Program and Budget Committee

Thirty-Fourth Session
Geneva, June 27 to July 1, 2022

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

prepared by the Secretariat

1.   In accordance with paragraph 47 of the Internal Oversight Charter (IOC), the Director, Internal Oversight Division (IOD), shall submit, on an annual basis, a summary report to the World Intellectual Property Organization (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 January 1, 2021 to December 31, 2021.

2.   The following decision paragraph is proposed.

3.   *The Program and Budget Committee (PBC) recommended to the WIPO General Assembly to take note of the "Annual Report by the Director of the Internal Oversight Division (IOD)" (document WO/PBC/34/5).*

[Annual Report by Director, IOD follows]

ANNUAL REPORT BY THE DIRECTOR OF THE INTERNAL OVERSIGHT DIVISION

January 1, 2021 to December 31, 2021

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LIST OF ACRONYMS

AIMS	Administrative Integrated Management System
BI	Behavioral Insights
CDIP	Committee on Development and Intellectual Property
COVID-19	Coronavirus disease
DAC	Division for Arab Countries
ERM	Enterprise Risk Management
HRMD	Human Resources Management Department
IAOC	Independent Advisory Oversight Committee
IOC	Internal Oversight Charter
IOD	Internal Oversight Division
IP	Intellectual Property
IT	Information Technology
MIR	Management Implication Report
MTSP	Medium Term Strategic Plan
NIPS	National Intellectual Property Strategy
OI	Office Instruction
PBC	Program and Budget Committee
PD	Performance Data
QAIP	Quality Assurance and Improvement Program
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
TA	Technical Assistance
UN	United Nations
UNEG	United Nations Evaluation Group
WIPO	World Intellectual Property Organization
WPR	WIPO Performance Report

BACKGROUND

1.   The purpose of the World Intellectual Property Organization's (WIPO) 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). 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, which have been taken into account in finalizing the report.

SOME HIGHLIGHTS OF THE PERIOD

4.   The year 2021 inherited the risks and uncertainties caused by the Coronavirus disease (COVID-19) Pandemic that had significantly affected 2020. As such, WIPO continued to take exceptional measures to safeguard lives and minimize the impact of the Pandemic on our work. IOD would like to thank all WIPO colleagues and external service providers who were involved in ensuring our safety, and supporting our remote work. Let us hope and look forward to an improved 2022.

5.   IOD notes that 2021 marked the review and adjustment of the results-based management framework for the coming years, and the elaboration of a new strategic vision. A new Medium Term Strategic Plan (MTSP) for 2022-2026 was issued, introducing a Strategy House with four pillars and a foundation. To support this initiative, IOD has also established a Strategy for 2022 and 2023, aligned with the MTSP, and will implement a number of strategic initiatives to support the Organization in achieving its strategic focus.

6.   IOD continues to support WIPO in strengthening controls, accountability, transparency and learning, by introducing innovative and fit-for-purpose tools and practices that will help move WIPO towards the highest standards in risk management and program delivery among others.

7.   IOD continues to engage in cross-sectional engagements involving auditors together with investigation and/or evaluation professionals. These engagements aim at providing a more complete and in-depth review of WIPO Programs. The Review of Crisis Management during the Pandemic is one such engagement that required the collaboration of all three functions of IOD.

8.   IOD has expanded its services to include advisory and consulting[2] services. An example of these services includes providing advice on the process and quality assurance on the input for a technical tool on benchmarking and self-evaluation of National Intellectual Property Strategies (NIPS).

9.   IOD has completed a project to support data analytics and continuous auditing, which will enhance the assurance work of the Division. This is a first step to support IOD in establishing

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[1] Refer to IOC paragraphs 47 and 48.
[2] The term **Advisory** is used when IOD supports the client by providing advice and making comments, but does not take the lead in managing the activity or producing a formal deliverable.
The term **Consultancy** is used when IOD takes the lead in providing a service whose nature and scope have been agreed with the client, and provides a formal deliverable in that regard.

the right conditions to enable an overall opinion on the WIPO Statement on Internal Control by 2025.

10.   Finally, IOD has completed the migration to a new audit and recommendation management system, with up-to-date technology and new features to support effectiveness and efficiency of oversight engagements and management of recommendations.

PLANNING PRINCIPLES

11.   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 pursuant to paragraph 28(a) of the IOC[3].

12.   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 and evaluations commissioned by the Committee on Development and Intellectual Property (CDIP).

PROFESSIONAL STANDARDS

13.   IOD undertakes its audit activities pursuant to the mandatory elements of the International Professional Practices Framework promulgated by the Institute of Internal Auditors, including its International Standards for the Professional Practice of Internal Auditing, Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, and Code of Ethics.

14.   Similarly, IOD's investigative work is conducted in line with the Uniform Principles and Guidelines for Investigations endorsed by the Conference of International Investigators.

15.   For evaluation activities, IOD follows the International Standards in Evaluation Practice as set out by the United Nations Evaluation Group (UNEG).

GENDER MAINSTREAMING

16.   In the context of the UN System-Wide Action Plan Performance Report[4] and with respect to gender equality and mainstreaming in IOD's work, the current conditions and actions can be reported:

(a)   IOD consults the Gender and Diversity Specialist during the annual planning and risk assessment;

(b)   IOD has included a standing work step on gender mainstreaming issues in its work program for applicable oversight engagements. In 2021, some elements of gender were included in the report of the Review of Crisis Management during the Pandemic;

(c)   The Evaluation Section applies, where applicable, the UNEG Guidance on Integrating Human Rights and Gender Equality in Evaluations during all phases of the evaluation;

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[3] Paragraph 28 of the IOC establishes the duties and modalities of work, which includes a requirement that "prior to finalizing the internal oversight plan, the Director, IOD, shall submit the draft plan to the IAOC for its review and advice."

[4] Since 2021 the United Nations agreed on the landmark UN System-wide Action Plan on Gender Equality and the Empowerment of Women, or UN-SWAP, to implement the gender equality policy of its highest executive body, the UN Chief Executives Board, chaired by the Secretary-General. Spearheaded by UN Women, the UN-SWAP for the first time assigns common performance standards for the gender-related work of all UN entities, ensuring greater coherence and accountability.

(d)   A gender focal point has been designated to liaise with the WIPO Gender and Diversity Specialist; and

(e)   IOD follows up on the implementation of the recommendations issued for the audit and evaluation of the WIPO Policy on Gender Equality.

KEY FINDINGS AND HIGH PRIORITY OVERSIGHT RECOMMENDATIONS

17.   This section contains information on key findings and recommendations, addressing high priority risks included in internal oversight reports: Audits, Evaluations and Management Implication Reports (MIRs) issued during the reporting period.

18.   The key findings and recommendations are related to the following reports issued during the reporting period[5]:

(a)   Audit and Integrity Review of Absence Management;

(b)   Audit of Cybersecurity Management at WIPO;

(c)   Review of WIPO Crisis Management during the Pandemic;

(d)   Review of Performance Management and Staff Development at WIPO;

(e)   Evaluation of the Regional Division for Arab Countries;

(f)   Evaluation of WIPO Match;

(g)   Evaluation of the Use and Impact of IOD Evaluation Section Recommendations;

(h)   Advisory Engagement on National Intellectual Property (IP) Strategy Self-Evaluations;

(i)   MIR on Personal data and privacy issues concerning WIPO e-mails to external users; and

(j)   MIR on Information contained in the PATENTSCOPE website.

19.   IOD has continued its dialogue with Management to regularly review and update the status of the 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 TeamMate+[6] system, which is accessible by IOD and WIPO Management.

REPORTED ENGAGEMENTS IN 2021

AUDIT AND INTEGRITY REVIEW OF ABSENCE MANAGEMENT

20.   IOD noted a number of positive developments in the management and administration of staff absences including:

(a)   The training of staff members to access the Administrative Integrated Management System (AIMS) Human Resources (HR) remotely;

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[5] The list of reports features in the Annex.
[6] TeamMate+[TM] is a specialized software for audit management, which covers, among others, the audit universe and risk assessments, engagement planning, electronic working papers, and recommendations management.

(b)   The introduction of a Payroll validation tool to automate the reconciliation of staff entitlements and salary deductions for sick leave; and

(c)   The implementation of guidelines on Return to Work following Long-term Sick Leave.

21.   These developments helped in enhancing the efficiency and effectiveness of managing various absences particularly sick leave (certified and uncertified), special leave, and annual leave.

22.   Opportunities exist to enhance the management of various absences in the Organization. For example, the Human Resources Management Department (HRMD), in collaboration with relevant internal stakeholders, should assess the relevant Office Instruction (OI) on sick leave, and the current workflows and practices for managing certified sick leave, with a view to identifying and making necessary changes to ensure alignment. More specifically, HRMD should strengthen the internal controls over medical appointments by randomly selecting staff members and verifying that their appointment(s) complies with the requirements of the relevant OI.

23.   The management of sick leave can be further enhanced by developing a data migration plan in order to have a more comprehensive, reliable and accurate determination of the progress made in migrating sick leave data in EarthMed. Further, establishing a mechanism that facilitates comprehensive reporting on the cost of sick leave, which includes both qualitative and quantitative cost elements combined with targeted information sessions and proactive information sharing between HRMD (including the Medical Unit) and relevant Program Managers and supervisors (subject to medical confidentiality), would help improve communication and informed operational decisions (e.g. back filling).

24.   In addition, the Organization would benefit from customizing EarthMed to capture relevant and granular medical data that can be analyzed to identify useful trends and statistics, perform root cause analysis, and generate tailored reports. Other improvements would include completing the development of an interface between AIMS HR and EarthMed (subject to medical confidentiality) that would enhance the efficiency and effectiveness of managing staff absences.

25.   Finally, adding a checkbox in the AIMS HR absence request form for leave for family-related emergencies, to serve as a declaration of honor, would reinforce accountability, compliance and consistency with the requirements set out in the relevant OI.

AUDIT OF CYBERSECURITY MANAGEMENT AT WIPO

26.   The Review found that overall, WIPO has established a mature cybersecurity management program, commensurate with WIPO's risk appetite statement and globally aligned with best practices implemented by organizations and private sector firms with similar information security objectives, including a fit-for-purpose Governance Framework and Security Architecture. The budget of the Security and Information Assurance Division was found to be aligned with the information security objectives.

27.   The cybersecurity posture was found to be overall effective. Some non-widespread, non-critical vulnerabilities were identified and are being addressed.

28.   IOD made recommendations to further reinforce the cybersecurity posture of the Organization, by, among others, aligning the Information and Communication Technology Strategy and Information Security Strategy, increasing incident drills and cyber war games, enhancing the Configuration Management Database for inventorying critical assets, and continuing to engage with third party service providers to ensure that they take measures to reinforce their respective cybersecurity postures.

REVIEW OF WIPO CRISIS MANAGEMENT DURING THE PANDEMIC

29.   COVID-19, which was declared a Pandemic by the World Health Organization on March 11, 2020, posed a significant threat to people, businesses and organizations around the globe. Given the possibility of similar crises occurring in the future, and the extent and duration of the associated operational disruptions, it is essential that WIPO's response be effective and sustainable to ensure that it continues to deliver on its strategic focus.

30.   The review found that WIPO has established a well-functioning Governance Structure for crisis management. The responsible teams covered operational, tactical and strategic decision-making and were well integrated in the day-to-day activities of the Organization. Furthermore, IOD found that the existing policies and procedures were adequate in managing the crisis, and management made necessary updates and changes as required. The Organization successfully applied the WIPO Organizational Resilience Framework by deploying WIPO Crisis Management Plans and taking other relevant actions. The Organization executed its crisis management policies and procedures and adjusted its systems of Risk Management and Internal Controls to the conditions of the Pandemic. Going forward, WIPO needs to identify Business Continuity Focal Points at the sector levels, to further enhance the operationalization of the Organizational Resilience Framework.

31.   IOD supplemented its substantive work with three surveys, aimed at WIPO staff, supervisors and Member States, to capture valuable insights on, and perception of, the Organization's management of the crisis, and related lessons learned. The survey results highlighted Flexibility and Work-life Balance as a predominant theme from WIPO staff members, while a majority of supervisors mentioned that the crisis helped re-think the operational processes and make them more efficient, economic and effective without compromising the quality of outputs. Comments from participating Member States focused on the importance of virtual meetings (hybrid meetings, webinars, online training, among other things), and the need to continue with these formats where feasible as they have proven to be one of the valuable changes resulting from the Pandemic. The Organization can make further enhancements by assessing external stakeholders' needs in the area of additional communication and collaboration platforms.

32.   IOD identified lessons learned and made recommendations in the areas of crisis governance and communication, human resource management, execution of, and compliance with, relevant policies and procedures, and internal controls that would help further refine crisis management processes, and benefit the Organizational Resilience Framework.

REVIEW OF PERFORMANCE MANAGEMENT AND STAFF DEVELOPMENT AT WIPO

33.   The review found that the current performance management process at WIPO is based on traditional Performance Management principles. Furthermore, the current model has highlighted key issues such as:

    (a)   Lack of trust in the performance process;

    (b)   Absence of a continuous feedback culture and fear of having difficult conversations;

    (c)   Heavy burden to manage administrative workload for managers, as the system is complex and not user-friendly;

    (d)   Perception of a "tick-box" exercise with little added value to people;

    (e)   From an organizational standpoint, while the Performance Management and Staff Development System is effective in ensuring alignment in task-related objectives, it is not yet functioning as an integrated tool that encourages development and the growth mindset necessary for WIPO's strategic ambitions; and

(f)   Lack of mobility means that certain staff may be "stuck" in a position where they cannot flourish.

34.   Further, managers need to enhance their performance management skills, in particular when dealing with underperformance. They tend to show reluctance in tackling underperformance, which could result in inflated ratings to avoid, among others, the administrative burden linked with addressing underperformance.

35.   Finally, the level of maturity of WIPO's current performance management was assessed against seven pillars (purpose, culture, people, process, Information Technology (IT) system, reward and recognition, and career development). Most pillars were found to be at the initial development stage, indicating that more needed to be done to develop a mature performance management culture in order to, among others, effectively achieve the strategic goals of the Organization.

36.   Going forward, both managers and employees have expressed the need for change including:

(a)   More objectivity, recognition and development, supported by a more user-centric and simple process;

(b)   Additional support from the Organization to efficiently address challenges in tackling underperformance; and

(c)   The need for a deep cultural evolution of mindsets and behaviors around performance.

37.   Furthermore, to address key challenges in performance management, the Organization would need to, among others:

(a)   Strategically shift towards more customer-centricity;

(b)   Drive towards a "growth mindset", fueled by a culture of performance and feedback;

(c)   Be more agile and innovative, which is presently hindered by a lack of flexibility in the current Performance Management process; and

(d)   Put measures in place to upskill management and address the current resistance to move away from traditional professional behaviors.

38.   Finally, it would be crucial to establish a new simplified and flexible performance management model, adapted to WIPO's environment, supported by clear communication and feedback mechanisms. Middle management will be a key enabler to bring the new model to their teams and apply these precepts to day-to-day work.

EVALUATION OF THE REGIONAL DIVISION FOR ARAB COUNTRIES (DAC)

39.   The DAC is part of the Regional and National Development Sector at WIPO. The DAC's main mandate is to coordinate WIPO's development-oriented, demand-driven technical assistance (TA) in collaboration with all relevant WIPO's business units, while accounting for the distinctiveness and priorities of the Member States, the specificities of the region, and gender mainstreaming. In addition, the DAC is responsible for providing TA to the 22 Arab countries to enable them to modernize their registration operations and better use IP assets to reap the benefits from the IP system.

40.   The purpose of this evaluation was formative, oriented to learning and program improvement.

41.   The major findings of the report are the following:

(a)   The Division's support to the Member States in the Arab region was relevant to the national priorities and was aligned with country needs;

(b)   Provided TA consisted mostly of *ad-hoc* activities identified according to the Member States' priorities with limited integration of the strategic vision of the planned outcomes in each country. Some stakeholders highlighted that the selection criteria set up for TA activities by the DAC were not clear;

(c)   The majority of stakeholders consider the Division as their main reference for any IP-related issues. However, the Division tends to generally focus on the diplomatic aspects of its functions rather than project management and technical side;

(d)   The evaluation findings noted that the Division relies on self-reporting indicators and some of them do not have a sufficiently clear methodology for data collection and analysis;

(e)   The evaluation highlighted some areas that require more attention from the Division and its internal collaborators such as the monitoring and evaluation putting higher emphasis on measuring delivered activities over the results; and

(f)   The Division's efforts to contribute to the impact and sustainability of its activities has been observed only in some of the Arab countries. Such efforts have not culminated into widespread endorsement of national strategies and changes in policy. The Division has yet to develop a medium to long-term, results-based, country-specific plan/roadmap with the national IP counterparts and a broad use of partnerships to facilitate such change.

42.   Based on the findings and conclusions of the evaluation, the major recommendations of the Report include:

(a)   Developing a joint DAC-Country specific outcome-driven medium to longer-term program/plan (3-5 year plan) that ensures the coherence of interventions, while remaining flexible to emerging needs;

(b)   Revisiting the Division's Performance Framework in order to identify means of measurement, and to ensure alignment and avoid inconsistencies among them;

(c)   Strengthening partnerships with national and regional counterparts and their respective Permanent Missions by increasing visibility and developing medium to longer-term program/plans of action; and

(d)   Fostering close cooperation with other international organizations (United Nations Conference on Trade and Development, World Trade Organization and others) to pool resources, maximize the impact and ensure sustainability in (i) formulating and rolling out NIPS; (ii) influencing Innovation Strategies; and (iii) providing complementary support to address emerging regional needs.

EVALUATION OF WIPO MATCH

43.   "WIPO Match" is a global stakeholder community that aims at harnessing the industry and private sector's power to promote economic, social, and cultural development in developing countries, least developed countries, as well as countries in transition. It does this by helping IP TA seekers to find relevant providers for projects and local engagements.

44. The purpose of this evaluation was formative, focused on finding learning opportunities and program improvement.

45. The major findings of the report are the following:

(a) WIPO Match was developed in response to a request from the CDIP and aligned to recommendation 9 of the Development Agenda;

(b) WIPO Match's value proposition has evolved over time and it includes an amalgam of services and proposals that the project is not always in a position to realistically deliver to all platform members. Currently, services and feedback from the program do not reach all seekers, thereby limiting the potential for widespread progress of the project;

(c) Nevertheless, there are significant efficiency challenges related to the context in which WIPO Match operates, which need to be addressed by the Organization;

(d) Interviewed stakeholders believed that there is room for improvement in the operations of WIPO match;

(e) Since its inception in ten years until 2019, WIPO match could only catalyze six deals;

(f) The evaluation also found that the criteria used to become a member of the platform is not clear enough to realize its full potential; and

(g) The WIPO Match web platform technology is outdated, and it does not comply with today's platform standards. The existing web platform limits the project team's efficiency, as several tasks need to be done manually.

46. Based on the findings of the evaluation, the major recommendations of the report include that:

(a) Senior Management jointly with the Project Manager should strengthen governance by establishing a governance structure for decision making and formalizing reporting mechanisms on interim results, challenges and lessons learned;

(b) The Project Manager, with the leadership of Senior Management and in consultation with relevant stakeholders, should develop a strategy for the effective and efficient management and sustainability of WIPO Match; and

(c) Senior Management, jointly with the Project Manager and in collaboration with HRMD, should revise the job descriptions of all WIPO Match staff members to reflect actual duties and responsibilities. Moreover, they should provide adequate resources to realize the vision articulated in the strategy document. An upgrading of the database to ensure that it is fit for purpose might also be required.

EVALUATION OF THE USE AND IMPACT OF IOD EVALUATION SECTION RECOMMENDATIONS

47. To support WIPO in maximizing the impact of its services, the IOD Evaluation Section developed an evaluation approach using the latest research methods in behavioral science.

48. Behavioral Insights (BI) are lessons derived from the behavioral and social sciences, including decision making, psychology, cognitive science, neuroscience, organizational and group behavior. Public bodies around the world are increasingly using BI to design and implement better public policies based on evidence of the actual behavior and biases of citizens and businesses.

49.	BI help understand how context and other influences can impact decision-making and inform the actual behavior of people and organizations. The BI approach focuses on understanding what drives the decisions and behaviors of citizens, rather than relying on an assumption of how they should act. By doing so, it helps ensure that policies reflect actual needs and behaviors for greater impact and effectiveness.

50.	A BI experts' team conducted a behavioral analysis of the evaluation process, defined as the distance between the expected behavior that stakeholders should exhibit and the real behavior that ultimately occurs.

51.	The goal of this document was to recognize, identify and address human bias when engaging in evaluation by using the knowledge produced by BI and "nudges" to increase the usefulness and impact of evaluations.

52.	The practical use of this handbook for the Evaluation Section is that it will reduce biases of stakeholders involved during the evaluation process (design, data collection and reporting). Moreover, the implications for the evaluation are an increase in quality of the process and the products coming from evaluations as well as usefulness of the recommendations; including higher implementation rates for recommendations and more impactful improvement actions across the Organization.

ADVISORY ENGAGEMENT ON NATIONAL IP STRATEGY (NIPS) SELF-EVALUATIONS

53.	The objective of this assignment was to update Tool 3: "Benchmarking indicators" of the Methodology for the Development of NIPS. The objective of the assignment was to provide support and guidance to Member States who are interested in developing and implementing a NIPS.

54.	This assignment supplements and follows the structure of the "Methodology for the Development of National IP Strategies" and elaborates on the key elements and issues that should be considered in the implementation and monitoring of national IP plans and strategies. Clarifications, explanations and examples provided in this supplementary document aim at assisting national project teams in their understanding of the options available when setting objectives already from the early stages of development of the strategy, through to the implementation and monitoring phases.

55.	The supplementary document is divided into two parts:

	(a)	Part I: provides guidance on the operational aspects of monitoring and self-evaluation, with a focus on indicators. It introduces key conceptual elements, including what constitutes a monitoring and a self-evaluation system, what the requirements for good indicators and benchmarks are, as well as how to design an approach to systematically identify, classify and sort relevant indicators; and

	(b)	Part II: elaborates on general concepts and applies them throughout the phases of the lifecycle of a NIPS.

56.	During the advisory engagement, the Evaluation Section provided input on the design of the terms of reference for the consultancy, participated in the panel to select the consultant, and provided a list of literature review and reference documents to produce part one and part two of the document.

MANAGEMENT IMPLICATION REPORT (MIR) ON PERSONAL DATA AND PRIVACY ISSUES CONCERNING WIPO E-MAILS TO EXTERNAL USERS

57.	IOD found some areas for improvement in relation to efficiency and integrity of personal data and privacy concerns related to WIPO's mass e-mail communications to external users.

MANAGEMENT IMPLICATION REPORT (MIR) ON INFORMATION CONTAINED IN THE PATENTSCOPE WEBSITE

58. IOD identified an opportunity for improvement related to the terminology used in the PATENTSCOPE Website.

ENGAGEMENTS STARTED END 2021

59. The following engagements were started in 2021, and are to be reported during the course of 2022.

AUDIT OF THE HAGUE PLATFORM PROJECT

60. The Hague Platform Project was initiated to align with the evolving business and strategy of the Hague Registry, by developing a customer-focused modern global IP platform that is specifically developed for, and focused on, the Hague System's specific requirements. This included, among other things, stable, reliable, maintainable, resilient, scalable, secure, multilingual, responsive and accessible applications and systems to meet the needs of both its core internal and diverse (and widening) external customer bases. The aim of the Hague Platform Project was therefore to implement a business-needs driven IT system. The objectives of the audit were to:

(a) Review the Hague Platform Project implementation, to assess effectiveness and efficiency of project governance and management including an assessment of whether the objectives/expected benefits set out in the project documents have been achieved efficiently, including with respect to resources and time considerations;

(b) Verify compliance with Organization's tailored PRINCE2® project management principles and practices, and WIPO regulations, rules and operating practices where applicable;

(c) Determine the degree of compliance of the solution architecture and technical operational state with WIPO enterprise requirements;

(d) Assess whether platform design and technology choices are fit-for-purpose, and can cater for the evolving needs of the Hague Registry in a sustainable manner;

(e) Verify whether there are lessons learned from the project that could benefit subsequent projects such as the Hague Externalization Project, and other WIPO projects; and

(f) Verify whether the Hague Information Systems Division has adequate resources and skill-sets to sustainably and effectively operate and manage the platform going forward.

61. The audit scope covered the whole lifecycle of the project, post implementation and realized benefits. The audit is being conducted with the support of external consultants specialized in reviewing the design and development of IT platforms.

AUDIT OF ENTERPRISE RISK MANAGEMENT (ERM)

62. WIPO's Risk Management Framework is guided by the risk appetite noted by the Member States in the WIPO Risk Appetite Statement[7] initially issued in 2014, and subsequently updated in 2019. The WIPO Risk Management Policy[8] sets out WIPO's approach to managing risks and Internal Controls in a consistent and business-oriented manner in order to support the achievement of its strategic goals and expected results. As a complementary document to the

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[7] WO/PBC/29/5.
[8] OI 41/2017.

Risk Management Policy, the Risk and Internal Control Management Manual covers the day-to-day operational details of managing risks and controls at WIPO.

63.	The objective of this audit, which is the second review of ERM[9] by IOD, was, among other things, to take stock of the evolution of Risk Management at WIPO by assessing:

(a)	The adequacy of governance surrounding ERM at WIPO;

(b)	The WIPO ERM processes in terms of their design efficiency and operational effectiveness;

(c)	Whether the systems and tools to support the WIPO ERM are fit-for-purpose; and

(d)	The evolution of the risk management culture/maturity and capacities at WIPO.

64.	The engagement scope covered the Risk Management process at WIPO, taking into consideration the previous audits conducted on related topics.

AUDIT OF MANAGEMENT OF ASSETS, SUPPLIES AND MATERIALS

65.	Asset and inventory management are important processes for monitoring and tracking the property of the Organization whether in the form of buildings, vehicles, equipment, supplies, materials or other inventory items. The Asset Management Module of AIMS is used to record all financial-related and physical-related details of assets as defined by relevant policies and manuals, manage the lifecycle of the Organization's property, including the capitalization amounts and residual values.

66.	The objectives of this audit were to:

(a)	Review the governance, risk management, and effectiveness of internal controls in managing selected categories of assets, supplies and materials;

(b)	Verify compliance with relevant and applicable WIPO Regulations and Rules, Office Instructions, Information Circulars, and procedures for managing selected categories of assets, supplies and materials; and

(c)	Assess the adequacy, efficiency and effectiveness of tools and systems used to manage assets, supplies and materials.

67.	The audit scope covered 2020 and 2021 and excluded a review of software assets and other intangible assets.

EVALUATION OF WIPO STANDING COMMITTEES

68.	The purpose of this evaluation was formative with a focus on measuring the effectiveness of WIPO in organizing and managing the different Standing Committees, assessing the extent to which the support and the resources available to the Secretariat are sufficient to achieve the expected results, and have been used efficiently to support the needs of the Standing Committees. Moreover, the evaluation provides a platform for WIPO staff and stakeholders to learn from past experiences to incorporate good practices from other UN sister organizations.

META-SYNTHESIS OF REGIONAL DIVISIONS EVALUATIONS

69.	The main objectives of the meta-synthesis of Regional Divisions evaluations was to review, analyze and integrate findings, conclusions and recommendations from the five completed evaluations of WIPO Regional Divisions with the aim of providing crosscutting and systemic recommendations that support the improvement of WIPO's work at a regional level. It

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[9] Audit of ERM conducted in 2016 – IA 2016-08.

also sought to inform and support decision-makers in the current organizational restructuring process of the Regional Divisions in the context of the WIPO MTSP 2016-2021.

70.   The meta-synthesis reviewed and analyzed the five evaluations of the WIPO Regional Divisions conducted between 2015 and 2020; i.e. Regional Division for Africa, Regional Division for Arab Countries, Regional Division for Asia and the Pacific, Regional Division for Latin America and the Caribbean and Regional Division for Least-Developed Countries. Together, they covered the period between 2010 and 2020.

REVIEW OF IOD PERFORMANCE REPORT VALIDATION METHODOLOGY

71.   Performance Data (PD) in the WIPO Performance Report (WPR) is a cornerstone of WIPO's commitment to demonstrating results to its stakeholders. It is also essential for decision-making purposes and continuous improvement. Given that PD will be used only if it is credible and of good quality, WIPO introduced a validation mechanism ten years ago to assure the quality of data and its authenticity.

72.   After 10 years since the first validation was completed, IOD has reviewed the validation approach for the WPR.

73.   As part of the review, a staff consultation process was launched between December 2021 and January 2022. Staff raised several questions, made suggestions, and provided different perspectives on their needs and expectations on the validation. Overall, it was found that the Organization expects the validation to contribute to improving PD consistency, credibility, and utility.

74.   The revision has factored in the Organization's current needs and expectations on the validation approach. It provides a path to enhance credibility while supporting a learning environment. This is key to empowering staff to obtain and use quantitative and qualitative data that support evidence-based decision making and demonstrate WIPO's commitment to impactful results.

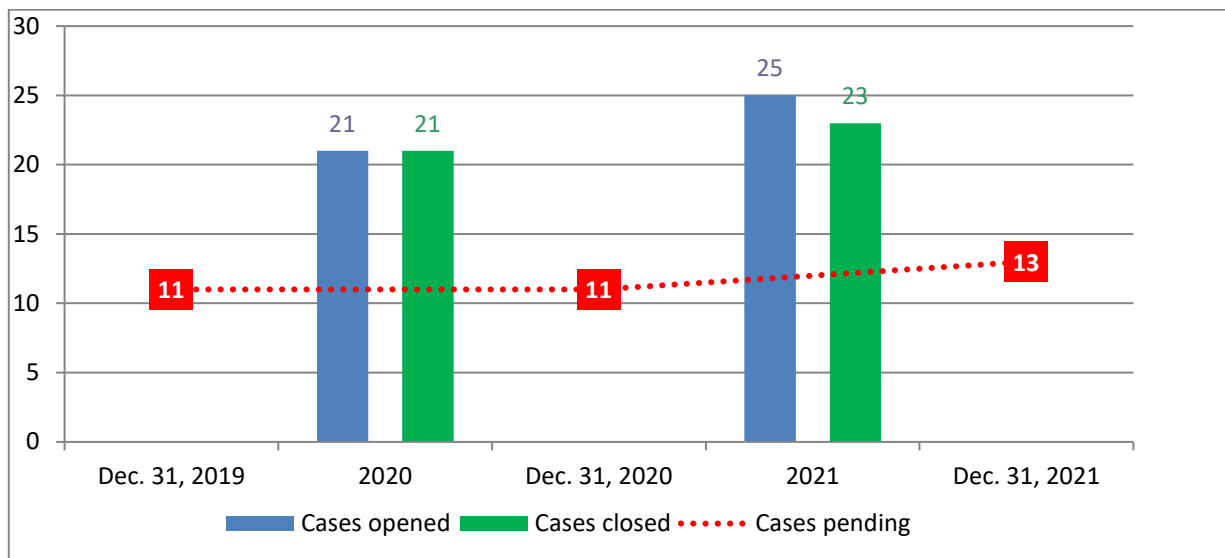## INVESTIGATIVE ACTIVITIES

CASELOAD OVERVIEW

75.   During the reporting period, 25 new cases were registered (which constitutes a 19 per cent increase over 2020) and 23 were closed. As of December 31, 2021, 13 cases were pending, including two at the preliminary evaluation stage, eight at the full investigation stage and three on hold pending action by another entity. Of the pending cases, 11 were opened in 2021, and two in 2020. As of December 31, 2021, the average length of time it takes to complete an investigation is 127 calendar days[10], which is well within the target of six months[11].

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[10] Excluding cases kept "on hold" pending action by parties outside IOD or due to the prolonged absence of staff members whose interview is warranted.
[11] Investigation Policy paragraph 33;

Chart 1 – Comparative Analysis of Investigative caseload in 2020 and 2021

76.   Among the 25 cases opened during the reporting period, two were referred to the IAOC for its advice, in line with the relevant provisions of the IOC[12].

OUTCOME OF INVESTIGATIVE ACTIVITIES

77.   According to the IOC[13], the Annual Report shall include a description of those investigative cases found to be substantiated and their disposition. In 2021, there were nine investigation cases where allegations were substantiated. Specifically:

(a)   Four cases implicated WIPO staff members, with respect to whom IOD recommended the initiation of disciplinary proceedings. The recommendations were followed in all cases but one, where the Director, HRMD considered that the facts established would be best addressed through other means, such as awareness training;

(b)   In one case, a staff member was not subjected to disciplinary proceedings, in line with IOD's recommendation, but was cautioned by the Director, HRMD;

(c)   One case implicated a staff member who resigned from employment with WIPO before action could be taken as recommended by IOD;

(d)   One case implicating an external contractor was referred to the Vendor Sanctions Committee, where proceedings are pending to date;

(e)   One case implicated an external agency worker, who was subjected to summary dismissal by the employing agency; and

(f)   One case involving fraud by an external party is to be referred to the competent national authorities.

78.   None of the aforementioned cases were considered to have a significant financial impact on the Organization.

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[12] IOC paragraphs 20, 21, 23, 24 and 25.
[13] IOC paragraph 48(b).

MANAGEMENT IMPLICATION REPORTS (MIR)

79.   IOD issued two MIRs highlighting systemic issues identified during investigations and providing recommendations for improvement of internal controls. These recommendations concerned:

(a)   Management of personal data of WIPO website users and mass mailing procedures; and

(b)   Information published in the PATENTSCOPE website.

Table 1 – Analysis of complaints received in 2020 and 2021

	2020	2021
Abuse of work time	0	6
Benefits and Entitlements Fraud or Abuse	4	0
Breach of confidentiality	0	2
Corruption	1	0
Harassment (non-sexual), Discrimination	2	3
Insubordination and other inappropriate behavior	0	2
Misuse of WIPO funds or assets	4	2
Negligence at work, obstruction to WIPO operations	1	2
Other failure to meet the standards of conduct for international civil servants	3	1
Procurement irregularities	1	3
Recruitment irregularities	2	1
Retaliation	1	1
Sexual harassment	1	0
Wrongdoing by vendor or other external party	1	2
Total	**21**	**25**

Chart 2 – Cases Closed in 2020 and 2021

Legend: ■ Allegations not substantiated ■ Allegations substantiated
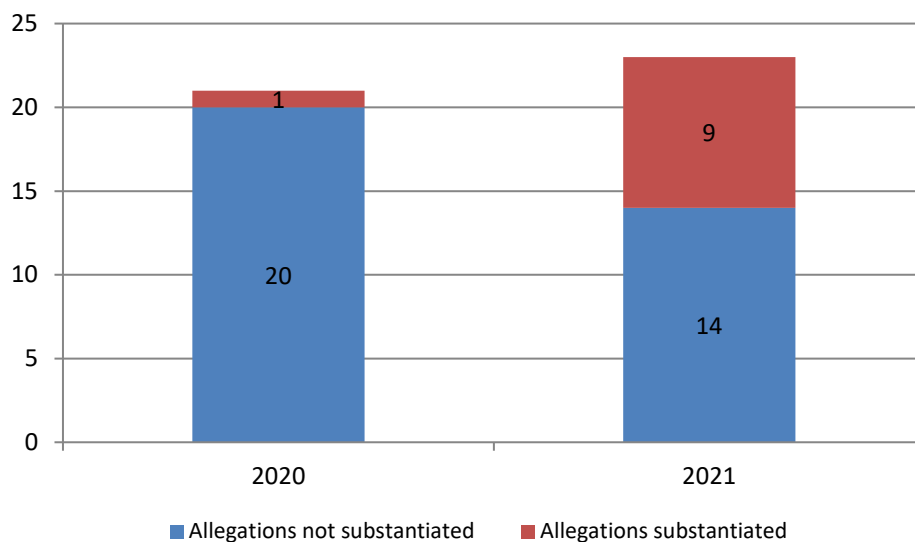
INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

80. In accordance with paragraph 48(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.

81. IOD reports that there were no instances as described in paragraph 48(g) of the IOC during the reporting period.

STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

82. 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 findings and recommendations[14]. The Director General discharges this responsibility through Sector Leads (Program Managers) responsible for specific operational areas within the Organization[15]. The implementation of all oversight recommendations is subject to regular follow-up by IOD[16].

83. IOD manages and reports on recommendations using the TeamMate+ system, which enables interactive dialogue with management for an effective follow-up of implementation of open recommendations.

84. At the date of the present report, there are 125 open recommendations, of which 40 are of high priority and 85 are of medium priority. IOD recommendations constitute 82 per cent of all open oversight recommendations.

Chart 3 – Open Recommendation by Source and Priority (125)
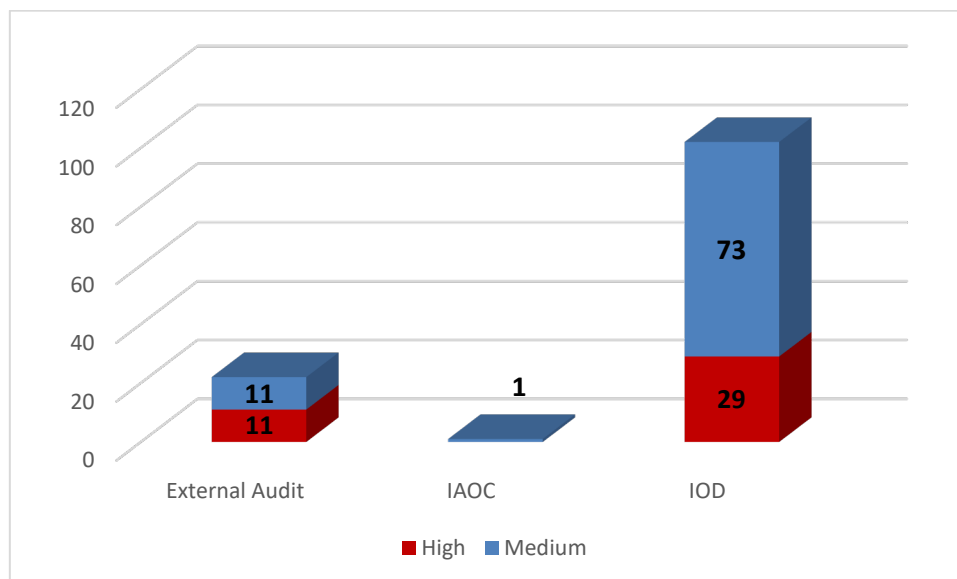
85. Between January and December 2021, there were 38 new IOD recommendations added from four audit reports, four evaluations reports, and two MIRs. One IAOC recommendation[17] made to the Ethics Office was pending at the end of the reporting period. This recommendation will be addressed by the Chief Ethics Officer.

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[14] IOC paragraph 45.
[15] OI 16/2010, paragraph 7.
[16] OI 16/2010 paragraph 8.
[17] WO/PBC/30/14 – June 18, 2019.

86.   Eleven recommendations from the report of the External Auditor were added to the recommendations management system during 2021. Nine external audit recommendations and 18 IOD recommendations were closed during the reporting period. Table 2 below shows the movement of recommendations by source, between January and December 2021.

Table 2 – Movement of Recommendations between January 1, 2021 and December 31, 2021

| Source	Open as at January 1, 2021	Added During the Period	Closed During the Period	Open as at December 31, 2021
IOD	82	38	18	102
External Auditor (EA)	20	11	9	22
IAOC	1	0	0	1
Total	**103**	**49**	**27**	**125**

87.   The chart below summarizes the aging of open recommendations as at December 31, 2021.

Chart 4 – Aging of Open Oversight Recommendations by Priority (125)
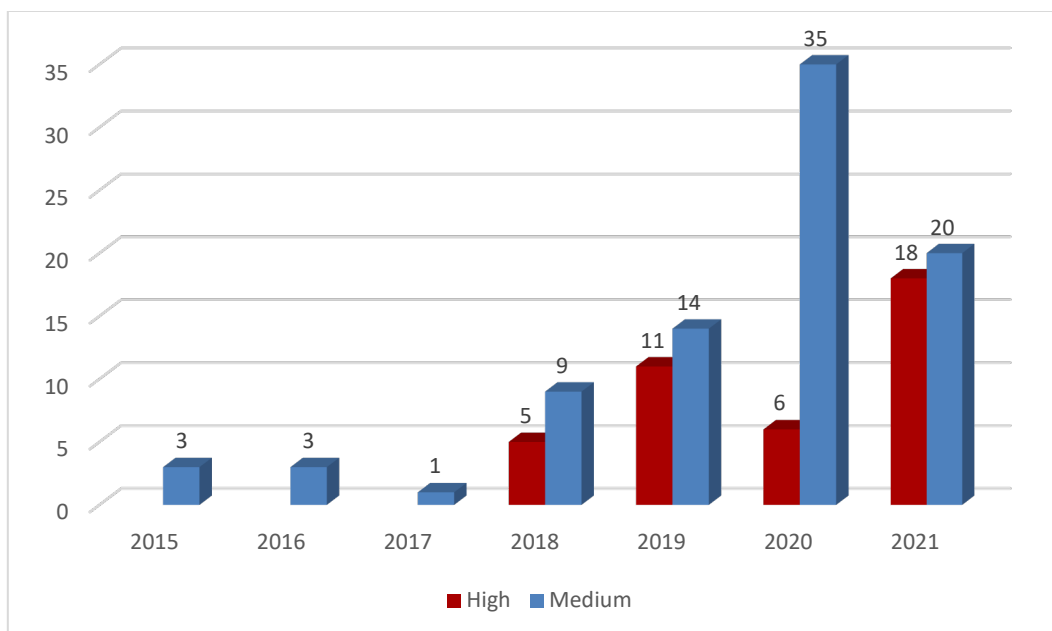
88.   The number of pending recommendations made between 2013 and 2016 has reduced from 12 to six during the reporting period. Further, there are no open recommendations made prior to 2015 at the reporting date. IOD continues to engage with management to further reduce aged recommendations.

89.   As at December 31, 2021, the number of open recommendations by WIPO Programs[18] and by priority are depicted below:

Chart 5 –Recommendations by Program and Priority (125)
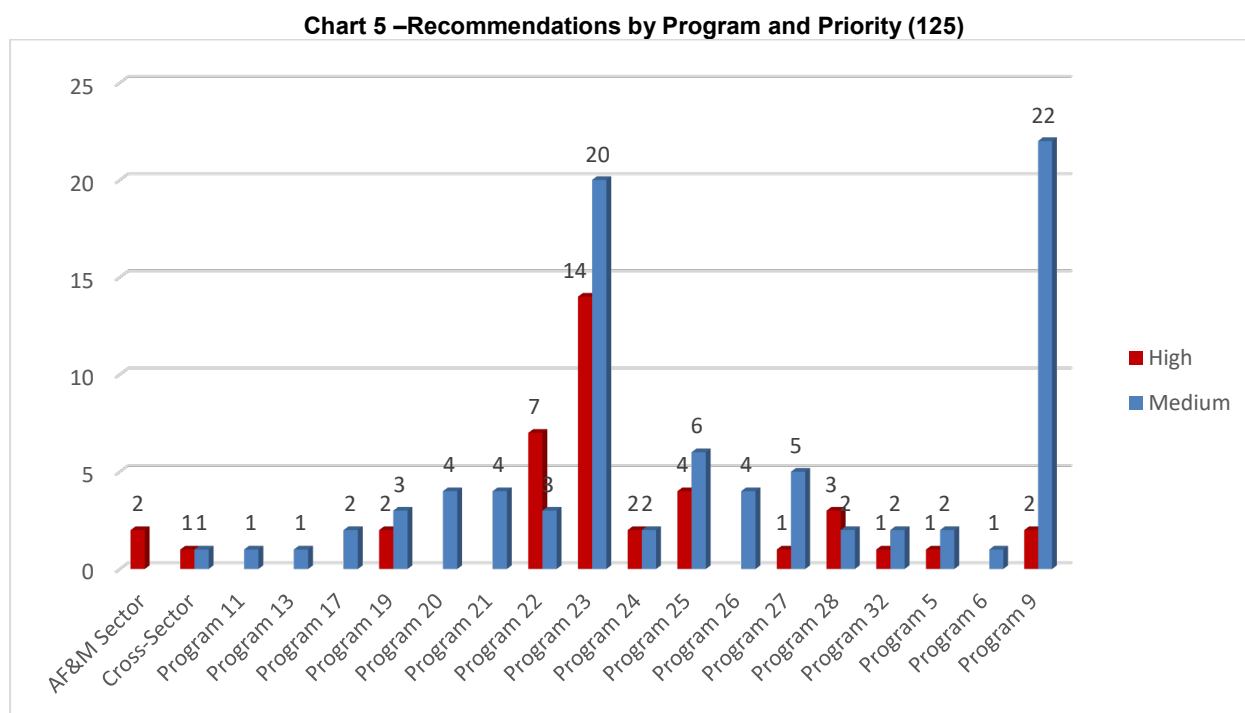
90.   Human Resources Management and Development (Program 23) and Program and Resource Management (Program 22) together make up 52.5 per cent of the 40 high priority recommendations at the reporting date.

CONSULTATIVE AND ADVISORY OVERSIGHT WORK

91.   As part of its advisory services, IOD continued to provide advice as requested on policy documents, evaluations, business processes or the regulatory framework.

92.   The Internal Audit and Investigation Sections advised the working group set up to review and update the WIPO Regulatory Framework of Administrative Issuances, with a view to streamlining the framework, and aligning it with, among others, the evolving communication culture of the Organization.

93.   The Evaluation Section advised on the design phase of the external evaluation of WIPO Re:Search. This advisory assignment consisted of providing technical quality assurance on the terms of reference of the external evaluation that WIPO Re:Search undertook.

94.   The evaluation has completed two advisory assignments in 2021. The first assignment provides advice on the process, quality and inputs for a technical tool that covers development sector activities in regard to benchmarking and self-evaluation of NIPS. The second aims at streamlining and reviewing existing self-evaluation elements for the Division of Latin American Countries, to enhance effectiveness, decision making, and reporting on results.

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[18] **Program 5** – The PCT system; **Program 6** – Madrid System; **Program 9** – Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries; **Program 13** – Global Databases; **Program 17** – Building Respect for IP; **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 Division; **Program 27** – Conference and Language Services; **Program 28** – Information Assurance, Safety and Security; **Program 32** – The Lisbon System.

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

95. 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. In the period covered by this report, four sessions (60th to 63rd) of the IAOC took place.

THE EXTERNAL AUDITOR

96. 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. IOD actively engaged with the External Auditor during the planning and subsequent implementation of the 2021 engagements, as well as providing inputs to the External Auditor as required.

COOPERATION WITH THE OMBUDSPERSON AND THE ETHICS OFFICE

97. During the reporting period, the Director, IOD met regularly with the Ombudsperson and with the Chief Ethics Officer to ensure good coordination and complementary support.

OTHER OVERSIGHT WORK

MIGRATION TO TEAMMATE+

98. IOD completed the migration to an updated audit management system TeamMate+, notably used to monitor and report on the implementation of recommendations. The new system is technologically more up-to-date, with new features that would enhance the risk assessment process, the conduct of engagements, and the management of recommendations.

DATA ANALYTICS PROJECT

99. IOD has completed the data analytics project that has enhanced the Division's capacity to conduct continuous auditing exercises. A pilot exercise is being conducted during the first quarter of 2022, and IOD will subsequently provide regular feedback to management on compliance and operational effectiveness of key controls tested through data analytics.

OUTREACH ACTIVITIES IN THE ORGANIZATION

100. 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, the IOD Newsletter, the IOD Dashboard and presentations to Management and Sector Leads as and when required.

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

101. The IOC includes specific provisions[19] on liaising and cooperating with the internal oversight services of other organizations of the UN 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 UN system Organizations and entities. In particular, IOD actively participated in, and undertook the following:

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[19] IOC paragraph 28(g).

(a)   The Director of IOD, the Head of the Evaluation Section and the Senior Evaluation Officer attended and actively participated in the 2020 Annual General Meeting of UNEG which was held virtually on January 21-22, 2021;

(b)   The Head of the Evaluation Section is serving a two-year term as Vice Chair and Treasurer of UNEG by supporting decision-making and overseeing the implementation of strategic objective three of the UNEG strategy;

(c)   The Heads of Investigations and Internal Audit have undertaken teaching assignments in the areas of risk management and the prevention of fraud and corruption to bachelor and master students of local business schools in Geneva;

(d)   IOD and the UN Office of Internal Oversight Services jointly conducted an online training session on payment diversion in early March 2021;

(e)   On June 24, 2021, IOD attended a virtual meeting of the United Nations Representatives of Internal Audit Services that focused on a presentation made by the European Commission Internal Audit, on the review of their Pillar Assessment;

(f)   IOD presented a lecture on the topic of international procurement fraud at the 2021 Association of Certified Fraud Examiners Global Fraud Conference held in June 2021; and

(g)   IOD attended the Annual Conference of Heads of Internal Audit in Europe, which took place between September 28th and 30th, 2021 in Geneva. The meeting, which was in a hybrid format, was jointly organized by the International Labor Organization and the International Committee of the Red Cross.

IOD QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

102.   The Quality Assurance and Improvement Program (QAIP) of IOD is designed to provide reasonable assurance to various stakeholders[20] that oversight activities are performed in conformity with the IOC, and the respective Standards and professional practices of each function, operate in an effective manner, and is perceived by stakeholders as adding value and continually improving. The areas outlined below are covered in the QAIP.

OPERATIONAL INDEPENDENCE OF IOD

103.   The IOC requires[21] the Director, IOD to confirm the organizational independence of the internal oversight function and to provide information on the scope of the internal oversight activities and on the adequacy of resources for the purposes intended.

104.   During the reporting period, no instance/activity occurred that could be considered as jeopardizing the operational independence of IOD. There was no actual or perceived interference in the work of IOD. The scope of oversight activities has been decided by IOD based on risk assessment, comments and feedback received from WIPO Management, the IAOC and the Member States, as appropriate.

ONGOING MONITORING AND KEY PERFORMANCE INDICATORS

105.   Ongoing monitoring of the performance of oversight activity refers to the day-to-day supervision, review and measurement of internal audit activity that is built into IOD policies, manuals and routine procedures. Furthermore, an engagement management system

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[20] The main stakeholders include the Director General, WIPO Managers, the IAOC, Member States, the External Auditor and the public at large.
[21] IOC paragraph 48(i).

(TeamMate+) is used to operationalize manuals and procedures, including supporting document filing, materialization of reviews and approvals, and recommendation follow-up and reporting.

106.   Furthermore, IOD has established Performance Indicators to measure the effectiveness, efficiency and relevance of oversight activities. These include, among others, the timely completion and reporting of oversight engagements, management perception of the work of IOD, and the level of acceptance and relevance of IOD recommendations. The table below summarizes the results.

Table 3 - 2020/2021 IOD Performance Indicators

Performance Indicator	Results
No interference and perceived independence by key stakeholders	No Interference observed during the period
% of Oversight work completed and reported in a timely manner	67% of audits reports issued within 4 months
	71% of evaluation reports issued within 6 months
	80% of investigations closed and reports issued within 6 months
% of internal stakeholders who perceive that IOD recommendations are SMART	83% of managers perceived that IOD recommendations were SMART
% of internal stakeholders who perceive that Oversight work is relevant	80% of respondents perceived that Oversight work was relevant
No. of oversight recommendations accepted	100% of IOD recommendations accepted

107.   Indicators continue to show a high acceptance of the relevance of IOD's work, and the pertinence of the recommendations made. The timeliness of audit and evaluation reports was affected by, among others: (i) increased timelines for receiving management responses in particular following combined oversight engagements; and (ii) the redirection of internal resources to complete the migration to the new audit and recommendation management system, and finalize the implementation of the data analytics and continuous audit project.

OVERSIGHT RESOURCES

BUDGET AND STAFF

108.   To discharge its mandate, IOD has been provided with a biennial budget after transfers of 5.270 million Swiss francs, which represents 0.69 per cent[22] of WIPO's budget for the 2020/2021 biennium. 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 IT tools have also helped to achieve more efficiency and effective coverage of risk areas.

Table 4 - 2020/2021 IOD Budget and expenditures[23]

	2020/21 Approved Budget	2020/21 Budget after Transfers	2020/21 Expenditure	Utilization rate (%)
Personnel Resources	4,356,000	4,471,500	4,638,344	104%
Non-personnel Resources	835,421	798,999	629,398	79%
Total	5,191,421	5,270,499	5,267,741	100%
IOD as % of total WIPO budget	0,68%	0,69%	0,78%	

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[22] This percentage is based on the budget after transfers to IOD.
[23] Figures in Swiss francs.

TRAINING AND CONTINUING PROFESSIONAL EDUCATION

109. The continued professional development of IOD's staff is essential to its capacity to deliver and effectively support the Organization. In accordance with WIPO's training policy, IOD staff attended various training activities to acquire new knowledge, technical skills and other competencies to increase its operational effectiveness and efficiency in undertaking oversight assignments.

110. On average, each IOD staff member attended 10 days of training on topics such as: Analyzing and Presenting Data, Decision Making, Applied Neuroscience, ACL Analytics, TeamMate Analytics, Internal Auditing Certifications, Online Research, Emerging Technologies, Integrated Financial Reporting, COBIT 5, Cyber Security, and Interview Skills.

SATISFACTION SURVEY

111. IOD continued to seek feedback from colleagues of audited/evaluated WIPO organizational units through client satisfaction surveys after each assignment. This aims to effectively receive and analyze feedback from colleagues on oversight work. At the end of 2021, the consolidated analysis of survey results indicates a satisfaction rate of 83 per cent.

112. The results of surveys conducted a year after the completion of the assignments, which are used to assess the impact of oversight work, indicated an average satisfaction rate of 80 per cent.

113. Additional comments sent by the audited/evaluated units through the surveys helped IOD identify shortcomings and take corrective actions. IOD will strive to further improve the impact of its oversight work based on the feedback received from colleagues.

PERIODIC INTERNAL AND EXTERNAL ASSESSMENT

114. Each function of IOD undertakes biennial self-assessments and/or quinquennial external assessments to determine whether the functions of IOD are carrying out their duties in an effective and efficient manner, and in conformance with relevant Standards, Professional Practices, and the related code of ethics. Elements of the quality program for IOD can be found in relevant manuals, guidelines, and operating procedures. Results of the External Assessments conducted for each function of IOD were reported in the Annual Report for 2020, and related recommendations are being implemented. No external assessment was conducted in 2021, and the next biennial self-assessment of the Internal Audit function is planned for early 2023, and will cover 2021 and 2022.

[Annex follows]

ANNEX - List of IOD Reports

IOD reports issued between January 1, 2021 to December 31, 2021	Ref.
Audit and Integrity Review of Absence Management	IA 2020-02
Audit of Cybersecurity Management at WIPO	IA 2020-04
Review of WIPO Crisis Management during the Pandemic	IA 2020-05
Review of Performance Management and Staff Development at WIPO	IA 2021-06
Evaluation of the Regional Division for Arab Countries	EVAL 2020-01
Evaluation of WIPO Match	EVAL 2020-05
Evaluation of the Use and Impact of IOD Evaluation Section Recommendations	EVAL 2020-03
Advisory Engagement on National IP Strategy Self-Evaluations	EVAL 2021-02
Management Implication Report on Personal data and privacy issues concerning WIPO e-mails to external users	MIR 2020-17
Management Implication Report on Information contained in the PATENTSCOPE website	MIR 2021-12
IOD reports issued in early 2022	
Audit of the Hague Platform Project	IA 2021-02
Audit of Enterprise Risk Management	IA 2021-03
Audit of the Management of Assets, Supplies and Materials	IA 2021-04
Evaluation of WIPO Standing Committees	EVAL 2020-02
Meta-Synthesis of Regional Divisions Evaluations	EVAL 2021-04
Consultancy - Review of IOD WIPO Performance Report validation methodology	EVAL 2021-06

[End of Annex and of document]