cutting	🟨
INV 2015-01 - Wrongdoing by candidate during recruitment selection process	Not relevant	🟩
INV 2015-02 (for WFP) - Misuse of ICT resources	Not relevant	🟩
INV 2015-03 - Abuse of work time	Not relevant	🟨
INV 2015-04 - Other fraudulent, corrupt or abusive practices	Not relevant	🟩
INV 2015-05 - Abuse of work time	Not relevant	🟨
INV 2015-06 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2015-07 - Benefits and Entitlements Fraud	Not relevant	🟩
INV 2015-08 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2015-09 - Benefits and Entitlements Fraud	Not relevant	🟩
INV 2015-10 - Statements, pronouncements and activities incompatible with the obligations of an international civil servant	Not relevant	🟩
INV 2015-11 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2015-12 - Other fraudulent, corrupt or abusive practices	Not relevant	🟩
INV 2015-13 - Abuse of work time	Not relevant	🟨
INV 2015-14 - Wrongdoing by candidate during recruitment selection process	Not relevant	🟨
INV 2015-15 - Wrongdoing by candidate during recruitment selection process	Not relevant	🟨
INV 2015-16 - Abuse of work time	Not relevant	🟨
INV 2015-17 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
INV 2015-18 - Other fraudulent, corrupt or abusive practices	Not relevant	🟨
INV 2015-19 - Harassment/Discrimination/Abuse of Authority	Not relevant	🟨
Fraud Risk assessment	Cross-cutting	🟩
Advisory and consulting engagements	Cross-cutting	🟨
Networking with Other Agencies	IOD	🟨

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[1] Request for proposal for seeking external assistance to perform an Audit of WIPO's Ethical Framework did not yield positive results and IOD has decided to review the scope of the assignment and re-launch the tender process once the currently vacant Chief Ethics Officer position is filled.

Plan	Sector	Status
Independent Advisory Oversight Committee	IOD	
Other indirect activities	IOD	
Follow-up of open recommendations	All	
Training	IOD	

Code:

	In progress or on-going
	Completed
	Planned but 0Not started

[Annex II follows]

List of IOD Reports
July 1, 2014 to June 30, 2015

Audit of Events management[1]	IA 2014-02
Audit of Asset Management	IA 2014-05
Audit of Third Party Risk	IA 2014-07
Audit of Business Continuity Management[2]	IA 2015-01
Audit of the WIPO Academy	IA 2015-02
Audit of Safety and Security Services[3]	IA 2015-05
Strategic Goal VI: International Cooperation on Building Respect for Intellectual Property	EVAL 2014 – 01
Knowledge Sharing in WIPO	EVAL 2014 – 02
Chile Country Portfolio Evaluation	EVAL 2014 – 05
Rewards and Recognition Pilot Program	EVAL 2014 – 06
24 investigation cases registered.	
18 investigation cases closed, representing during the reporting period 10 preliminary evaluation reports, eight investigation reports, and two MIRs.	

[Annex III follows]

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[1] Reported in the Summary Annual Report as at June 30, 2014
[2] At Draft report stage at the time of the issuance of this report
[3] Draft Audit Report issued at the time of the preparation of this report

LIST OF IOD CONSULTING AND ADVISORY ACTIVITIES

1. Financial Regulations

2. Audit Clause in WIPO contracts

3. Property Survey Board (PSB)

4. Training provider on Risk Management

5. Risk management and Internal Controls Manual

6. Email archiving policy

7. Management of Exceptions

8. Electronic voting survey

9. Policy on email accounts and files after the departure of staff

10. Cash guidelines for external offices

11. ESD performance framework

12. Cooperation between IOD and Safety and Security Coordination Service (SSCS)

13. Code of conduct managing vendor / supplier relationships

14. WIPO's vendors sanction regime

15. Evaluation of Appropriate Technology (AT) project (FIT/RoK)

16. Assistance for Department of Program Planning and Finance (DPPF) KPIs

17. Investment Committee

18. United Nations Transparency and Accountability Initiative

[End of Annex III and of document]