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WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

Program and Budget Committee

Twenty-Fifth Session
Geneva, August 29 to September 2, 2016

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 submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (PBC). The report shall give an overview on the internal oversight activities conducted during the reporting period July 1, 2015 to June 30, 2016.

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/25/5).

[Annual Report by Director, IOD follows]

ANNUAL REPORT OF THE DIRECTOR OF INTERNAL OVERSIGHT DIVISION

July 1, 2015 to June 30, 2016

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ANNEXES

LIST OF ACRONYMS

BCM	Business Continuity Management
CDIP	Committee on Development and Intellectual Property
CII	Conference of International Investigators
CPE	Country Portfolio Evaluation
CRR	Copyright and Related Rights
EQA	External Quality Assessment
HOIA	Heads of Internal Audit in International Organizations in Europe
HR	Human Resources
HRMD	Human Resources Management Department
IAOC	Independent Advisory Oversight Committee
IIA	Institute of Internal Auditors
IOC	Internal Oversight Charter
IOD	Internal Oversight Division
IP	Intellectual Property
IPoA	Istanbul Declaration and Programme of Action
IPPF	International Professional Practices Framework
IT	Information Technology
JGP	Joint Grievance Panel
JIU	Joint Inspection Unit
LDC	Least Developed Countries
MIR	Management Implication Report
OECD	Organization for Economic Co-operation and Development
PBC	Program and Budget Committee
PD	Performance Data
PI	Performance Indicator
PPR	Program Performance Report
PMSDS	Performance Management and Staff Development System
RBM	Results based management
RIAS	Representatives of Internal Audit Services
RRP	Rewards and Recognition Program
SG	Strategic Goal
SME	Small and Medium sized Enterprises
SMT	Senior Management Team
SRP	Strategic Realignment Program

UAT	User Acceptance Tests
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

BACKGROUND

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

2.   The IOC requires[1] the Director, IOD to submit, on an annual basis, a summary report to the WIPO General Assembly, through the Program and Budget Committee (PBC), (Annual Report). The Annual Report shall give an overview of the internal oversight activities conducted during the reporting period, including the scope and objectives of such activities, the schedule of work undertaken and progress on the implementation of internal oversight recommendations.

3.   In accordance with the IOC, a draft version of the Annual Report has been provided to the Director General and the Independent Advisory Oversight Committee (IAOC) for their comments; comments received have been taken into account in finalizing the report.

PLANNING PRINCIPLES

4.   In developing its oversight work plan, IOD considered a number of factors including risk ratings, relevance, country impact, oversight cycle, and feedback received from WIPO Management, Member States, and available resources. Prior to its finalization, the draft Oversight Work Plan was also submitted to the IAOC, for its review and advice as per IOC paragraph 24(a).

5.   In order to provide effective oversight coverage with the efficient use of limited resources, while avoiding potential overlaps, IOD also considered the work done by the External Auditor and other oversight bodies such as the Joint Inspection Unit (JIU) and evaluations commissioned by the Committee on Development and Intellectual Property (CDIP).

6.   2016 Oversight Plan was issued to all Program Managers and shared with WIPO staff on WIPO's Intranet. 2015 Oversight Plan was completed on time and within budget.

PROFESSIONAL STANDARDS

7.   For its audit activities, IOD adheres to the International Professional Practices Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). Similarly, IOD's investigative work is conducted in line with the Uniform Principles and 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 ISSUES AND HIGH PRIORITY OVERSIGHT RECOMMENDATIONS

8.   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.

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[1] Refer to IOC paragraphs 38 and 39

9.   The key findings and recommendations are related to the following reports issued during the reporting period[2]:

(a)   Business Continuity Management;

(b)   Management of WIPO Customer Services;

(c)   Individual Contractual Services Management;

(d)   Staff Performance Management;

(e)   Pre-implementation of Taleo;

(f)   Business Solutions for IP Offices;

(g)   Program 30: Small and Medium sized Enterprises and Innovation;

(h)   Program 3: Copyright and Related Rights;

(i)   WIPO's assistance to Least-Developed Countries; and

(j)   WIPO's Pilot Project on the Professional Development of Women.

10.   IOD has continued its dialogue with Management to regularly review and update the status of implementation of open recommendations. All recommendations are addressed by Management through an action plan with suggested activities, responsible staff and a deadline for implementation. Oversight recommendations are managed in the TeamCentral©[3] system, accessible by IOD, WIPO Management and External Auditors.

AUDIT OF BUSINESS CONTINUITY MANAGEMENT

11.   Between April and July 2015, IOD conducted a review of WIPO's preparedness and adoption of good practices in relation to Business Continuity Management (BCM) in agreement with senior management, essentially to establish a benchmark for future reviews.

12.   The audit report highlighted the following findings:

(a)   Engagement with Member States on the subject of BCM should be taken up as a matter of high priority so that there is recognition of the importance of BCM to WIPO's operations and the need to secure resources to ensure the sustainability of the BCM initiative;

(b)   Internal communication of the BCM initiative to WIPO staff and inclusion of a BCM module in the staff induction program are significant measures that should be undertaken by HRMD in cooperation with the Business Continuity Coordinator;

(c)   In order to enable collective thinking on the risks of disruption and the related mitigation plans, there is a need to bring together the learnings of the Risk Management Group, the Information and Communication Technology (ICT) Board and the BCM Initiative; and

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

(d)   Centralized collation of incidents affecting premises, physical security, logical security and ICT, analysis of the risk factors and mitigation actions, and their periodic presentation to the Risk Management Group would help furthering WIPO's objective of being an "organization on standby".

AUDIT OF MANAGEMENT OF WIPO CUSTOMER SERVICES

13.   The audit on the Management of WIPO Customer Services which was conducted between July and September 2015 reported the following salient points:

(a)   The establishment of a Customer Service Board, which has been approved by the Director General needs to be finalized, in order to help improve the effectiveness and efficiency of the management of customer services across WIPO[4]. This Board will provide a clear governance structure and delineate the roles and responsibilities amongst various units of customer services across WIPO, and enables better monitoring as well as decision making at the organizational level;

(b)   The revised mandate of the Customer Service Section within the Communications Division needs to be formally published to better support the Section in implementing and coordinating customer service initiatives across the Organization; and

(c)   A customer service strategy and framework are needed to respectively provide: an overarching guide for customer services initiatives at WIPO; and harmonized practices and standards in line with the WIPO Service Charter.

AUDIT OF INDIVIDUAL CONTRACTUAL SERVICES MANAGEMENT

14.   The objective of this audit was to assess the effectiveness and efficiency and compliance of management of Individual Contractual Services (ICS) in line with Office Instruction 45/2013.

15.   The audit noted good practices followed in the documentation of the ICS processes, arrangements for auto-sourcing of ICS in translations and the general compliance with the policy.

16.   The main findings of the audit were the following :

(a)   The process of contracting ICS personnel should incorporate proper declarations of conflict of interest from contracting WIPO divisions;

(b)   Performance evaluations of ICS personnel are not consistently performed on the conclusion of ICS contracts. This should be improved and the performance data of ICS personnel should be compiled and published for future reference; and

(c)   The WIPO regulation on limiting the duration employment of temporary staff members to two years should be reviewed based on the practical experience gained since implementing the policy.

17.   Further areas identified for improvement include incorporating system based controls for detecting the maximum time limits of individuals serving ICS contracts and more consistent completion of performance evaluations of ICS contractors to enable benefit to the Organization as a whole.

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[4] At the time of the writing of this report the Customer Service Strategy was approved.

AUDIT OF STAFF PERFORMANCE MANAGEMENT

18.   While acknowledging what has been achieved by WIPO's Performance Management and Staff Development System (PMSDS), the audit report included the following key findings and recommendations:

(a)   Alignment of performance management, learning, workforce-planning, and reporting on staff performance and development need to be further improved. This can be achieved through HRMD's planned integration of e-PMSDS and the current Training Database into WIPO's ERP solution.

(b)   Linkage between staff objectives and organizational expected results needs to be enhanced and individual staff objectives should be aligned with Program/work plan activities in the PMSDS.

(c)   Objectivity and fairness of the current staff evaluation methodology can be enhanced by introducing additional assessment methods such as, self-assessments, two way assessments, and 360 degrees evaluations. For reference, IOD's survey of the United Nations (UN) and other International Organizations indicate that 58 percent of respondents have adopted a self-assessment method.

(d)   Finally, the PMSDS would benefit from the implementation of regular feedback and review mechanisms that would help assess whether the performance management system is functioning in an effective and consistent manner.

PRE-IMPLEMENTATION AND DATA MIGRATION REVIEW OF TALEO^{TM}

19.   IOD conducted this review in parallel with the ongoing implementation of the Taleo^{TM} system which replaced the "e-recruit", WIPO's legacy system for managing recruitments. IOD was pleased to note that lessons learned from previous systems' projects were incorporated in the management of this implementation project. This resulted in a better managed project.

The main observations and recommendations of the report can be summarized as follows

(a)   The complete and accurate documentation on the data migration process from the legacy system to the in-house developed data repository will enable timely resolution of any migration related problems.

(b)   The assessment of key risks and controls in the design phase of (to-be) business processes needs to be added to the project management methodology. Also involving key business users in debriefing sessions and considering their feedback during the User Acceptance Tests (UAT) will enhance the effectiveness and efficiency of UATs in future projects.

AUDIT OF BUSINESS SOLUTIONS FOR IP OFFICES

20.   IOD conducted this audit between February and April 2016. The objective of Business Solutions for IP Offices (Program 15) is to strengthen the business processes of IP Offices/Institutions in Member States by providing tools and services aiming to improve their efficiency and effectiveness.

21.   The main observations and recommendations of the report can be summarized as follows:

(a)   The current roles, responsibilities of Program 15 - Business Solutions for IP Offices need to be clarified to ensure consistency and alignment with its mandate, structure and expected results.

(b)   Establishing a strategic business plan would enable Program 15 to achieve its goals and objectives and effectively address the needs of its internal and external stakeholders. This would also identify resource needs and technical requirements to successfully manage and sustain the Program.

(c)   Establishing well defined eligibility criteria for IP Offices/Institutions requesting assistance from WIPO Business Solutions would further enhance consistency and efficiency of the business processes.

(d)   Cooperation agreements with all IP Offices using WIPO systems and tools, and establishing Service Level Agreements for IP Offices requesting additional services would enhance consistency and mitigate related legal and operational risks.

EVALUATION OF PROGRAM 30: SMALL AND MEDIUM SIZED ENTERPRISES AND INNOVATION

22.   The evaluation of Program 30 was performed between September 2014 and October 2015 and the key findings, conclusions and recommendations can be summarized as follows:

(a)   Contribution of Program 30 to the Strategic Goals (SG), in particular to SG III was found to be substantial and relevant. Although, Program 30 has experienced management challenges and shortcomings that affected its performance, the Expected Results were achieved as reported in the Program Performance Reports. It is recommended that the organizational structure of the Program be stabilized and a more accurate performance framework be put in place.

(b)   Program objectives were considered relevant to the target beneficiaries and stakeholders. It is recommended that the Program develops more extensive online platforms for better reach and cost-effectiveness.

(c)   Substantive overlaps were identified in the area of training activities provided by the WIPO Academy. Better coordination and communication with other WIPO Departments is necessary.

(d)   Program outcomes have been difficult to assess due to shortcomings in the performance framework and lack of systematic monitoring. It is recommended to enhance performance monitoring through more complete logical frameworks with more specific outcome indicators.

(e)   Consolidation of medium to longer-term objectives is required to ensure stability. To keep small and medium sized-enterprises (SMEs), entrepreneurship and innovation support in a Department that can serve all expressed needs on an equal basis and with sufficient resources is key to ensure that these services can be offered to all Member States.

(f)   Cooperation of Program 30 with internal and external stakeholders has been good in terms of service-orientation and responsiveness. More can be done for in-country coordination with IP actors and institutions. It is recommended to better formalize cooperation arrangements and joint projects.

EVALUATION OF PROGRAM 3: COPYRIGHT AND RELATED RIGHTS

23.   IOD conducted the evaluation of Program 3 between March and December 2015. The key evaluation findings, conclusions and recommendations are presented as below:

(a)   WIPO is perceived as a unique, key actor in the provision of Copyright and Related Rights (CRR) services and also it is considered as a vital forum for discussion and consensus building;

(b)   WIPO adequately addresses needs of Member States, right holders and end users when providing tailored services;

(c)   The Program is contributing to four out of nine WIPO Strategic Goals;

(d)   Coordination mechanisms within each division of the Copyright Sector as well as coordination with other WIPO programs and external partners is overall positive;

(e)   The Program has been highly efficient in providing satisfactory services with limited resources; and

(f)   The Program considers some strategies to further improve sustainability of its activities, such as training of trainers and distance learning tools.

24.   Opportunities for improvement have been identified in the areas of developing CRR systems, results framework, efficiency analysis and long-term sustainability.

EVALUATION OF WIPO'S ASSISTANCE TO LEAST-DEVELOPED COUNTRIES

25.   This evaluation was undertaken between September 2015 and April 2016. The assessment included all activities delivered by WIPO to assist the least-developed countries (LDCs) for the period of 2010-2015.

26.   The report highlighted the following positive achievements:

(a)   Expected results related to the WIPO deliverables of the Istanbul Declaration and Programme of Action (IPoA) are achieved;

(b)   The support provided to LDCs is raising national stakeholders' awareness on the strategic use of IP, as well as creating the basic conditions to incorporate IP into the national agendas;

(c)   Timely feedback and acceleration of consultation processes are driving factors towards increasing ownership of outputs by national authorities;

(d)   WIPO's activities which are assessed as moderate to high quality are identified as useful by both direct recipients and the IP end-users.

(e)   Adequacy of WIPO's monitoring systems of activities has been identified as a key factor to better respond to national needs and priorities.

27.   The following areas for improvement were identified:

(a)   At a strategic level, the Regional Bureaus in cooperation with the LDCs Division need to work on designing integrated national roadmaps for country comprehensive assistance;

(b)   Better definition of programmatic responsibilities of the Regional Bureaus and the LDCs Division is needed to bring the internal expertise and capacities of the technical teams to its full potential.

(c)   At the operational level, a clear definition of shared responsibilities of WIPO and national counterparts throughout the project lifespan is required to ensure sustainability

and work on the impact of results. Equity factors need to be incorporated in the planning and implementation of IP support to ensure equal chances in the protection and use of Intellectual Property Rights (IPRs) in the LDCs; and

(d)   Existence of management information systems on expenditures per country would greatly enable the effective allocation of resources needed for developing national IP systems.

EVALUATION OF WIPO'S PILOT PROJECT ON THE PROFESSIONAL DEVELOPMENT OF WOMEN

28.   This evaluation, which was conducted between January and April 2016, assessed the results of the first phase of the Pilot Project on the Professional Development of Women (2015-2016). IOD plans to conduct a second evaluation in 2017 to assess the implementation of the second pilot project (expected starting date: May 2016). Findings, conclusions and recommendations of these two evaluations will provide input for the design of a wider program for the professional development of staff members at WIPO.

29.   The key findings, conclusions and recommendations are summarized below:

(a)   Participants have increased their awareness and quest for potential career domains and started focusing on improving their professional knowledge and skills in order to pursue higher positions.

(b)   The high-level involvement, professionalism and commitment of the project implementers have been instrumental in the successful completion of the project's first phase.

(c)   A project design with a well-defined scope of work, outcome indicators to assess and report on progress made are needed in addressing the increased frustration and perception of WIPO's inability to develop a sound staff career development plan;

(d)   The project needs to identify and mitigate the key risks to ensure its successful completion and increased buy-in from WIPO Staff members.

(e)   Refining the selection criteria would allow expanding the project's coverage to new target groups in need of career support, which will also increase chances for scaling-up results; and

(f)   A realistic estimation of human resources and time are needed for effective management of all planned activities. This will ensure provision of high quality and personalized support in future phases of the project.

IOD VALIDATION REPORT FOR THE PROGRAM PERFORMANCE REPORT FOR 2014/15

30.   IOD completed a validation of the 2014/15 Program Performance Report (PPR). The objectives of the validation were to:

(a)   Provide an independent verification of the reliability and accuracy of the performance data and results reported; and

(b)   Follow-up on the implementation status of recommendations of the previous PPR validation.

31.   The process for the validation exercise involved the selection of one random Performance Indicator (PI) per program, as reported in the 2014/15 PPR. The validation also included

general conclusions on the progress made towards improving the results framework during the biennium under review.

32.   The results of the validation indicated that 93 per cent of programs collected relevant and valuable Performance Data (PD), 77 per cent of programs reported accurate and verifiable PD and 85 percent of programs had accurately reported on their self-assessment of the Traffic Light Status.

33.   The validation report made recommendations in the areas of (a) refinement and streamlining the PIs with no baselines and targets; (b) establishment of formal criteria for discontinued PIs; and (c) improvement of internal mechanisms to deal with changes in PIs during a biennium.

INVESTIGATIVE ACTIVITIES

CASELOAD OVERVIEW

34.   During the reporting period, 31 new inquiry cases were registered and 32 were closed. As of June 30, 2016, 17 cases are pending, including 10 at the preliminary evaluation stage and seven at the full investigation stage. Of the pending cases, 12 were opened in 2016, four in 2015 and one in 2014. As of June 2016, the average age of cases currently being investigated is 6 months.

Chart 1 – Comparative Analysis of Investigative caseload June 30, 2013 to June 30, 2016
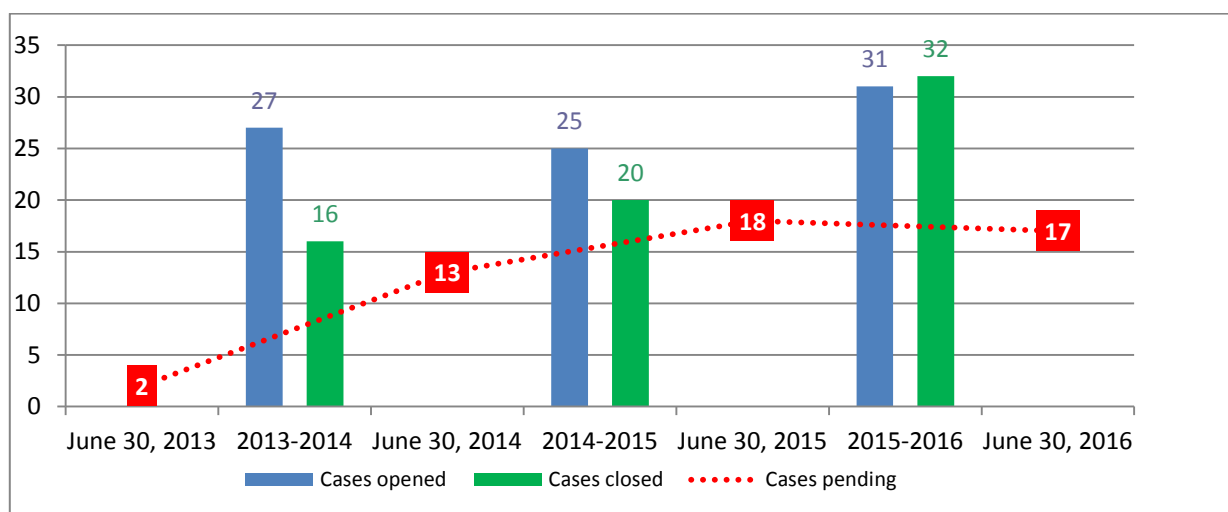
35.   Among the cases opened during the reporting period, four were referred to the IAOC for its advice in accordance with paragraphs 18 to 21 of the IOC.

OUTCOME OF INVESTIGATIVE ACTIVITIES

36.   According to the IOC, the Annual Report shall include a description of those investigative cases found to be substantiated and their disposition. In seven of the cases investigated, IOD found that the allegations were substantiated and recommended to institute disciplinary proceedings against a staff member. Further:

    (a)   One case resulted in the separation of the staff member from the Organization;

    (b)   In one case, Management decided not to follow IOD's recommendation for disciplinary proceedings; and

(c)   In five cases, a final decision by Management is still pending as of June 30, 2016.

37.   In addition, the investigative activities conducted during the reporting period allowed IOD to draw some lessons. In particular, four Management Implication Reports (MIR) were issued providing recommendations to improve existing internal controls and procedures. Issues brought to management attention related to topics such as physical access control, information security, mission travel, recruitment procedures and client request processing by the Madrid Registry.

38.   Below is a comparative analysis of cases registered for the period July 1, 2013 to June 30, 2016.

Table 1 – Analysis of complaints received June 30, 2013 to June 2016

	July 1, 2013- June 30, 2014		July 1, 2014- June 30, 2015		July 1, 2015- June 30, 2016	
Abuse of work time	1	(4%)	5	(20%)	3	(10%)
Benefits and Entitlements Fraud	1	(4%)	2	(8%)	1	(3%)
Harassment/Discrimination/Abuse of Authority	7	(26%)	7	(28%)	8	(26%)
Irregular HR practices	4	(15%)	0	(0%)	3	(10%)
Misuse of ICT resources	1	(4%)	1	(4%)	0	(0%)
Other fraudulent, corrupt or abusive practices	3	(11%)	4	(16%)	8	(26%)
Statements, pronouncements and activities incompatible with the obligations of an international civil servant	7	(26%)	1	(4%)	4	(13%)
Unauthorized communication of information	3	(11%)	1	(4%)	3	(10%)
Wrongdoing by candidate during recruitment selection process	0	(0%)	4	(16%)	1	(3%)
Total	**27**	(100%)	**25**	(100%)	**31**	(100%)

Chart 2 – Analysis of Cases Closed June 30, 2013 to June 30, 2016
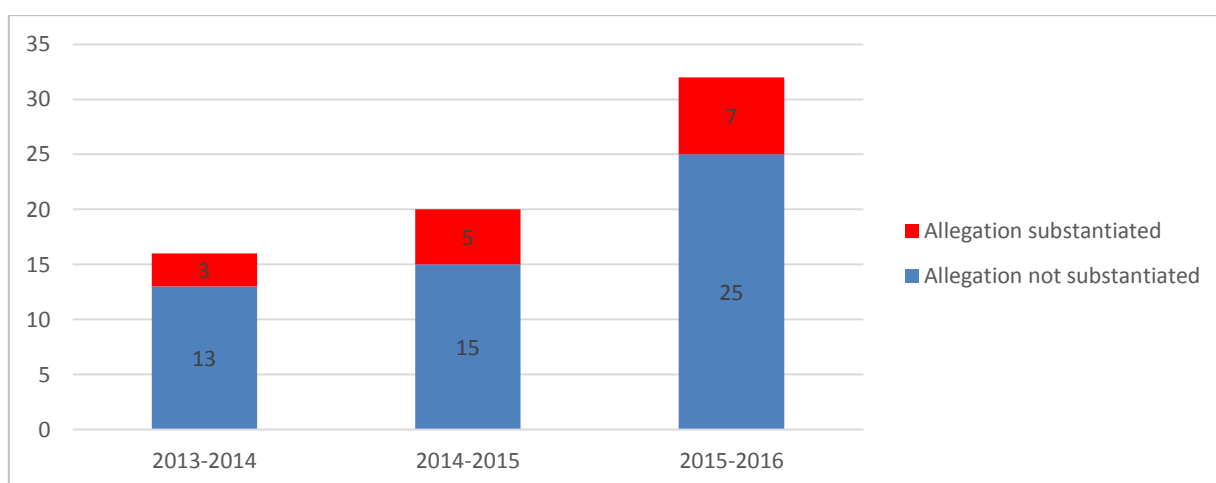
INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

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.   One staff member has been denying an interview request by IOD on medical grounds, using *ad hoc* medical certificates, since 2014. The staff member's inability to attend an interview with IOD was further confirmed by the UNOG Medical Service. The case is therefore currently on hold.

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[5]. The Director General discharges this responsibility through Program Managers responsible for specific operational areas within the Organization[6]. The implementation of all oversight recommendations by WIPO Program Managers is subject to regular follow-up by IOD[7].

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 161 open recommendations including 93 high and 68 medium priorities. IOD recommendations constitute 80 per cent of all open oversight recommendations.

Chart 3 – Recommendation by Priority

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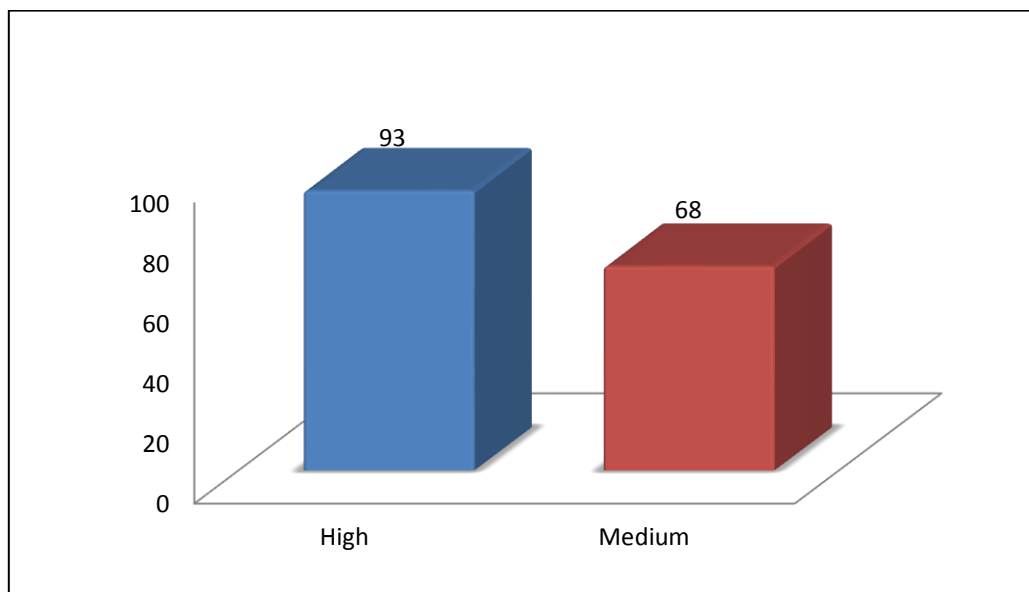
[5]   IOC paragraph 36.
[6]   Office Instruction (OI) 16/2010, paragraph 7.
[7]   OI 16/2010 paragraph 8.

44.   The table below shows the movement of recommendations by source, between July 1, 2015 and June 30, 2016.

**Table 2 – Movement of Recommendations between July 1, 2015 and June 30, 2016**

Source	Open as at July 1, 2015	Added During the Year	Closed/ Transferred During the Year[8]	Open as at June 30, 2016
IOD	121	75	67	129
External Auditor	49	21	39	31
Other	14	0	13	1
Total	**184**	**96**	**119**	**161**

45.   The opening balance of outstanding oversight recommendations as at July 1, 2015 included 14 recommendations from other sources which were previously included as IOD recommendations (13 from External Quality Assessment of the Evaluation function, and 1 from IAOC).

46.   Thirteen recommendations addressed to IOD from the External Quality Assessment of the Evaluation Function under "Others" were transferred out of the recommendations tracking system, as advised by the IAOC.

47.   The Chart below shows the source of open recommendations as at June 30, 2016:

Chart 4 – Open Oversight Recommendations by Source

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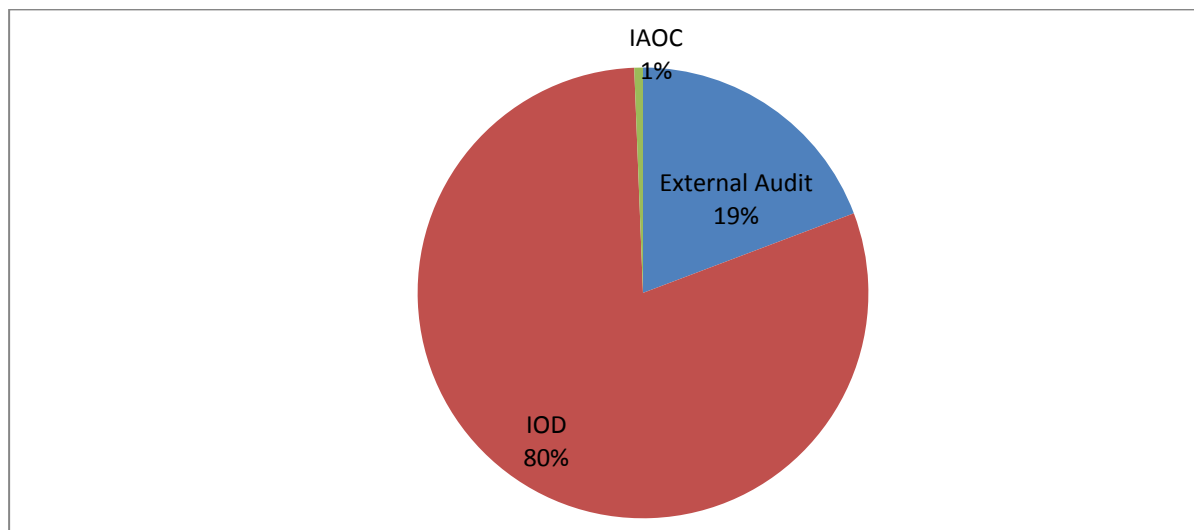
[8] Eight recommendations from the External Auditors were closed without implementation during the reporting period because management accepted the risk of not implementing the recommendations. Five of these recommendations concern the 2014 Compliance Audit of the New Conference Hall.
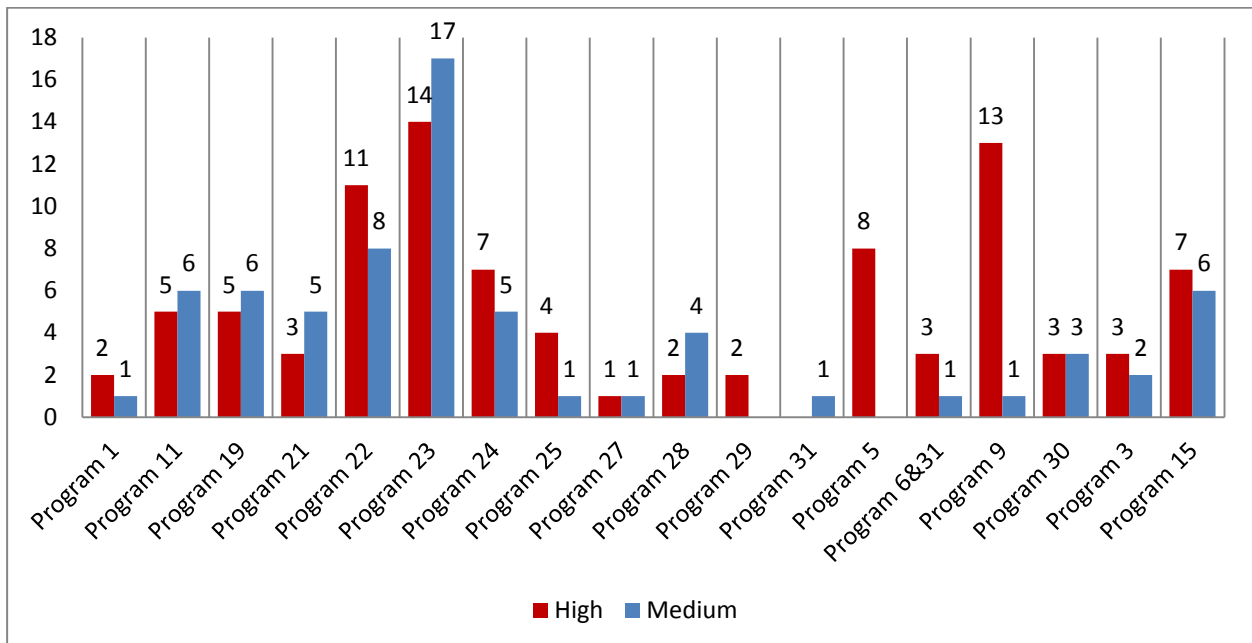
Chart 5 – Aging of Open Oversight Recommendations by Priority
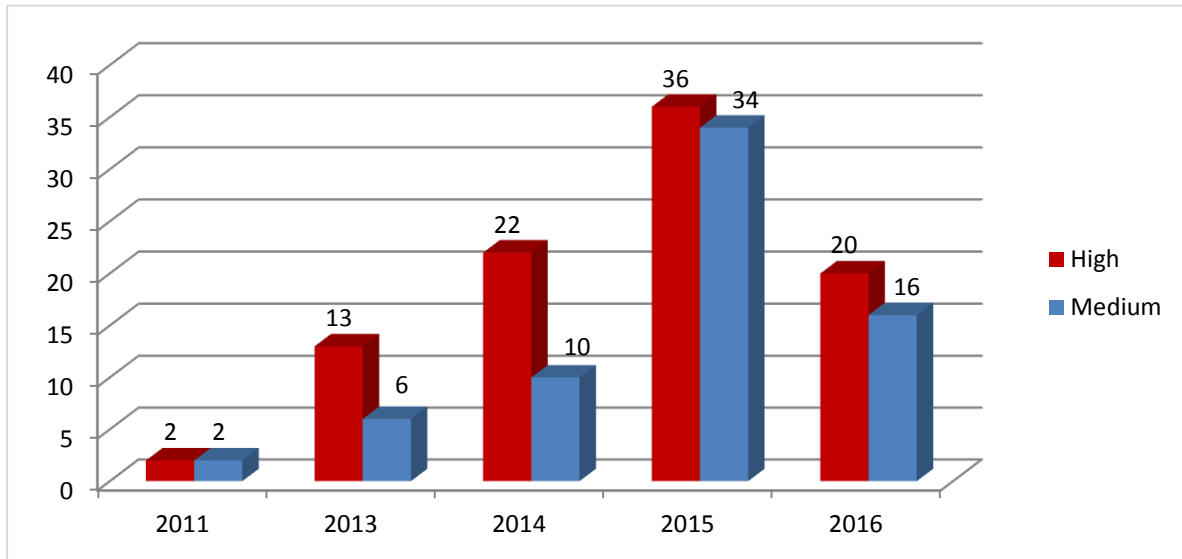
48.   Two high and medium priority recommendations have been open since 2011, and 19 recommendations have been open since 2013.

49.   As at June 30, 2016, the number of recommendation by WIPO Programs[9] and by priority are as follows:

Chart 6 –Recommendations by Program and Priority

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[9] Program 1 Patent Law, Program 3 Copyright and Related Rights, Program 5 The PCT System, Program 6 Madrid and Lisbon Systems, Program 9 Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries, Program 11 The WIPO Academy, Program 15 Business Solutions for IP offices, Program 19 Communications, 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 27 Conference and Language Services, Program 28 Safety and Security, Program 29 New Conference Hall, Program 30 Small and Medium-Sized Enterprises (SMEs) and Innovation, Program 31 The Hague System.

50.	Four programs make up 50 per cent of the 93 high priority recommendations, and the highest number of open recommendations is owned by Human Resources Management and Development (Program 23), followed by Program and Resource Management (Program 22).

EXTERNAL QUALITY ASSESSMENT OF IOD'S WORK

EXTERNAL QUALITY ASSESSMENT OF THE EVALUATION FUNCTION

51.	Following the issuance of the new Evaluation Policy and Evaluation Manual, all 19 recommendations made in the External Quality Assessment (EQA) of the evaluation function have been implemented.

EXTERNAL QUALITY ASSESSMENT OF THE INVESTIGATION FUNCTION

52.	Out of 13 recommendations from the EQA of the investigation function, two have already been implemented. Out of the 11 remaining recommendations, six will be implemented through the adoption of a new Investigation Policy, for which the consultation process with Member States was ongoing at the reporting date, and the subsequent issuance of a new Investigation Manual.

CONSULTATIVE AND ADVISORY OVERSIGHT WORK

53.	In addition to its planned oversight work, IOD continued to provide professional advice on organizational policy and procedures, risks management and internal controls. The list of policy and procedures for which IOD provided advice is annexed to this report (Annex II).

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE

54.	IOD has regularly attended the sessions of the IAOC, reporting on the implementation of the internal oversight plan, discussing oversight results and other aspects concerning the work and functioning of the Division and seeking the IAOC's advice. The 38th through 41st sessions of the IAOC took place in the period covered by this report.

THE EXTERNAL AUDITOR

55.	IOD maintained good working relations 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 potential duplication and oversight fatigue.

COOPERATION WITH THE OMBUDSPERSON AND THE ETHICS OFFICE

56.	During the reporting period, the Director, IOD met regularly with the Ombudsperson and with the Chief Ethics Officer to ensure good coordination and avoid duplication of efforts.

OTHER OVERSIGHT WORK

OUTREACH ACTIVITIES IN THE ORGANIZATION

57. As part of its ongoing effort to better explain and advocate for the internal oversight function, IOD continued to reach out to colleagues within WIPO through presentations given to new staff in the induction training, IOD Newsletter and presentations to Directors and Senior Managers as and when required.

SATISFACTION SURVEY

58. IOD continued to seek feedback from colleagues of audited/evaluated WIPO Units through client satisfaction surveys after each assignment. This aims to effectively receive and analyze feedback from colleagues on oversight work. The consolidated analysis of survey results indicates a satisfaction rate of 84 per cent.

59. The results of surveys conducted a year after assignments which are used to assess the impact of oversight work indicated an average satisfaction rate of 74 per cent. IOD will strive to further improve the impact of its oversight work based on the feedback received from colleagues.

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

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

61. The IOC includes specific provisions[10] on liaising and cooperating with the internal oversight services of other organizations of the United Nations system and of Multilateral Financial Institutions. IOD recognizes the value and importance of developing relationships with its peers. During the reporting period, IOD continued its active and useful collaboration and networking with other United Nations system organizations and entities. In particular IOD actively participated in:

(a) The Annual International Conference and the Public Sector Committee meeting of the Institute of Internal Auditors hosted in Vancouver, Canada, from July 5 to 8, 2015.

(b) The Annual Meeting of Representatives of Internal Audit Services (RIAS) of the UN, held between September 8 and 11, 2015 in Manila, Philippines. In collaboration with the Asian Development Bank, the acting Director of IOD delivered a presentation on BCM.

(c) The Annual Meeting of UN Representatives of Investigative Services (UNRIS) on September 29, 2015, as well as the 16th Conference of International Investigators (CII) from September 30 to October 2, 2015. During the CII, IOD made a presentation on data privacy and access to information during investigations. Both events were held in Montreux, Switzerland.

(d) On January 29, 2016 an Evaluation Seminar was held on "Lessons and ways forward" to promote the work done by the centralized evaluation function within IOD and the New Evaluation Policy. The seminar was attended by more than 70 participants from WIPO staff, Member States and external experts.

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[10] IOC paragraph 24 (g)

(e)   The Annual meeting of Heads of Internal Audit in International Organizations in Europe (HOIA), hosted by the Organization for Economic Co-operation and Development (OECD) in Paris, France, between 7 and 8 April 2016.

(f)   WIPO hosted the United Nations Evaluation Group (UNEG) evaluation week, held between April 25 and 29, 2016, with the participation of more than 100 colleagues from 46 UN agencies.

OPERATIONAL INDEPENDENCE OF IOD

62.   The IOC requires[11] the Director, IOD to confirm its operational independence and to comment on the scope of its activities and the adequacy of resources allocated to the internal oversight function.

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

OVERSIGHT RESOURCES

BUDGET AND STAFF

64.   To discharge its mandate, IOD has been provided with a budget of 4.97 million Swiss francs, which represents 0.74 per cent of WIPO's budget. Overall, 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. Exchange of Oversight Plans and continuous coordination of oversight activities with the External Auditor as well as effective use of Information Technology (IT) tools have also helped achieve more efficiency and effective coverage of risk areas.

Table 3- 2014/2015 IOD Budget and expenditures[12] after transfers

	Approved Budget 2014/15	Budget after transfers 2014/15	Expenditures 2014/15	Utilization rate
Personnel Resources	4,396	4,276	3,938	92%
Non-personnel Resources	720	696	611	88%
TOTAL	5,116	4,972	4,550	92%

65.   Unexpected changes in IOD staffing have been managed with a view to minimizing their impact on planned oversight activities. This was also achieved thanks to sufficient financial resources which enabled IOD to engage third party service providers to assist IOD in the implementation of its oversight plan.

66.   Since the departure of the former Director, IOD effective May 1, 2015, the Head, Internal Audit Section was appointed as Acting Director, IOD, until the new Director, IOD takes office. At the reporting date, the recruitment process to fill the post of Director, IOD is still ongoing.

67.   Following the early retirement of the incumbent, the post of Head, Evaluation Section has been advertised and the recruitment process is ongoing.

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[11] The IOC paragraph 39 (i)
[12] Source: PPR figures from EPM. Figures in thousands of Swiss francs.

68.   To effectively deal with the increased workload of the Investigation Section, a temporary Investigation Officer has been recruited who is expected to start mid-August 2016.

69.   A temporary replacement has been engaged to cater for the absence of the Senior Evaluation Officer currently on special leave.

TRAINING

70.   Essential for continued professional development of its staff, and in accordance with WIPO training policy, IOD staff attended various training activities to acquire new knowledge, technical skills and other competencies to increase IOD's operational effectiveness and efficiency in undertaking oversight assignments.

71.   On average, IOD staff members attended 10 days of training including: management of audit function, fraud prevention and detection, investigative research techniques, data analytics, root-cause analysis, presentation/facilitations skills and audit planning.

[Annexes follow]

List of IOD Reports
July 1, 2015 to June 30, 2016

Audit of Business Continuity Management	IA 2015-01
Audit of the Management of WIPO Customer Services	IA 2015-07
Audit of Individual Contractual Services Management	IA 2015-06
Audit of Staff Performance Management	IA 2015-04
Pre-Implementation and Data Migration review of Taleo	IA 2016-01
Audit of Business Solutions for IP Offices	IA 2016-02
IOD's Validation of PPR for 214/2015 Biennium	PPRV 2016-01
Evaluation of Program 30: Small and Medium Enterprises and Innovation	EVAL 2014-04
Evaluation of Program 3	EVAL 2015-01
Evaluation of WIPO's assistance to Least-Developed Countries	EVAL 2015-02
Evaluation of WIPO's Pilot Project on the Professional Development of Women	EVAL 2016-02
MIR on information and physical access controls	MIR 2014-07
MIR on medical ability to travel on mission	MIR 2015-26
MIR on reference checks for staff member recruitment at all levels	MIR 2015-15
MIR on prevention of fraudulent use of the Madrid Registry by third parties.	MIR 2015-04

[Annex II follows]

LIST OF IOD CONSULTING AND ADVISORY ACTIVITIES

1. Revised Investment Policy
2. Office Instruction on the Mandate of the Academy
3. Development Agenda Evaluations
4. Resource Mobilization Strategy
5. Office Instruction on Harmonious Workplace
6. Pilot Project – Program 1
7. ICS Performance reporting AIMS
8. IOD Presentation at ASPAC Bureau Retreat
9. IAM and Encryption Current State Assessment and Reference Architectures.
10. Property Management Manual

[End of Annex II and of document]