

## **Program and Budget Committee**

### **Twenty-Second Session Geneva, September 1 to 5, 2014**

#### **JOINT INSPECTION UNIT REPORT “REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)” (JIU/REP/2014/2): SECRETARIAT’S COMMENTS**

*Document prepared by the Secretariat*

1. The Joint Inspection Unit (JIU) undertook a review of the management and administration of WIPO in 2013, as part of a series of reviews of participating organizations. The report was presented to the Director General in its final form in May 2014.
2. The Secretariat welcomes the comprehensive and exhaustive full-scope review conducted by the JIU, which has served to reinforce and acknowledge the progress achieved by WIPO since the time it embarked on its extensive and in-depth program of change through the Strategic Realignment Program (SRP) as well as other initiatives focused on the streamlining and improvement of its administrative processes. The report also serves to contribute to the ongoing work of the Secretariat in further improving and streamlining its administrative and management processes through its 10 formal recommendations and a number of further soft recommendations, which are “additional suggestions for reinforcing the management framework and related practices at WIPO, with reference to the United Nations system standards and good practices”<sup>1</sup>.
3. With the conclusion of the SRP at the end of 2012, WIPO has moved into a phase of continuous improvement to reinforce as well as further build on and evolve the results achieved through the various SRP initiatives. This work is never finished, and, as also demonstrated by the proposals submitted for consideration by Member States this year, the Secretariat maintains the initiative for growth and progress – presenting WIPO’s accountability framework, its Risk

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<sup>1</sup> JIU/REP/2014/2 page iii.

Appetite Statement, as well as proposals for improvements in reporting and the policy framework for the management of human as well as financial resources for consideration by Member States.

4. In this light, WIPO embraces the recommendations made by the JIU, which contribute to the process of continuous improvement and to further strengthening WIPO's administrative and management processes. WIPO will implement or is already in the process of implementing the recommendations made by the JIU. The following provides the detailed responses of WIPO to each recommendation of the JIU.

#### **Recommendation 1**

The WIPO General Assembly should review the WIPO governance framework as well as current practices with a view to strengthen the capacity of the governing bodies to guide and monitor the work of the organization. In doing so, Member States may wish to consider in their deliberations the options suggested in this report

#### ***Secretariat's Response:***

A letter was sent on May 30, 2014, from the Director General of WIPO to the Chair of the WIPO General Assembly, drawing the Chair's attention to this recommendation.

#### **Recommendation 2**

The Director General should ensure that clear and updated terms of reference are made available for all WIPO organizational units and include them in relevant Office Instructions, in particular each time an internal re-organization is carried out

#### ***Secretariat's Response:***

WIPO welcomes this recommendation. In order to ensure that mandates are clearly defined for each organizational unit, taking duly into account possible changes to the organizational structure following the appointment of the new Senior Management Team, this recommendation will be implemented in parallel to the commencement of the second term of the Director General in October 2014. It should in this context be noted that the practice of including unit mandate descriptions in Office Instructions concerning internal re-organizations commenced in November 2013 and will continue to remain standard practice.

#### **Recommendation 3**

The Director General should issue comprehensive terms of reference for the management committees by the end of 2014 and circulate them to the relevant WIPO governing bodies.

#### ***Secretariat's Response:***

WIPO welcomes this recommendation. Terms of Reference for the referenced Senior Management Team and the Management Meetings will be issued by the end of 2014. Comprehensive Terms of Reference for other internal management committees have already been provided to the JIU.

#### **Recommendation 4**

The Director General should request the Internal Audit and Oversight Division to include in its workplan a series of evaluations of the Strategic Realignment Program (SRP) initiatives and their results to capture lessons learned, thus supporting WIPO management during the next phases of the reform process of the organization.

#### **Secretariat's Response:**

This recommendation is already in progress as IAOD has reviewed a number of SRP initiatives. In early 2014, IAOD completed the audit of results-based management specifically undertaken as a review of an SRP initiative under the core value "Accountability for results". Likewise, before the end of June 2014, IAOD will complete the evaluation of knowledge sharing in WIPO which considered closely another SRP core value, "Working as one" and one of its activities, "to strengthen internal communication". IAOD will incorporate any additional request by the Director General on its workplan.

Other audits already undergone include, an audit of the VSP and an audit on data migration for the ERP. The External Auditors will be carrying out a performance audit of the ERP.

#### **Recommendation 5**

The Director General should finalize, by the end of 2015, and regularly update the WIPO Risk Policy and all the elements of a comprehensive risk management framework.

#### **Secretariat's Response:**

This recommendation is in progress. In order to better assess and manage the risks that could endanger the achievement of WIPO's strategic goals and expected results, the guiding principles of ERM activities have been codified in WIPO's Risk Management Policy. This is currently under review by WIPO's Risk Management Group (RMG) and the Internal Audit and Oversight Division (IAOD), following which it will be socialized and communicated more broadly. It is expected to be promulgated in 2014.

One of the initiatives pursued and implemented within the context of the Strategic Realignment Program (SRP), was to strengthen the risk management and internal control systems of WIPO. As part of the initiative, a number of important milestones were achieved, which have continued to carry the Organization forward on the path established under its risk management roadmap, and on the way to achieving its target of having Enterprise Risk Management (ERM) fully implemented by the end of the 2016/17 biennium. These milestones include the integration of risk management into the annual work planning cycle, the identification of risks and risk mitigation measures in the 2014/15 Program and Budget.

The policy is based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control - Integrated Framework<sup>[1]</sup>, as it is applied within the INTOSAI guidelines for internal control standards for the public sector, and is structured along the lines of the integrated internal control framework components of (i) control environment; (ii) risk assessment; (iii) control activities; (iv) information and communication; and (v) monitoring activities. The policy presents definitions for risk, risk appetite, and risk tolerance, establishing the process for risk management, and defining the various roles involved in the process of risk management.

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<sup>[1]</sup> Committee of Sponsoring Organizations of the Treadway Commission *Internal Control - Integrated Framework* (Jersey City, NJ : American Institute of Certified Public Accountants, 2013)

**Recommendation 6**

The Coordination Committee should revisit the present principles concerning geographical distribution in order to ensure broader geographical diversity within the WIPO professional workforce.

***Secretariat's Response:***

A letter was sent on May 30, 2014, from the Director General of WIPO to the Chair of the WIPO Coordination Committee, drawing the Chair's attention to this recommendation.

**Recommendation 7**

Based on guidance provided by the Coordination Committee, the Director General should establish, by the end of 2015, a Plan of Action with specific measures and targets to broaden the geographical diversity within the professional workforce and report annually on its implementation.

***Secretariat's Response:***

A program of action will be established in consultation with Member States with a view to broadening the geographic diversity within the professional workforce. Outreach campaigns and increased interaction with Member States were initiated in October 2013 and will continue throughout 2014-2015 to increase the Organization's geographical diversity. HRMD reports progress on WIPO's geographical diversity twice per year to all Member States and annually to the WIPO Coordination Committee through its Annual Report on Human Resources.

**Recommendation 8**

The Director General should finalize the WIPO Gender Policy by the end of 2014, ensuring that it contains specific measures and targets to improve gender balance, in particular at senior management level, and report annually on its implementation.

***Secretariat's Response:***

WIPO is currently in the process of developing a comprehensive Policy on Gender Equality and a related Action Plan. The policy will address both the mainstreaming of gender in the work of WIPO Programs and gender equality in the WIPO workplace with specific measures and targets for improving gender balance at all levels by 2020. The policy is expected to be issued in 2014. HRMD currently reports progress on gender balance biannually to member States and annually to the WIPO Coordination Committee through its Annual Report on Human Resources.

**Recommendation 9**

The Director General should further formalize WIPO's Information and Communication Technology (ICT) Strategy and present it to the General Assembly by the end of 2014.

***Secretariat's Response:***

The WIPO Information and Communication Technology (ICT) Strategy has been provided as part of the documentation of the 54th Session of the Assemblies of the Member States of WIPO (September 22 to September 30, 2014).

## **Recommendation 10**

The Director General should finalize a comprehensive Knowledge Management Strategy and present it to the General Assembly by the end of 2015.

### ***Secretariat's Response:***

An independent evaluation on Knowledge Sharing at WIPO has been conducted by IAOD in the first half of this year. The report will be issued on July 8, 2014. One of the four recommendations of this evaluation is to "...bring together the various existing policies to develop a knowledge sharing policy incorporated into an overall knowledge management strategy as recommended in a recent JIU report". The uptake, responsibilities and deadlines for implementing this and the other three recommendations (on assigning a senior level position to lead the establishment of a new information and knowledge strategy, on providing a platform for internal communications and on systematic structuring of information) is currently being discussed within WIPO Management and will result in an agreed management action plan to be issued by beginning of August 2014."

5. The following decision paragraph is proposed.

6. *The Program and Budget Committee took note of the Secretariat's Comments on the Joint Inspection Unit's (JIU) Report "Review of Management and Administration in the World Intellectual Property Organization" (JIU/REP/2014/2) (document WO/PBC/22/20), including:*

*(i) the action taken by the Director General to send letters to the Chairs of the WIPO General Assembly and the Coordination Committee, drawing their attention to the recommendations addressed to legislative bodies by the JIU; and*

*(ii) the progress made on the implementation of the recommendations addressed to the Director General.*

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