

## **WIPO Independent Advisory Oversight Committee**

**Seventy-Third Session**  
**Geneva, May 28 to 31, 2024**

REPORT

*adopted by the WIPO Independent Advisory Oversight Committee*

## **INTRODUCTION**

1. The 73<sup>rd</sup> Session of the WIPO Independent Advisory Oversight Committee (IAOC) took place from May 28 to 31, 2024. Present were Messrs. Bert Keuppens (Chair), David Kanja (Vice-Chair), Kamlesh Vikamsey, Danil Kerimi, Igors Ludboržs, Guan Jian, and German Deffit.

## **AGENDA ITEM 1: ADOPTION OF THE AGENDA**

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2. The Committee adopted its Agenda as proposed, which is attached to this Report as Annex I. A list of session documents is attached as Annex II.

## **AGENDA ITEM 2: DECLARATION OF CONFLICT OF INTEREST**

3. Members present were asked to disclose any actual or potential conflict of interest. No conflict of interest was reported.

## **AGENDA ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION**

4. The Chair and Vice-Chair briefed the Committee on matters that took place between Sessions.

5. The Committee commented on the continued capacity shortages within Internal Oversight Division (IOD), which was attributed to some prolonged leave and vacancies.

6. Given the “AI for Good Summit” happening in Geneva during the week of the Session, and the overall importance of the topic for the global innovation ecosystem, the Committee discussed the nexus and impact of IP and Artificial Intelligence and requested a targeted briefing for its future sessions.

7. There were no further matters arising from previous Sessions.

## **AGENDA ITEM 4: MEETING WITH THE DIRECTOR GENERAL**

8. The Director General briefed the Committee on the Diplomatic Conference for the International Legal Instrument on Genetic Resources and Associated Traditional Knowledge. He expressed his satisfaction with the outcome which resulted in the adoption of a new treaty. He welcomed in particular the collaboration between delegates, staff and observers, the desire for consensus and the renewed emphasis on multilateralism. The Committee expressed its appreciation for the achievement of this groundbreaking and historic goal.

9. The Committee updated the Director General on the status of its work, including the follow-up of outstanding recommendations and issues of concern to the Committee, and informed him that its annual report had been issued to the Program and Budget Committee (PBC).

## **AGENDA ITEM 5: MEETINGS WITH THE CHAIRS OF THE WIPO GENERAL ASSEMBLY AND OF THE COORDINATION COMMITTEE**

10. The Committee had a courtesy meeting with the Chairs of the WIPO General Assembly and of the Coordination Committee. This meeting was very timely in view of the upcoming PBC and the WIPO General Assembly meetings. The Committee briefed the Chairs on its responsibilities which are defined in its Terms of Reference. Also discussed

were, *inter alia*, items of mutual interest, where collaboration is required as set out in the Financial Regulations and Rules, such as the process for handling some investigations.

## **AGENDA ITEM 6: INTERNAL OVERSIGHT**

11. The Committee discussed the overall work program in the areas of internal audit, evaluation, and investigation. The Committee reviewed in particular (i) the Validation of WIPO's Performance Report; (ii) the Validation of After-Service Health Insurance (ASHI) Claims Data; (iii) the IOD Review of Key Controls Design and Operating Effectiveness at WIPO; (iv) the IOD Activity Report for the Second Quarter; (v) the final IOD Annual Report; and (vi) the final Revision to the Internal Oversight Charter and IOD's Investigation Manual. On Investigations, the Committee reviewed the caseload and an overview of outstanding cases. The following three reports were also reviewed in detail: the Combined Audit and Evaluation of the Patent Cooperation Treaty (PCT) Operations and Customer Relations, Part II; the Audit of Cybersecurity Management; and the Evaluation of the Chobe Baskets Project.

### *Validation of WIPO Performance Report (WPR)*

12. The Director, IOD, introduced the Report on Validation of WIPO Performance Report, which was reviewed by the Committee, and explained that the validation work was related to performance data that was provided by Sectors and was providing assurance on the data in the WPR.

### *Validation of ASHI*

13. The Director, IOD, introduced the Report on the Validation of ASHI. The Committee enquired about the periodicity of the validation of ASHI data and questioned whether this exercise should be performed by IOD or by the second line of defense (i.e., the Office of the Controller.)

### *Key Controls Testing Results, Q1*

14. The Director, IOD, introduced the Review of Key Controls Design and Operating Effectiveness at WIPO for Q1. The Committee noted that these controls were working well in WIPO. This work is the first step towards the annual IOD opinion on the functioning of internal controls, as indicated in the Statement of Internal Controls issued by the Director General.

### *Internal Oversight Division Activity Report*

15. The Director, IOD, presented to the Committee the quarterly Activity Report. The Committee was informed that IOD had issued three audit reports and three evaluation reports during the quarter. The Committee was also informed that two evaluation assignments were in the execution stage and another two were at the reporting stage at the end of the quarter. Three audits were at the planning phase.

16. The Committee reiterated its concern about staff shortages in IOD, especially since the positions of each Head of Section are unoccupied at the present time. The Committee was informed that recruitment for five IOD positions was ongoing, including two for internal audit and two for the investigations area. The Committee noted that IOD had developed plans for handling the workload and for filling vacancies.

*IOD oversight charter and Investigations Manual*

17. The Committee was informed that the updated Internal Oversight Charter had been finalized and been submitted to the PBC for consideration during the June 2024 Session. The Committee reviewed an updated version of the draft revised IOD Investigation Manual and noted that the document had been shared with Member States' representatives for their comments.

*Investigations*

18. The Committee was updated on the status of investigation cases. As of May 17, 2024, there were 10 pending investigation matters, including one matter under preliminary evaluation, five under full investigation and four on hold. Of these pending cases, two were registered in 2022, six in 2023 and two in 2024. IOD concluded five investigations during the quarter of which three were substantiated. The Committee took note of the revised working procedures to handle incoming allegations, which are now first subjected to a screening process to determine whether they can be referred to other internal justice system functions (e.g., Ethics, Ombuds, Human Resources and Mediation). So far, it appears that these procedures are yielding efficiency gains.

*Private Session with the Director, IOD*

19. The Committee held a private meeting with the Director, IOD, during which several matters were discussed.

*Combined Audit and Evaluation of the PCT Operations and Customer Relations, Part II*

20. In regard of the Combined Audit and Evaluation of the PCT Operations and Customer Relations, the Committee reviewed Part II, being the Verification of the PCT Culture of Customer Service. Part I (Audit) had been issued and reviewed earlier. The Report stated that the activities of customer service are in line with WIPO's Strategic Goals, objectives and core values, and contribute to WIPO's Strategic Pillars 3 and 4 of the Medium-Term Strategic Plan. While some activities such as a survey were undertaken, the verification found that activities and contributions to customer service are spread thinly across various workplans. The Committee welcomed this verification exercise, which addressed the need of a renewed focus on customer service. The Committee particularly welcomed the collaboration between IOD and the Patents and Technology Sector to address this matter in a cooperative spirit. The report made six recommendations which were discussed and agreed with the Sector Lead. From a technical perspective, the Committee noted that the report had been in the making for a long time and that, because of initial quality concerns, it had evolved from an evaluation exercise to a verification exercise to bring it to a satisfactory and agreed conclusion.

*Audit of Cybersecurity Management*

21. The Committee met with the Director, IOD, the Acting Chief Security Officer and other senior members of the Management Team to discuss the final report on the Audit of Cybersecurity Management conducted between March and May 2024. The engagement was conducted under IOD's supervision to audit WIPO Information Security Framework, assess its Cybersecurity Maturity and conduct penetration testing.

22. The Committee was informed that WIPO has implemented security measures that are aligned with industry best practices, particularly those outlined in International Organization for Standardization (ISO) 27001. Five observations, eight recommendations and two points for improvement were made. Overall, the audit ranked WIPO's Cybersecurity Maturity Assessment between levels "4 – Quantitatively Managed" and "5 – Optimizing", demonstrating that a robust set of fundamental security processes and tools have been defined and enforced. All recommendations were discussed and agreed upon with Management.

23. The Committee stressed the importance of vigilance for rapidly developing cybersecurity landscape, particularly during the time of external (AI driven) and internal (Enterprise Resource Planning implementation) technological evolution and will continue to monitor the matter.

#### *Evaluation of Chobe Baskets Project*

24. The Committee discussed the now-completed Evaluation of the Chobe Baskets Project. This report is the first of three from an overall Impact Evaluation of Women Entrepreneurs. The project which was launched in 2019 and incurred several delays, focused on the Chobe District, Botswana, which had an organized women entrepreneurs' group, who had applied for trademark protection. While the report provided some useful insights, made a number of recommendations and highlighted lessons learned, the Committee concluded that the selection of this project was not representative enough to contribute to the promotion and analysis of intellectual property among women entrepreneurs. The Committee recommended to try to draw more generic conclusions after completion of the two remaining evaluations, to better focus and promote the goal of fostering support for women entrepreneurs.

#### **AGENDA ITEM 7: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS (INCLUDING JOINT INSPECTION UNIT (JIU) AND EXTERNAL AUDITOR RECOMMENDATIONS)**

25. The Committee reviewed recommendations made by IOD, the External Auditor and the JIU. As of May 17, 2024, there were 90 outstanding recommendations consisting of 67 from IOD, six from the External Auditor and 17 from the JIU. Five recommendations were deemed to be high priority, 65 were medium priority, three were low priority, and the remaining 17 were from JIU. During the period, 17 recommendations were closed and 40 new ones were added.

26. The Committee reiterated its concern over two recommendations, which have remained outstanding for the past three years.

#### **AGENDA ITEM 8: BRIEFING AND UPDATE ON THE PBC MATTERS AND THE WIPO GENERAL ASSEMBLY (PBC 37<sup>TH</sup> SESSION AND GA 2024)**

27. The Assistant Director General (ADG), Administration Finance and Management Sector (AFMS) and the Director, Program Planning and Finance (The Controller), briefed the Committee on the upcoming PBC and General Assembly Sessions. The Committee had a fruitful exchange with the ADG on various matters, including sustainability within procurement, the study for the proposal for the creation of a separate entity for ASHI, and the Diplomatic Conference.

## **AGENDA ITEM 9A: FINANCIAL REPORTING – 2023 ANNUAL REPORT AND FINANCIAL STATEMENTS**

28. The Management Team presented to the Committee the WIPO Annual Financial Report and Financial Statements for the year 2023. The Committee noted the good quality and accuracy of the Financial Statements and made recommendations for enhancements on the explanatory notes.

## **AGENDA ITEM 9B: UPDATE ON SEPARATE ENTITY FOR ASHI**

29. The Committee was updated on the options being considered to segregate ASHI assets and liabilities. There were three possibilities: (i) creation of a separate foundation under the supervision of the Swiss Authorities, (ii) creation of a multi-employer entity, or (iii) maintain the current status. The Committee noted that a document (WO/PBC/37/12), had been submitted to the PBC, setting out the benefits and risks of the different options.

## **AGENDA ITEM 10: EXTERNAL AUDIT – LONG-FORM REPORT AND THE AUDIT REPORT**

30. The representatives of the External Auditor, National Audit Office (UK) presented to the Committee, with Management in attendance, the audit report and the long-form report on the Audit of the WIPO 2023 Financial Statements. The representatives highlighted to the Committee the key audit findings, as described in their Audit Completion Report. The Committee followed up on the actuarial assumptions relating to ASHI and other pertinent issues.

31. The Committee took note of the unqualified opinions relating to the presentation of the Financial Statements, the regularity of the WIPO revenues and expenses, and the fact that the report was unmodified.

32. The Committee further noted that the External Auditor had not made any new recommendations and had identified a number of improvement opportunities that were in the Report.

33. In accordance with its Terms of Reference, the Committee had a private session with the representatives of the External Auditor.

## **AGENDA ITEM 11: MEETING WITH THE INCOMING EXTERNAL AUDITOR**

34. The Committee discussed with the incoming External Auditor, the Audit Board of Indonesia, their engagement activities and provided input into their audit planning. The Committee agreed to meet with the External Auditor during its next session in September 2024.

## **AGENDA ITEM 12: UPDATES FROM THE CONTROLLER**

35. The Controller and the Assistant Controller briefed the Committee on issues on Risk Management and Internal Control, the JIU Progress Report, New ERP Systems, and Anti-Fraud matters.

36. The Committee enquired on a number of issues, including the governance on the new ERP systems, requested the Management to provide an update on the governance of the procurement and implementation of the new ERP system at the next IAOC Session.

37. The Committee reviewed the updated assessment of the risk as presented in the heat-map. The Committee noted that cybersecurity risk continues to be a top risk.

#### **AGENDA ITEM 13: UPDATE ON CYBERSECURITY**

38. The Committee was briefed by and had a discussion with the Acting Chief Security Officer. The Committee addressed this by reviewing the Report provided by the IOD, as reflected above in Agenda Item 6.

#### **AGENDA ITEM 14: ETHICS OFFICE DEVELOPMENTS**

39. The Committee met with the Interim Chief Ethics Officer to discuss his ongoing activities, and expressed their appreciation for his continued support of this important function during the transition period. The Committee looks forward to the filling of this position in the second half of the year.

#### **AGENDA ITEM 15: OMBUDS OFFICE DEVELOPMENTS**

40. The Committee reviewed the draft Annual Report prepared by the Interim Ombudsperson. The Committee welcomed the work done so far and continues to be of the view that sufficient time would need to be devoted to the function within the Organization, in accordance with the benchmarks within the UN system.

#### **AGENDA ITEM 16: REVIEW OF THE ANNUAL REPORT OF THE IAOC**

41. The Annual Report of the IAOC, document WO/PBC/37/2, had been submitted to the PBC.

#### **AGENDA ITEM 17: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

42. As provided in its Terms of Reference, an Information Meeting for Member States' representatives was held at the end of the session. The Committee briefed the Delegates of its deliberations during the session and responded to questions posed by the attending Delegates.

#### **AGENDA ITEM 18: OTHER MATTERS**

##### *Investment Reports*

43. Management submitted to the Committee the Investment Monitoring Reports for March and April 2024, prepared by the Custodian.

44. The Committee was briefed about the performance of the Core and Strategic portfolios, the plan for the strengthening of governance on investment, as well as the appointment of a new Investment Advisor who will provide the Investment Performance Reports going forward.

45. The Committee analyzed the documents and information provided, and affirmed that within the period in focus, all investments in the WIPO portfolio are functioning within its forecasted results, and that the portfolios were managed complying with the overarching investment strategy. However, the Committee recommended to undertake a review of the

investment objectives and corresponding performance targets. Moreover, the Committee noted that the Custodian reported no breach, active or passive, or justified exceptions.

46. The Committee clarified that its role was limited to conveying information contained in the Investment Performance Reports and Investment Monitoring Reports and did not provide any assurances in that regard.

#### *Next Session*

47. The Next Session is scheduled to take place from September 24 to 27, 2024. The draft Agenda was discussed and prepared by the Committee, for adoption at the beginning of the next meeting:

- (1) Adoption of the Agenda
- (2) Declaration of Conflicts of Interest
- (3) Matters arising from previous Session
- (4) Matters arising from the PBC 37<sup>th</sup> Session, the WIPO General Assembly, and the Coordination Committee Session
- (5) Update from the Director General
- (6) Internal Oversight (incl. Mid-Year Workplan-, Guidelines-, and Peer-Review of the Evaluation Function Updates)
- (7) Review of IOD's Follow-up on Outstanding High-Priority Recommendations
- (8) Update on Investment Governance Framework and Policies
- (9) External Audit: Audit Planning Report on the 2024 Financial Statements Audit
- (10) Updates on Risk Management and Internal Control Framework
- (11) Update on Procurement
- (12) Update on Physical and IT Security
- (13) Update on Data Governance
- (14) Update on Governance Framework for Procurement and Implementation of the New ERP System
- (15) Update on WIPO's Stance on Interdependence and Interaction between AI and IP, incl. Internal Implementation and Deployment
- (16) Ethics: Updates on Ethics Office 2024 Workplan Implementation and Proposed Ethics-related Policies
- (17) Update on the Ombuds Office Situation
- (18) Update on HR Management
- (19) Information Meeting with Member States' Representatives
- (20) Other Matters
- (21) Debriefing with the Secretariat

#### **AGENDA ITEM 19: DEBRIEFING WITH THE SECRETARIAT**

48. In line with the IAOC's practice, the Committee debriefed the Secretariat, following the meeting with Member States' representatives.

[Annexes follow]





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**WO/IAOC/73/1**  
**ORIGINAL: ENGLISH**  
**DATE: JULY 8, 2024**

## **WIPO Independent Advisory Oversight Committee**

**Seventy-Third Session**  
**May 28 to 31, 2024**

### AGENDA

*prepared by the WIPO Independent Advisory Oversight Committee*

1. Adoption of the Agenda
2. Declaration of Conflicts of Interest
3. Matters arising from previous Session
4. Meeting with the Director General
5. Meeting with the Chairs of the WIPO General Assembly and of the Coordination Committee
6. Internal Oversight
7. Follow-up on Oversight Recommendations (including Joint Inspection Unit (JIU) and External Auditor)
8. Briefing and Update on Upcoming Program and Budget Committee Matters and the WIPO General Assembly (Preparations for PBC 37<sup>th</sup> Session and GA 2024)
9.
  - a) Financial Reporting: 2023 Annual Report and Financial Statements
  - b) Update on Separate Entity for After-Service Health Insurance (ASHI)

10. External Audit: Long-form Report and the Audit Report
11. Meeting with the Incoming External Auditor
12. Updates from the Controller
13. Update on Cybersecurity
14. Ethics Office Developments
15. Ombuds Office Developments
16. Review of the Annual Report of the IAOC
17. Information Meeting with Member States' Representatives
18. Other Matters
19. Debriefing with the Secretariat

[Annex II follows]



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**WO/IAOC/73/INF/1**  
**ORIGINAL: ENGLISH**  
**DATE: JULY 8, 2024**

## **WIPO Independent Advisory Oversight Committee**

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### LIST OF DOCUMENTS

**ITEM 1: ADOPTION OF THE AGENDA**

- [01a] Agenda
- [01b] Timetable
- [01c] List of Documents

**ITEM 2: DECLARATION OF CONFLICTS OF INTEREST**

*No document:* Oral account.

**ITEM 3: MATTERS ARISING FROM PREVIOUS SESSION**

*No document:* Oral account.

**ITEM 4: MEETING WITH THE DIRECTOR GENERAL**

*No document:* Oral account.

**ITEM 5: MEETING WITH THE CHAIRS OF THE WIPO GENERAL ASSEMBLY AND OF THE COORDINATION COMMITTEE**

*No document:* Oral account.

**ITEM 6: INTERNAL OVERSIGHT**

*Internal Oversight Division:*

- [06a] IOD Activity Report – May 20, 2024 (Reference: IOD-IAOC-2024/02)
- [06b] Internal Oversight Division (IOD) Validation of the WIPO Performance Report 2022/23, May 3, 2024 (document WO/PBC/37/8)

[06c] Validation of After-Service Health Insurance (ASHI) Claims Data, April 25, 2024 (IOD Ref.: IA 2024/01)

[06d] Annual Report by the Director of the Internal Oversight Division (IOD), April 22, 2024 (document WO/PBC/37/4)

[06e] Proposed Revisions to the WIPO Internal Oversight Charter, April 23, 2024 (document WO/PBC/37/5)

[06f] Internal Oversight Division draft Investigation Manual, 2024 Edition, (document IOD/IM/2024/1)

[06g] Internal Oversight Division draft Investigation Manual – Comparative Tables, 2024 Edition, (document IOD/IM/2024/1)

*Audits:*

[06h] Audit of Cybersecurity Management, May 15, 2024 (IOD Ref.: IA 2024-02)

[06i] IOD Review of Key Controls Design and Operating Effectiveness at WIPO, May 17, 2024 (IOD Ref.: IA 2024-03)

*Evaluations:*

[06j] Evaluation of Chobe Baskets Project (Learning from the Implementation of WIPO's Initiatives aimed at Empowering Women Entrepreneurs), April 19, 2024, (IOD Ref.: EVAL 2023-02)

[06k] Combined Audit and Evaluation of The Patent Cooperation Treaty (PCT) Operations and Customer Relations – Part II – Verification of the PCT Culture of Customer Service, May 15, 2024 (IOD Ref.: EVAL 2022-05)

*Investigations:*

**ITEM 7: FOLLOW-UP ON OVERSIGHT RECOMMENDATIONS (INCLUDING JOINT INSPECTION UNIT (JIU) AND EXTERNAL AUDIT RECOMMENDATIONS)**

[07a] Open Oversight and Joint Inspection Unit (JIU) Recommendations, as of May 17, 2024

[07b] Progress Report on the Implementation of the Joint Inspection Unit's (JIU) Recommendations, April 11, 2024 (document WO/PBC/37/6)

**ITEM 8: BRIEFING AND UPDATE ON PROGRAM AND BUDGET COMMITTEE MATTERS AND THE WIPO GENERAL ASSEMBLY (PREPARATION FOR PBC 37<sup>TH</sup> SESSION AND GA 2024)**

[08a] WIPO Performance Report (WRP) 2022/23, April 18, 2024 (document WO/PBC/37/7)

[08b] Supplementary Capital Master Plan Projects, April 19, 2024 (document WO/PBC/37/11)

**ITEM 9a: FINANCIAL REPORTING: 2023 ANNUAL REPORT AND FINANCIAL STATEMENTS**

[09a] Annual Financial Report and Financial Statements, Year to December 31, 2023, (May 14, 2024) (document WO/PBC/37/9)

[09b] Status of the Payment of Contributions as at April 30, 2024, May 14, 2024 (document WO/PBC/37/10)

**ITEM 9b: UPDATE ON THE CREATION OF A SEPARATE ENTITY FOR ASHI**

[09c] Study on the Creation of a Separate Entity for After-Service Health Insurance (ASHI), May 14, 2024 (document WO/PBC/37/12)

**ITEM 10: EXTERNAL AUDIT: LONG-FORM REPORT AND THE AUDIT REPORT**

[10a] Report by the External Auditor, May 15, 2024 (document WO/PBC/37/3)

[10b] Presentation - Audit Completion Report on the 2023 Financial Statements Audit, April 2024

**ITEM 11: MEETING WITH THE INCOMING EXTERNAL AUDITOR**

No document: Oral account.

**ITEM 12: UPDATES FROM THE CONTROLLER**

[12] Presentation – Updates from the Controller, May 2024

**ITEM 13: UPDATE ON CYBERSECURITY**

[13] Presentation – Update on Security and Information Assurance, May 2024

**ITEM 14: ETHICS OFFICE DEVELOPMENTS**

[14] Annual Report by the Ethics Office, May 2024, (document WO/CC/83/INF/2)

**ITEM 15: OMBUDS OFFICE DEVELOPMENT**

[15] Annual Report of the WIPO Ombudsperson –  
April 1, 2023 to March 31, 2024

**ITEM 16: INFORMATION MEETING WITH MEMBER STATES' REPRESENTATIVES**

No document: Oral account.

**ITEM 17: OTHER MATTERS**

[17a] Report – Seventy-Second Session (document WO/IAOC/72/2)

[17b] Report by the Independent Advisory Oversight Committee (IAOC), May 8, 2024, (document WO/PBC/37/2)

[17c] Draft IAOC Rolling Agenda, 72<sup>nd</sup> to 75<sup>th</sup> Sessions

**Investment Reports:**

[17d] Credit Suisse – Investment Monitoring Reports for March and April 2024

**ITEM 18: DEBRIEFING WITH THE SECRETARIAT**

No document: Oral account.

[End of Annex II and of document]