



WO/PBC/27/14
ORIGINAL: ENGLISH
DATE: SEPTEMBER 6, 2017

Program and Budget Committee

**Twenty-Seventh Session
Geneva, September 11 to 15, 2017**

**COMMENTS OF THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) ON
THE SECRETARIAT'S PROPOSED AMENDMENTS TO WIPO'S FINANCIAL REGULATIONS
AND RULES**

Document prepared by the WIPO Independent Advisory Oversight Committee (IAOC)

1. This document contains the views of the WIPO Independent Advisory Oversight Committee (IAOC) on the Secretariat's proposed amendments to WIPO's Financial Regulations and Rules, as contained in Annex I of document WO/PBC/27/11, in accordance with the decision of the Program and Budget Committee at its twenty-sixth session, as contained in document WO/PBC/26/11.

[Comments of the WIPO Independent
Advisory Oversight Committee follow]

COMMENTS OF THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC) ON THE SECRETARIAT'S PROPOSED AMENDMENTS TO WIPO'S FINANCIAL REGULATIONS AND RULES

I. BACKGROUND

1. The Secretariat has proposed certain amendments to WIPO's Financial Regulations and Rules (FRR) and has submitted them to the 26th session of the Program and Budget Committee (PBC) as document WO/PBC/26/5 (the "Initial Proposed Amendments").
2. The proposed amendments are aimed at (i) changing the procurement process and (ii) eliminating duplications in reporting and other changes.
3. At its 26th session, the PBC considered the Initial Proposed Amendments and decided to recommend to the WIPO General Assembly the approval of the procurement related amendments and to request the Secretariat to present a revised draft of the other proposed amendments for the 27th session of the PBC (the "Revised Proposed Amendments"). Additionally, the PBC requested the IAOC to review the Revised Proposed Amendments and report to the PBC on the result of their review.
4. On August 7, 2017, the Secretariat provided the IAOC with the Revised Proposed Amendments contained in Annex I to document WO/PBC/27/11.

II. THE REVISED PROPOSED AMENDMENTS

5. The IAOC compared the Revised Proposed Amendments to the Initial Proposed Amendments and noted that:
 - There are no new proposed changes;
 - Some changes initially proposed are no longer included in the Revised Proposed Amendments. These are as follows:
 - Rule 101.3(e) – the definition of Appropriations;
 - Rule 101.3(n) – the definition of Reserve funds; and
 - Regulation 4.6 – the management of reserve funds.
6. The Revised Proposed Amendments can be classified in two main groups:
 - Proposed Amendments aimed at eliminating duplication in reporting; and
 - Proposed Amendments aimed at correcting inaccuracies and providing clarifications.

III. THE SCOPE OF THE IAOC REVIEW

7. The primary objective of the IAOC review was to assess if the proposed amendments to the FRR achieve their overall purpose, i.e. to increase transparency and to enhance the overall effectiveness and quality of reporting to Member States without losing information.

Review of the Revised Proposed Amendments to eliminate duplications in reporting

8. There is indeed a duplication in reporting at WIPO, primarily resulting from the requirement to submit, in addition to the annual financial statements in conformity with the International Public Sector Accounting Standards (IPSAS), a Program Performance Report (PPR) and a Financial Management Report (FMR). The Committee is of the view that merging the PPR and the FMR into a new Program and Financial Management Report (PFMR) would not only eliminate the current duplication and overlap, but would also add to the overall quality of program and budgetary reporting through improving the clarity and coherence of reporting.

9. The IAOC review found that the proposed amendments result mainly in a change in how the mandated information is provided to Member States and did not identify any instance where the proposed amendments would result in a loss of information.

Review of the Revised Proposed Amendments to clarify and correct inaccuracies

10. The IAOC noted that the proposed amendments do indeed clarify certain aspects of financial reporting and correct previously identified inaccuracies. The Committee has no additional comments to offer on those proposed amendments.

IV. CONCLUSION

11. The IAOC is of the view that the Revised Proposed Amendments to WIPO's Financial Regulations and Rules will assist the Secretariat in streamlining reporting and will increase the clarity and consistency of WIPO program and financial reporting.

12. The Committee, therefore, supports the proposed amendments listed in Annex I to document WO/PBC/27/11.

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