WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

Program and Budget Committee

Thirty-Third Session
Geneva, September 13 to 17, 2021

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, 2020 to December 31, 2020.

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/33/6).*
>
> [Annual Report by Director, IOD follows]

ANNUAL REPORT BY THE DIRECTOR OF INTERNAL OVERSIGHT DIVISION

January 1, 2020 to December 31, 2020

TABLE OF CONTENTS

ANNEX – List of IOD reports

LIST OF ACRONYMS

AIMS	Administrative Integrated Management System
CDIP	Committee on Development and Intellectual Property
CII	Conference of International Investigators
EQA	External Quality Assessment
ERM	Enterprise Risk Management
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
JIU	Joint Inspection Unit
MIR	Management Implication Report
M&E	Monitoring and Evaluation
OI	Office Instructions
OIOS	Office of Internal Oversight Services
PBC	Program and Budget Committee
PD	Performance Data
PI	Performance Indicator
RBM	Results Based Management
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SRR	Staff Regulations and Rules
TLS	Traffic Light System
UN	United Nations
UNEG	United Nations Evaluation Group
UNGM	United Nations Global Marketplace
UNRIAS	United Nations Representatives of Internal Audit Services
UNRIS	United Nations Representatives of Investigation Services
UN-SWAP	UN System-wide Action Plan
WIPO	World Intellectual Property Organization
WPR	WIPO Performance Report

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). 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 Covid-19 pandemic disrupted our way of life and work, and in certain cases, caused exceptional harm and grief. IOD recognizes the resilience of WIPO colleagues and the Organization's overall readiness and responsiveness towards taking measures to safeguard lives, and minimize the impact of the pandemic on the work of WIPO. IOD modified its work plan during 2020 to better adjust to the pandemic, and its consequences on work interactions.

5.   IOD welcomed the new Director General, Daren Tang, who took office on October 1, 2020, and noted that the new Administration was taking form by end of 2020. Early interactions with the Director General pointed towards changes and enhancements in communication, collaboration, accountability and strategies among others. These interactions guide and help draw the main lines of future oversight work and priorities, while ensuring that they align with the organizational needs and strategic focuses.

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 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 Audit and Integrity Review of Absence Management is one such combined engagement conducted by the Internal Audit and Investigation functions in 2020.

8.   As part of ensuring the quality assurance of oversight activities, External Quality Assessments (EQA) of IOD's Audit and Investigation functions were completed, providing assurance on conformance with professional norms and standards of the Institute of Internal Auditors (IIA), endorsed by the United Nations Representatives of Internal Audit Services (UNRIAS), and standards set forth in the Uniform Guidelines for Investigations, endorsed by the Conference of International Investigators (CII). The EQAs determined that both the Audit and Investigation functions *generally conformed* to applicable norms and standards.

PLANNING PRINCIPLES

9.   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

---

[1] Refer to IOC paragraphs 47 and 48.

Oversight Work Plan was also submitted to the IAOC for its review and advice as per IOC paragraph 28(a).

10.   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).

PROFESSIONAL STANDARDS

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

12.   Similarly, IOD's investigative work is conducted in line with the Uniform Principles and Guidelines for Investigations endorsed by the CII.

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

GENDER MAINSTREAMING

14.   In the context of the UN System-Wide Action Plan (UN-SWAP) performance report 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 audit engagements. In 2020, some elements of gender were included in the report of the Audit and Integrity Review of Absence Management;

(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;

(d)   A gender focal point has been designated to liaise with the WIPO Gender and Diversity Specialist and share relevant gender related corporate initiatives with IOD   and

(e)   IOD follows up on the implementation of the recommendations issued for the audit and evaluation WIPO Policy on Gender Equality, and has shared the results, lessons learned and good practices with the UNEG network.

KEY FINDINGS AND HIGH PRIORITY OVERSIGHT RECOMMENDATIONS

15.   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.

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

(a)   Audit and Integrity Review of Staff Benefits and Entitlements;

(b)   Assurance Mapping of WIPO;

(c)   Review and Update of the IOD Annual Plan Development Cycle;

---

[2] The list of reports features in the Annex.

(d)   Validation of the WIPO Performance Report 2018/19;

(e)   Evaluation of the Regional Division for Africa;

(f)   Evaluation of Program 17 – Building Respect for IP;

(g)   Evaluation of Program 32 – The Lisbon System;

(h)   Evaluation Advisory – *Ex-ante* Evaluation of the Regional Bureau for Asia and the Pacific Framework for Technical Cooperation;

(i)   MIR on Information transmitted to the United Nations Global Marketplace (UNGM); and

(j)   MIR on improving the Organization's efforts to deter invoice fraud by external entities against WIPO clients.

17.   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, which is accessible by IOD and WIPO Management.

REPORTED ENGAGEMENTS IN 2020

AUDIT AND INTEGRITY REVIEW OF STAFF BENEFITS AND ENTITLEMENTS

18.   IOD notes a number of positive developments in the management of staff benefits and entitlements. The WIPO Staff Regulations and Rules (SRR) and Office Instructions (OI) are reasonably aligned with good practices within the United Nations (UN) Common System. Notably, implementing the self-service functions in the Administrative Integrated Management System[4] (AIMS) Human Resources (HR) system has helped in increasing operational efficiency and effectiveness.

19.   However, opportunities exist to enhance the management of staff benefits and entitlements, through enhancing internal controls for verifying benefits and entitlements that are provided to staff members who have spouses working within the UN Common System and International Organizations. Further, revising and updating the SRR and OI on Language allowance, and aligning the Regulations and Rules on Official Travel and Home leave with the relevant OIs, in particular the calculation for the home leave lump sum option for the staff at the senior level , would clarify and enhance the management and administration of these staff benefits and entitlements.

20.   Further, at the time of the reporting, WIPO has yet to take a final decision on a methodology to adopt, in order to replace the basis for calculating the Home Leave lump sum, following the International Air Transport Association announcement to rescind with effect from October 31, 2018, the fares previously used in determining lump sums. In addition, the Organization should consider evolutions or changes in, among others, the financial services and the Aviation industry in determining required justification and supporting documents for staff benefits and entitlements.

---

[3] TeamCentral[TM] is a module of TeamMate[TM], which is a specialized software for audit assignments and which includes various modules, such as electronic working papers, follow-up of recommendations, risk assessment and time scheduling.
[4] The AIMS HR System facilitates the automation of initiating, processing and authorizing of various categories of WIPO staff benefits and entitlements

21.   Finally, Absence Management can be made more efficient by, among others, creating an interface between the AIMS HR system and EarthMed[5] (Electronic Medical record system). In order to enhance the medical clearance process and eliminate some of the manual practices related to staff travel clearances.

ASSURANCE MAPPING OF WIPO

22.   This engagement serves to assess and map the assurance process through the Three Lines Model to, among others identify gaps, in the interaction between IOD and other second line functions in providing appropriate oversight and assurance.

23.   Overall, IOD did not identify any significant assurance gaps. The defense mechanisms, when used in combination with other corporate and entity specific controls, provide a relevant coverage and assurance mechanism. However, there are still certain business areas with relatively high residual risks at a strategic level (e.g. Political, Economic and Competitive Environment, and Information Security risks). This is mainly explained by the inherent nature of these risks, and not by weaknesses in the design and/or implementation of relevant controls.

24.   IOD found that while WIPO's information systems and tools have embedded controls that support assurance mechanisms, there are opportunities to further enhance their contribution to assurance in the Organization. For example, as a key source of assurance information, it is important that business areas/Programs proactively and continually update the Enterprise Risk Management (ERM) tool with properly formulated and validated risks, and relevant controls. Further, a risk and control mapping exercise can help enhance completeness, quality and accuracy of information in the ERM.

25.   To enhance its assurance activities, IOD should continually engage with other assurance providers in WIPO with a view to (i) better align risk assessment practices; (ii) identify opportunities for synergies and efficiencies where applicable; and (iii) share relevant knowledge and information to enhance collective assurance.

26.   Finally, IOD performed a maturity self-assessment, which showed the need for continuing efforts in using technology to enhance data analytics-enabled and continuous auditing activities, in order to expand its assurance coverage.

REVIEW AND UPDATE OF THE IOD ANNUAL PLANNING DEVELOPMENT CYCLE

27.   This engagement assesses the annual planning development cycle for adequacy, transparency, relevance, and alignment with the organizational risks maturity and the changing risk environment within which it functions.

28.   The engagement has not identified any significant gaps in the IOD annual planning development cycle. The continual enhancement of the risk assessment exercise and the assurance mapping, as well as measures to enhance continuous monitoring through data analytics and automation, should further improve the annual planning development cycle and the scoping and delivery of IOD services overall.

29.   As a result of this exercise, the IOD Oversight Universe has been updated with new Auditable Entities, Risks and Controls. The risk terminology has been further aligned with the WIPO Risk Management Framework.

30.   Finally, the new SOP "IOD Annual Planning Development Cycle", annexed to the report has addressed a number of points for improvement identified in this report. The engagement report includes one recommendation for IOD to implement in the course of 2021.

---

[5] In July 2018, WIPO introduced an electronic medical record system – EarthMed. The new system aims to, among others, ensure more efficient and effective management of confidential medical data for staff members

VALIDATION OF THE WIPO PERFORMANCE REPORT 2018/19

31.   Since 2008, IOD has conducted six validation exercises. The WIPO Performance Report (WPR) Validation provides an independent verification of the reliability and authenticity of information contained in the 2018/19 WPR and follows-up on the implementation status of open recommendations of the previous Validation Reports. During this exercise, IOD validated two Performance Indicator (PI) data for Program 20, to, among other things, better integrate external offices in the validation process. The report makes no formal recommendations. However, there are some suggestions that should be considered, to help enhance Results Based Management (RBM) at WIPO.

32.   The overall quality of Performance Data (PD) has increased when compared to the previous validation, with at least 94 per cent of PD meeting the six validation criteria, including two criteria rated at 97 per cent. Previously, only four out of six validation criteria were rated above 80 per cent. The validation identified one case where opportunities exist for improvements – the PD did not meet the criteria in four out of the six validation criteria, and only partially met the remaining two criteria. Likewise, all 31 Programs accurately reported their Traffic Light System (TLS) for the 32 PI randomly selected. This is a 100 per cent accuracy compared to the previous period, where PD for 26 PI were accurately reported (84 per cent).

33.   While the survey administered to Program Managers and Alternates represents perceptions, the result nevertheless points to potential areas and issues to address, to further enhance RBM at WIPO. For instance, around 52 per cent of respondents reported that the selection of their PIs and data quality had improved since the last validation exercise. Fifty per cent of respondents do not use information from PIs in regular management processes, hinting that there are still opportunities for RBM to further shift from a reporting tool to a management system. Finally, information sharing is a critical success factor for effective RBM, with only 48 per cent of respondents finding that other Programs share useful monitoring and reporting data in a timely manner.

34.   IOD encourages the Organization to continue to implement measures and practices that would lead towards increasing the use of RBM as a management system, and to support a robust results culture at WIPO.

35.   One recommendation from the validation of the 2016/17 report has been fully implemented, one partially implemented, and two are no longer applicable as the PIs concerned were discontinued. Recommendations from the previous validations (2014/15 and 2012/13) have all been implemented and closed.

EVALUATION OF THE REGIONAL DIVISION FOR AFRICA

36.   The aim of the evaluation was to assess the Division's processes, performance effectiveness, and efficiency to improve the quality of implementation modalities. The evaluation strives to understand what works and what does not within the Division and its contributions towards WIPO's advancement of development agenda priorities.

37.   Major findings of the report include that:

(a)   The Division's interventions responded to the needs of national counterparts, and the results and activities were coherent with the national priorities and context. The planning process was participatory, based on the Bureau's knowledge of the region.

(b)   The planning process comes from the countries' initiative, and it is considered useful due to the bottom-up and top-down processes. However, the application of a more in-depth needs analysis would further strengthen existing planning practices.

(c)   The Division has made significant efforts to deliver its results, but the situation in the countries concerned, coupled with internal organizational challenges affected the timely delivery of outcomes. Moreover, limited monitoring capacity and tools within the Division affect the appropriate use and reporting of performance measures.

38.   The evidence collected during the evaluation revealed that there is satisfaction with the delivery of the Division's mandate. Key partners across countries widely recognize the Division's work. It has shown its role in bringing together a multitude of parties around essential issues and achieving results around capacity building, technical assistance, development of intellectual property (IP) strategies, and public policy.

39.   The analysis in the evaluation shows that the Division has developed comparative strengths and substantial added value in its role, facilitating the development of a broad range of interventions and support to assist the African countries for better IP development.

40.   The Division made significant progress in sustainability and more specifically raising awareness with key stakeholders, building capacities, influencing public policy and institutions including the forging of strong alliances with regional IP offices and institutions.

41.   Based on the findings and conclusions of the evaluation, major recommendations of the report include that:

(a)   The Division should further strengthen the existing planning process by implementing a more rigorous design and a clear, detailed theory of change that describes accurately the causality chain that will achieve the expected results. Moreover, its business model should move towards the implementation of projects including collaboration with additional key stakeholders in the IP ecosystem, such as inventors, innovation labs, small and medium-sized enterprises (SMEs), and researchers;

(b)   The Division should provide a more hands-on training on the valuation of IP and its utilization. Projects should be aimed at demonstrating the value of IP through the IP value chain, including technology transfer. This should entail preparing more detailed action plans with the Permanent Missions, national-level vital stakeholders, and relevant WIPO sectors.

(c)   The Division should commit a sufficient percentage of its resources to monitoring activities, including capacity building of staff to automate monitoring practices. In collaboration with other relevant WIPO divisions, the Division should identify alternatives for increasing investment for the region based on the size of challenges found at the regional level and the number of countries being served to develop projects with greater scope.

(d)   The Division, in collaboration with the national and regional IP offices, should explore the development of sustainability strategies at the national and regional levels as part of their project management processes.

EVALUATION OF PROGRAM 17: BUILDING RESPECT FOR IP

42.   The overall purpose for this evaluation is formative in nature, aimed at assessing the expected results and activities carried out for the implementation of Program 17, with a focus on output III.2. "Enhanced human resource capacities able to deal with the broad range of requirements for the effective use of IP for development in developing countries, LDCs and countries with economies in transition."

43.   Key findings and conclusions included in the report are:

(a)   There is an increasing appreciation among the Member States on the Advisory Committee on Enforcement that building respect for IP deserves greater emphasis. The workshop/seminar material is broadly relevant and useful to most participants (over 85 per cent) of the Program 17 capacity building activities;

(b)   The evaluation identified cases of Extreme Response Style in the metrics used for post seminar/workshop evaluation. The overall relevance of output III.2 in Program 17 is confirmed at organizational, interregional, regional, sub-regional and national level;

(c)   The seminars/workshops are broadly effective but could be improved through smaller working and discussion groups and a greater scope to encourage the development of informal networks among participants. Overall, the effectiveness of Program 17 in the delivery of output III.2 is well established;

(d)   Communication and coordination of Program 17 staff works exceptionally well with both internal and external partners and stakeholders. Back-to-back workshops bring efficiency savings. Program 17 seems to use efficient inputs and operational activities by making an effort to coordinate internally and externally; and

(e)   There appears to be a positive impact at an individual participant level, which then translates into multiplied impacts as the learning is disseminated by those participants to their peers. The evaluation of Program 17 identified and documented examples that contribute to intermediate and potential long-term effects (impact) of the delivery of output III.2.

44.   The evaluation of Program 17 makes the following key recommendations:

(a)   Program 17 should strengthen the processes, through which the relevance and effectiveness of capacity building activities are assessed by revising key performance indicators and the post-workshop evaluation questionnaire. Program 17 should work with the Program Performance and Budget Division on the proposed questionnaire to create a Program 17 specific and complementary questionnaire.

(b)   Program 17 should fine-tune the seminar/workshop delivery method with a focus on its relevance to context and participants.

EVALUATION OF PROGRAM 32: THE LISBON SYSTEM

45.   The evaluation covers the analysis of the program planned activities between 2016 and 2019 designed to contribute towards WIPO's strategic goals as detailed in the biennium and program results-based frameworks with a particular focus on activities related to promotion including related technical assistance and management of the International Register. The scope also includes the identification of lessons learned and good practices of the promotion activities including related technical assistance and management of the International Register implemented by the program.

46.   The evaluation found that the scope of work and activities of Program 32 are relevant and in line with organizational and Member States' needs and requirements. Moreover, the promotion activities have pointed out the possibility to protect geographical indications through different legal means at the national and international levels.

47.   The evaluation also found that reporting on the results of the promotion activities and related technical assistance activities in the Program and Budget is limited as expected results are designed at the organizational level. Finally, there is room for improvement in the way in which the recording and notification process is currently designed and managed from both the Program and the Information Technology (IT) sides.

48.   While the general assessment of the Program was positive, the evaluation identified aspects of the Program's work that could be strengthened.

49.   With the increase in the number of activities and the recent entry into force of the Geneva Act, Program 32 needs to redefine the Program prioritization and implementation of promotion activities, including technical assistance activities. There is a need to develop a more structured work plan and reassessment of budgetary and human resource requirements.

50.   Program 32 should define working level performance indicators that capture the depth of the progress accomplished by the activities carried out under promotion and related technical assistance.

51.   An updated International Register for the Lisbon System is required by developing a restructured IT system with one IT owner, as a fit for purpose software tool for the whole registration process minimizing/eliminating manual steps and overrides of data, providing solutions to all technical issues.

EX-ANTE EVALUATION OF THE DIVISION FOR ASIA AND THE PACIFIC FRAMEWORK FOR TECHNICAL COOPERATION

52.   An *ex-ante* evaluation is an assessment of a program conducted before its implementation. This *ex-ante* evaluation improves the program's relevance and design. Moreover, it provides information to serve as a basis for Monitoring and Evaluation (M&E) for management throughout the project cycle. The *ex-ante* evaluation focused on 10 project documents, covering the technical monitoring framework of the division and provided a series of suggestions and recommendations to collect, use, and present M&E data.

53.   Major findings of the report include that:

(a)   The existing technical frameworks of the Division of Asia and the Pacific had some elements in need of improvement, including the use of Specific, Measurable, Achievable, Relevant, Time-bound (SMART) principles and criteria with results and indicators that are not actionable enough for its implementation;

(b)   The technical frameworks of 10 projects have disconnected linkages on the causality, cascading between activities, outputs, outcomes, and impact with imprecise theories of change;

(c)   The evaluation found that some of the project's technical frameworks lack clarity on the differentiation between indicators, targets, and baselines; and

(d)   The roles and functions to be performed at the team level, especially for monitoring progress at WIPO and the country level, were also unclear. Moreover, the evaluation found excessive ambiguity on how the progress and expected results would be measured and which tools would be used for data gathering and analysis.

54.   The *ex-ante* evaluation report of the Division of Asia and the Pacific provides the following recommendations:

(a)   Future revisions of the technical framework should avoid that some measurements be emphasized at the expense of other (measure fixation) whenever possible, and keep the framework as simple as possible, implementing first the key performance indicators and eventually using the balanced scorecards;

(b)   The Division should automate wherever possible the data gathering process and analysis for reporting in a business intelligence dashboard in collaboration with the Enterprise Architecture and ICT Program Management Division;

(c)   The Division should gather baseline data and agree on baselines and targets with national stakeholders' inputs before setting up targets;

(d)   The project management capacity within the Division should be augmented through practice-oriented monitoring training focusing on the theory of change, stakeholders' analysis, survey design, indicators design, case studies, storytelling, and self-evaluation; and

(e)   The Division should pilot the process of unfolding the 10 project frameworks with the buy-in of countries and relevant WIPO Sectors, systematically engaging in a continuous iterative refinement, simplification, and automation of the framework.

MANAGEMENT IMPLICATION REPORT (MIR) ON INFORMATION TRANSMITTED TO THE UNITED NATIONS GLOBAL MARKETPLACE (UNGM)

55.   IOD found that WIPO contract award data had not been reflected properly in the UNGM website, with several awards issued pursuant to formal solicitation processes missing. A remedial action was recommended through further automated processes.

MANAGEMENT IMPLICATION REPORT (MIR) ON IMPROVING PREVENTION OF INVOICE FRAUD BY EXTERNAL ENTITIES AGAINST WIPO CLIENTS

56.   IOD identified possible control improvements against fraudulent invoices sent to WIPO clients by external entities misrepresenting themselves as WIPO. In particular, it was recommended that the PCT and the Madrid Registry explore possibilities for further centralization of databases, and introduce controls to ensure systematic reporting to IOD of invoice fraud matters.

ENGAGEMENTS STARTED END 2020

The following engagements were started in 2020, to be reported during the course of 2021.

EVALUATION OF THE DIVISION FOR ARAB COUNTRIES

57.   The Division for Arab Countries is one of WIPO's divisions contributing towards WIPO's Strategic Goal III - Facilitating the Use of IP for Development in collaboration with all Sectors of the Secretariat and coordinating the various inputs of the Organization in a coherent manner. It serves 21 countries plus Palestine in the Arab Region.

58.   The main objective of all the Regional Divisions is to coordinate WIPO's development oriented, demand driven technical assistance in collaboration with all relevant WIPO business units, taking into consideration the distinctiveness and priorities of Member States and the specificities of the Region.

59.   The objective of the evaluation is to assess the Division processes, performance, effectiveness, and efficiency to improve the quality of implementation modalities. The evaluation strived to measure the Division's contributions towards WIPO's strategic focuses.

EVALUATION OF IP DEVELOPMENT MATCHMAKING DATABASE (WIPO MATCH)

60.   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 and least developed countries (LDCs), as well as countries in transition. It does this by helping IP technical assistance seekers to find relevant providers for projects and local engagements.

61.   The overall purpose for this evaluation is formative in nature with the specific objective to assess the achievement of the database's expected results against its strategic aims with a special focus on its promotion strategy and outreach to potential target users. Moreover, the

evaluation seeks to identify lessons learned and good practices that would add further value to the services provided through the platform.

EVALUATION OF THE USE AND IMPACT OF IOD EVALUATION SECTION RECOMMENDATIONS

62.   The objective of this evaluation is to provide recommendations on how to improve and strengthen the utility and use of WIPO evaluations by identifying behavioral science methods/approaches and tools which could be applied in the evaluation process. Moreover, the evaluation explores the use of behavioral insights to among others, identify best approaches to demonstrate evaluation benefit to decision-makers and other evaluation stakeholders.

REVIEW OF WIPO CRISIS MANAGEMENT DURING THE PANDEMIC

63.   The objectives of this consulting engagement are to assess whether:

(a)   WIPO has established a fit-for-purpose Governance Structure for crisis management;

(b)   Policies and Procedures exist to support crisis management including during a pandemic;

(c)   Related Risk Management and Internal Controls practices are appropriate; and

(d)   The execution of crisis management policies and procedures is effective and compliant.

64.   IOD will assess WIPO's response to the pandemic in the area of procurement, fraud, revenue generation, asset management, information security, human resources, health and safety, event and travel management, among others. Further, IOD will administer a staff survey to understand staff's perceptions of the management the Covid-19 Crisis. In addition, IOD will also consult Management to get insights on the effect of the pandemic on the achievement of performance targets, and the overall management of results.

65.   Finally, the engagement will identify lessons learned that can be integrated in the crisis management plan to optimize WIPO's organizational response to any future crisis.

INVESTIGATIVE ACTIVITIES

CASELOAD OVERVIEW

66.   During the reporting period, 21 new cases were registered (which constitutes a nine per cent decrease over 2019) and 21 were closed. As of December 31, 2020, 11 cases were pending, including one at the preliminary evaluation stage, six at the full investigation stage and four on hold pending action by another entity. Of the pending cases, six were opened in 2020, four in 2019 and one in 2016. As of December 31, 2020, the average length of time it takes to complete an investigation is five and a half months[6], which is well within the target of six months.

Chart 1 – Comparative Analysis of Investigative caseload in 2019 and 2020
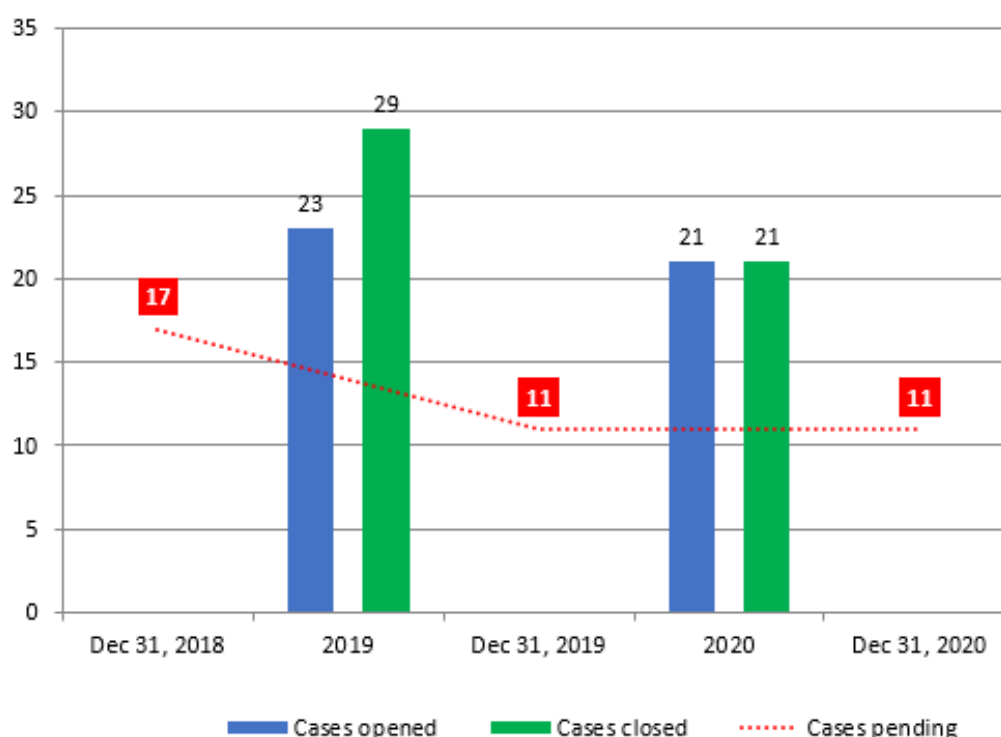
67.   Among the 21 cases opened during the reporting period, three were referred to the IAOC for its advice, in line with the relevant provisions of the IOC[7].

OUTCOME OF INVESTIGATIVE ACTIVITIES

68.   According to the IOC[8], the Annual Report shall include a description of those investigative cases found to be substantiated and their disposition. In 2020, there was no such substantiated case within WIPO. However, as part of its inter-agency cooperation activities, IOD conducted an investigation on behalf of another UN Agency where the allegations were found to be substantiated, pertaining to workplace harassment.

---

[6] Excluding cases kept "on hold" pending action by parties outside IOD or due to the prolonged absence of staff members whose interview is warranted.
[7] IOC paragraphs, 20, 21, 23, 24 and 25.
[8] IOC paragraph 48(b).

69. In addition, the investigative activities conducted allowed IOD to formulate some management recommendations. During the reporting period, two MIRs were issued providing recommendations on (1) information provided by WIPO to UNGM and (2) the prevention of invoice fraud by external entities against WIPO clients (see paragraphs **Error! Reference source not found.** and **Error! Reference source not found.**5).

Table 1 – Analysis of complaints received in 2019 and 2020

	2019	2020
Benefits and Entitlements Fraud or Abuse	2	4
Breach of confidentiality	1	0
Corruption	0	1
Harassment (non-sexual), Discrimination	3	2
Insubordination and other inappropriate behavior	2	0
Misuse of WIPO funds or assets	3	4
Negligence at work, obstruction to WIPO operations	4	1
Other failure to meet the standards of conduct for international civil servants	1	3
Procurement irregularities	0	1
Recruitment irregularities	2	2
Retaliation	0	1
Sexual harassment	0	1
Sexual exploitation or abuse (SEA)	0	0
Unauthorized outside activities	2	0
Wrongdoing by recruitment candidate	1	0
Wrongdoing by vendor or other external party	2	1
Total	23	21

Chart 2 – Cases Closed in 2019 and 2020

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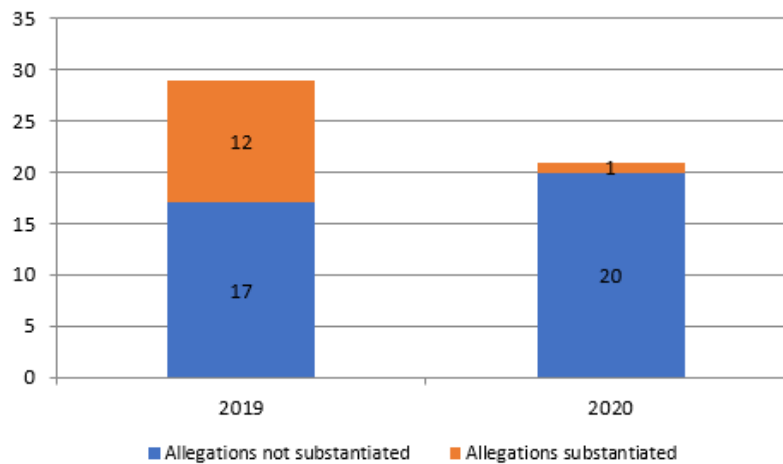
INSTANCES WHERE INFORMATION OR ASSISTANCE WAS REFUSED

70.   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.

71.   IOD reports that no staff member refused to provide information or assist in an ongoing oversight process during the reporting period.

STATUS OF IMPLEMENTATION OF OVERSIGHT RECOMMENDATIONS

72.   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[9]. The Director General discharges this responsibility through Program Managers responsible for specific operational areas within the Organization[10]. The implementation of all oversight recommendations by WIPO Program Managers is subject to regular follow-up by IOD[11].

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

74.   At the date of the present report, there are 103 open recommendations including 28 of high and 75 of medium priorities. IOD recommendations constitute 80 per cent of all open oversight recommendations.

Chart 3 – Open Recommendation by Source and Priority (103)
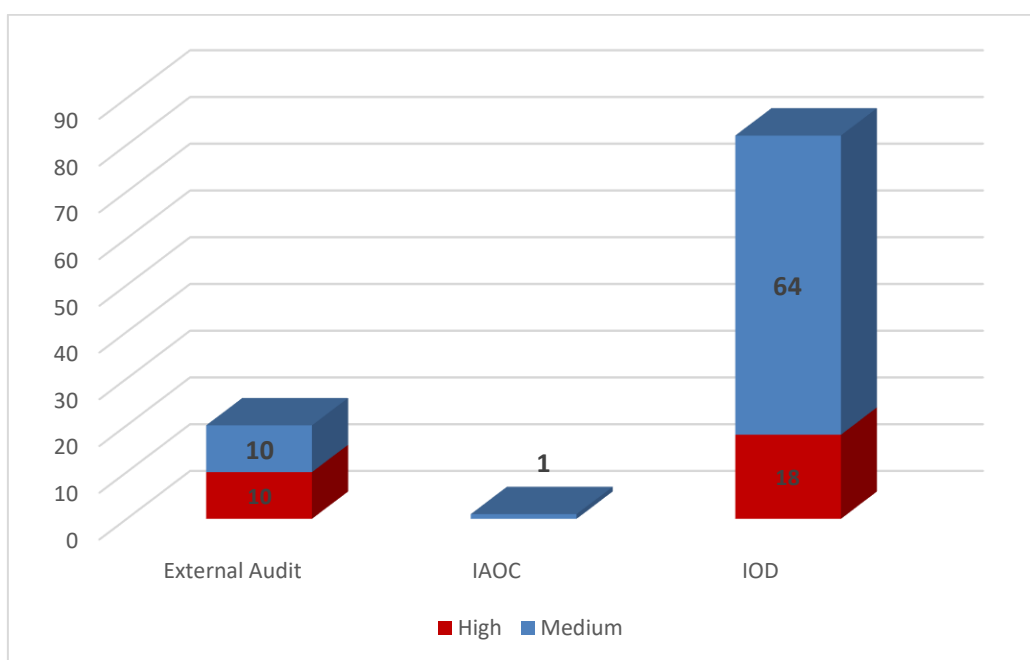
75.   Between January and December 2020, there were 29 new IOD recommendations added from four audit reports, four evaluations reports, and two MIRs. One IAOC recommendation[12] made to the Ethics Office was pending at the end of the reporting period.

---

[9] IOC paragraph 45.
[10] OI 16/2010, paragraph 7.
[11] OI 16/2010 paragraph 8.
[12] WO/PBC/30/14 – June 18, 2019.

76.   Twenty-three external auditor's recommendations arise from the audits undertaken during the 2018/19 period, which were added to the recommendations management system in January 2020. Eighteen external audit recommendations were closed during the period, nine of which were part of the previous external auditor's recommendations being monitored by IOD. Forty-eight recommendations from IOD were closed during the reporting period. Table 2 below shows the movement of recommendations by source, between January and December 2020.

Table 2 – Movement of Recommendations between January 1, 2020 and December 31, 2020

Source	Open as at January 1, 2020	Added During the Period	Closed During the Period	Open as at December 31, 2020
IOD	101	29	48	82
External Auditor (EA)	6	23	9	20
IAOC	1	0	0	1
Past EA Recommendations Monitored by IOD	9	0	9	0
Total	**117**	**52**	**66**	**103**

77.   The chart below summarizes the aging of open recommendations as at December 31, 2020.

Chart 4 – Aging of Open Oversight Recommendations by Priority (103)
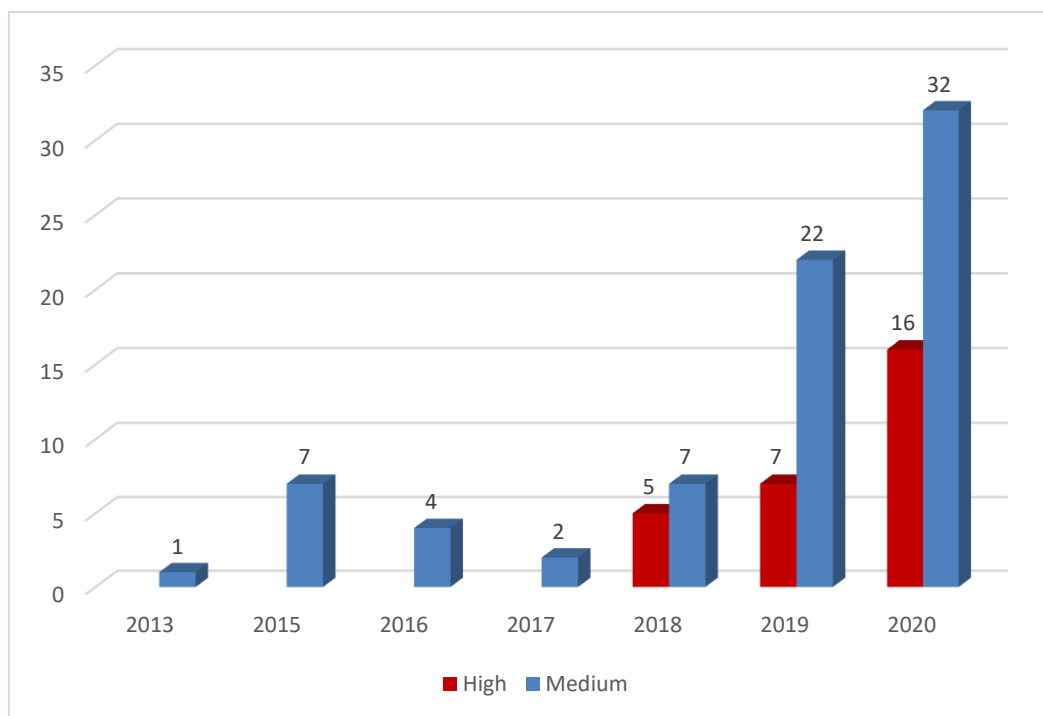
78.   The number of pending recommendations made between 2013 and 2016 has reduced from 36 to 12 during the reporting period. IOD continues to engage with management to further reduce aged recommendations.

79.   As at December 31, 2020, the number of open recommendations by WIPO Programs[13] and by priority are depicted below:

Chart 5 –Recommendations by Program and Priority (103)
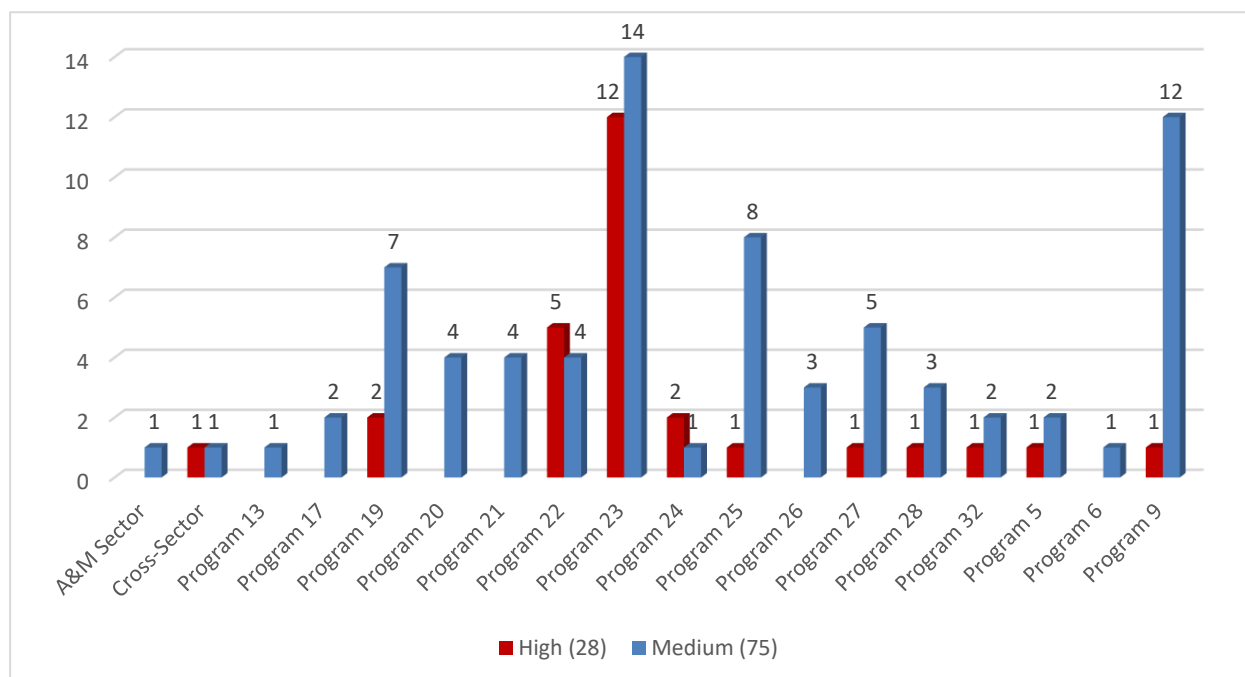
80.   Program 23, Human Resources Management and Development makes up 42 per cent of the 28 high priority recommendations.

CONSULTATIVE AND ADVISORY OVERSIGHT WORK

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

82.   The evaluation section provided advisory services to the Division for Asia and the Pacific by conducting an *ex-ante* evaluation. This advisory work focused on the Division's framework for technical cooperation and self-evaluation system. The purpose of this *ex-ante* evaluation was to assess whether the technical framework was well designed and evaluable and provide recommendations to improve it.

83.   The evaluation section also advised management in the design of phase of the WIPO Re: Search External Evaluation. In more detail, this advisory assignment consisted in providing technical quality assurance on the terms of reference for the external evaluation that WIPO Re: Search planned to undertake.

84.   The evaluation section is engaged in two ongoing advisory assignments that started in 2020, and to be finalized 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 National IP Strategies. The second aims at streamlining

---

[13] **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.

and reviewing existing self-evaluation elements for the Division of Latin American Countries, to enhance: effectiveness, decision making, and reporting on results.

COOPERATION WITH EXTERNAL OVERSIGHT BODIES

THE INDEPENDENT ADVISORY OVERSIGHT COMMITTEE (IAOC)

85.   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 (56th to 59th) of the IAOC took place.

THE EXTERNAL AUDITOR

86.   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 2020 engagements, as well as providing inputs to the External Auditor as required.

COOPERATION WITH THE OMBUDSPERSON AND THE ETHICS OFFICE

87.   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

DATA ANALYTICS PROJECT

88.   IOD's data analytics project to enhance continuous auditing activities began in December 2020, and is currently ongoing. The objectives of the project are to: upgrade and enhance IOD's data analytics and continuous auditing capacities, including developing scripts to run data analytics tests; develop guidelines for scripting; providing training to IOD staff on the use of the data analytics; and providing support to enable visualization of the analytics results. The project is expected to be completed during the third quarter of 2021.

OUTREACH ACTIVITIES IN THE ORGANIZATION

89.   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 Directors and Senior Managers as and when required.

NETWORKING WITH OTHER OVERSIGHT FUNCTIONS

90.   The IOC includes specific provisions[14] 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:

(a)   A UN-RIAS virtual meeting on UN Response to Covid-19 and sharing experience, hosted by the UN Office of Internal Oversight Services (OIOS) on May 14, 2020;

---

[14] IOC paragraph 28(g).

(b)   A UN-RIAS virtual discussion panel on the Impact of Covid-19, hosted by the Office of Internal Oversight Services of the International Atomic Energy Agency on June 23, 2020;

(c)   A UN-RIAS virtual session on the Success and Failure from Experimenting with Technology in Audit, hosted by the Asian Development Bank on August 28, 2020;

(d)   A UN-RIAS virtual session on Dynamic Risk Assessment, hosted by the World Bank on November 3, 2020;

(e)   A UN-RIAS virtual discussion on the UN Board of Auditors' Report and Updates of the UN Reform, hosted by OIOS, on November 12, 2020;

(f)   The UNEG Annual General Meeting 2020 and the Exchange Practice Seminar, held virtually between June 22-23, 2020;

(g)   The UNEG network by performing duties as vice chair, and chairing a panel setup to conduct the Professional Peer Review of the International Organization for Migration; and

(h)   Online training for UN system investigators on "cognitive aspects of interviewing", jointly organized by IOD and OIOS.

IOD QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

91.   The Quality Assurance and Improvement Program (QAIP) of IOD is designed to provide reasonable assurance to various stakeholders[15] 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

92.   The IOC requires[16] 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.

93.   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, receiving comments and feedback from WIPO Management, the IAOC and Member States as appropriate.

ONGOING MONITORING AND KEY PERFORMANCE INDICATORS

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

95.   Furthermore, IOD has established Performance Indicators to measure the effectiveness, efficiency and relevance of oversight activities. Below are the results of these metrics for 2020:

---

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

Table 3 –IOD Performance Indicators

Performance Indicator	Result in percentage
Percentage of planned audits completed and reported within four months of the opening meeting date	75%
Percentage of planned evaluations completed and reported within six months	75%
Percentage of fully-fledged Investigations closed within six months	100%
Percentage of managers who perceive that IOD recommendations are SMART	82%
Percentage of stakeholders who perceive that Oversight work is relevant	81%
Number of Oversight recommendations accepted	100%

OVERSIGHT RESOURCES

BUDGET AND STAFF

96.   To discharge its mandate, IOD has been provided with a biennial budget of 5.283 million Swiss francs, which represents 0.69 per cent[17] 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[18]

	2020/21 Approved Budget	2020/21 Budget after Transfers	2020 Expenditure	Utilization rate (%)
Personnel Resources	4,356,000	4,471,500	2,219,717	50%
Non-personnel Resources	835,421	811,533	136,330	17%
Total	5,191,421	5,283,033	2,356,047	45%

TRAINING AND CONTINUING PROFESSIONAL EDUCATION

97.   The continued professional development of its staff is essential to IOD's 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 IOD's operational effectiveness and efficiency in undertaking oversight assignments.

---

[17] This percentage is based on the budget after transfers for IOD.
[18] Figures in thousands of Swiss francs.

98. On average, each IOD staff member attended 10 days of training on topics such as: fraud prevention and detection, investigative research techniques, data analytics, digital innovation, information security and cyber security, ethics, COBIT, anti-corruption and compliance, behavioral science, decision making, negotiation, and Behavioral Science ("Nudging").

SATISFACTION SURVEY

99. 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. At the end of 2020, the consolidated analysis of survey results indicates a satisfaction rate of 85 per cent.

100. 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 78 per cent. IOD will strive to further improve the impact of its oversight work based on the feedback received from colleagues.

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

PERIODIC INTERNAL AND EXTERNAL ASSESSMENT

102. 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 related code of ethics. Elements of the quality program for IOD can be found in relevant manuals, guidelines, and operating procedures.

103. A self-assessment was conducted by the Internal Audit function in January 2020 and reported to the IAOC. Subsequently, the Internal Audit function and the Investigations function both underwent external quality assessments at the end of 2020, with both scoring *Generally conform* with their respective Standards and Professional Practices requirements, and with their respective code of ethics. The external assessments made recommendations to further enhance both Internal Audit and Investigations governance, procedures, and practices, which will be implemented in phases from 2021 till the end of 2025.

104. The Evaluation function underwent an assessment in 2019 which was reported in the Annual Report covering oversight activities between July 1, 2019 and December 31, 2019.

[Annex follows]

ANNEX - List of IOD Reports
January 1, 2020 to December 31, 2020

Audit and Integrity Review of Staff Benefits and Entitlements	IA 2019-04
Audit of Assurance Mapping of WIPO	IA 2020-01
Review and Update of the IOD Annual Plan Development Cycle	IA 2020-03
Validation Report of the WIPO Performance Report 2018/19	Valid 2020-01
Evaluation of the Regional Division for Africa	EVAL 2019-01
Evaluation of Program 17 Building Respect for IP	EVAL 2019-03
Evaluation of Program 32 The Lisbon System	EVAL 2019-05
Evaluation Advisory – *Ex-ante* Evaluation of the Regional Bureau for Asia and the Pacific Framework for Technical Cooperation	EVAL 2020-04
Management Implication Report (MIR) on Information transmitted to UNGM	MIR 20-07
MIR on improving the Organization's efforts to deter invoice fraud by external entities against WIPO clients	MIR 19-11

[End of Annex and of document]